



## REGULAR CITY COUNCIL MEETING

6:30 PM – COUNCIL CHAMBERS – CITY HALL

MAY 19, 2020

### AGENDA

ALL CITIZENS DESIRING TO ADDRESS THE PORT ORANGE CITY COUNCIL DURING CITIZEN PARTICIPATION SHOULD COMPLETE A SPECIAL APPLICATION FORM WHICH IS LOCATED ON THE STANDS OUTSIDE THE COUNCIL CHAMBERS. AFTER COMPLETING THE FORM, PRESENT IT TO THE CITY CLERK.

#### A. OPENING

1. Invocation by Pastor Calvin Gittner of Port Orange Presbyterian Church
2. Pledge of Allegiance
3. Roll Call

#### B. CONSENT AGENDA

4. Public Comments on Consent Agenda Items Only
5. Agenda Approval
6. Approval of Minutes
  - a. May 5, 2020 - Regular City Council Meeting
7. Bid Awards and Contract Items
  - a. Approval of Task Authorization No. 28 CA4619 with Mead & Hunt Inc. for Design and Bidding Assistance for Garnsey WTP Generator Upgrades
  - b. Ratification of Emergency Purchase - Paymentus Contract for a fully hosted, single-vendor solution management of the City's Utility, Community Development, and other billings and payments.
  - c. Ratification of an Emergency Purchase Order to Logan Diving & Salvage for water main break under Halifax River
  - d. Waiver of Formal Bidding Procedures and Approval to Renew Environmental Legal Liability and Tank Storage Insurance with Aspen Specialty Insurance Company
8. Resolution No. 20-17 – Easement Vacation - Lot 91 Cross Creek I
9. Resolution No. 20-18 - Appropriate funds for parking lot repairs at Palmer Chiropractic College (Allen Green Center)

10. Resolution No. 20-19 - Appropriate Funds for Land Purchase (3641 Ridgewood Ave)

11. Resolution No. 20-21 - Expressing the City's Support and Intention to Create a PACE Program

12. Approval of Membership Agreements for the PACE Program

C. CITIZEN PARTICIPATION (Agenda)

13. Update by the property owner on the Williamson/Madeline (former church) property

D. CITIZEN PARTICIPATION (Non-Agenda – 20 minutes)

E. COUNCIL COMMENTS

14. Comments/Concerns from Council Members

F. SPECIAL AWARDS, REPORTS, RECOGNITION AND PROCLAMATIONS

15. Presentation of Fiscal Year 2019 Comprehensive Annual Financial Report (CAFR) by the City's audit firm, James Moore, & Co.. P.L.

G. BOARD APPOINTMENTS, INTERVIEWS, REPORTS

16. Citizen Advisory Committee for TPO

17. Golf Advisory Board Update

H. PUBLIC HEARING

18. Second Reading - Ordinance No. 2020-5 - Small-Scale Comprehensive Plan Ordinance Amendment/Journey's End Planned Commercial Development - Trip Cap Removal (Case No. 19-20000006)

19. Second Reading - Ordinance No. 2020-6 - Fourth Amendment to the Master Development Agreement and Conceptual Development Plan for the Journey's End Planned Commercial Development (Case No. 19-40000006)

I. REGULAR AGENDA

20. First Reading - Ordinance No. 2020-8 - Emergency Preparedness and Response Ordinance

21. First Reading - Ordinance No. 2020-9 - Feral Cats / Community Cat Program / Outdoor Feeding

22. Resolution No. 20-20 - Establishing Animal License Tag Fees and Redemption Charges

23. Discussion regarding Panhandling Concerns and Ordinance

J. ADDITIONAL ITEMS



24. City Attorney Comments

25. City Manager Comments

**K. COUNCIL COMMITTEE REPORTS**

26. City Council Committee Reports

- a. General Employees' Pension Plan
- b. Fire Pension Plan
- c. First Step Shelter
- d. Port Orange/South Daytona Chamber of Commerce
- e. ArtHaus

**L. ADJOURNMENT**

**NOTICES** – PURSUANT TO SECTION 286.0105 OF THE FLORIDA STATUTES, IF ANY PERSON DECIDES TO APPEAL ANY DECISION MADE BY THE CITY COUNCIL WITH RESPECT TO ANY MATTER CONSIDERED AT THIS PUBLIC MEETING OR HEARING, SUCH PERSON WILL NEED A RECORD OF THE PROCEEDINGS, AND THAT, FOR SUCH PURPOSE, SUCH PERSON MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED. THE CITY DOES NOT PREPARE OR PROVIDE SUCH A RECORD.



FOR SPECIAL ACCOMMODATIONS, PLEASE NOTIFY THE CITY CLERK'S OFFICE (PHONE: 386-506-5563) AS FAR IN ADVANCE AS POSSIBLE, BUT PREFERABLY WITHIN 2 WORKING DAYS OF YOUR RECEIPT OF THIS NOTICE OR 5 DAYS PRIOR TO THE MEETING OR HEARING DATE.



HELP FOR THE HEARING IMPAIRED IS AVAILABLE THROUGH THE ASSISTIVE LISTENING SYSTEM RECEIVERS CAN BE OBTAINED FROM THE CITY CLERKS' OFFICE.

**IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT (ADA)**, IF YOU ARE A PERSON WITH A DISABILITY WHO NEEDS AN ACCOMMODATION IN ORDER TO PARTICIPATE IN THIS PROCEEDING, YOU ARE ENTITLED, AT NO COST TO YOU, THE PROVISION OF CERTAIN ASSISTANCE. PLEASE CONTACT THE CITY CLERK FOR THE CITY OF PORT ORANGE, 1000 CITY CENTER CIRCLE, PORT ORANGE, FLORIDA 32129, TELEPHONE NUMBER 386-506-5563, [CITYCLERK@PORT-ORANGE.ORG](mailto:CITYCLERK@PORT-ORANGE.ORG), AS FAR IN ADVANCE AS POSSIBLE, BUT PREFERABLY WITHIN 2 WORKING DAYS OF YOUR RECEIPT OF THIS NOTICE OR 5 DAYS PRIOR TO THE MEETING OR HEARING DATE. IF YOU ARE HEARING OR VOICE IMPAIRED, CONTACT THE RELAY OPERATOR AT 7-1-1 or 1-800-955-8771.

UPON REQUEST BY A QUALIFIED INDIVIDUAL WITH A DISABILITY, THIS DOCUMENT WILL BE MADE AVAILABLE IN AN ALTERNATE FORMAT. IF YOU NEED TO REQUEST THIS DOCUMENT IN AN ALTERNATE FORMAT, PLEASE CONTACT THE CITY CLERK WHOSE CONTACT INFORMATION IS PROVIDED ABOVE.

ANY INVOCATION THAT IS OFFERED BEFORE THE OFFICIAL START OF THE CITY COUNCIL MEETING SHALL BE THE VOLUNTARY OFFERING OF A PRIVATE PERSON, TO AND FOR THE BENEFIT OF THE CITY COUNCIL. THE VIEWS OR BELIEFS EXPRESSED BY THE INVOCATION SPEAKER HAVE NOT BEEN PREVIOUSLY REVIEWED OR APPROVED BY THE CITY COUNCIL OR THE CITY STAFF, AND THE CITY IS NOT ALLOWED BY LAW TO ENDORSE THE RELIGIOUS BELIEFS OR VIEWS OF THIS, OR ANY OTHER SPEAKER. PERSONS IN ATTENDANCE AT THE CITY COUNCIL MEETING ARE INVITED TO STAND DURING THE OPENING INVOCATION AND PLEDGE OF ALLEGIANCE. HOWEVER, SUCH INVITATION SHALL NOT BE CONSTRUED AS A DEMAND, ORDER, OR ANY OTHER TYPE OF COMMAND. NO PERSON IN ATTENDANCE AT THE MEETING SHALL BE REQUIRED TO PARTICIPATE IN ANY OPENING INVOCATION THAT IS OFFERED. A PERSON MAY EXIT THE CITY COUNCIL CHAMBERS AND RETURN UPON COMPLETION OF THE OPENING INVOCATION IF A PERSON DOES NOT WISH TO PARTICIPATE IN OR WITNESS THE OPENING INVOCATION.

## **PUBLIC PARTICIPATION INSTRUCTIONS**

Due to the Novel Coronavirus Disease 2019 (COVID-19) and Federal, State, County, and the City's Declarations of State of Emergency, and City of Port Orange Executive Order 9, the City of Port Orange will be calling meetings only when necessary, and conducting public meetings using communications media technology until the Local State of Emergency has concluded. Those wishing to attend meetings are encouraged to join the meeting through electronic means.

The May 19, 2020 Regular City Council Meeting will be conducted physically in Council Chambers at City Hall, 1000 City Center Circle with an opportunity to participate virtually. Access in Council Chambers will be limited in order to comply with the safety instructions relating to COVID-19.

To view and/or participate in the Special City Council meeting on May 19, 2020, which begins at 6:30 p.m., you have the following additional options:

**1. Watch the meeting online, but not participate:**

You may watch the meeting via Spectrum Channel 498 or through the City's YouTube Channel:  
<https://www.youtube.com/channel/UCTYNmc7tZVRrB2NH5-Oj7hg>

**2. Watch the meeting online and provide public comment prior to the meeting:**

You may watch the meeting as listed above, and also provide written comments by emailing City Clerk Robin Fenwick at least three (3) hours prior at [cityclerk@port-orange.org](mailto:cityclerk@port-orange.org), regular mail at 1000 City Center Circle, Port Orange, FL 32129, or place it in the Drop Box at the front door of City Hall. Please include your full name, city of residence, and comments by the deadline and your comments will be read into the record. There is also a form located on the City's website at: [www.port-orange.org/publiccomments](http://www.port-orange.org/publiccomments) which can be submitted electronically. Time limits will be enforced so written comments must be limited to no more than 3 minutes.

**3. Watch the meeting online and provide public comment during the meeting:**

Request to Speak instructions:

To request to speak virtually during the meeting, you must complete the Request to Speak form to be placed on a list. You may access the form by visiting [www.port-orange.org/publiccomments](http://www.port-orange.org/publiccomments). You must fill out all required information for the form to be submitted. Forms are due to the City Clerk no later than twenty-four (24) hours before the meeting. Once the form is received, the meeting instructions will be provided to you via email.

For additional information or for special assistance prior to the meeting, please contact Robin Fenwick, City Clerk, [cityclerk@port-orange.org](mailto:cityclerk@port-orange.org) or (386) 506-5563.

REGULAR CITY COUNCIL MEETING MINUTES  
COUNCIL CHAMBERS – CITY HALL  
1000 CITY CENTER CIRCLE  
PORT ORANGE, FLORIDA  
MAY 5, 2020

THE REGULAR CITY COUNCIL MEETING of the City of Port Orange was called to order by Mayor Donald O. Burnette at 6:30 p.m.

Invocation by Pastor Ken Sharp of High Point Pentecostal Church

Pledge of Allegiance

Roll Call

Physically Present: Council Member Scott Stiltner  
Vice Mayor Drew Bastian  
Mayor Donald Burnette

Virtually Present: Council Member Marilyn Ford  
Council Member Chase Tramont

Also Present: City Manager Jake Johansson  
City Attorney Matthew Jones  
City Clerk Robin Fenwick

CONSENT AGENDA

4. Public Comments on Consent Agenda Items Only

There were no public comments.

5. Agenda Approval

There were no changes requested by Council.

Motion to approve the agenda as presented was made by Vice Mayor Drew Bastian and Seconded by Council Member Scott Stiltner. Motion carried unanimously by roll call vote.

6. Approval of Minutes

a. April 21, 2020 - Regular City Council Meeting

7. Bid Awards and Contract Items

a. Approval of Task Authorization No. 15 (CA5670) with Mead & Hunt for Howes Street and Orange Avenue Drainage Improvements and Water Main Replacement

b. Ratification of Contract and Purchase Order to Tomoka Construction Services, Inc. for the installation of a 12" and 16" valve at Fleming Avenue and Halifax Drive.

8. Approval of Concurrency and Fair-Share Agreement for the Advent Health Port Orange Site Plan - Case No. 20-80000001

Motion to approve the Consent Agenda as presented was made by Council Member Chase Tramont and Seconded by Vice Mayor Drew Bastian. Motion carried unanimously by roll call vote.

CITIZEN PARTICIPATION (Non-Agenda – 20 minutes)

Robert Reinhausen, citizen, appeared virtually and spoke regarding his concerns with the availability of personal protection equipment as the city and state re-open after COVID-19. He suggested Council enter a proclamation urging the Federal Government to help ensure equipment becomes available for the general public.

COUNCIL COMMENTS

9. Comments/Concerns from Council Members

Council Member Marilyn Ford thanked citizens for their diligence in following the CDC and government guidelines.

Council Member Scott Stiltner discussed the concerns with parking at the causeway. He has spoken with the City Manager and City Attorney to help solve the parking challenges. Once appropriate changes are made, he believes the parking fee needs to be reviewed. Jake Johansson, City Manager, provided information Staff is working on. City Attorney Matt Jones discussed the options relating to parking fees.

Motion to implement a boat parking violation fee in the amount of \$100 beginning June 15, 2020 was made by Council Member Marilyn Ford and Seconded by Council Member Scott Stiltner.

Council Member Scott Stiltner suggested the fee be implemented after improvements are done at the causeway.

Mr. Jones advised the second reading of an ordinance change would not occur until June 16, 2020 so the effective date would need to be after that date.

Motion to amend the motion to change the implementation date to June 17, 2020 was made by Council Member Marilyn Ford and Seconded by Council Member

Scott Stiltner. Motion to amend carried unanimously by voice vote.

Discussion was held regarding the amount of the fee for the violation.

Motion to implement a boat parking violation fee in the amount of \$100 beginning June 17, 2020 carried 3-2 by roll call vote with Council Member Chase Tramont and Vice Mayor Drew Bastian voting no.

Council Member Scott Stiltner thanked the employee from Parks & Recreation Department for helping a lady and her son who were recently in need of help.

Mayor Don Burnette asked for information relating to temporary outdoor seating at restaurants. Mr. Johansson provided details of the Executive Order, which is posted on the City's website.

#### SPECIAL AWARDS, REPORTS, RECOGNITION AND PROCLAMATIONS

##### 10. Report from KemperSports on the Cypress Head Golf

Bob Duquette, General Manager, provided an update of the activity and financial report of the golf course.

#### BOARD APPOINTMENTS, INTERVIEWS, REPORTS

##### 11. Citizen Advisory Committee for TPO

Bobby Ball, CAC member, provided a written report within the agenda packet.

##### 12. Golf Advisory Board Re-Appointments (x2)

Motion to reappoint Lance Green and Dennis Flesch was made by Vice Mayor Drew Bastian and Seconded by Council Member Chase Tramont. Motion carried unanimously for each by roll call vote.

Motion to appoint William Schell was made by Vice Mayor Drew Bastian and Seconded by Council Member Chase Tramont. Motion carried unanimously by roll call vote.

### 13. Riverwalk Visioning Discussion

Mr. Johansson provided details of the vision as previously discussed by Councils over the years. He asked Council for their thoughts and vision before formal invitations are released.

Council agreed to continue with the linear park.

Council Member Chase Tramont wants more amenities rather than apartments, but he understands the market may not agree. He likes the idea of a hotel in the area. He is flexible.

Vice Mayor Drew Bastian is open to offers and would agree to a Brannon Center type facility or bowling alley/entertainment complex. He would not want to see apartments either. He'd like to see mixed use, if possible.

Council Member Marilyn Ford is concerned with the cost of a Brannon Center type facility due to low usage in New Smyrna Beach. She doesn't believe a hotel would have enough usage but would support a residential project. She is concerned with an entertainment complex long term.

Council Member Scott Stiltner discussed his vision and some background information of previous Councils. He would like to see a mixed-use theme.

Mayor Don Burnette wants to cast a wide net and let Staff issue the Invitation to Negotiate to see what comes in. He would not be opposed to apartments.

### ADDITIONAL ITEMS

#### 14. City Attorney Comments

There was nothing further from the City Attorney.

#### 15. City Manager Comments

Mr. Johansson discussed the SAFER Grant usage. He asked Council for consideration of using the SAFER Grant for three new firefighters to run the ambulance 24/7/365 and asked for authorization to submit the application. Council Members Marilyn Ford and Chase Tramont do not believe this is the right time, but Council Member Scott Stiltner, Vice Mayor Drew Bastian, and Mayor Don Burnette support the submission of the application with Council consideration in the future of the acceptance of the grant should it be awarded.

Mr. Johansson provided details of the re-opening plan for businesses, as well as city services.

COUNCIL COMMITTEE REPORTS

16. City Council Committee Reports

- a. Volusia County School Board Oversight Committee - Mayor Don Burnette provided an update from the meeting held recently. Documents were provided in the agenda packet.
- b. River to Sea TPO - Council Member Scott Stiltner provided an update from the recent meeting.
- c. General Employees' Pension Board - Council Member Scott Stiltner provided an update from the recent Special Meeting where the Board approved the audit report.

ADJOURNMENT - 8:45 p.m.

\_\_\_\_\_  
Mayor Donald O. Burnette

Attest:

\_\_\_\_\_  
Robin Fenwick, MMC  
City Clerk



# CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 5/19/2020

Consent item: Yes

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**SUBJECT:** (B7a) Approval of Task Authorization No. 28 CA4619 with Mead & Hunt Inc. for Design and Bidding Assistance for Garnsey WTP Generator Upgrades

**DEPARTMENT:** Public Utilities

**GOAL:** 2 - Infrastructure

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**RECOMMENDED MOTION:** Move to approve Task Authorization No. 28 to the Master Contract (CA4619) with Mead and Hunt Inc. for a cost of \$54,336.00 for the design and bidding services for the Garnsey water treatment plant generator replacement and electrical upgrades; and authorizing the Mayor and City Clerk to execute all contract documents.

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**SUMMARY:** The backup power system at the Garnsey water treatment plant was placed into service in 2002 and the engineering staff have determined it to be an unreliable source of emergency backup power. Expected life of this unit is 17 years and the unit has not been 100% reliable over the past two years. This is the only generator at the water treatment plant.

This task authorization is for the design and bidding services to replace the existing generator, optimize backup power systems based on the existing and any proposed future improvements at the facility, and evaluate the existing motor control center and automatic transfer switch for replacement.

Public Works & Utilities recommend approval of Task Authorization 28 to Mead and Hunt under the master contract (CA4619) in an amount not exceed \$54,336.00. The design phase should be completed within twelve months from the date of the Notice to Proceed with bidding and construction to follow.

Project No.: SSP018 Funding Account No.:

Presenter: Lynn Stevens

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## ATTACHMENTS:

|    |                                                                                                  |                                                                                                       |
|----|--------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| 1. | TA No 28 - GWT Generator Upgrades Design and Bidding Assistance                                  | TA No 28 - GWT Generator Upgrades Design and Bidding Assistance.pdf                                   |
| 2. | Justification Memo TA28 CA4619 Mead Hunt design and bidding phase Garnsey WTR Generator Upgrades | Justification Memo TA28 CA4619 Mead Hunt design and bidding phase Garnsey WTR Generator Upgrades.docx |



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|    |                                                                  |                                                                      |
|----|------------------------------------------------------------------|----------------------------------------------------------------------|
| 3. | Mead Hunt Proposal TA28 CA4619<br>April 20 2020 Garnsey WTP Gene | Mead Hunt Proposal TA28 CA4619 April<br>20 2020 Garnsey WTP Gene.pdf |
|----|------------------------------------------------------------------|----------------------------------------------------------------------|

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|                   |                               |
|-------------------|-------------------------------|
| Kynah Cockcroft   | Created/Initiated - 4/23/2020 |
| Kynah Cockcroft   | Approved - 4/23/2020          |
| Julia Wiggins     | Approved - 4/23/2020          |
| Junos Reed        | Approved - 4/23/2020          |
| Steve Parnell     | Approved - 4/23/2020          |
| Lynn Stevens      | Approved - 4/24/2020          |
| Lupe Reyna-Coffin | Approved - 4/28/2020          |
| Scott Neils       | Approved - 4/29/2020          |
| Matthew Jones     | Approved - 5/5/2020           |
| Jake Johansson    | Approved - 5/5/2020           |
| Robin Fenwick     | Final Approval - 5/6/2020     |

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**TASK AUTHORIZATION NO. 28**  
**Master Contract for Engineering Services dated March 17, 2015**  
**Between the City of Port Orange, Florida and Mead and Hunt, Inc. Pursuant to merger with Quentin L. Hampton Associates, Inc.**

THIS Task Authorization is entered into by and between the **CITY OF PORT ORANGE, FLORIDA**, a chartered municipal corporation with its principal place of business at 1000 City Center Circle, Port Orange, Florida 32129 (the "City") and **MEAD AND HUNT, INC. PURSUANT TO MERGER WITH QUENTIN L. HAMPTON ASSOCIATES INC.**, a Wisconsin corporation with its principal place of business at 2440 Deming Way, Middleton, Wisconsin 53562-1562 ("Contractor"), and hereinafter collectively referred to as the "Parties," and is to that certain Master Contract for Engineering Services dated March 17, 2015, and any amendments thereto, hereinafter collectively referred to as the "Contract." The Parties, in exchange for the mutual covenants contained herein and, in the Contract, agree as follows:

1. This Task Authorization expressly modifies the Contract and in the event of a conflict, the terms and conditions of this Task Authorization shall prevail.
2. The Public Works & Utilities Director, Lynn Stevens, shall perform contract administration for this **Task Authorization No.28** and can be reached at (386) 506-5750.
3. In addition to all other terms and conditions contained in the Contract, Contractor shall provide services relating to **Garnsey Water Treatment Plant Generator Upgrades, Design and Bidding Assistance** as more particularly described in the **Contractor's Scope of Services and Fee Estimate dated April 17, 2020**; attached hereto and incorporated as **Exhibit "1."**
4. Contractor shall complete the task **within 12 months from issuance of a written Notice to Proceed issued and executed by the City.**
5. In return for the services identified above, the City agrees to compensate Contractor at the prices set forth in Exhibit "1," subject to a limit not to exceed **Fifty-Four Thousand, Three-Hundred, Thirty-Six and 00/100 Dollars (\$54,336.00)**. All payments shall be governed by the Local Government Prompt Payment Act as set forth in Sections 218.70 through 218.79, Florida Statutes, as amended.
6. This Task Authorization may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The delivery by facsimile or e-mail of an executed copy of this Task Authorization shall be deemed valid as if an original signature was delivered. No contract shall be formed between the Contractor and the City until the City signs this Task Authorization.

IN WITNESS WHEREOF, the Parties have made and executed this Task Authorization for the purposes herein expressed on the dates set forth below.

**Witnesses:**

**MEAD AND HUNT, INC. PURSUANT TO MERGER WITH  
QUENTIN L. HAMPTON ASSOCIATES INC.**

Printed Name: \_\_\_\_\_

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

**Brad T. Blais, PE, Vice President**

*If this Contract is signed by an individual not identified as the President of the corporation in the records of the Florida Department of State, Division of Corporations, please provide written authorization for that individual to enter into contracts on behalf of the corporation.*

Printed Name: \_\_\_\_\_

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

**Witnesses:**

**CITY OF PORT ORANGE**

\_\_\_\_\_  
Printed Name: \_\_\_\_\_ By: \_\_\_\_\_  
Donald O. Burnette, Mayor

\_\_\_\_\_  
Printed Name: \_\_\_\_\_ Date: \_\_\_\_\_

Witnesses: **ATTEST:**

\_\_\_\_\_  
Printed Name: \_\_\_\_\_ By: \_\_\_\_\_  
Robin L. Fenwick, MMC, City Clerk

\_\_\_\_\_  
Printed Name: \_\_\_\_\_ Date: \_\_\_\_\_

## EXHIBIT “1”

Contractor’s Scope of Services and Fee Estimate

Consisting of 4 Pages

**CITY OF PORT ORANGE  
GARNSEY WTP GENERATOR INSTALLATION  
SCOPE OF SERVICES**

**GENERAL:** The City of Port Orange (CITY) and Mead & Hunt (CONSULTANT) entered into a Professional Continuous Utility Engineering Consulting Services Contract pursuant to RFQ #14-23, dated effective March 17, 2015.

**PROJECT SCOPE:**

The City has identified the need to install a second generator at the Garnsey WTP. The existing generator has a capacity of 1250 KW and was placed into service in approximately 2002. The generator was sized to provide backup power for all the equipment within the WTP site. The single generator supplying backup power does not provide redundancy while the WTP is relying on backup power. Installation of a second generator will provide redundancy and increase the reliability for continual operation of the WTP.

Preliminary engineering design will include an inventory of all existing and proposed electrical requirements within the WTP, generator sizing calculations, confirming priority starting schedule of all equipment, field coordination and recommendations. The preliminary design will confirm the generator sizing and recommend if the second generator can operate in parallel or series with the existing generator.

This proposal assumes that existing fuel storage capacity is adequate for 3 days capacity, given that actual loads are not changing. This will be investigated as part of this proposal. If new fuel storage facilities are required, a scope modification may be required.

The intent of this task order is for the Consultant to optimize the backup power systems based on the existing and proposed improved condition of the facility. Moreover, the Consultant will recommend to the City certain improvements to be made to the facilities, coordinate the design of those improvements with the City, prepare bid documents, provide bidding assistance and construction administration services for those improvements, and assist with the close-out of the project upon completion of construction.

**TASK 1 – PRELIMINARY ENGINEERING**

During the Preliminary Engineering Phase, CONSULTANT will:

- Collect and review available data from the City and Mead & Hunt files
- Inventory the electrical needs at the WTP
- Prepare generator sizing calculations
- Confirm priority starting schedule of all equipment

Junos Reed, P.E.

April 17, 2020

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- Field visit to coordinate second generator installation with existing switchgear
- Prepare conceptual layouts and site plans for City review
- Attend a preliminary design review meeting

## **TASK 2 – DESIGN PLANS AND SPECIFICATIONS**

During the Design Plans and Specifications phase, CONSULTANT will:

- Prepare 60%, 90% and final design plans and specifications to address all improvements and upgrades identified in the project scope.
- Designs shall include plan sheets, details and specifications for Civil, Electrical, and Instrumentation
- Specifications to include Division 1 project requirements and Technical Specifications for use by the City Purchasing Department
- Attend design review meetings after 60% and 90% deliverable phase
- Prepare engineer's opinion of probable construction costs

## **TASK 3 – BIDDING ASSISTANCE**

During the Bidding Assistance phase, CONSULTANT will:

- Prepare bidding documents per City standards
- Attend pre-bid meeting
- Address bidder questions
- Assist in the preparation of addenda
- Attend bid opening
- Review received bids
- Prepare certified bid tabulation
- Investigate low bidder(s) qualification
- Prepare bid award recommendation letter
- Attend Commission meeting for bid award

## **TASK 4 – PRINTING AND REIMBURSABLES**

All printing and reimbursables will be billed at actual cost.

**COMPENSATION:**

|              |                                 |                 |                |
|--------------|---------------------------------|-----------------|----------------|
| Task 1       | Preliminary Engineering         | \$10,984        | Lump Sum       |
| Task 2       | Design Plans and Specifications | \$36,188        | Lump Sum       |
| Task 3       | Bidding Assistance              | \$5,664         | Lump Sum       |
| Task 4       | Printing/Reimbursables          | <u>\$1,500</u>  | Time & Expense |
| <b>TOTAL</b> |                                 | <b>\$54,336</b> |                |

**TERM:**

The term of this work authorization is 12 months from the Notice to Proceed.

**EXCLUSIONS:**

The proposed scope excludes inspection and all services not specifically described herein.

“PURSUANT TO FLORIDA STATUTE SECTION 558.0035, AN INDIVIDUAL EMPLOYEE OR AGENT OF MEAD & HUNT INC., MAY NOT BE HELD INDIVIDUALLY LIABLE FOR NEGLIGENCE.”

**IF THE CONTRACTOR (MEAD & HUNT, INC.) HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR’S (MEAD & HUNT, INC.’s) DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT (PROPOSAL), CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT CITY HALL, CITY OF PORT ORANGE, 1000 CITY CENTER CIRCLE, PORT ORANGE, FL 32129, City Clerk, Robin Fenwick, (386) 506-5566, [rfeenwick@port-orange.org](mailto:rfeenwick@port-orange.org).**



**CITY OF PORT ORANGE  
SECOND GENERATOR INSTALLATION  
ESTIMATED MANHOURS AND FEES  
4/17/2020**

| Task No. | Description                                 | Principal (hours) | Senior Project Engineer (hours) | Project Electrical Engineer (Hours) | Engineer Intern (hours) | Production Supervisor (Hours) | CAD Operator (Hours) | Sr. Admin Support (Hours) | Subconsultants and Allowances (2) | Total Task (\$)  |
|----------|---------------------------------------------|-------------------|---------------------------------|-------------------------------------|-------------------------|-------------------------------|----------------------|---------------------------|-----------------------------------|------------------|
|          | Hourly/Daily Rate                           | \$196             | \$179                           | \$165                               | \$120                   | \$109                         | \$89                 | \$73                      | See Below                         |                  |
| <b>1</b> | <b>Preliminary Engineering Design</b>       |                   |                                 |                                     |                         |                               |                      |                           |                                   |                  |
|          | 1) Field Investigation                      |                   | 8                               | 8                                   |                         |                               | 8                    |                           |                                   | \$ 3,464         |
|          | 2) Generator sizing calculations            |                   |                                 | 12                                  |                         |                               |                      |                           |                                   | \$ 1,980         |
|          | 3) Coordination & design path forward       |                   | 8                               | 12                                  | 8                       |                               |                      | 16                        |                                   | \$ 5,540         |
|          | Task Sub-total                              |                   |                                 |                                     |                         |                               |                      |                           |                                   | \$ 10,984        |
| <b>2</b> | <b>Design Phase</b>                         |                   |                                 |                                     |                         |                               |                      |                           |                                   |                  |
|          | 1) Field investigation                      |                   |                                 | 8                                   | 8                       |                               | 8                    |                           |                                   | \$ 2,992         |
|          | 2) Electrical Design Plans & Specifications |                   |                                 | 90                                  | 24                      | 18                            | 80                   | 36                        |                                   | \$ 29,440        |
|          | 3) Review Meetings & Coordination           |                   | 8                               | 8                                   |                         |                               | 8                    | 4                         |                                   | \$ 3,756         |
|          | Task Sub-total                              |                   |                                 |                                     |                         |                               |                      |                           |                                   | \$ 36,188        |
|          |                                             |                   |                                 |                                     |                         |                               |                      |                           |                                   |                  |
| <b>3</b> | <b>Bidding Assistance</b>                   | 4                 | 4                               | 8                                   |                         | 6                             |                      | 30                        |                                   | \$ 5,664         |
|          |                                             |                   |                                 |                                     |                         |                               |                      |                           |                                   |                  |
|          |                                             |                   |                                 |                                     |                         |                               |                      |                           |                                   |                  |
| <b>5</b> | <b>Reimbursables and Printing Allowance</b> |                   |                                 |                                     |                         |                               |                      |                           |                                   |                  |
|          | 1) Reimbursables                            |                   |                                 |                                     |                         |                               |                      |                           | \$ 1,000                          | \$ 1,000         |
|          | 2) Printing                                 |                   |                                 |                                     |                         |                               |                      |                           | \$ 500                            | \$ 500           |
|          | Task Sub-total                              |                   |                                 |                                     |                         |                               |                      |                           |                                   | \$ 1,500         |
|          | <b>Grand Total</b>                          |                   |                                 | 146                                 |                         |                               | 104                  | 86                        | <b>\$ 1,500</b>                   | <b>\$ 54,336</b> |



## City of Port Orange Public Utilities and Works Department

TO: M.H. Johansson, City Manager

THRU: Lynn Stevens, Public Utilities and Works Director  
Julia Wiggins, Public Utilities and Works Budget Analyst

FROM: Junos Reed, P.E., Public Utilities and Works Engineering and  
Construction Manager

DATE: April 23, 2020

SUBJECT: Mead & Hunt – Task Authorization No. 28, CA4619, Garnsey Water  
Treatment Plant Generator Upgrades Design and Bidding Assistance

### **REQUEST:**

The Public Works & Utilities Department is requesting the City Council approve Mead & Hunt Task Authorization No. 28 to contract CA4619 for Design and Bidding Assistance services for the Garnsey Water Treatment Plant Generator Replacement project in the amount not to exceed \$54,336.00.

### **PURPOSE:**

This water treatment plant improvement project involves the design, permitting, and bidding assistance for an upgraded emergency backup power system to insure uninterrupted production and distribution of potable water.

### **CONSIDERATION:**

City plant operations and engineering staff have identified the need to improve the reliability of the backup power system at the Garnsey WTP. The existing generator has the capacity to provide backup power for all the equipment within the plant site. The current system however was placed into service in approximately 2002 and has begun to become an unreliable source of emergency backup power for the water treatment plant. This project will optimize the backup power systems based on the existing and any proposed future improvements to the facility. The existing Motor Control Center (MCC) and Automatic Transfer Switch (ATS) will be evaluated and upgraded/replaced as deemed necessary. With an upgraded MCC and ATS in conjunction with the existing and

proposed new generator the water treatment plant will have a reliable fully redundant backup power system.

**FUNDING:**

Water Treatment Plant Generator Upgrades  
Project #: SSP018 (Generator Replacements)  
Fund – 403 Water and Sewer R&R Fund  
Cost Center – Water and Sewer  
Program – Water Production  
Spend Category – Engineering

**RECOMMENDATION:**

The Public Works & Utilities Department recommends approval of Task Authorization No.28 to the Master Contract for Engineering Services (CA4619) for service relating to the Design and Bidding Assistance services for the Garnsey Water Treatment Plant Generator Replacement project in the amount not to exceed \$54,336.00.

**ANTICIPATED SCHEDULE:**

- a) Council Meeting May 19, 2020
- b) Executed Task Authorization May 29, 2020
- c) Design complete 12 months from NTP with bidding & Construction to follow

**ATTACHMENTS:**

- a) Mead & Hunt Design and Bidding Assistance Services proposal dated April 20, 2020 for the Garnsey Water Treatment Plant Generator Replacement project.



April 20, 2020

Junos Reed, P.E.  
Engineering & Construction Manager  
City of Port Orange  
1000 City Center Circle  
Port Orange, FL 32129

Email: [jureed@port-orange.org](mailto:jureed@port-orange.org)  
Hard Copy Mailed Only on Request

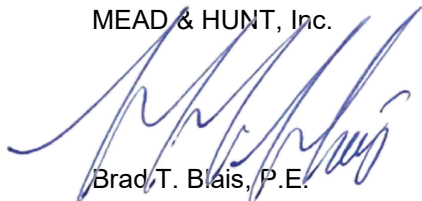
**Subject: CITY OF PORT ORANGE  
GARNSEY WTP GENERATOR INSTALLATION**

Dear Mr. Reed:

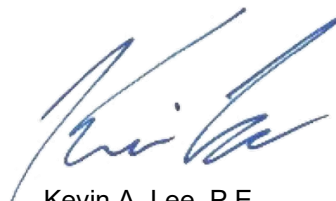
In accordance with your request, we are pleased to offer the enclosed scope of services and engineering fee estimate for the above referenced project. The design scope of this project includes preliminary design, final design and bidding assistance for the installation of a new generator at the Garnsey WTP. Contract administration and Engineer of Record (EOR) services will be addressed in a future task assignment.

The enclosed engineering Scope of Services and fee estimate is based upon the established utilities contract. Thank you for this opportunity to continue to be of service. If you have additional questions, do not hesitate to call.

Sincerely,  
MEAD & HUNT, Inc.



Brad T. Blais, P.E.  
Vice President/Market Leader



Kevin A. Lee, P.E.  
Project Manager

BTB/KAL:bf

Enclosures: Scope of Work  
Fee Estimate

**CITY OF PORT ORANGE  
GARNSEY WTP GENERATOR INSTALLATION  
SCOPE OF SERVICES**

**GENERAL:** The City of Port Orange (CITY) and Mead & Hunt (CONSULTANT) entered into a Professional Continuous Utility Engineering Consulting Services Contract pursuant to RFQ #14-23, dated effective March 17, 2015.

**PROJECT SCOPE:**

The City has identified the need to install a second generator at the Garnsey WTP. The existing generator has a capacity of 1250 KW and was placed into service in approximately 2002. The generator was sized to provide backup power for all the equipment within the WTP site. The single generator supplying backup power does not provide redundancy while the WTP is relying on backup power. Installation of a second generator will provide redundancy and increase the reliability for continual operation of the WTP.

Preliminary engineering design will include an inventory of all existing and proposed electrical requirements within the WTP, generator sizing calculations, confirming priority starting schedule of all equipment, field coordination and recommendations. The preliminary design will confirm the generator sizing and recommend if the second generator can operate in parallel or series with the existing generator.

This proposal assumes that existing fuel storage capacity is adequate for 3 days capacity, given that actual loads are not changing. This will be investigated as part of this proposal. If new fuel storage facilities are required, a scope modification may be required.

The intent of this task order is for the Consultant to optimize the backup power systems based on the existing and proposed improved condition of the facility. Moreover, the Consultant will recommend to the City certain improvements to be made to the facilities, coordinate the design of those improvements with the City, prepare bid documents, provide bidding assistance and construction administration services for those improvements, and assist with the close-out of the project upon completion of construction.

**TASK 1 – PRELIMINARY ENGINEERING**

During the Preliminary Engineering Phase, CONSULTANT will:

- Collect and review available data from the City and Mead & Hunt files
- Inventory the electrical needs at the WTP
- Prepare generator sizing calculations
- Confirm priority starting schedule of all equipment

Junos Reed, P.E.

April 17, 2020

Page 2

- Field visit to coordinate second generator installation with existing switchgear
- Prepare conceptual layouts and site plans for City review
- Attend a preliminary design review meeting

## **TASK 2 – DESIGN PLANS AND SPECIFICATIONS**

During the Design Plans and Specifications phase, CONSULTANT will:

- Prepare 60%, 90% and final design plans and specifications to address all improvements and upgrades identified in the project scope.
- Designs shall include plan sheets, details and specifications for Civil, Electrical, and Instrumentation
- Specifications to include Division 1 project requirements and Technical Specifications for use by the City Purchasing Department
- Attend design review meetings after 60% and 90% deliverable phase
- Prepare engineer's opinion of probable construction costs

## **TASK 3 – BIDDING ASSISTANCE**

During the Bidding Assistance phase, CONSULTANT will:

- Prepare bidding documents per City standards
- Attend pre-bid meeting
- Address bidder questions
- Assist in the preparation of addenda
- Attend bid opening
- Review received bids
- Prepare certified bid tabulation
- Investigate low bidder(s) qualification
- Prepare bid award recommendation letter
- Attend Commission meeting for bid award

## **TASK 4 – PRINTING AND REIMBURSABLES**

All printing and reimbursables will be billed at actual cost.

**COMPENSATION:**

|              |                                 |                 |                |
|--------------|---------------------------------|-----------------|----------------|
| Task 1       | Preliminary Engineering         | \$10,984        | Lump Sum       |
| Task 2       | Design Plans and Specifications | \$36,188        | Lump Sum       |
| Task 3       | Bidding Assistance              | \$5,664         | Lump Sum       |
| Task 4       | Printing/Reimbursables          | <u>\$1,500</u>  | Time & Expense |
| <b>TOTAL</b> |                                 | <b>\$54,336</b> |                |

**TERM:**

The term of this work authorization is 12 months from the Notice to Proceed.

**EXCLUSIONS:**

The proposed scope excludes inspection and all services not specifically described herein.

“PURSUANT TO FLORIDA STATUTE SECTION 558.0035, AN INDIVIDUAL EMPLOYEE OR AGENT OF MEAD & HUNT INC., MAY NOT BE HELD INDIVIDUALLY LIABLE FOR NEGLIGENCE.”

**IF THE CONTRACTOR (MEAD & HUNT, INC.) HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR’S (MEAD & HUNT, INC.’s) DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT (PROPOSAL), CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT CITY HALL, CITY OF PORT ORANGE, 1000 CITY CENTER CIRCLE, PORT ORANGE, FL 32129, City Clerk, Robin Fenwick, (386) 506-5566, [rfeenwick@port-orange.org](mailto:rfeenwick@port-orange.org).**

**CITY OF PORT ORANGE  
SECOND GENERATOR INSTALLATION  
ESTIMATED MANHOURS AND FEES  
4/17/2020**

| Task No. | Description                                 | Principal (hours) | Senior Project Engineer (hours) | Project Electrical Engineer (Hours) | Engineer Intern (hours) | Production Supervisor (Hours) | CAD Operator (Hours) | Sr. Admin Support (Hours) | Subconsultants and Allowances (2) | Total Task (\$)  |
|----------|---------------------------------------------|-------------------|---------------------------------|-------------------------------------|-------------------------|-------------------------------|----------------------|---------------------------|-----------------------------------|------------------|
|          | Hourly/Daily Rate                           | \$196             | \$179                           | \$165                               | \$120                   | \$109                         | \$89                 | \$73                      | See Below                         |                  |
| <b>1</b> | <b>Preliminary Engineering Design</b>       |                   |                                 |                                     |                         |                               |                      |                           |                                   |                  |
|          | 1) Field Investigation                      |                   | 8                               | 8                                   |                         |                               | 8                    |                           |                                   | \$ 3,464         |
|          | 2) Generator sizing calculations            |                   |                                 | 12                                  |                         |                               |                      |                           |                                   | \$ 1,980         |
|          | 3) Coordination & design path forward       |                   | 8                               | 12                                  | 8                       |                               |                      | 16                        |                                   | \$ 5,540         |
|          | Task Sub-total                              |                   |                                 |                                     |                         |                               |                      |                           |                                   | \$ 10,984        |
| <b>2</b> | <b>Design Phase</b>                         |                   |                                 |                                     |                         |                               |                      |                           |                                   |                  |
|          | 1) Field investigation                      |                   |                                 | 8                                   | 8                       |                               | 8                    |                           |                                   | \$ 2,992         |
|          | 2) Electrical Design Plans & Specifications |                   |                                 | 90                                  | 24                      | 18                            | 80                   | 36                        |                                   | \$ 29,440        |
|          | 3) Review Meetings & Coordination           |                   | 8                               | 8                                   |                         |                               | 8                    | 4                         |                                   | \$ 3,756         |
|          | Task Sub-total                              |                   |                                 |                                     |                         |                               |                      |                           |                                   | \$ 36,188        |
| <b>3</b> | <b>Bidding Assistance</b>                   | 4                 | 4                               | 8                                   |                         | 6                             |                      | 30                        |                                   | \$ 5,664         |
|          |                                             |                   |                                 |                                     |                         |                               |                      |                           |                                   |                  |
| <b>5</b> | <b>Reimbursables and Printing Allowance</b> |                   |                                 |                                     |                         |                               |                      |                           |                                   |                  |
|          | 1) Reimbursables                            |                   |                                 |                                     |                         |                               |                      |                           | \$ 1,000                          | \$ 1,000         |
|          | 2) Printing                                 |                   |                                 |                                     |                         |                               |                      |                           | \$ 500                            | \$ 500           |
|          | Task Sub-total                              |                   |                                 |                                     |                         |                               |                      |                           |                                   | \$ 1,500         |
|          | <b>Grand Total</b>                          |                   |                                 | 146                                 |                         |                               | 104                  | 86                        | <b>\$ 1,500</b>                   | <b>\$ 54,336</b> |





# CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 5/19/2020

Consent item: Yes

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**SUBJECT:** (B7b) Ratification of Emergency Purchase - Paymentus Contract for a fully hosted, single-vendor solution management of the City's Utility, Community Development, and other billings and payments.

**DEPARTMENT:** Finance

**GOAL:**

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**RECOMMENDED MOTION:** Move to Ratify the Emergency Purchase and Contract with Paymentus for a fully hosted, single-vendor solution management of the City's Utility, Community Development, and other billings and payments.

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**SUMMARY:** On November 8, 2019, the City discontinued its customer online payment system, Click2Gov. Since that time, customers (Utility and Community Development) have not been able to use their credit card for online payments. Payments could still have been made via ACH direct debit, in-person, drive thru, or drop box. Reference: City Press Release November 8, 2019 "City of Port Orange Discontinues Its Customer Online Payment System Indefinitely."

The City desired to offer an on-line portal to allow 24/7 account access and enhanced customer service and payment opportunities to our customers.

**RECOMMENDATION:**

The benefits of an on-line payment system, combined with the other Customer Service related features offered by Paymentus, will increase Customer Service efficiency, provide a much-needed and requested online payment capability, will provide a significant increase in management reporting, and will be able to support whatever replacement utility billing software is selected.

The Finance Department, in conjunction with IT and Community Development, considers the on-line payment process to be a critical customer service application. We propose the implementation of a new online payment system as an emergency purchase, and desire ratification for this designation.

Project No.: Funding Account No.:

Presenter: Scott Neils

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**ATTACHMENTS:**

|    |                                   |                                   |
|----|-----------------------------------|-----------------------------------|
| 1. | Port Orange Paymentus MSA- vendor | Port Orange Paymentus MSA- vendor |
|----|-----------------------------------|-----------------------------------|

|    |                                                                                   |                                                                                       |
|----|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
|    | signed (002)                                                                      | signed (002).pdf                                                                      |
| 2. | Central Square Add-on quote                                                       | Central Square Add-on quote.pdf                                                       |
| 3. | Paymentus Features                                                                | Paymentus Features.pdf                                                                |
| 4. | Preliminary Pricing Quotation 12-18-19<br>Port Orange FL                          | Preliminary Pricing Quotation 12-18-19<br>Port Orange FL.pdf                          |
| 5. | Presentation - Paymentus Solution<br>Overview - Port Orange Florida 1-29-<br>2020 | Presentation - Paymentus Solution<br>Overview - Port Orange Florida 1-29-<br>2020.pdf |
| 6. | Presentation for Port Orange fl 12-9-19                                           | Presentation for Port Orange fl 12-9-<br>19.pdf                                       |
| 7. | Justification Memo - Budget Transfer<br>Fusion Software                           | Justification Memo - Budget Transfer<br>Fusion Software.docx                          |
| 8. | Justification Memo - Paymentus 4-23-<br>20                                        | Justification Memo - Paymentus 4-23-<br>20.docx                                       |
| 9. | Justification Memo - Emergency<br>Purchase Paymentus 05-02-20 Final               | Justification Memo - Emergency<br>Purchase Paymentus 05-02-20<br>Final.docx           |

Scott Neils  
 Scott Neils  
 Lupe Reyna-Coffin  
 Matthew Jones  
 Jake Johansson  
 Robin Fenwick

Created/Initiated - 4/28/2020  
 Approved - 5/4/2020  
 Approved - 5/4/2020  
 Approved - 5/12/2020  
 Approved - 5/12/2020  
 Final Approval - 5/12/2020

# Paymentus

## MASTER SERVICES AGREEMENT

|                                    |                                                     |
|------------------------------------|-----------------------------------------------------|
| Client:                            | City of Port Orange, Florida                        |
| Client Address:                    | 1000 City Center Circle, Port Orange, Florida 32129 |
| Contact for Notices to Client:     | M.H. Johansson, City Manager                        |
| Estimated Yearly Bills / Invoices: | 348,000                                             |

This Master Services Agreement ("Agreement") is entered into as of the Effective Date below, by and between the Client identified above ("Client") and **Paymentus Corporation**, a Delaware corporation with its principal address located at 13024 Ballantyne Corp Place, Suite 400, Charlotte, NC 28277 ("Paymentus").

**WHEREAS** Paymentus desires to provide and Client desires to receive certain services under the terms and conditions set forth in this Agreement. Paymentus provides electronic bill payment services to utilities, municipalities, insurance and other businesses.

**NOW, THEREFORE**, in consideration of the mutual covenants hereinafter set forth, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby covenant and agree as follows. This Agreement consists of this signature page, General Terms and Conditions, and the schedules listed below:

**Schedule A:** Paymentus Service Fee Schedule

**Schedule B:** Paymentus Service Fee Schedule, Additional Services

This Agreement represents the entire agreement between the parties with respect to its subject matter and supersedes all prior written or oral agreements or understandings related to its subject matter and may be changed only by agreements in writing signed by the authorized representatives of the parties.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed by their duly authorized representatives.

**Client:**

By: M. H. Johansson

Name: M. H. Johansson

Title: City Manager

Date: 20 April, 2020

**Paymentus:**

By: Jerry Portocalis

Name: Jerry Portocalis

Title: Senior Vice President

Date: April 23, 2020

## GENERAL TERMS AND CONDITIONS

### 1 Definitions:

For the purposes of this Agreement, the following terms and words shall have the meaning ascribed to them, unless the context clearly indicates otherwise.

- 1.1 **"Agreement"** or **"Contract"** shall refer to this Agreement, as amended from time to time.
- 1.2 **"Approved Payment Types"** shall mean credit and debit means of payment, such as Visa, MasterCard, Discover, E-check and other payment methods as deemed necessary by Paymentus, except as excluded on Schedule A.
- 1.3 **"Average Bill Amount"** shall mean the total amount of Payments processed through Paymentus in a given month divided by the number of the Payments for the same month.
- 1.4 **"Effective Date"** shall be the last date upon which the parties signed this Agreement. The Agreement will not be effective against any party until that date
- 1.5 **"Excess Payment Amount"** shall mean the total amount of the Payment Amount paid with Non-Qualified Cards that exceeds 5% of the total Payment Amount processed in a calendar month.
- 1.6 **"Fee Assumptions"** shall mean information used to calculate the Paymentus Service Fee, including the projected Average Bill Amount, projected payment method mix (credit vs debit vs e-check) and that the total number of Payments and the total Payment Amount collected each month from the use of Non-Qualified Cards shall be under 5% of the total of each per month.
- 1.7 **"Initial Setup"** shall mean the first personalization and activation of the standard service as specified during the implementation process.
- 1.8 **"Launch Date"** shall be the date on which Client launches the Services to the Users.
- 1.9 **"Non-Qualified Cards"** shall mean (i) cards that are so-designated by a Paymentus Authorized Processor or card association, which are generally issued for business use and (ii) cards that do not qualify for reduced interchange fees under programs that Client may be participating in. These high-cost cards may include corporate cards, purchase cards, business cards, and travel and entertainment cards.
- 1.10 **"Payment"** shall mean payment by a User through the Platform for Client's services, Client's bills, or other amounts owed to Client.
- 1.11 **"Payment Amount"** shall mean the amount of a Payment.
- 1.12 **"Paymentus Authorized Processor"** shall mean a Paymentus authorized merchant account provider and payment processing gateway.
- 1.13 **"Reversed or Charged-back Transactions"** shall mean cancelled transactions due to User error, or a User's challenge to Payment authenticity (eCheck returns or credit/debit card chargebacks).
- 1.14 **"Services"** shall mean the performance of the payment and related services by Paymentus as set forth in Section 2 of this Agreement.
- 1.15 **"User"** shall mean the users of Client's services.

### 2 Description of Services to be Performed

#### 2.1 **Scope of Services**

Paymentus shall provide Users the opportunity to make Payments by Approved Payment Types. Payments may be made by Interactive Telephone Voice Response System ("IVR") or secure Internet interface provided at the Paymentus web site or other websites that are part of Paymentus' Instant Payment Network ("Websites"), collectively referred to as the

# Paymentus

("System" or "Platform"). Paymentus will be the exclusive provider to Client of services included in the Services.

## **2.2 Professionalism**

Paymentus shall perform in a professional manner all Services required to be performed under this Agreement.

## **3 Compensation**

### **3.1 No Fee Installation**

Paymentus will charge no fees related to the Initial Setup of either or both of the Web and IVR interfaces to its standard service.

#### **3.2.1 Paymentus Service Fee**

Paymentus will charge each User or Client a Service fee for each Payment ("Paymentus Service Fee") as provided in Schedule A. If so provided in Schedule A, the Paymentus Service Fee is to be collected in addition to the corresponding Payment as part of the transaction.

For each Payment, the Paymentus Service Fee will be collected and Paymentus will pay the corresponding processing and related fees of the Approved Payment Types ("Transaction Fees") except for fees related to Reversed or Charged-back Transactions.

A schedule of Paymentus Service Fees is attached as Schedule A. The Paymentus Service Fee is based on the Fee Assumptions. Client shall be billed additional Paymentus Service Fees equal to 3.5% of the Excess Payment Amount for each month during which there is an Excess Payment Amount. Paymentus may amend Schedule A upon prior written notice to Client if a change is caused by changes in the card or payment system rules or changes in credit card fees or if the Fee Assumptions prove to have been materially incorrect. The amended Service Fee shall take effect 30 days after written notice to Client.

## **4 Payment Processing**

### **4.1 Integration with Client's Billing System**

At no charge from Paymentus to Client, Paymentus will develop one (1) file format interface with Client's

billing system using Client's existing text file format currently used to post payments to Client's billing system. Client will be responsible to provide Paymentus with the one file format specification and will fully cooperate with Paymentus during the development of the said interface. If Client chooses to create an automated file integration process to download the posting file, due to Paymentus security requirements, Client will use Paymentus specified integration process. Paymentus platform is an independent full service fully hosted platform per PCI-DSS requirements for a fully hosted solution. As such, Paymentus platform does and can function independent of any billing system integration. A payment posting file can be emailed or downloaded from Paymentus Agent Dashboard. If Client chooses to have Paymentus platform integrated with its billing system, Paymentus offers two options:

(i) Paymentus standard integration specification that Client can use to integrate its billing systems with Paymentus platform ("Standard Integration"); or

(ii) Paymentus to either customize or configure its platform to integrate with Client using file specification or APIs supported by Client's billing system ("Client Specific Integration").

If Client chooses Standard Integration, Paymentus agrees to fully cooperate with Client and provide its specification to Client. Paymentus also agrees to participate in meetings with Client's software vendor to provide any information or clarifications needed to understand Standard Integration. Paymentus agrees to provide all integration/interface specifications within 30 days from the Effective Date. Client will take commercially reasonable steps to develop the integration within 60 days from the date on which Client has received all integration specifications from Paymentus.

If Client chooses Client Specific Integration, Paymentus agrees to develop that integration at no cost to Client, provided however, Client agrees to fully cooperate with Paymentus and cause its software vendors and other service providers to fully cooperate with Paymentus. Client agrees to provide all specifications required for Client Specific Integration. Client further agrees to participate in testing with Paymentus and if needed, cause its billing software vendors and other service providers to participate in testing. Client agrees to provide or make available all integration/interface specifications within 30 days



# Paymentus

from the Effective Date. Paymentus will take commercially reasonable steps to develop the integration within 60 days from the date on which Paymentus has received all the integration specifications from Client or its vendors.

Parties agree that if the parties do not cooperate fully, it can lead to each party being unable to perform its duties to deliver the integration in time.

Based on Client's use of Paymentus platform and respective modules selected under this Agreement, Paymentus will require the following integration points:

- (i) For one-time Payment Module:
  - a. Customer Information – Text File or Real-time
  - b. Payment Posting – Text File or Real-time
- (ii) For Recurring Payment Module
  - a. Text File
- (iii) For E-billing Module
  - a. Billing Data - Text File or Real-time link to billing data
- (iv) For Outbound Notification
  - a. Audience File – Text File for customer engagement messages

Each of these can be based on Standard Integration or Client Specific Integration.

The Initial Setup for the Web or IVR interface will be considered complete when the first Standard Integration or Client Specific Integration, as applicable, is completed such that Paymentus and Client are able to exchange files relevant to that interface, as contemplated in this Section 4.1. In the event the Services are implemented without integration, the Initial Setup will be considered complete when a User is able to access the Paymentus website or IVR to process a payment.

## 4.2 Enhancements

The parties agree that the Services are provided on a "platform as a service" basis, and not as a result of custom software development. Paymentus' standard Platform will be personalized to achieve certain additional functional requirements of Client, as

clarified and agreed during implementation ("Enhancements"). Enhancements may include some or all of the features included in any technical requirements or similar document provided to Paymentus. The parties will fully co-operate with one another to: a) ensure that requirements with respect to Enhancements are clarified as needed; b) accept Paymentus proposed reasonable alternatives to achieve Client's functional objectives within the limits of the Paymentus platform; and c) accept Paymentus' reasonable estimates of time for completion, designs and plans with respect to agreed Enhancements. There will be no fee charged by Paymentus to Client for Enhancements, provided Paymentus designs and plans are accepted by Client. If the Services are to be offered at multiple locations, or if the Services include multiple Enhancements, the parties will agree to a phased implementation.

## 4.3 PCI Compliance

For PCI Compliance, Client has two options for using Paymentus platform:

- (i) Paymentus Fully Hosted Solution; or
- (ii) Any other configuration

To substantially reduce or eliminate any PCI compliance risks and to render all Client systems out of scope from PCI compliance requirements, Client agrees to use Paymentus' fully hosted service where Paymentus uses its own platform to capture Payments and to manage the entire (end to end) user experience from the following channels for Payment acceptance: Web, Mobile, IVR, POS devices operated by Client's employees (per Paymentus recommended setup), recurring payments, Ebill Presentment ("Paymentus Fully Hosted Solution"). Paymentus agrees to maintain PCI compliance while performing the services provided herein for the Client throughout the term of this Agreement. If Client chooses any other integration, such as third party web pages integrated with Paymentus APIs, third party gateway pages, or its own IVR systems or other POS or customer self-service solutions, or a cashiering module from a third party, Client expressly agrees that Client shall not be exempt from PCI requirements and shall be liable for any data breaches occurring on its own systems as Client recognizes that Client systems are participating in the transactions and are in scope for PCI compliance. Under those circumstances, Paymentus shall not be responsible for any PCI obligations outside of

Paymentus own platform and Paymentus expressly disclaims any PCI or security obligations related to Client systems or any third party systems that participate in the payment transactions that are outside of Paymentus Platform.

Paymentus highly recommends that Client uses Paymentus Fully Hosted Solution to substantially reduce its PCI compliance and data breach risks.

If Client chooses to use any other option other than Paymentus Fully Hosted Solution, Client agrees and warrants that Client shall remain PCI compliant throughout the term of this Agreement. For clarity, just because Client uses PCI compliant applications, such as its billing software, it does not eliminate the need for Client to be PCI compliant. Per PCI requirements, if a party's systems participate in processing, or accepting or storing card transactions, that party is required to be PCI compliant as the systems are in scope.

#### **4.4 Explicit User Confirmation**

Paymentus shall confirm the dollar amount of all Payments, and when paid by the User, the corresponding Paymentus Service Fee to be charged to a card and electronically obtain the User's approval of the charges prior to initiating card authorizations transaction. Paymentus will provide User with electronic confirmation of all transactions.

#### **4.5 Merchant Account**

Paymentus will arrange for Client to have a merchant account with the Paymentus Authorized Processor for processing and settlement of the card transactions.

#### **4.6 Card Authorization**

For authorization purposes, Paymentus will electronically transmit all card transactions to the appropriate card-processing center, in real time as the transactions occur.

#### **4.7 Settlement**

Paymentus together with its authorized card processor shall forward the payment transactions, and when paid by User, the corresponding Paymentus Service Fee to the appropriate card organizations for settlement (other than the Paymentus Service Fee) directly to Client's depository bank account previously designated by Client (hereinafter the "Client Bank Account"). When

as provided in Schedule A Client pays the Paymentus Service Fee, Paymentus will invoice Client and debit the fees from Client's account on a monthly basis.

Paymentus together with Paymentus Authorized Processor will continuously review its settlement and direct debit processes for its simplicity and efficiencies. Client and Paymentus agree to fully co-operate with each other if Paymentus were to change its settlement and invoicing processes.

#### **4.8 Reversed or Charged-back Transactions**

With respect to all Reversed or Charged-back Transactions Client authorizes Paymentus and Paymentus Authorized Processor (and/or the respective card organizations) to debit the Client Bank Account for the Payment Amount and Paymentus shall refund to the card organization for credit back to the User the corresponding Paymentus Service Fee, if any.

Paymentus together with Paymentus Authorized Processor will continuously review its processes for Reversed or Charged-back Transactions for simplicity and efficiencies. Client and Paymentus agree to reasonably co-operate with each other if Paymentus requires any change to its settlement and invoicing processes for these transactions.

### **5 General Conditions of Services**

#### **5.1 Service Reports**

Paymentus shall provide Client with reports summarizing use of the Services by Users for a given reporting period.

#### **5.2 User Adoption Communication by Client**

Client will make Paymentus' Services available to its residential and commercial Clients by different means of Client communication including a) through bills, invoices and other notices; b) by providing IVR and Web payment details on Client's website including a "Pay Now" or similar link on a mutually agreed prominent place on the web site; c) through Client's general IVR/Phone system; and d) other channels deemed appropriate by Client.

Paymentus shall provide Client with logos, graphics and other marketing materials for Client's use in its communications with its users regarding the Services and/or Paymentus.

# Paymentus

Both parties agree that Paymentus will be presented as a payment method option. Client will communicate the Paymentus option to its end residential and commercial Clients wherever Client usually communicates its other payment methods.

## 5.3 Independent Contractor

Client and Paymentus agree and understand that the relationship between both parties is that of an independent contractor.

## 5.4 Client's Responsibilities

The Client's obligation to pay Paymentus under this Agreement is limited to the budgeted amount for the fiscal year approved by the Port Orange City Council ("Council") for the then current fiscal year. All payments shall be governed by the Local Government Prompt Payment Act as set forth in Sections 218.70 through 218.79 Florida Statutes, as amended. Notwithstanding the foregoing, the Parties agree that if the funds for electronic bill presentment and payment are not appropriated during any year or part of the year, and the Council decides not to offer electronic bill presentment and payment services via web, IVR, mobile and agent dashboard, Client can terminate this Agreement with a six (6) month prior written notice, provided however, parties first discuss other options such as offering a user pay model that will allow the User using the service to bear the entire cost of this Service rendering the entire Service be offered at no charge to Client.

In order for Paymentus to provide the Services outlined in this Agreement, Client shall co-operate with Paymentus by:

- (i) Entering into all applicable merchant card, cash management, ACH origination, or kiosk agreements.
- (ii) Keeping throughout the duration of this Agreement a bill payment link connecting to Paymentus System at a prominent and mutually agreed location on Client's website. The phone number for IVR payments will also be added to the web site. Client will also add the IVR payment option as part of Client's general phone system.
- (iii) Sharing User Adoption marketing as described in Section 5.2.

- (iv) Launching the Service within 30 days of the merchant account setup.
- (v) Dedicating sufficient and properly trained personnel to support the implementation process and its use of the Services in compliance with all laws applicable to its use of the Services.
- (vi) Providing Paymentus with the file format specification currently used to post payments to the billing system to allow Paymentus to provide Client with a posting file for posting to Client's billing system.
- (vii) Fully cooperating with Paymentus and securing the cooperation of its software and service providers and providing the information required to integrate with Client's billing system.

## 6 Governing Law

This Agreement shall be governed by the laws of the state of Florida, without giving effect to any principles of conflicts of law.

## 7 Examination of Records

Paymentus agrees that the Client, or any duly authorized representative who has signed a confidentiality agreement reasonably satisfactory to Paymentus, shall, until the expiration of five (5) years after final payment hereunder, have access to and the right to examine and copy any pertinent books, documents, papers and records of the Paymentus involving transactions related to this Agreement, provided that such examination occurs no more often than one time in each twelve month period, is conducted in accordance with Paymentus' security policy and in a manner that is non-disruptive to Paymentus' business.

Paymentus further agrees to include in any subcontract for more than \$10,000 entered into as a result of this Agreement, a provision to allow Client to have access to and the right to examine and copy any pertinent books, documents, papers and records of Paymentus subcontractor involved in transactions related to such subcontract, or this Agreement provided that such examination occurs no more often than one time in each twelve month period, is conducted in accordance with the subcontractor's



security policy and in a manner that is non-disruptive to subcontractor's business. The term subcontract as used herein shall exclude purchase orders for public utility services at rates established for uniform applicability to the general public.

## **8      Public Records Compliance.**

Paymentus shall comply with public records laws as set forth in Chapter 119, Florida Statutes, and shall specifically:

- (i) Keep and maintain public records that ordinarily and necessarily would be required by the Client in order to perform the service.
- (ii) Provide the public with access to public records on the same terms and conditions that the Client would provide the records and at a cost that does not exceed the cost provided in 119.0701, Florida Statutes, or as otherwise provided by law.
- (iii) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Agreement term.
- (iv) Upon completion of the Agreement, Paymentus shall transfer to the Client, at no cost, all public records in possession of Paymentus and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the Client in a format that is compatible with the information technology systems of the Client.

If Paymentus does not comply with a public records request, the Client shall enforce the Agreement provisions in accordance with the Agreement.

**PAYMENTUS                      QUESTIONS  
RELATING TO PAYMENTUS'  
DUTIES TO PROVIDE PUBLIC  
RECORDS RELATING TO THIS**

**CONTRACT                      MUST                      BE  
FORWARDED TO THE OFFICE OF  
THE CITY CLERK, CITY HALL, 1000  
CITY CENTER CIRCLE, PORT  
ORANGE,                      FLORIDA                      32129  
TELEPHONE: (386) 506-5563                      E-  
MAIL:                      CITYCLERK@PORT-  
ORANGE.ORG.**

## **9      Insurance**

Paymentus shall maintain insurance during the life of this Agreement. See attached Exhibit "1" for the Client's Standard Insurance Requirements. Paymentus shall provide to the Client a certificate of insurance identifying the City of Port Orange as an additional insured. For workers' compensation coverage, the insurance certificate provided by Paymentus shall include the insurer's waiver of subrogation in lieu of naming the Client as an additional insured for workers' compensation.

Policies other than Workers' Compensation shall be issued by insurers licensed and/or duly authorized under Florida Law to do business in the State of Florida and all insuring companies are required to have a minimum rating of "A" in the "Best Key Rating Guide" published by A.M. Best & Company, Inc. Policies for Workers' Compensation may be issued by companies authorized as a group self-insurer by F.S. 440.572. Paymentus shall not commence work under this Agreement until the Client has received a certificate or certificates of insurance and endorsement evidencing the required insurance. Paymentus shall instruct its insurance carrier to provide the Client an endorsement which commits to giving Client written notice of intent to cancel or not to renew, no later than thirty (30) days prior to the effective date of the change.

The Client reserves the right to increase insurance coverage as determined for higher risk contracts and shall reimburse the Paymentus for the reasonable additional costs of increased coverage.

## **10 Miscellaneous**

### **10.1 Authorized Representative**

Each party shall designate an individual to act as a representative for the respective party, with the authority to transmit instructions and receive information. The parties may from time to time designate other individuals or change the individuals.

### **10.2 Notices**

All notices of any type hereunder shall be in writing and shall be given by Certified Post or a national courier or by hand delivery to an individual authorized to receive mail for the below listed individuals, all to the following individuals at the following locations:

#### **To Client**

C/O: M.H. Johansson, City Manager  
Address: 1000 City Center Circle, Port Orange,  
Florida 32129  
Email: [mjohansson@port-orange.org](mailto:mjohansson@port-orange.org)

With a copy to:

Customer Service Manager  
City of Port Orange  
Address: 1000 City Center Circle,  
Port Orange, Florida 32129

CFO and Finance Director  
City of Port Orange  
1000 City Center Circle  
Port Orange, FL 32129  
[sneils@port-orange.org](mailto:sneils@port-orange.org)

#### **To Paymentus**

C/O: President and CEO  
Address: 13024 Ballantyne Corporate Place  
Suite 450  
Charlotte, NC 28277  
Email: [ceo@paymentus.com](mailto:ceo@paymentus.com)

Notices shall be declared to have been given or received on the date the notice is physically received. Any party by giving notice in the manner set forth herein may unilaterally change the name of the person to whom notice is to be given or the address at which the notice is to be received.

### **10.3 Interpretation**

It is the intent of the parties that no portion of this Agreement shall be interpreted more harshly against either of the parties as the drafter.

### **10.4 Amendment of Agreement**

Modifications or changes in this Agreement must be in writing and signed by the parties to this Agreement.

### **10.5 Severability**

If a word, sentence or paragraph herein shall be declared illegal, unenforceable, or unconstitutional, the said word, sentence or paragraph shall be severed from this Agreement, and this Agreement shall be read as if said word, sentence or paragraph did not exist.

### **10.6 Attorney's Fees**

Should any litigation arise concerning this Agreement between the parties hereto, the parties agree to bear their own costs and attorney's fees.

### **10.7 Confidentiality**

Client will not for any purpose inconsistent with this Agreement disclose to any third party or use any confidential or proprietary non-public information it has obtained during the procurement process or during the term of this Agreement about Paymentus' business, including but not limited to the terms of this Agreement, operations, financial condition, technology, systems, know-how, products, services, suppliers, clients, marketing data, plans, and models, and personnel except as required by law. Paymentus will not for any purpose inconsistent with this Agreement or its privacy policy in effect from time to time disclose to any third party or use any confidential User information it receives in connection with its performance of the services.

### **10.8 Intellectual Property**

In order that Client may promote the Services and Paymentus' role in providing the Services, Paymentus grants to Client a revocable, non-exclusive, royalty-free, license to use Paymentus' logo and other service marks (the "Paymentus Marks") for this purpose only. Client does not have any right, title, license or interest, express or implied in and to any object code, software, hardware,

trademarks, service mark, trade name, formula, system, know-how, telephone number, telephone line, domain name, URL, copyright image, text, script (including, without limitation, any script used by Paymentus on the IVR or the Website) or other intellectual property right of Paymentus ("Paymentus Intellectual Property"). All Paymentus Marks, Paymentus Intellectual Property, and the System and all rights therein (other than rights expressly granted herein) and goodwill pertain thereto belong exclusively to Paymentus.

## **10.9 Force Majeure**

Paymentus will be excused from performing the Services as contemplated by this Agreement to the extent its performance is delayed, impaired or rendered impossible by acts of God or other events that are beyond Paymentus' reasonable control and without its fault or judgment, including without limitation, natural disasters, war, terrorist acts, riots, acts of a governmental entity (in a sovereign or contractual capacity), fire, storms, quarantine restrictions, floods, explosions, labor strikes, labor walk-outs, extra-ordinary losses utilities (including telecommunications services) and/or delays of common carrier.

## **11 Indemnification**

11.1 Each party hereto agrees to **indemnify**, defend, exculpate, and hold harmless the other parties hereto, and their respective officers and employees, from and against any and all third party claims, suits and liabilities of any kind or character (including without limitation reasonable attorney fees and expenses) to the extent that they result or arise from any negligent acts or omissions of said party arising from or connected with the performance of any of the duties or responsibilities of said party under this Agreement. Further, the liability of the Client shall be limited by the provision of Section 768.28, Florida Statutes and under no circumstances shall this provision subject the Client to liability in excess of the statutory caps set forth in Section 768.28, Florida Statutes.

### **11.2 Warranty Disclaimer**

**EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, PAYMENTUS DISCLAIMS ALL OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, MADE TO CLIENT OR ANY OTHER PERSON, INCLUDING WITHOUT**

**LIMITATION, ANY WARRANTIES REGARDING QUALITY, SUITABILITY, MERCHANTABILITY, FITNESS, FOR A PARTICULAR PURPOSE OR OTHERWISE OF ANY SERVICES OR ANY GOOD PROVIDED INCIDENTAL TO THE SERVICES PROVIDED UNDER THIS AGREEMENT.**

### **11.3 Limitation of Liability**

Notwithstanding the foregoing, Paymentus shall not be liable for any lost profits, lost savings or other special, indirect or consequential damages, even if it has been advised of or could have foreseen the possibility of these damages. In no event will Paymentus be liable for any losses or damages resulting from the acts, omissions or errors of third parties or of Client. Paymentus' total liability for damages for any and all actions associated with this Agreement or the Services shall in no event exceed (i) for an error in connection with a specific transaction the specific dollar amount of the Paymentus Service Fee paid to Paymentus for the particular payment transaction which is the subject matter of the claim of damage, and (ii) for other claims, the amount of the Paymentus Fee (net of direct processing and other fees paid by Paymentus) paid to Paymentus ("Net Fees") in the six (6) months before the events given rise to the claim or claims arising from the same circumstances; and (iii) in no event more than the lesser of \$1,000,000.00 or the Net Fees under the Agreement. Notwithstanding the foregoing, Client shall not be liable for any lost profits, lost savings or other special, indirect or consequential damages, even if it has been advised of or could have foreseen the possibility of these damages. In no event will Client be liable for any losses or damages to the extent resulting from the acts, omissions or errors of third parties or Paymentus. Client's total liability for damages for any and all actions associated with this Agreement or the Services shall in no event exceed the specific dollar amount of the Paymentus Service Fee paid or payable to Paymentus for the particular payment transaction which is the subject matter of the claim of damage, and for other claims the amount paid or payable under this Agreement plus reasonable attorney's fees and expenses of litigation, if any incurred in connection therewith.

## **12 Term and Termination**

### **12.1 Term**

The term of this Agreement shall commence on the effective date of this Agreement and continue for a period of five (5) years ("Initial Term") from the Launch Date.

At the end of the Initial Term, this Agreement may be renewed for two additional successive three (3) year periods by a written Amendment entered into by the parties in which an authorized individual agrees to its terms.

### **12.2 Material Breach**

A material breach of this Agreement shall be cured within 90 days ("Cure Period") after a party notifies the other of the breach. In the event the material breach has not been cured within the Cure Period, the non-breaching party can terminate this Agreement by providing the other party with a 30 days' notice.

### **12.3 Upon Termination**

Upon termination of this Agreement, the parties agree to cooperate with one another to ensure that all Payments are accounted for and all refundable transactions have been completed. Upon termination, Paymentus shall cease all Services being provided hereunder unless otherwise directed by Client in writing.



## Schedule A – Paymentus Service Fee Schedule (Absorbed Fee)

Paymentus Service Fee charged to Client will be based on the following:

| <b>Absorbed Fee Model – Utility Billing</b>                                                                                                         |         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Average Bill Amount: \$118.00                                                                                                                       |         |
| Paymentus Service Fee per qualified utility rate transaction                                                                                        |         |
| <input type="checkbox"/> Credit/Debit Card                                                                                                          | \$ 1.80 |
| (Visa, MasterCard, Discover, American Express, PayPal, Venmo, PayPal Credit and as explained in the attached Exhibit “2” with utility Program Rate) |         |
| <input type="checkbox"/> ACH/ eCheck                                                                                                                | \$0.75  |
| Paymentus Service Fee per Non-Qualified Transaction: 2.95%                                                                                          |         |
| Paymentus Service Fee for Reversed or Charged- back Transactions: \$9.95 per item                                                                   |         |

Note: Maximum Amount per Payment is \$750. Multiple payments may be made. A Non-Qualified Transaction is one for which a Non-Qualified Card is used.

Paymentus may apply different limits per transactions for user adoption or to mitigate risks.

Encrypted card readers will be billed at \$225.00 each; the first four will be provided at no charge.

| <b>Absorbed Fee Model – Non - Utility Billing</b>                                                                                                                                                                    |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Average Bill Amount: \$100.00                                                                                                                                                                                        |  |
| Paymentus Service Fee per Transaction:                                                                                                                                                                               |  |
| <ul style="list-style-type: none"><li>• 2.95% for Visa, MasterCard, Discover, American Express, PayPal, Venmo and PayPal Credit and as explained in the attached Exhibit “2”</li><li>• \$0.75 ACH / eCheck</li></ul> |  |
| Paymentus Service Fee for Reversed or Charged- back Transactions: \$9.95 per item                                                                                                                                    |  |

Note: Maximum Amount per Payment is \$15,000.00. Multiple payments may be made.

## Schedule B – Paymentus Service Fee Schedule, Additional Services

Paymentus Service Fee charged to Client will be based on the following tables:

| Paymentus Solution/Service                                                                                                                                                                                                                                                                                   | Paymentus Service Fee                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| Paymentus Electronic Bill Presentment Set-Up<br>(Standard e-Bill)                                                                                                                                                                                                                                            | Waived Annual Fee (usually \$2,500.00)            |
| <ul style="list-style-type: none"> <li>• System Development</li> <li>• System Set Up / Implementation</li> <li>• File interface with CIS</li> <li>• System loading fees</li> <li>• Presentment fees</li> <li>• Customer email notifications</li> <li>• 13 month rolling historical e-bill hosting</li> </ul> | \$0.00 Monthly Hosting Fee (to be billed monthly) |

|                                                                                                                                                                                |                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| <b>Paymentus Enterprise Communication Manager (ECM)</b>                                                                                                                        |                                             |
| Paymentus Enterprise Communications consists of outbound IVR (Integrated Voice Response – automated phone messaging), email, and SMS (Short Message Service – Text Messaging). |                                             |
| There is no charge by Paymentus to Client for the infrastructure enabling these services.                                                                                      |                                             |
| The fee to Client is charged on a per use basis, as follows:                                                                                                                   |                                             |
| <input type="checkbox"/> Up to 3,000 monthly messages (IVR and Email) per month:                                                                                               | No Charge                                   |
| <input type="checkbox"/> In excess of Allotted Messages per month:                                                                                                             |                                             |
| <input type="checkbox"/> \$0.12 per IVR message                                                                                                                                |                                             |
| <input type="checkbox"/> \$0.05 per Email message                                                                                                                              |                                             |
| <input type="checkbox"/> Implementing Client's customization of the outbound message:                                                                                          | No Charge                                   |
| <input type="checkbox"/> SMS Outbound Message                                                                                                                                  | \$0.12 per message (Available Upon Request) |

# Paymentus

## EXHIBIT "1"

| <b>Standard Insurance Requirements</b> |                                                                                                             |                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                 |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                        | <b>Insurance</b>                                                                                            | <b>Standards</b>                                                                                                                                                                           | <b>Additional Requirements</b>                                                                                                                                                                                                                                                                  |
| <input checked="" type="checkbox"/>    | Workers' Compensation<br><br><u>Additional Coverage:</u>                                                    | <u>Limits:</u> Coverage A - Statutory<br>Coverage B - \$100,000<br><br>All States (Broad Form) Voluntary Compensation                                                                      | <input type="checkbox"/> If Agreement requires work on or about navigable waters, Longshoreman's and Harbor Workers' Coverage required. <b>NOT APPLICABLE</b><br><input type="checkbox"/> If vessels involved, Jones Act coverage with limits of \$500,000 required. <b>NOT APPLICABLE</b>      |
| <input checked="" type="checkbox"/>    | Comprehensive General Liability (including Completed Operations and Contractual Liability)                  | <u>Limits:</u> Combined Single Limit Bodily Injury and Property damage<br>\$1,000,000 occurrence<br>\$2,000,000 Aggregate                                                                  | <input type="checkbox"/> When work is on or under Railroad rights of way or properties, the Contractor shall take out and maintain during the life of the Agreement, Railroad protective liability and property damage insurance in amounts as requested by the Railroad. <b>NOT APPLICABLE</b> |
| <input checked="" type="checkbox"/>    | Comprehensive Business, Automobile Liability to include all automobiles.<br><br><u>Additional Coverage:</u> | <u>Limits:</u> Auto Liability Bodily Injury:<br>\$200,000 each person<br>\$300,000 each occurrence.<br>Property Damage Liability<br>\$100,000 each occurrence.<br><br>Non-Owned, Hired Car | Or \$500,000 Combined Single Limit for Bodily Injury and Property Damage                                                                                                                                                                                                                        |

| <b>Additional Insurance Requirements</b> |                                             |                                        |  |
|------------------------------------------|---------------------------------------------|----------------------------------------|--|
| <input checked="" type="checkbox"/>      | Professional Liability (Errors & Omissions) | Limits: Coverage - \$2,000,000 minimum |  |
| <input checked="" type="checkbox"/>      | Cyber Liability                             | Limits: Coverage - \$2,000,000         |  |

## About PayPal



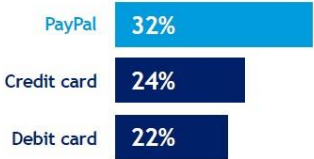
- Most used digital wallet in world
- Over 277 millions active users worldwide, 100 million+ in U.S.
- 64% of U.S. adults have used PayPal for an online transaction in the last year
- One Touch™ checkout results in 88% fewer keystrokes



## PayPal's the Preferred Online Payment

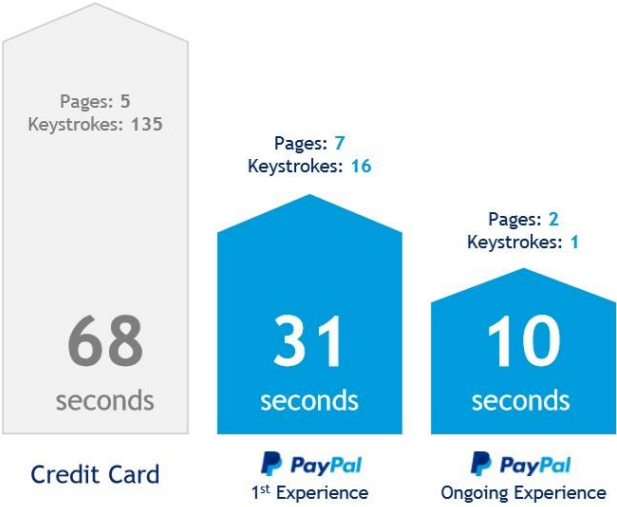
51% of users have abandoned a transaction because PayPal wasn't there

Preference by Users Online



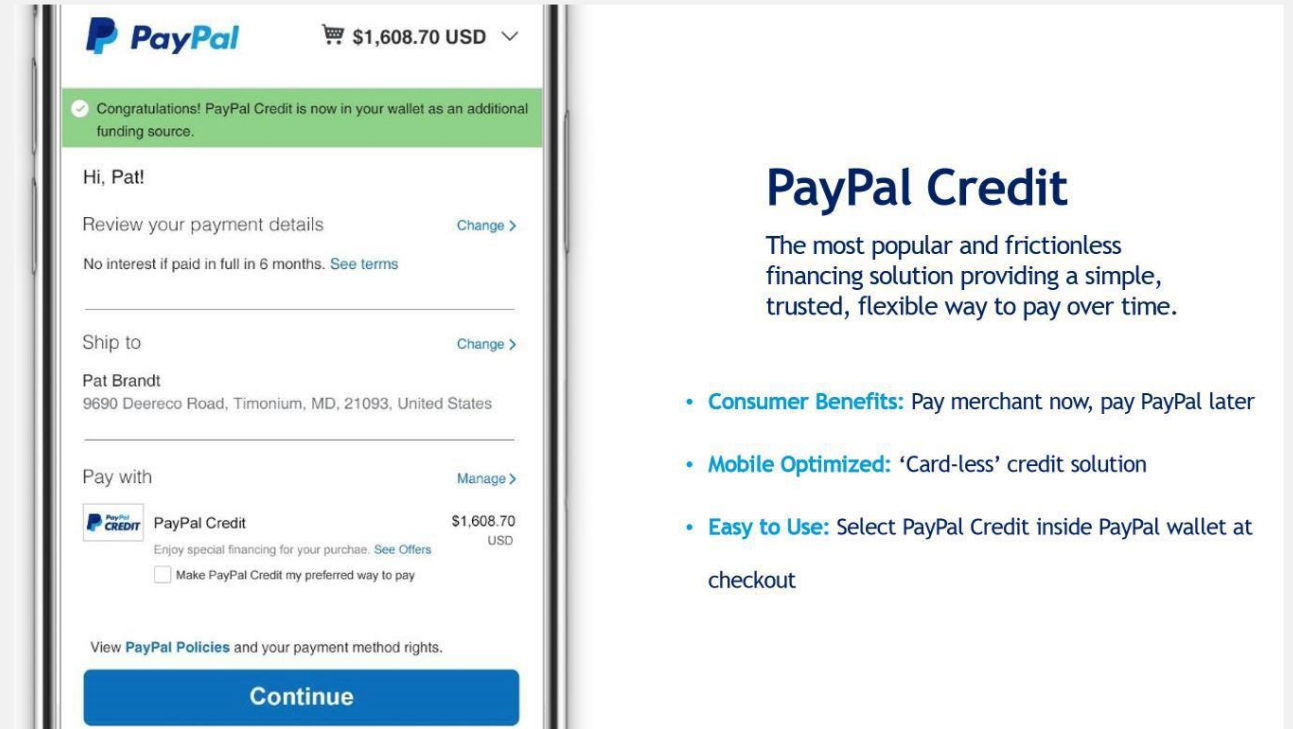
  Source: Ipsos, July 2018, online survey of 1,500 consumers in each of 7 global markets.

## Mobile Express Checkout Comparison





- Flexible revolving line of credit
- Interest free if balance is paid within 6 months
- Allows customers to pay over time
- 78% use PayPal Credit for everyday expenses and bills
- 33% of PayPal Credit users are millennials



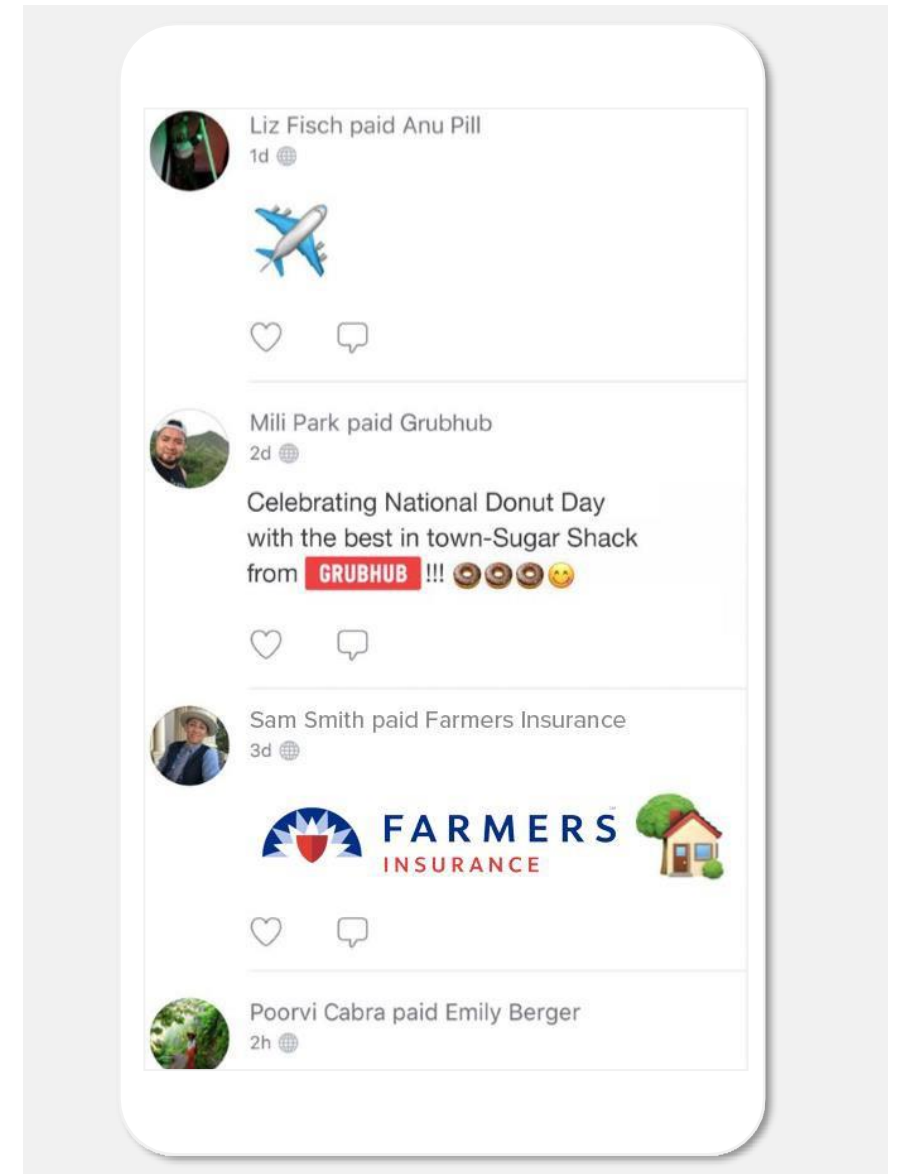
## PayPal Credit

The most popular and frictionless financing solution providing a simple, trusted, flexible way to pay over time.

- **Consumer Benefits:** Pay merchant now, pay PayPal later
- **Mobile Optimized:** 'Card-less' credit solution
- **Easy to Use:** Select PayPal Credit inside PayPal wallet at checkout

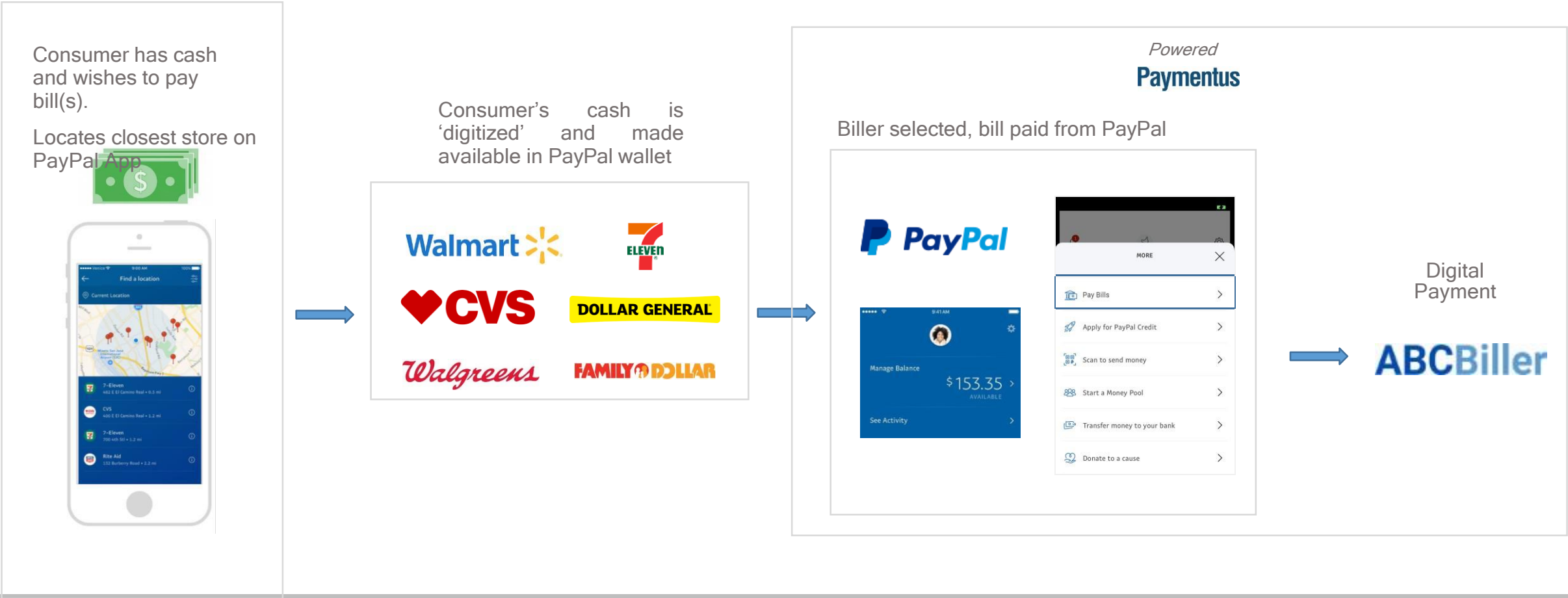


- 27 million active users, growing 80% YOY
- Preferred payment method of Millennials – 66% used Venmo in last 12 months
- The ‘social’ payment method with a strong network effect that is accelerating utilization



# Digitized Cash – Solutions For The Underbanked

25 Million U.S. Households are ‘Underbanked’ and have limited options for how to pay bills, until now....



## Mobile Wallet

- Mobile wallets are digital versions of traditional wallets.
- Digital wallets hold credit and debit cards for making payments, store coupons and loyalty programs, specific information about personal identity and more.
- Wallet eBill is a summary of a paper bill that will be stored inside of a mobile wallet.



# About Amazon Pay

*“I trust Amazon. At websites online that are not Amazon, I will choose the merchants that offer Amazon Pay over another. I believe that the fewer places that have my payment information the better.”*

*“I was very surprised when the payment required came up with credit cards or Amazon Pay. It was so quick and easy. Everything about Amazon is quick and easy. I LOVE IT!”*

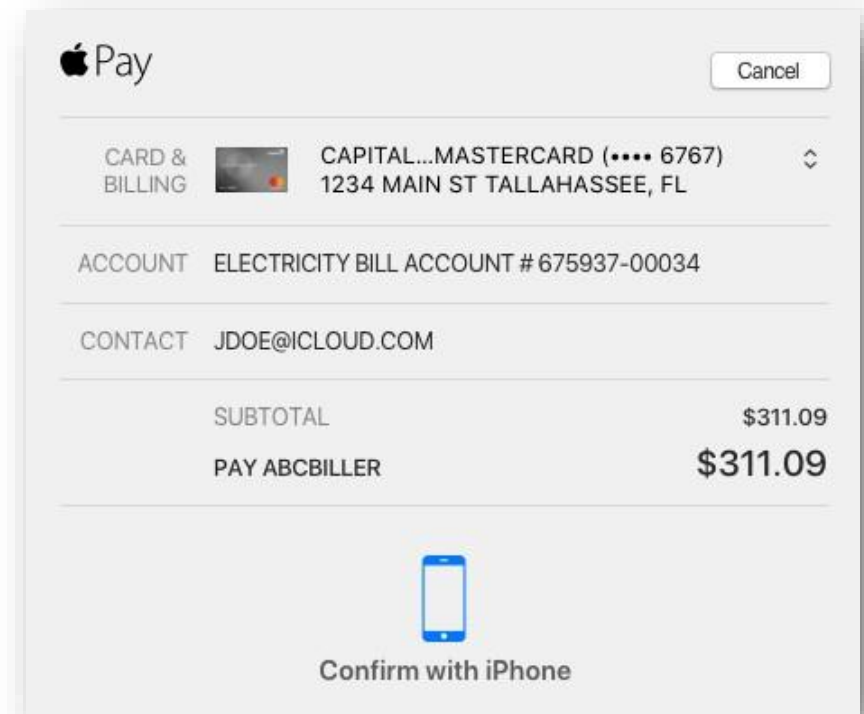


- 300 million Amazon accounts
- Over 100 million Prime members
- 91% of consumers who have used Amazon Pay would use it again if given the opportunity
- 84% rate Amazon Pay a 10 out of 10 on ease of use and speed of transaction
- 83% rate Amazon Pay a 10 out of 10 for ‘security’ and ‘brand trust’

2018 Annual Brand Rankings (Kantar MillwardBrown)



- Over 100 million Apple Pay enabled devices
- 10 Billion Transactions in 2019 (more than American Express)
- Over 1 million websites have Apple Pay enabled
- 85 of the top 100 global commerce apps have Apple Pay enabled



*CRITICAL FACTO*

# Billing and Payment

Our integrated, interoperable, responsive and omni-channel platform allows customers to pay when, how and where they want 24/7 and provides more self-service options.



Billing & Payment Channels

- Web
- Mobile
- Pay-by-Text
- Pay-by-Email
- IVR
- Kiosk
- Agent Assisted
- Chat
- Social Media



Superion, a CentralSquare Company

## Add-On Quote

**Quote Prepared For:**

Michelle Peterson, Programmer/Analyst  
City of Port Orange  
1000 City Center Circle  
Port Orange, FL, 32129  
(386) 506-5546

Date: 12/10/19

**Quote Number: Q-00025098**

**Valid Until:**

**03/08/20**

**Quote Prepared By:**

Keegan Wetzel, Associate Account Manager  
CentralSquare Technologies  
1000 Business Center Drive  
Lake Mary, FL 32746  
Phone: +14073043058 Fax:  
[keegan.wetzel@centralsquare.com](mailto:keegan.wetzel@centralsquare.com)

Thank you for your interest in our company and our software and services solutions. Please review the below quote and feel free to contact Keegan Wetzel with any questions.

### Subscription Fees

| Product Name       | Quantity | Subscription Fee |
|--------------------|----------|------------------|
| Fusion Proprietary | 1        | 3,500.00         |
| Total              |          | <b>3,500.00</b>  |

### Third-Party License Fees & Maintenance

| Product Name            | Quantity | License Fee     | Maintenance   |
|-------------------------|----------|-----------------|---------------|
| NaviLine Web Enablement | 1        | 3,250.00        | 650.00        |
| Total                   |          | <b>3,250.00</b> | <b>650.00</b> |

### Professional Services Installation & Configuration

| Product Name                 | Amount   |
|------------------------------|----------|
| Fusion Professional Services | 1,400.00 |
|                              |          |
| Total                        | 1,400.00 |

### Training

| Product Name                 | Amount |
|------------------------------|--------|
| Fusion Professional Services | 640.00 |

|       |        |
|-------|--------|
| Total | 640.00 |
|-------|--------|

## Project Management

| Product Name                 | Amount |
|------------------------------|--------|
| Fusion Professional Services | 640.00 |

|       |        |
|-------|--------|
| Total | 640.00 |
|-------|--------|

|                             |          |
|-----------------------------|----------|
| Total Professional Services | 2,680.00 |
|-----------------------------|----------|

## Summary

| Product/Service                    | Amount           |     |
|------------------------------------|------------------|-----|
| Subscription Fees                  | 3,500.00         |     |
| Professional Services              | 2,680.00         |     |
| <b>Subtotal</b>                    | <b>6,180.00</b>  | USD |
| Third-Party License Fees           | 3,250.00         |     |
| <b>Subtotal</b>                    | <b>3,250.00</b>  | USD |
| <b>Total Excluding Maintenance</b> | <b>9,430.00</b>  | USD |
| Net Third-Party Maintenance        | 650.00           | USD |
| <b>Total with Maintenance</b>      | <b>10,080.00</b> | USD |

See Product notes in the Additional Information Section

Payment terms as follows, unless otherwise notated below for Special Payment Terms by Product:

Do not pay from this form. Customer will be invoiced for the fees set forth after execution.

If applicable, annual Access, Subscription and/or Cloud/Hosting Fees will be invoiced annually after the initial term.

Maintenance Service and Support Fees (including third party products) are included with purchase for the initial term and will be invoiced annually after the initial term.

License, Start-up and Third Party software and/or hardware Fees are due at execution.

Training Fees and Travel Expenses are due as incurred. All other Professional Services will be Fixed Fee, due at execution.

Custom Modifications and Third Party Product Implementation Services fees are due 50% on execution of this Quote and 50% due upon invoice, upon completion.

Pricing for professional services provided under this quote is a good faith estimate based on the information available at the time of execution. The total amount may vary based on the actual number of hours of services required to complete the services. If required, additional services can be provided on a time and materials basis at CentralSquare's then-current hourly rates for the services at issue. For training and on-site project management sessions which are cancelled at the request of Customer within fourteen (14) days of the scheduled start date, Customer is responsible for entire price of the training or on-site project management plus incurred expenses.

**Additional Terms:**

This form constitutes a supplemental order and amendment to the existing Agreement (the "Agreement") by and between CentralSquare and Customer. Unless otherwise stated below, all terms and conditions as stated in the Agreement shall remain in effect.

Applicable taxes are not included, and, if applicable, will be added to the amount in the payment of invoice(s) being sent separately.

Travel expenses shall be governed by the CentralSquare Travel Policy.

Preprinted conditions and any terms stated on purchase orders or other documents submitted hereafter by Customer are of no force or effect, and the terms and conditions of the Contract and Agreement and any amendments thereto shall control unless expressly accepted in writing by both parties.

If applicable, Third party hardware/software maintenance and any applicable warranty provisions will be provided by the third party manufacturer(s). The return and refund policy of each individual third party hardware/software supplier shall apply. In the event that a manufacturer changes any of these respective policies or prices, CentralSquare reserves the right to adjust this proposal to reflect those changes if they occur prior to execution.

Any shipping charges shown are estimated only and actual shipping charges will be due upon invoice, upon delivery. Delivery is defined as either a) electronic delivery, by posting it on CentralSquare's network for downloading, or similar electronic file transfer method, or (b) physical shipment, such as on a disc or other media transfer method. Physical shipment is on FOB- CentralSquare's shipping point, and electronic delivery is deemed effective at the time CentralSquare provides Customer with access to download the CentralSquare Solutions.

Michelle Peterson, Programmer/Analyst  
City of Port Orange

**Authorized Signature:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_

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

**Additional Information Section**

**Product Notes:**

# Business Productivity

Benefits for your team.

## The Paymentus Staff Portal

Your team will have access to the industry's most comprehensive Staff Portal giving them single sign-on access to manage the full customer experience and monitor all payments in real time. Our Staff Portal is the centerpiece of the business productivity gains your business will achieve.

### KEY FEATURES

- Always available web-based administrative interface
- Designate access to team members with assignable roles and permissions
- View and download payment reports, reconciliation reports, paper suppression reports, and deposit reports
- Block payment methods for at-risk accounts
- Administer customer notifications by phone, text, and email with the Paymentus *Enterprise Communication Manager*



## Decision-Ready Analytics

Comprehensive reports about payment history, paper suppression, AutoPay schedules and more provide a deeper understanding of customer usage patterns.

Now your business will have the information it needs to make informed service and promotional decisions to boost customer participation.



## Comprehensive and Flexible Payment Options

Our single-vendor, Level 1 PCI Compliant payment suite consolidates all your payments under one roof without the hassle of managing multiple vendor contracts.

- All payment channels — web, IVR, pay-by-text, kiosk, agent-assisted, interactive emails
- All payment types — credit, debit, eCheck/ACH, cash
- Supports both convenience fee and no-convenience fee pricing



## Rapid Reconciliation

Paymentus' integrated payment solution gives your staff a single view to all payments helping to reduce the time and effort associated with daily payment reconciliation.

- Reports reflect all payment channels and all payment types
- Synch the timing of payment batches and daily deposits
- Simplify reconciliation even further by integrating our *eLockbox Payment Aggregator* to import payments from 3rd party locations



## Promotional Services

Paymentus offers assistance in developing promotional programs to help attract more users to your cost-saving electronic, paper-free services.

# Paymentus

Learn more about Paymentus:  
[www.paymentus.com](http://www.paymentus.com)

# Collect Payments *Faster*

The Paymentus Platform puts your customer at the center of the solution so they can make payments when and how they want with a consistent, user-friendly experience across all channels.

## Unified Customer Engagement



Advanced billing and payment technology that you can trust; PCI Level 1 certified.

## Paymentus

Learn more about Paymentus:  
[www.paymentus.com](http://www.paymentus.com)



# Customers Are Still Calling You.

According to JD Power, 48% of customers have used the phone channel to initiate a service request in the last year. The #1 request is for billing and payments.

## But, is your current operation prepared to manage phone based transactions in today's strict security environment?

A customer calls to make a payment over the phone and speaks to one of your employees. How you handle the request has an impact on customer satisfaction, data security, and revenue.

### EXISTING SOLUTIONS

### THE RISKS

**1** Customer reads card information to employee who enters it into a payment terminal

#### ***Significant security risk.***

Your business is in PCI scope and does not comply with current regulations.

**2** Employee directs customer to website to make a payment

#### ***Customer satisfaction and non-payment risk.***

Your customer wanted to make a phone payment, not be referred to pay online.

**3** Employee transfers customer to automated phone system / IVR to make a payment

#### ***Customer satisfaction and non-payment risk.***

The employee is disconnected once IVR is engaged. If the customer encounters an issue when trying to make a payment, your employee is not there to help.

**4** Employee engages IVR to mask payment details using DTMF

#### ***Security risks still exist.***

Your business is in PCI scope since the network is connected to the transmission, capture or storage of cardholder data.

All existing solutions require you to make a choice between a great customer experience and data security. Paymentus is excited to announce a way to help you deliver exceptional customer service and simplify the payment process without compromising security.

*Learn more on the back.*

# Paymentus

Learn more about Paymentus:  
[www.paymentus.com](http://www.paymentus.com)

# INTRODUCING **Secure Service™**

an innovative and patent-pending solution that fulfills your commitment to service, while totally removing your enterprise from the pressures of PCI compliance across all phone-based and digital channels.



## **PAYMENTUS SECURE SERVICE™ HIGHLIGHTS**

Secure Service™ is a Level 1 PCI compliant solution that allows your employee and the customer to remain connected throughout the entire payment process to ensure maximum customer satisfaction and a successful payment. Payment card details are entered by the customer, concealed from the agent, and transmitted through your system. If your customer has an additional query, they can easily re-engage with the **same** agent through our technology.

- ✓ Your business is completely removed from PCI scope: *Prevents employees from hearing or seeing banking information and isolates all phone systems and networks from capture, transmission and storage of card data.*
- ✓ Fully hosted: no additional equipment/software
- ✓ System ensures that customers complete payment with enhanced reliability
- ✓ Compatible with nearly all phone systems and call center configurations
- ✓ Included as part of the Paymentus Platform
- ✓ Patent Pending = Secure Service™ is only available from Paymentus!

## **Paymentus**

Learn more about Paymentus:  
[www.paymentus.com](http://www.paymentus.com)

# Secure, Hosted Deployment

Integrate, install, and launch with ease, and accept payments confidently.

With more than a decade of experience and 1300 clients, Paymentus is a tried-and-true provider of mission-critical payment solutions for billers across North America. Our turn-key service and proven products makes it painless to move to a modern, feature-rich platform.



## SAAS/Hosted Platform

- Eliminate costly hardware and software implementations
- Scalable platform grows with your business



## Bank-Level Security

- We are Level 1 PCI Compliant; let us shoulder the burden of electronic payment security and PCI compliance



## Steadfast Commitment

- The Paymentus Customer Care and Account Management Teams are unwavering in support of our clients and their customers
- Our *Continuous Product Improvement Program* makes certain your organization is ready for “what’s next”



## Unmatched Stability

- Industry leading up-time and performance
- Over 1300 clients; billions of transactions annually



## Rapid Implementation

- Our configurable product platform ensures fast, consistent deployments that accommodate your business rules
- Paymentus’ deep CIS and data migration experience makes it easy to switch service providers

## PCI Compliance

Unlike other payment processors, we don’t just take credit card payments and leave you to flounder in the quicksand of PCI. Paymentus keeps you on solid ground so you can focus on your business.

Our fully-hosted suite of customer self-service features (online, mobile, IVR, and kiosk payments) allows you to improve customer service and efficiency while offloading the cost, burden, and risk associated with electronic payment security and PCI compliance.

# Paymentus

Learn more about Paymentus:  
[www.paymentus.com](http://www.paymentus.com)

# Interactive Voice Response (IVR)

Let the IVR take care of the easy stuff – those balance and payment inquiries that chew up valuable staff time.



## Pay-by-Phone

Give your customers 24/7 self-service phone access to their account so they can -

- › Hear their balance and due date
- › Get their last payment amount
- › Make payments by credit card or eCheck

### FEATURES

- Our proven streamlined call flow, makes it easy to pay in under 2 minutes
- Dedicated toll free number
- English and Spanish languages supported
- Full integration with your CIS



## Customer Communication

Amazingly effective – outbound payment reminders are proven to reduce delinquencies by 50%.

- › Deliver payment reminders by voice, text, and email
- › Deliver any type of time-sensitive alert (e.g. service interruption, billing notice, emergency alert)

## Benefits

Reduce call volumes by up to 30%

Free up staff so they can focus on more complex customer service issues

Improved customer service

Collect more automated payments

Cut down on delinquencies





# Outbound Communication

BE PROACTIVE. INFLUENCE CUSTOMER BEHAVIOR. DRIVE ADOPTION.

## Keep In Touch

Even the most diligent customers can misplace a bill and ultimately forget to make a payment. But that doesn't mean there is nothing that can be done to ensure timely, complete payments. The Paymentus eBilling and Payment platform includes a full-feature customer notification capability — Enterprise Communication Manager (ECM) to make biller-to-payer communication simple.

## Enterprise Communication Manager

With ECM, you can directly target a specific audience in real-time with custom messaging. It is the *ultimate* customer service tool. In fact, it can be **so effective that we have seen delinquencies decrease by more than 50% from the very first month of use.** Alert customers to account enhancements, payment reminders, service interruptions, and more via text (sms), email, and phone!

### BENEFITS

- ✓ **Reduce late payments**
- ✓ **Engage a single customer or thousands and drive desired behavior**
- ✓ **Remove the cost of manual delinquency processes**
- ✓ **Develop mutually beneficial customer relationships**



*email payment reminders*

## Paymentus

Learn more about Paymentus:  
[www.paymentus.com](http://www.paymentus.com)

THE UTILITY INDUSTRY'S

# MOST COMPLETE eBILLING AND ePAYMENT PLATFORM

Paymentus delivers an exceptional electronic payment experience for your customers resulting in increased customer satisfaction and maximum customer adoption.

**Customers pay when, where  
and how they want with  
integrated payment reminders  
and notifications.**

- Online
- Mobile
- Text
- Email
- Apps
- Social Media
- Chat
- AutoPay
- One-Time Payment
- Scheduled Payment
- Paperless eBilling
- Self-Service Portal
- Artificial Intelligence
- Apple/Google Pay
- PayPal
- Automated Phone (IVR)
- Kiosk
- Point-of-Sale
- Agent-Assisted
- Call Center

- + Premier omni-channel solution with a unified customer experience
- + Seamless integration with every CIS system
- + Optimized billing operations with simplified reporting and reconciliation
- + 100% hosted and Level 1 PCI Compliant
- + Payment insight and analytics

**schedule a discussion today:**

[demo@paymentus.com](mailto:demo@paymentus.com)

Learn more about us:

**Paymentus**

[www.paymentus.com](http://www.paymentus.com)

# MORE THAN 1,500 BILLERS USE PAYMENTUS AS THEIR PROVEN AND SECURE PROVIDER.

“

Since implementing Paymentus, we've seen a significant reduction in billing and payment-related complaints and our J.D. Power scores have improved by several percentage points, most notably on the Digital Customer Experience Survey.”

— DIRECTOR OF CUSTOMER EXPERIENCE

“

Our new system is much more robust than what we had previously. The overall feedback we're getting from customers is very good. They finally have the action-packed, customer-driven payment site they've been wanting for years and we're very, very pleased about that.”

— CUSTOMER CARE MANAGER

“

Paymentus is a strategic partner of ours that we leverage to keep abreast of changing technologies and be responsive to customer expectations. Paymentus is great at looking into and presenting what's new and better technology for our customers, what's coming and what will stick around, and what to be prepared for in the changing payment industry.”

— BILLING & PAYMENT CUSTOMER EXPERIENCE MANAGER

## ***CERTIFICATE OF COMPLIANCE***

AWARDED TO

# **Paymentus Corporation**

This is to certify that the above-named company has been reviewed by SD7 Technology Group LLC and found to be compliant with the requirements of the PCI Data Security Standard version 3.2.1 as a Level One service provider. SD7 Technology Group LLC is a QSA company qualified by the PCI Security Standards Council. This certificate is valid for one year from the date indicated.

SD7 makes no representation or warranty as to the security or vulnerability of systems or practices of the above-named company, either in general or as to the current status of compliance. SD7 does not represent, warrant or guarantee that the cardholder environment is not vulnerable to compromise or attack. SD7 shall not be liable to any third party should an event of loss or damage occur, whether or not caused by any failure or breach of the service provider's systems or payment applications.

Awarded this 31<sup>st</sup> day of October 2019



Wayne Varga

Director of Security Services, SD7 Technology Group LLC



## Understanding Non-Qualified (“Non-Consumer”) Fees

A non-qualified fee (sometimes referred to as a “bill-back” or “non-consumer”) is a fee generated when a transaction does not qualify at the expected interchange level because it does not meet standard Visa®, MasterCard®, and Discover® Network requirements. Based on the data submitted and risk associated with particular transactions, Visa®, MasterCard® and Discover® Network assign the appropriate interchange level. Each account is set up with an interchange level according to its processing method and business type. Any transaction that does not qualify at that interchange level may result in a non-qualified (“non-consumer”) fee being charged.

### Standard Formula for Calculating Paymentus Non-Qualified Fee

“Total Monthly Non-Qualified Dollar” Amount minus (5% of the Total Monthly Credit Card Dollar Amount), multiplied by the “Non-Qualified Adjustment Rate” of 3.5% = Invoiced Non-Qualified Fee Amount

### Examples of Common Non-Qualified Fees

#### 1. Missing/Invalid Tran ID from authorization (Visa)

**Description:** A unique identification code returned from Visa in the authorization request.

##### Some possible reasons for this non-qualified fee code:

- Transaction was hand-keyed, but account is set up for all transactions to be swiped.
- Address Verification Service (AVS) was not completed for a keyed transaction.
- AVS did not match for a card not present hand-keyed transaction.
- Electronic authorization data was not submitted, i.e. voice authorization was received and/or transaction was force entered.

#### 2. Missing/Invalid Banknet data from authorization (MasterCard)

**Description:** A reference number assigned by MasterCard to each transaction

##### Some possible reasons for this non-qualified fee code:

- Electronic authorization data was not submitted, i.e. voice authorization was received and/or transaction was force entered.

#### 3. Missing/Invalid ACI from authorization (Visa)

**Description:** Authorization Characteristic Indicator is a value determined by Visa based on the data included with the authorization request. It is then returned with the electronic authorization response.

##### Some possible reasons for this non-qualified fee code:

- Card not present transaction hand-keyed with no AVS.
- Hand-keyed transaction with but account is set up to swipe all cards.

#### 4. Transaction cleared as corporate/business card (MasterCard/Visa)

**Description:** Designated for Business-to-Business transactions. This includes business cards, commercial cards, and purchase cards

**Some possible reasons for this non-qualified fee code:**

- A commercial card was accepted at a T&E (Travel and Entertainment) merchant (hotel, car rental, restaurant).
- Retail merchant failed to enter data at commercial card prompts.

#### 5. Exceeded timeliness (MasterCard/Visa)

**Description:** Exceeded the time allotted by Visa and MasterCard to process a transaction

**Some possible reasons for this non-qualified fee code:**

- Failed to batch terminal daily

# Paymentus

## Quotation for Port Orange, FL – Absorb Option (Schedule A)

|              |                                                                                                                                |
|--------------|--------------------------------------------------------------------------------------------------------------------------------|
| Delivered to | Cherie Cadenhead   Port Orange, FL   386-506-5721   <a href="mailto:ccadenhead@port-orange.org">ccadenhead@port-orange.org</a> |
| Prepared By  | Chris Wease   Paymentus   (704) 695-2686   <a href="mailto:cwease@paymentus.com">cwease@paymentus.com</a>                      |
| Date         | December 18, 2019                                                                                                              |

### Paymentus Solution Components (✓ Indicates feature is included)

**Online Quick Pay**

Allow customers to view and pay bills online without having to register an account. (mobile-optimized interface)

**Self-Service Customer Portal**

Engage customers with a wealth of online services to enhance their total experience. View payment/consumption history. Manage paperless and autopay settings, eWallet and multiple accounts. (mobile-optimized interface)

**Pay-by-Email / Secure PDF eBilling**

"push" eBilling with interactive PDFs allows customers to pay directly from their email inbox.

**Pay-by-Text**

Review balances and make payments without opening an envelope or going online.

**IVR / Automated Phone Payments**

Easy-to-use, rapid payment service allows customers to hear their balance and make a payment.

**Paperless eBilling / Mobile Wallet eBill Presentment**

Email bill reminders. Opt in/out of paper bill. Historical statement summaries and bill renderings. Presentment of bills into customers' Apple Wallet or Google Pay.

**Staff Portal**

Single sign-on access to manage the full customer experience. Administer all payment types and channels in real-time. Access decision-making analytics. Manage outbound notifications. Agent Assisted payments at the counter.

**Paymentus Payment Processing Services**

Level 1 PCI Compliant. Secure credit/debit/eCheck processing. Real-time data with simplified reconciliation for all payment channels and payment types including advanced payment methods PayPal, Venmo and PayPal Credit.

**Outbound Customer Notifications**

Deliver payment reminders and other time-critical notifications by phone/text/email.

### Pricing

|                                                                                                                                                          |                                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Hardware/Software Costs                                                                                                                                  | \$0.00                                                                                                                                                                                              |
| Set Up Fees / Integration Costs                                                                                                                          | \$0.00                                                                                                                                                                                              |
| Annual Subscription/User Fees                                                                                                                            | \$0.00                                                                                                                                                                                              |
| Annual Maintenance/Support Fees                                                                                                                          | \$0.00                                                                                                                                                                                              |
| Gateway Fees/PCI Compliance Fee                                                                                                                          | \$0.00                                                                                                                                                                                              |
| Credit/Debit Transaction Fees Utility Billing -<br><i>This fee includes all payment processing, gateway fees and Paymentus technology services</i>       | \$1.80 per qualified utility rate transaction via Visa, MasterCard, Discover authorization; Debit transaction; Paypal: Venmo, Paypal Credit<br>2.95% for all non-qualified credit card transactions |
| ACH ECheck Transactions                                                                                                                                  | \$0.75 per transaction                                                                                                                                                                              |
| Credit/Debit Transaction Fees Non - Utility Billing -<br><i>This fee includes all payment processing, gateway fees and Paymentus technology services</i> | 2.95% per transaction via Visa, MasterCard, Discover authorization; Debit transaction; Paypal: Venmo, Paypal Credit                                                                                 |

### General Terms and Assumptions

- Assumes an average payment amount of approximately \$118.00 for credit/debit card payments. A maximum amount per payment is \$750 for UB and \$15,000 for non-UB. Multiple payments can be made.
- Assumes approximately 29,000 utility billing accounts billed monthly. Chargebacks and returned checks will be billed at \$9.95 each.
- Includes 3,000 Staff Generated Outbound notifications via text, email and phone (ie Past Due Notifications, etc) .
- Encrypted Card Readers will be billed at \$225.00 each; the first four will be provided at no charge.





Prepared for:

# City of Port Orange, Florida

1-29-2020

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## Paymentus

User Experience Drives Us  
Innovation Is Our Engine

## EXECUTIVE SUMMARY

We are in the midst of a major shift in the payments landscape accelerated by new technologies and rising consumer expectations. Just a few years ago, voice-based assistants, chatbots, digital wallets and one-click payments were considered futuristic, and now they range from emerging to ubiquitous. Thanks to the proliferation of new interaction channels, emerging digital technologies and simplified checkout experiences, consumer expectations are rising to new heights. Companies that embrace the shift will be in a prime position to delight customers today and into the future.

The City of Port Orange staff understands this and is seeking a go-forward solution to improve your current environment with a single-platform solution built with leading edge technology. Paymentus will help you meet all of your objectives with heightened customer satisfaction, lower costs, flexible fee models, improved visibility and reporting, unmatched stability and so much more.

### Why Paymentus?

While, legacy providers are focused on stabilizing solutions built on multiple code bases, we are innovating and advancing our unified platform with more payment methods, more touchpoints for interaction and more intuitive experiences. Paymentus and our future-proof platform is the preferred partner of market leaders nationwide looking to not only modernize capabilities, but also improve reliability, security and productivity.

Leading companies are recognizing the difference.

- Amazon, a leader in customer experience, has teamed up with Paymentus to engage consumers with utility billing and payment capabilities using Alexa.
- PayPal, the world's leading digital wallet, named Paymentus as their "Global Bill Payment Partner." We will not only bring PayPal, Venmo and PayPal Credit to clients, but will also power PayPal's soon-to-be-released app for bill payment capabilities.
- FORTUNE 500® companies and market leaders across an array of industries are conducting comprehensive evaluations and choosing Paymentus as their partner because of our innovative technology, unmatched stability and fresh perspectives that are disrupting the status quo of legacy providers.

## Our DNA

- **Customer Experience-Motivated.** Our focus is to engage customers, providing interactions that generate an exceptional customer experience. No company in the industry dedicates more time, attention and resources to user experience.
- **Performance-Minded.** Our platform combines payments, eBills, communication and business intelligence in a unified solution with full interoperability that accelerates revenue collection, unlocks process efficiencies and adapts quickly to changing needs.
- **Client-Centric.** Paymentus has raised the bar on what organizations should expect from an outsource partner. We understand that you have a unique set of mandates and work to address these requirements with our flexible platform and partnership approach.
- **Results-Oriented.** The reliability of our platform is the best in the business. That stability, combined with the multi-layered security architecture and configurability of our advanced rules-based engine, ensures that Port Orange will see real results.

## Port Orange Advantages of Using Paymentus

There are a number of operating and customer service advantages that support the business case for the Paymentus solution in Port Orange. They include:

- **Reduced Call Volume** – IVR moves 40% of customer calls to the automated environment for simple transactional questions like ‘what is my balance?’, ‘when is my bill due?’ and creates additional time for customer service representatives to focus on the customers with real issues and questions that require human intervention and customer service.
- **Reduce Call Wait Time** – Since the IVR is moving call volume to handle simple questions and manage payments, there are fewer opportunities for customers needing to speak with someone to reach a busy signal or to wait on hold.
- **Reduce Foot Traffic** – With all of the variety of options provided by the Paymentus solution available to customers to access their account, be notified of bill status, be reminded of bill status, review bill information and make payments, the foot traffic will be decreased to customer service – thus, enhancing the experience for customers who actually need to come into the office for help, setting up a new account or to get a problem resolved.
- **Reduced Work Orders for Shut Off for Non Payment** – Use of the Paymentus solution for payment reminders decreases shut off for non payment activity by 50% for each single notification. Drastic reduction of work orders to shut off customers and then turn them back on will release several staff members in both customer service and field services from a weekly and monthly process that is cumbersome and draining on resources.
- **Enhanced Customer Service** – The Paymentus solution provides the entire host of options that Port Orange customers are becoming accustomed to in the marketplace to access their account and make



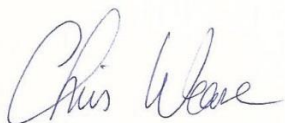
payments with their chosen method and channel. Customers with ample choice report significantly higher customer satisfaction when they are provided reminders, notifications, payment options and easy to use technology to address their bill payments.

- **Spend Less Time Reconciling Payments** – With the Paymentus solution, Finance staff will spend drastically less time managing the payment reconciliation process by eliminating gateways, waiting on credit card payment transactions to trickle in from traditional merchant service providers, looking for mis-placed transactions, managing refunds and balancing to the bank account. Paymentus provides one single bank deposit synchronized to the Customer Information System's end of day timeframe for each merchant account for a single day's activity; we actually pre-fund these transactions to ensure that all payment transactions are deposited together in one single cash deposit for our customers – including AMEX. Finance staff that have changed to Paymentus report time spent on reconciliation for electronic payments reduced from hours to minutes.
- **Drastically Reduce PCI Security Costs and Breach Risk** – Paymentus manages all of the PCI compliance for the payment activity transacted on the Paymentus platform. Not only does this provide protection to the customers' credit card information, it also protects the City staff from the challenges and inconvenience that would be involved in the event of a credit card breach.

As a fully hosted, single-vendor solution, Paymentus alleviates the burden, pitfalls, and fees of coordinating disparate systems that can over complicate the management of the billing and payments operation. With one connection and one integration, you get access to the full spectrum of services and capabilities we offer. You choose when and how you to enable them, whether it's today or down the line as your needs change.

Thank you for this opportunity. We are excited to begin our partnership with the City of Port Orange Staff to provide the citizens with a secure, modern and nimble digital experience tailored especially for your strategies today and as they evolve over time. Our team is ready to go to work on your project and we look forward to working together.

Regards,



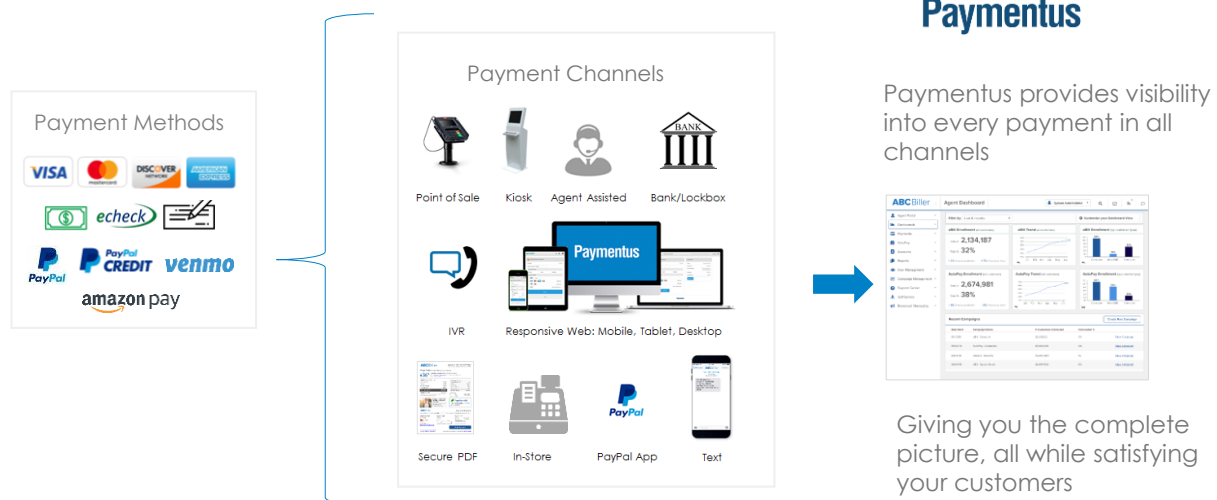
Chris Wease  
Regional Sales Executive  
704-695-2686  
[cwease@paymentus.com](mailto:cwease@paymentus.com)



## SOLUTION OVERVIEW

As a pioneer in the electronic payments industry, Paymentus is laser-focused on digital billing and payment solutions. We have successful and long-term relationships with organizations nationwide who are using our offerings to provide the most convenient, secure and intuitive solutions to their customers. Our dedicated people and cutting-edge technology have helped us serve these clients with an unprecedented level of quality.

While multi-channel enables your customers to interact with your business through a number of touchpoints, each interaction is distinct and disparate. Our omni-channel approach provides consistent, yet contextual experiences with a 360-degree view across ALL touchpoints. It removes the distinctions between channels to create a single view of the customer with personalized interactions and messaging at the right time.



We make it easy to connect with your customers  
— every time, every way, everywhere.

Following is a brief overview of our extensive capabilities built on a single core and designed to help you achieve a level of customer engagement not available with legacy systems. Port Orange will choose the features, functionality and implementation approach that supports your specific digital billing and payment needs today and as they evolve over time. We pride ourselves in being the future-proof platform.

## Online Payments



A decade ago, just flipping the switch on for web payments was enough to stay competitive; but today, consumers have more choices and are more connected than ever. They expect better, more personalized experiences from every digital touchpoint with you.

The Paymentus solution offers multiple options for integration into our electronic billing and payment solution from fully-hosted UIs to a client-hosted solution using our tokenized payment API. We support single sign-on and provide any programming requirements for integration with your systems and website.

For our hosted UI, Paymentus offers maximum flexibility that leverages your style sheets, allowing you to choose the logos, fonts, interstitials, banners, specialized fields and more. Our online channel is easy to navigate and simple to understand with automated technologies to help prevent user errors and ensure security and privacy. We designed the user interface with maximum configurability to meet our clients' unique needs for branding, specialized fields, layout and flow that integrate seamlessly with your existing online presence, CIS and other backend systems. All aspects of the service are also available via API, Iframe or modal.

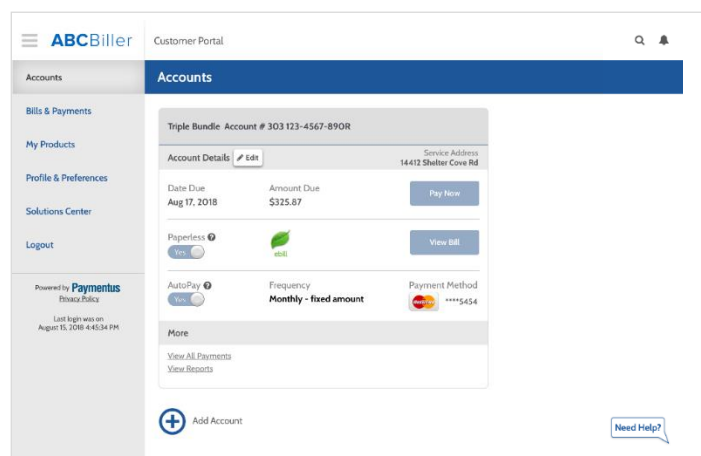
### Pay Now (Unregistered)

This user experience does not require registration or a logon and provides a way for your customers to make a one-time payment quickly and easily.

### Customer Portal (Registered)

Our enrolled customer experience (single sign-on, if desired) provides robust billing, payment and user preference functionality via a highly secure self-service portal.

The navigation bar on the left of the screen helps customers find the content and options they are looking for quickly and easily.



## IVR Payments



The IVR is a 24/7 channel that many of your customers rely on to make a payment quickly and effectively. The IVR dramatically reduces the number of calls your staff handles, lowers collection costs and overhead and frees up staff to handle other important tasks.

Paymentus provides a fully integrated IVR payment channel with customized greetings and configurable flows. We support voice prompts in English, Spanish and French. Customers can “zero-out” or transfer automatically upon detection of difficulty to speak with a customer service representative.

We own our IVR technology and do not have to rely on a third party vendor for this mission critical channel. Our industry-leading 90+% success rate for completed payments can be attributed investments in a simplified caller experience that balances security with usability.

## Mobile Payments



Mobile access is crucial for customer satisfaction and faster payments. To optimize the value of this channel, you must deliver a seamless experience that encourages self-service.

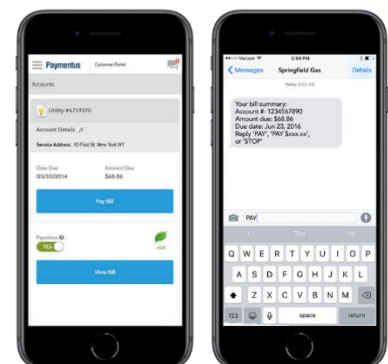
Paymentus delivers greater convenience for busy, on-the-go customers with multiple options to ensure our solution aligns with your business strategy.

### Mobile Web

Our responsive design optimizes the web experience for smartphones and tablets, providing an ideal viewing experience with minimal resizing, panning and scrolling required.

### Pay-by-Text

It doesn't get any easier than this. Our service allows your customers to opt-in to receive a text message with their current balance and due date. Customers can respond “Pay” to instantly pay their bill.



## Emerging Payments



Innovators are coming up with new and unexpected ways to pay at a record pace. This presents opportunities for advancements and trends that can have a profound impact on your business.

As a market leader in customer engagement, bill presentment and payment technology, Paymentus continues to innovate and invest in the latest technologies to create frictionless customer experiences. We provide the flexibility, automation and integration capabilities that grow with you – not hold you back.

### Advanced Payment Methods

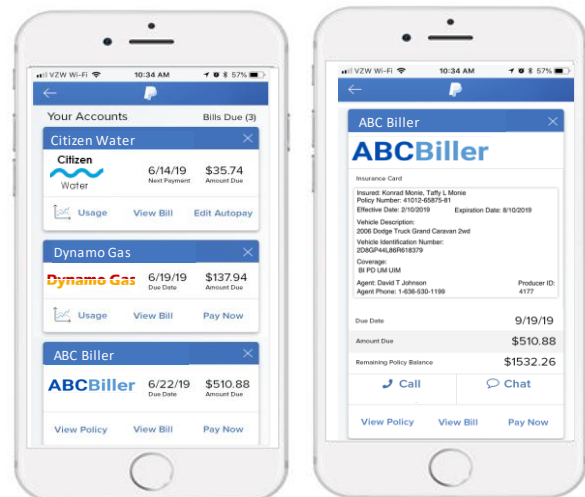
In the U.S., digital wallets are projected to overtake credit cards as the most popular online payment method in 2020. More and more consumers are using this method of payment because they are seen as more secure, simple and convenient. Paymentus will help you take advantage of the positive correlation between choice and satisfaction – moving from legacy to these advanced payment methods including:

- PayPal
- Amazon Pay
- Venmo
- And more...
- PayPal Credit

### PayPal App

Paymentus is the engine that is powering PayPal's soon-to-be-released bill pay capabilities. PayPal is the most used digital wallet in world with over 277 million active users. Sixty-four percent of U.S. adults have used PayPal for a transaction in the last year.

From the PayPal app, customers can view bills, receive notifications, send messages, make single payments, set up AutoPay and much more. Payments post in real-time or via daily batch.



## Chatbot

Chatbots are key to efficient and effective customer support. The Paymentus chatbot uses machine learning/artificial intelligence to improve the speed and quality of every interaction. It can be configured for your brand personality and compliance requirements.

Chatbot technology is also incorporated into our patented Secure Service™ technology for your call center. Secure Service allows you to avoid exposing CSRs to payment information and steer clear of PCI exposure across all phone and digital channels.

## Voice Assistants

Voice assistant technology is now an active participant in homes across the world and we have harnessed its power to make payments more user friendly than ever before. Additionally, they benefit businesses because they are trainable, controllable and always learning. Basic inquiries and tasks that previously required a call to customer support, today can be addressed easily by voice-based assistants integrated with the Paymentus platform.

Skills powered by Paymentus are capable of not only answering questions, but also delivering value-added insights to customers.

Examples include:

- *Your current bill is due this week. Would you like to make a payment now?*
- *Your eBills are now being sent to johnb@gmail.com. Thank you for going paperless.*
- *Your current month's usage is 50% higher than the previous month.*

## Integration with Alexa

**Amazon has teamed with Paymentus to provide an easier way for customers to manage their bills with Alexa.**

**Much like the experience of receiving billing and payment information via web and IVR, your customers can securely access their account using Alexa devices.**



## AutoPay/Recurring Payments

---



Automatic payments are incredibly convenient for consumers and they offer numerous benefits for your organization; especially when you have a partner to manage the security and administration challenges of the program.

With AutoPay, your customers can setup worry-free automatic recurring payments, choosing the frequency and method of payment from the options you define. The service includes management of enrollments, notification preferences, schedules, payment methods and more. Additionally, your CSRs can be given permission to set-up AutoPay on behalf of a customer.

Most important, our PCI-certified platform ensure that pay accounts are never captured or stored in City systems.

## eBill Presentment

---



Achieve next level results with bill presentment services that help speed payment collection, maximize customer satisfaction and reduce the costs associated with printing and mailing paper bills.

Paymentus offers a flexible approach that will allow the City to construct the eBill offering that best meets your business needs and engagement strategies. Whether you host the UI or take advantage of our user-friendly interfaces and notification tools, we help you maximize paperless adoption while lowering your cost of bill delivery and payment collection.

### Online Presentment

Our responsive design optimizes the web experience for PCs, laptops, smartphones and tablets. With our hosted user interface, your customers have a consistent experience every time on any device. When a new bill is available, the solution sends an email notification to the customer with a link to view and pay the bill securely via the website.

### Secure PDF

Your customers will receive an email with an attached PDF bill summary that displays the account number, amount due, due date, masked payment method and the field where the customer can enter the amount and make a payment all within the secure PDF attachment.

## In-Person Payments

---



We all agree that in-person payment options are a must, but the customer experience for this touchpoint is often an afterthought. Organizations that create a friendly, quick and completely secure experience will strengthen the relationships with their customers and the communities they serve.

### Point of Sale Devices

For over-the-counter payments in your service centers, Paymentus supports electronic devices that populate card information automatically into the Agent Dashboard. This fully encrypted process allows you to move progressively away from handling and exposing staff to sensitive credit card information. The customer service agent is only required to enter the payment amount and customer account number.

While legacy providers offer a cumbersome counter payment experience that switches between a virtual terminal and the billing platform, Paymentus is proud to offer a simple, single interface model for quick, seamless and secure payments.

### Retail Locations

We also have extensive experience implementing walk-in services at well-known and conveniently located retail stores your customer already visit. Paymentus partners with MoneyGram for retail walk-in cash payments. Our platform is integrated directly with this leading service so that all cash payments made through MoneyGram can be viewed in real-time on the Paymentus Agent Dashboard.

## Agent Dashboard



Full visibility and control over your outsourced billing and payment environment is a must-have so you know exactly what's going on at all times and can effectively support your customers.

The Agent Dashboard is a dynamic web-based tool that is designed for Port Orange to support your customers across ALL channels, ALL pay types and ALL customers. This powerful tool can be deployed easily across the customer service, collections and finance and treasury teams with role- and permission-based access that is self-administered by Port Orange. It's a one-stop shop for your staff to perform a broad array of business intelligence and customer care functions including all of the following:

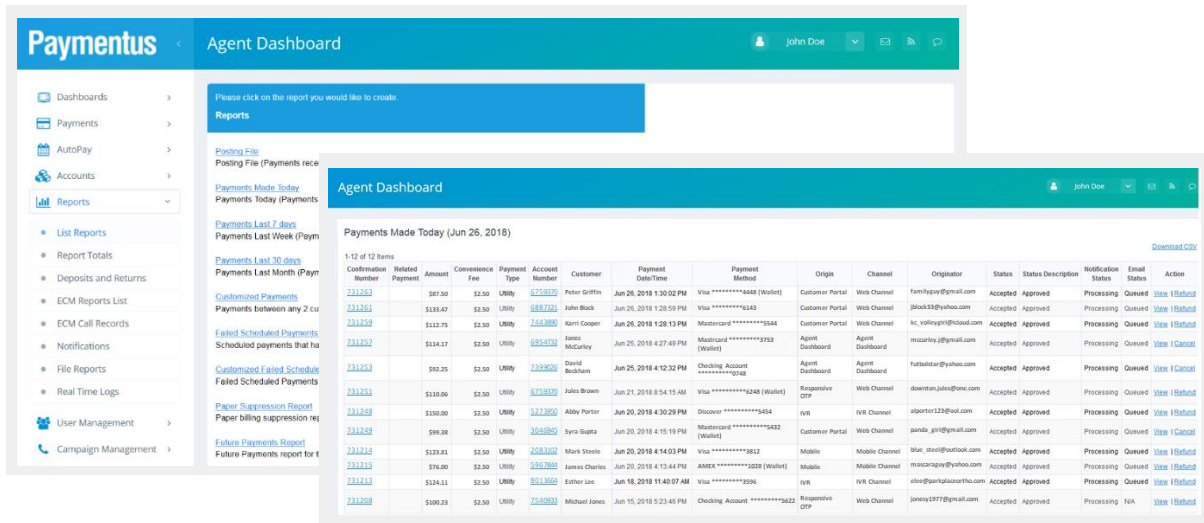
|               |                                                                                                                                                                                                                                                            |                |                                                                                                                                                                                                                                                                                      |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Customer Care | <ul style="list-style-type: none"> <li>Accept customer payments</li> <li>View payments in real time</li> <li>Cancel payments in real time</li> <li>Live chat with customers</li> <li>Search for payments</li> <li>View bills and suppress paper</li> </ul> | Administration | <ul style="list-style-type: none"> <li>Suspend and block accounts and/or payment methods</li> <li>View other channel payments (lockbox, bank, walk-in, etc.)</li> <li>Control customer and CSR access</li> <li>View and download reports</li> <li>Generate ad hoc reports</li> </ul> |
| Operations    | <ul style="list-style-type: none"> <li>Manage file exchanges</li> <li>View system uptime</li> <li>Open and track status of cases/tickets</li> </ul>                                                                                                        | Analytics      | <ul style="list-style-type: none"> <li>View and track payment metrics across all channels</li> <li>Access Big Data tools that go beyond standard statistics</li> </ul>                                                                                                               |

As an additional benefit for clients that want a consolidated view of all payments, we can support the option to display out-of-band customer payments from lockbox, bank, walk-in and other channels not hosted by Paymentus. There is no need for separate integrations with any of the third party services that Port Orange may use today or in the future; instead, we use our established connection with you to synchronize the information.

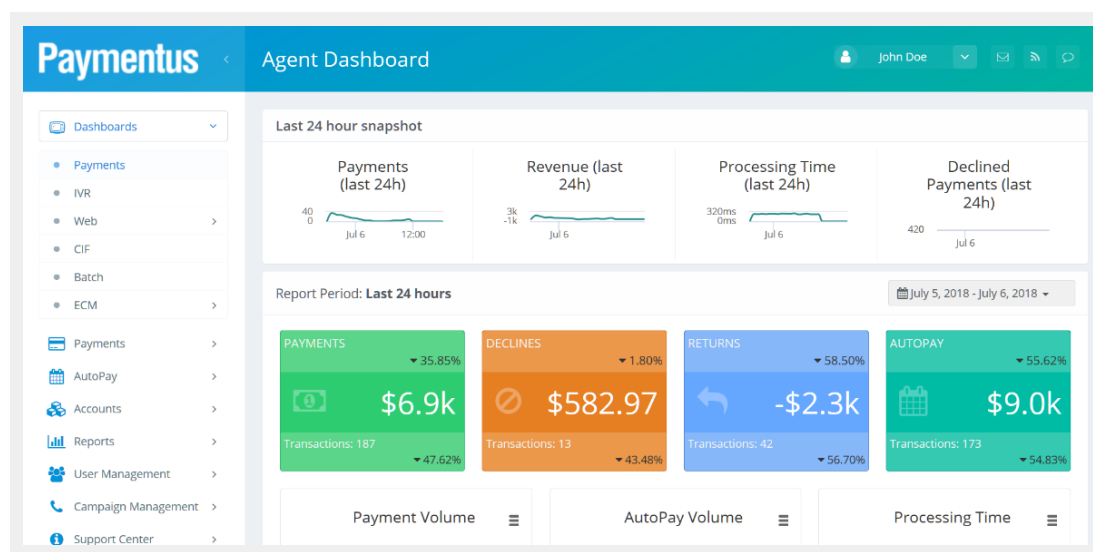


## Reporting

Paymentus provides a powerful and comprehensive suite of reports that are available in real-time through the Agent Dashboard. We simplify reconciliation and help you realize the time and cost savings of electronic payments. View daily deposits at a glance with the number of deposits, total amount of deposits, number of returns, total amount of returns and the net deposit amount.

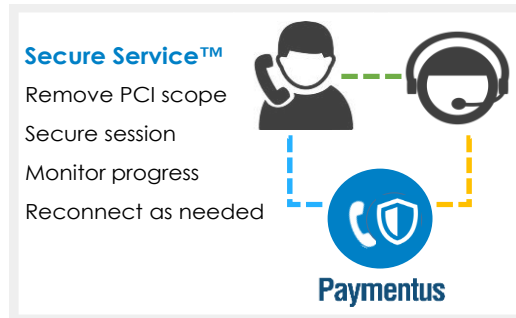


In addition to standard reporting, the Paymentus platform captures and shares extensive telemetry on all activity in the platform (IVR, payments, accounts, users, admins, etc.) at both the singular and aggregate level.



## Secure Service™

Our proprietary, patent-pending payment technology will allow the City to avoid exposing CSRs to payment information and steer clear of PCI exposure across all phone and digital channels.



The CSR engages our secure environment when it's time for the customer to provide payment details. All information carries over with no need to re-authenticate. As the customer enters the payment, the CSR can monitor progress to ensure payment success.

## Enterprise Communications Manager



**Timely and relevant communication with customers is crucial to the success of your business. You need the tools to help you engage your customers, create revenue opportunities and achieve real business results.**

With an eye on maximizing value for Port Orange, Paymentus offers a communications tool called Enterprise Communications Manager (ECM) to send a variety of automated messages to your customers such as payment reminders, notice of service interruptions, emergencies and more. Messages can be targeted to specific customers, providing timely, relevant information and helping influence desirable customer behavior.

ECM allows you to create the message, select the customers and upload the file through the Agent Dashboard. Messages can be sent via email, outbound IVR or SMS text. There is also an option to broadcast messages online in the Pay Now portal, Customer Portal or Agent Dashboard. It's easy to learn and easy to implement.

# Paymentus

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13024 Ballantyne Corporate Place, Suite 450  
Charlotte, NC 28277

<https://www.paymentus.com/>

*December 9, 2019*

# Port Orange, FL

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*Chris Wease – Regional Sales Director*

**Paymentus**



# WHO WE ARE

- Founded in 2004 by industry leaders
- The ONLY single source provider of Customer Engagement and Payment Platform (CEPP) solutions
- 1600+ clients, with 99.7% client retention rate since 2004; nearly 300 employees
- Unified Platform with 0 Custom Code – designed for integration with any database
- Scalable Solution Architecture – Annually processing over 2 billion payments, while operating at less than 20% of peak capacity
- Trusted and Reliable System – 100% Uptime and bank-level security
- 24 x7 Support for you; Mon-Fri 12 hour multi-lingual support for your residents

# Trusted by the Top Companies in North America

Leading Companies Choose Paymentus:

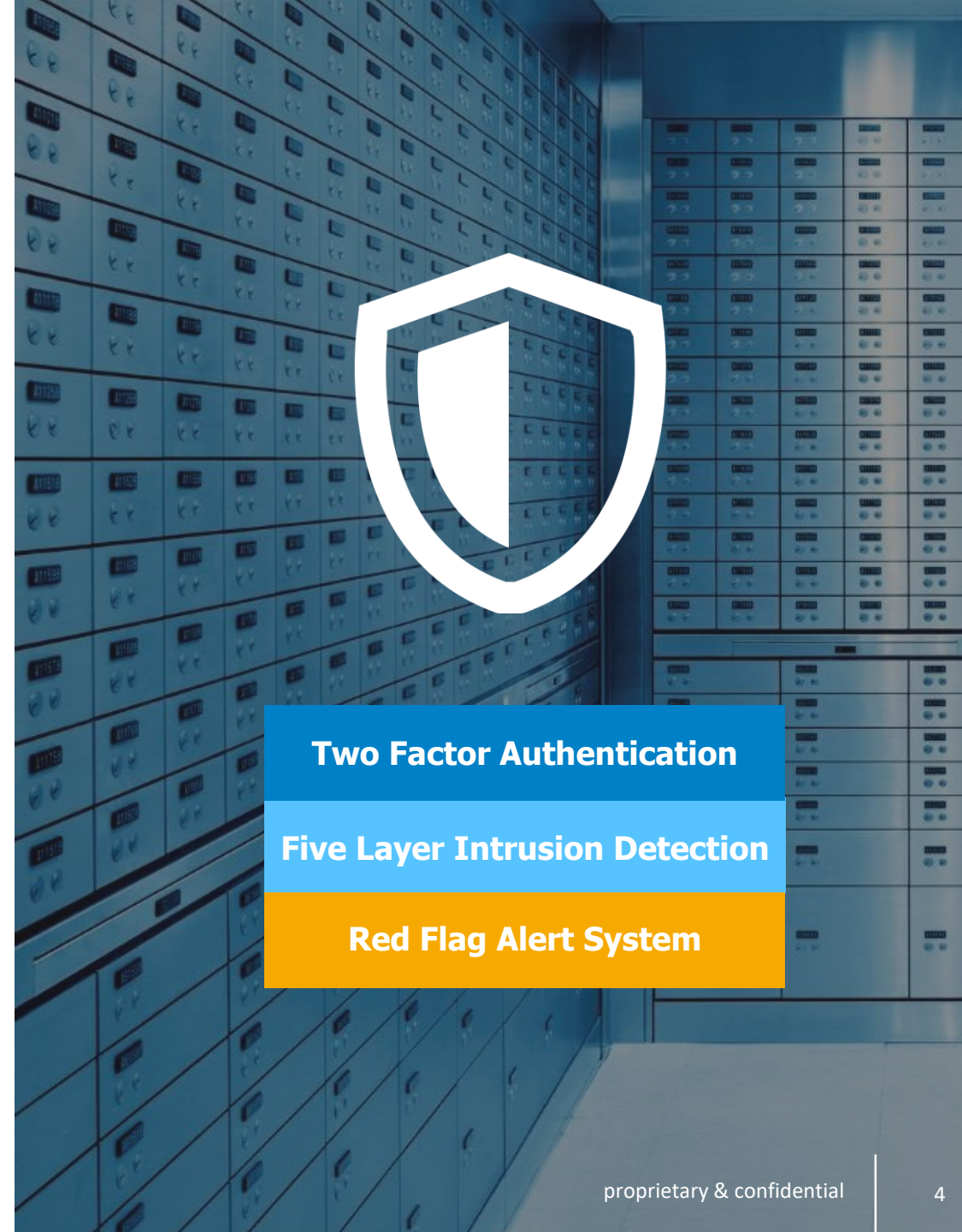




# Security

## Security Certifications

- PCI (Payment Card Industry) 3.1 Level 1
- HIPAA (Health Insurance Portability and Accountability Act)
- FISMA (Federal Information Security Management Act)
- ISO/IEC27002
- SSAE SOC1 Type2
- NIST DOD (Department of Defense Standards)



**Two Factor Authentication**

**Five Layer Intrusion Detection**

**Red Flag Alert System**

## The Cost/Benefit Balancing Act of Credit Card Acceptance



Customer Service



Security Risk



Operational Efficiency



PCI Compliance Cost



# The Millennial Generation...

“America’s largest generation” with **75.4M** million people

**75%** of the workforce and **46%** of U.S. income by 2025<sup>1</sup>

**Digital natives**, raised in the era of digital payments

**67%** are more likely to trust tech-based companies<sup>2</sup>

**>20%** have never written a check<sup>1</sup>

**63%** don’t have a traditional credit card<sup>3</sup>

**86%** are smartphone users<sup>1</sup>

**38%** use apps and mobile tools to pay bills

<sup>1</sup>Source: First Data, The Unbanked Generation, 2015

<sup>2</sup>Source: Koski Research Study, 2015 (N=2,024)

<sup>3</sup>Source: A survey commissioned by Bankrate and compiled by Princeton Survey Research Associates

<http://www.bankrate.com/finance/credit-cards/more-millennials-say-no-to-credit-cards-1.aspx>



# ... And the Popularity of Digital Wallets Exploding

By **2021**, alternative payment methods are projected to account for **~75%** of ecommerce payments worldwide<sup>1</sup>

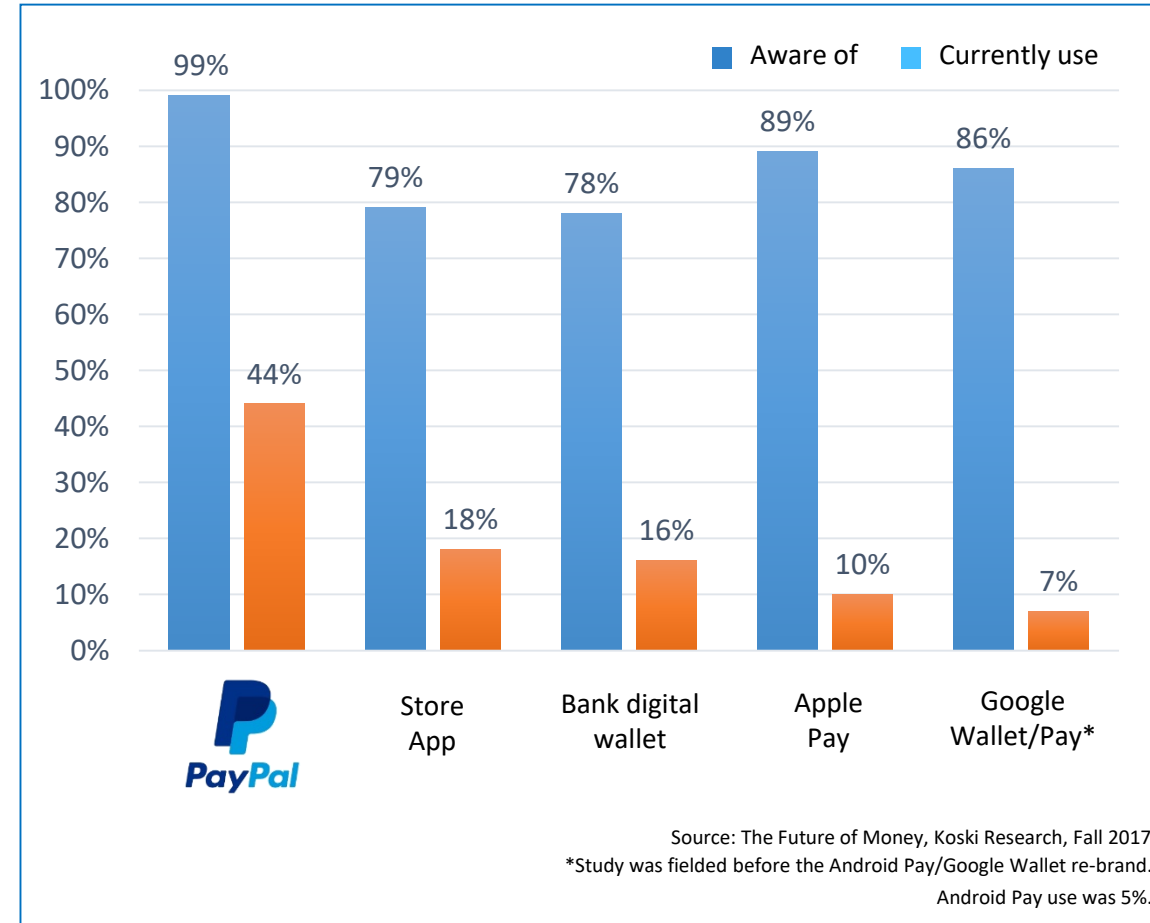
Digital wallets to surpass credit cards by **2021**<sup>2</sup>

**76%** of US consumers think Digital Wallets are a secure form of payment technology<sup>3</sup>

**73%** of US consumers claim security is more important than convenience when shopping online<sup>3</sup>

**77%** of US consumers believe PayPal is more convenient than other payment methods<sup>3</sup>

In **Q1 2018**, mobile represented **24%** of digital commerce sales<sup>4</sup>



<sup>1</sup>Source: yStats.com, Global Alternative Online Payment Methods: Second Half 2017, retrieved 3/2018

<sup>2</sup>Source: Forrester Research, "The Next Phase Of Digital Wallet Adoption," Sept 2017

<sup>3</sup>Source: Digital Trends Impacting Commerce, Kelton Research, June 2018

<sup>4</sup>Source: comScore, "State of the U.S. Online Retail Economy in Q1 2018"

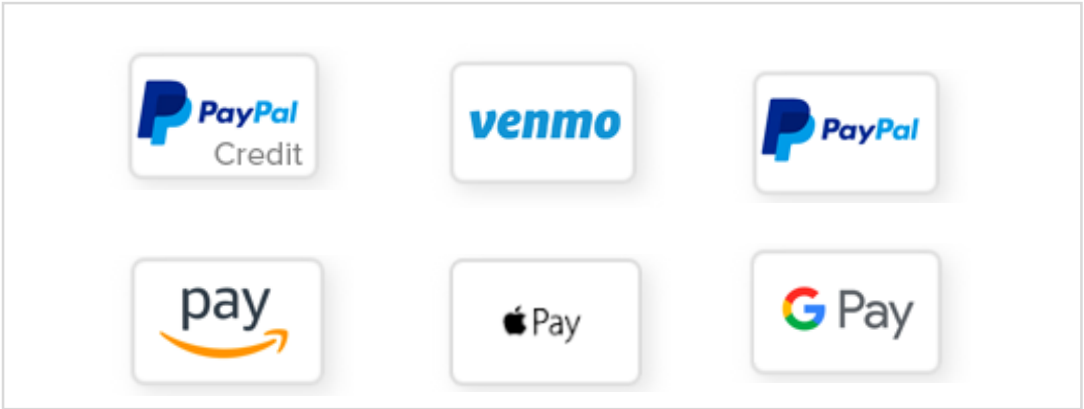
# Advancing Your Current Solution (Only Possible With Paymentus)

**Paymentus:** helping you make the move from Legacy to Advanced

Legacy Solutions

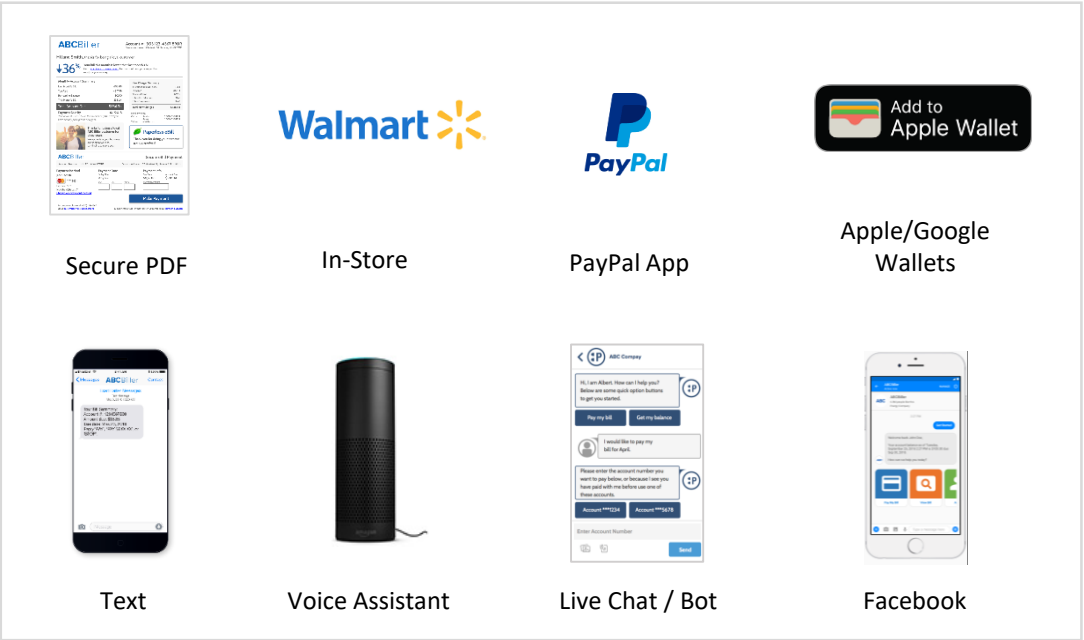


Advanced Payment Methods

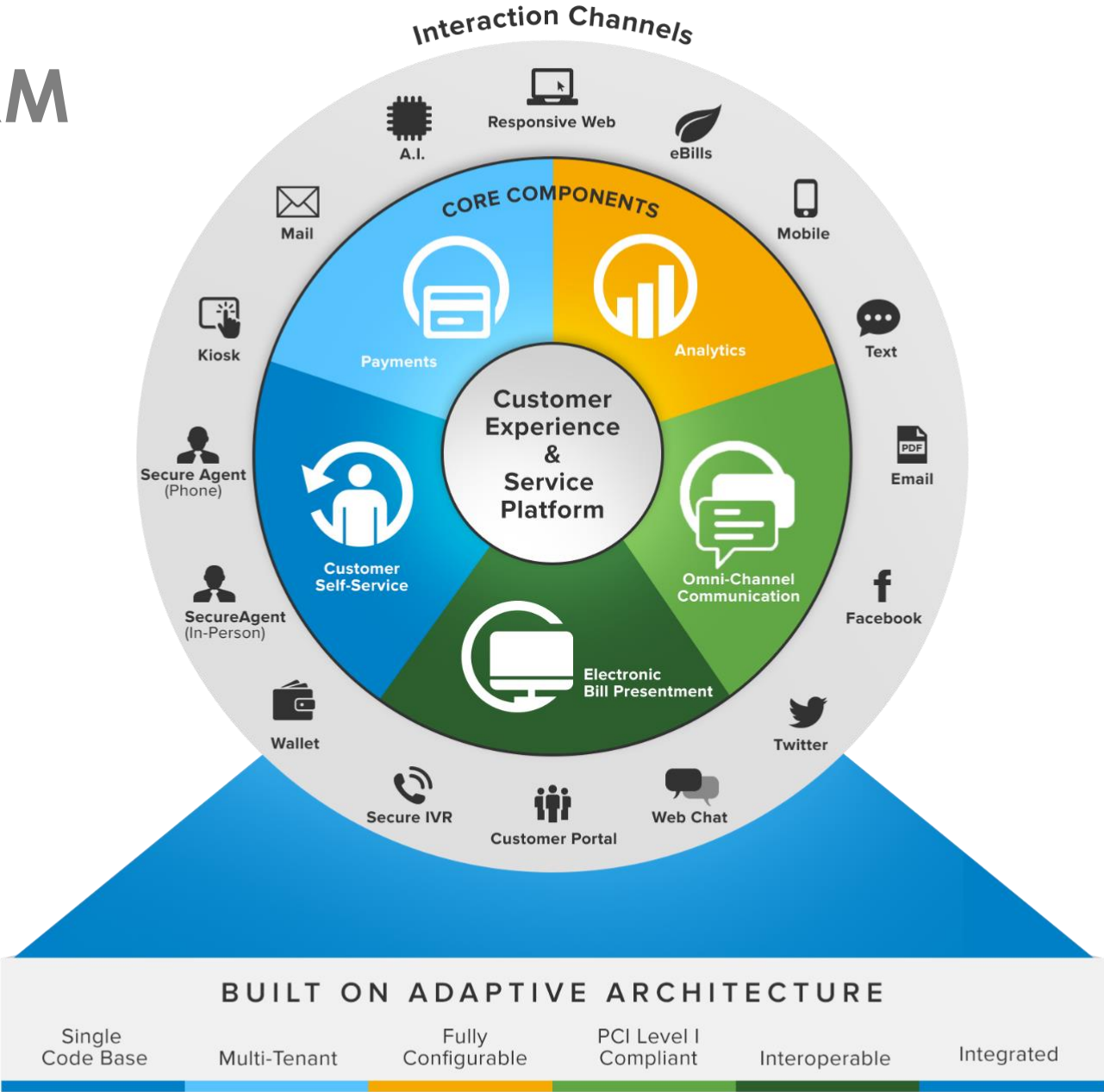


**Paymentus**

Advanced Payment, Presentment and Messaging Channels



# ONE PLATFORM



Paymentus will equip you with all of the tools you need to increase revenue, reduce operational costs and improve customer relationships

# Future Proof Design

We are committed to providing the most advanced solution through our forward thinking approach to the industry.



Our team and solution are capable of anticipating and supporting evolving regulatory conditions, client needs and emerging technologies to deliver a superior system.

- Business Intelligence
- User Experience
- Enhancing Mobile Experience
- Advanced unification of revenue cycles management

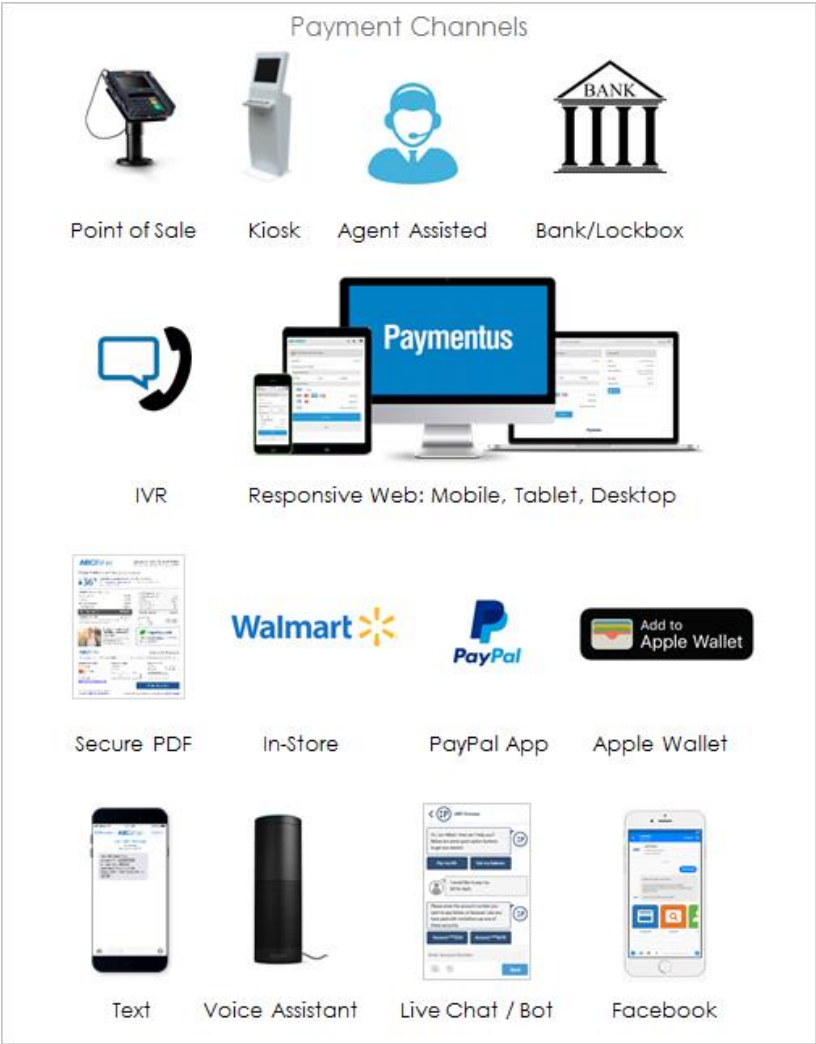


# A Complete Platform – One Provider (Biller View)

Legacy Payment Methods

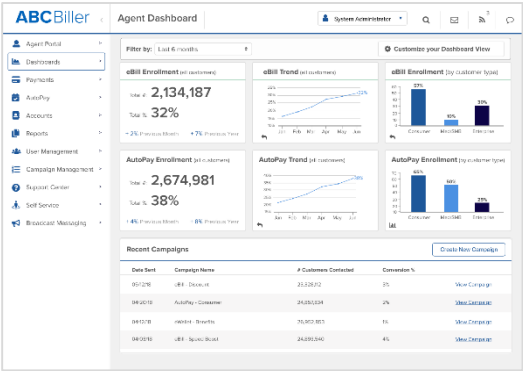


Emerging Payment Methods



## Paymentus

Paymentus provides visibility into every payment in all channels



Giving you the complete picture, all while satisfying your customers



• • • PAYMENTUS

# Live Demonstration





● ● ● PAYMENTUS

# SYSTEM COMPONENTS

“Paymentus went above and beyond our collection needs. It's a win-win situation for us, we collect payments faster and at a reduced cost and our customer experience couldn't be better.”

<https://vimeo.com/361160416/9b6a19abea>



# Mobile Wallet

- Mobile wallets are digital versions of traditional wallets.
- Digital wallets hold credit and debit cards for making payments, store coupons and loyalty programs, specific information about personal identity and more.
- Wallet eBill is a summary of a paper bill that will be stored inside of a mobile wallet.



# About PayPal

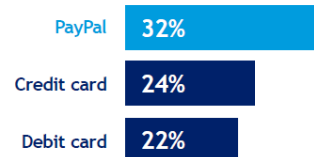


- Most used digital wallet in world
- Over 277 millions active users worldwide, 100 million+ in U.S.
- 64% of U.S. adults have used PayPal for an online transaction in the last year
- One Touch™ checkout results in 88% fewer keystrokes

## PayPal's the Preferred Online Payment

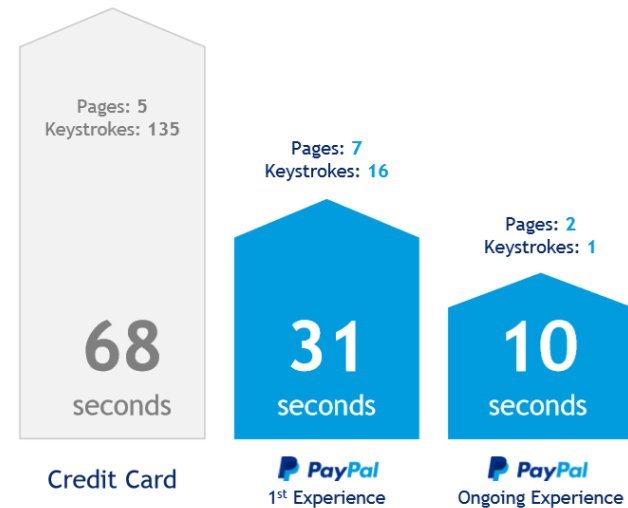
51% of users have abandoned a transaction because PayPal wasn't there

Preference by Users Online



Source: Ipsos, July 2018, online survey of 1,500 consumers in each of 7 global markets.

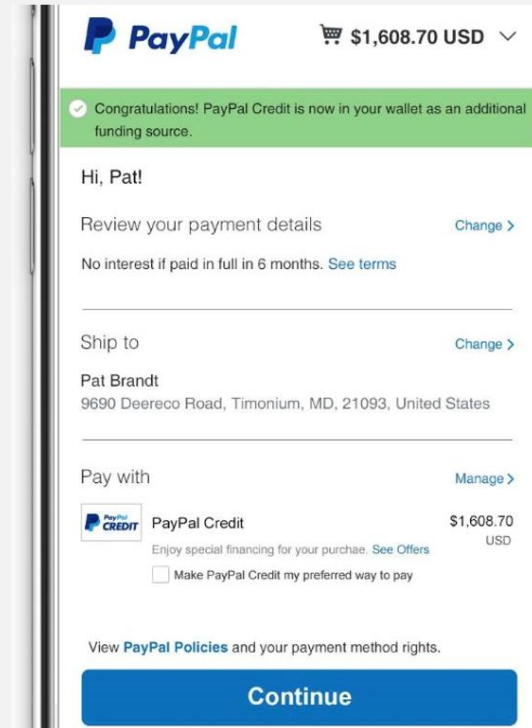
## Mobile Express Checkout Comparison\*



# About PayPal Credit



- Flexible revolving line of credit
- Interest free if balance is paid within 6 months
- Allows customers to pay over time
- 78% use PayPal Credit for everyday expenses and bills
- 33% of PayPal Credit users are millennials



## PayPal Credit

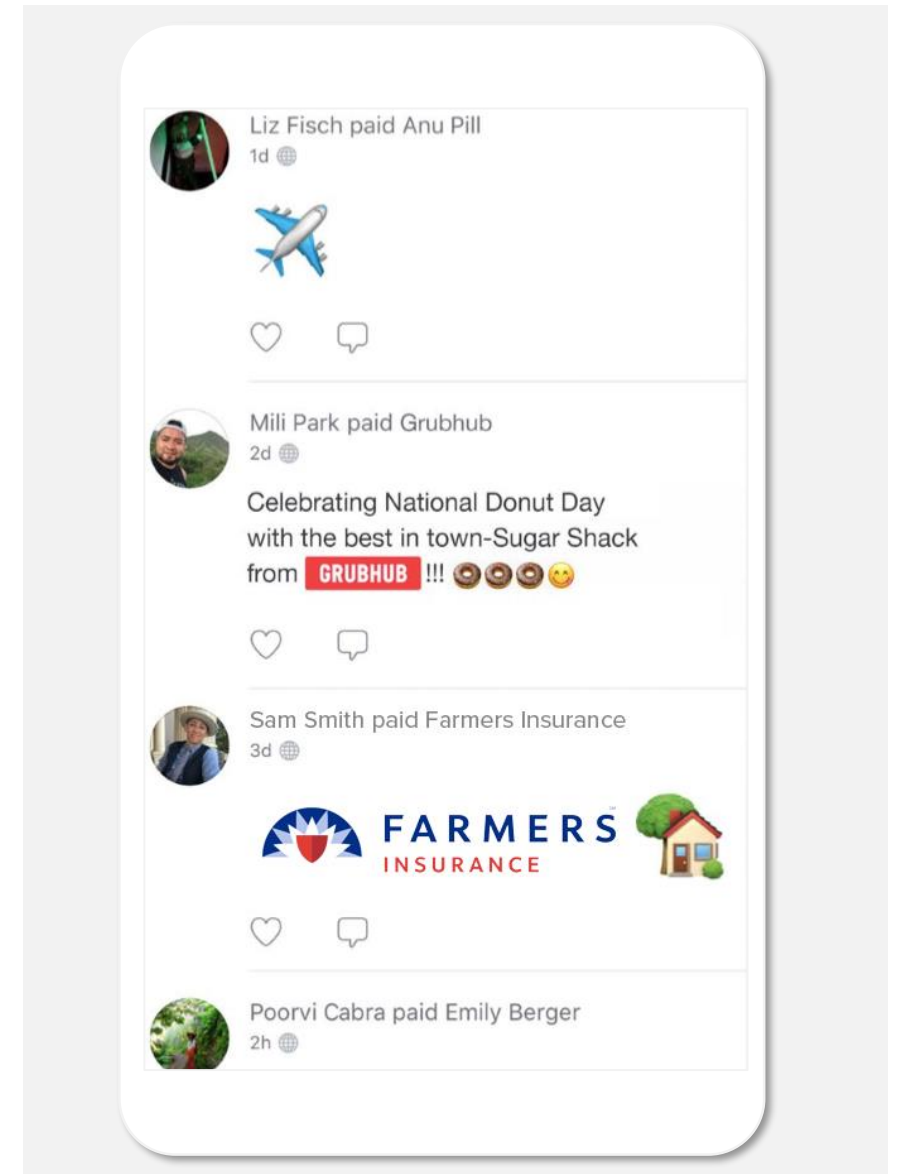
The most popular and frictionless financing solution providing a simple, trusted, flexible way to pay over time.

- **Consumer Benefits:** Pay merchant now, pay PayPal later
- **Mobile Optimized:** 'Card-less' credit solution
- **Easy to Use:** Select PayPal Credit inside PayPal wallet at checkout

# About Venmo

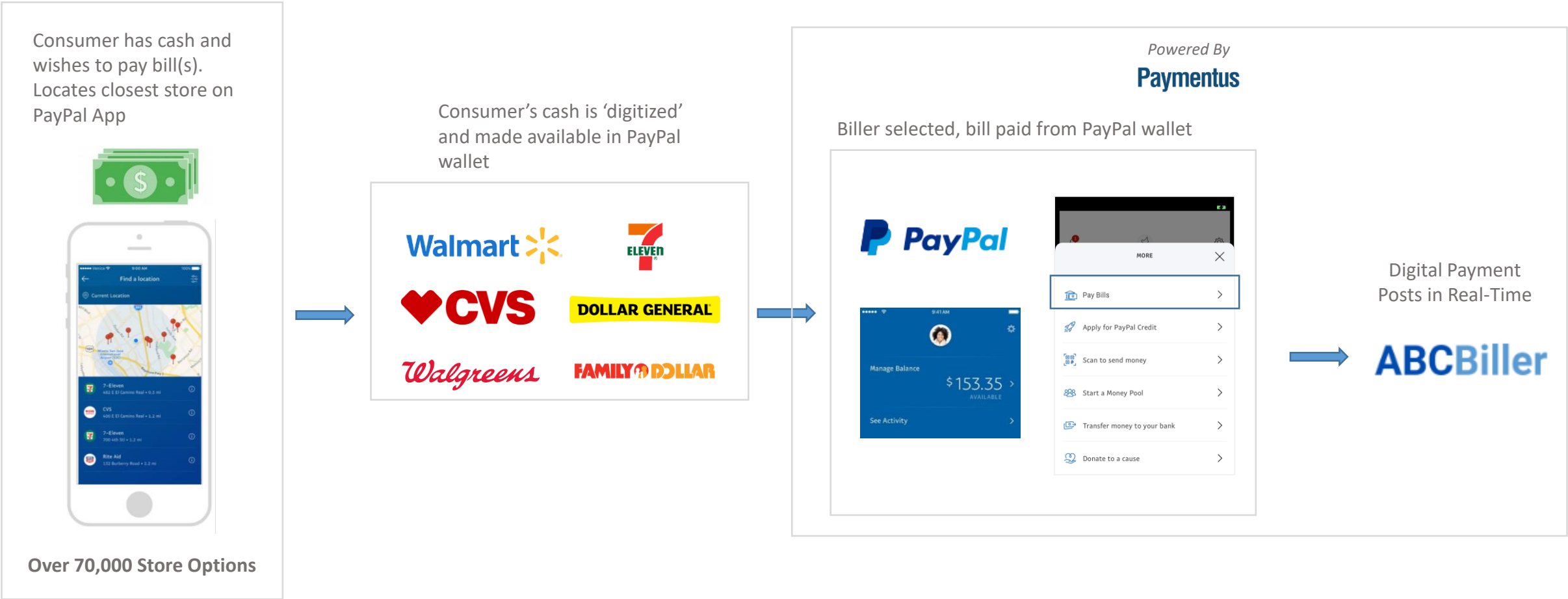


- 27 million active users, growing 80% YOY
- Preferred payment method of Millennials – 66% used Venmo in last 12 months
- The 'social' payment method with a strong network effect that is accelerating utilization



# Digitized Cash – Solutions For The Underbanked

25 Million U.S. Households are ‘Underbanked’ and have limited options for how to pay bills, until now....



# About Amazon Pay

*“I trust Amazon. At websites online that are not Amazon, I will choose the merchants that offer Amazon Pay over another. I believe that the fewer places that have my payment information the better.”*

*“I was very surprised when the payment required came up with credit cards or Amazon Pay. It was so quick and easy. Everything about Amazon is quick and easy. I LOVE IT!”*



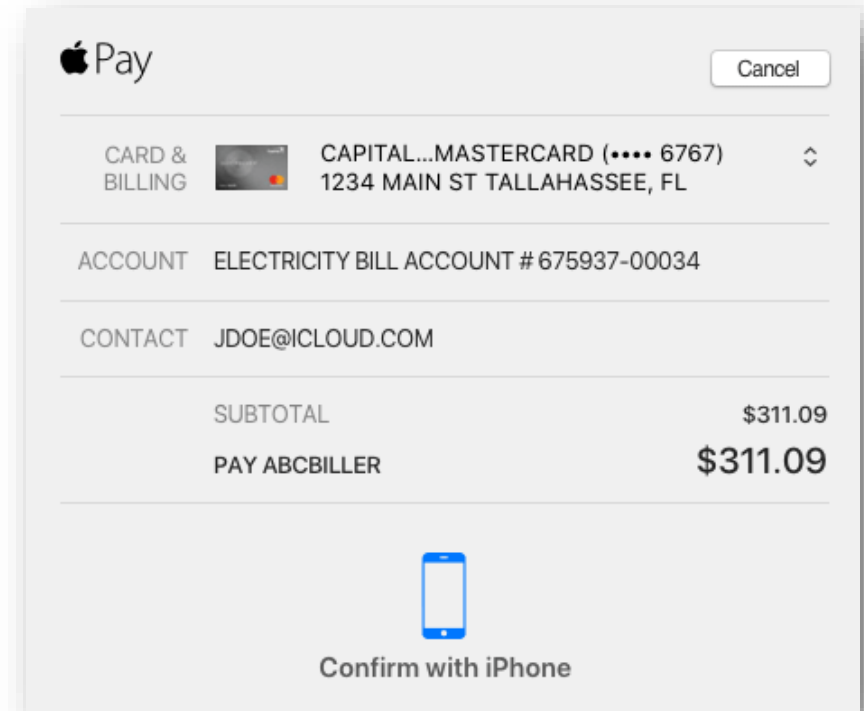
- 300 million Amazon accounts
- Over 100 million Prime members
- 91% of consumers who have used Amazon Pay would use it again if given the opportunity
- 84% rate Amazon Pay a 10 out of 10 on ease of use and speed of transaction
- 83% rate Amazon Pay a 10 out of 10 for ‘security’ and ‘brand trust’

2018 Annual Brand Rankings (Kantar MillwardBrown)

# About Apple Pay



- Over 100 million Apple Pay enabled devices
- 10 Billion Transactions in 2019 (more than American Express)
- Over 1 million websites have Apple Pay enabled
- 85 of the top 100 global commerce apps have Apple Pay enabled





# Billing and Payment

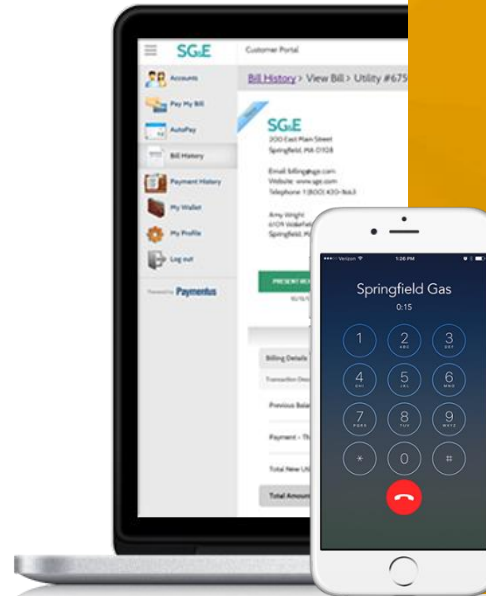
Our integrated, interoperable, responsive and omni-channel platform allows customers to pay when, how and where they want 24/7 and provides more self-service options.

## Billing & Payment Channels

- Web
- Mobile
- Pay-by-Text
- Pay-by-Email
- IVR
- Kiosk
- Agent Assisted
- Chat
- Social Media

## Payment Types

- One-Time
- Recurring
- Multi-Pay
- Future Dated
- Partial



**MORE PAYMENT OPTIONS  
= HIGHER SATISFACTION**

The correlation between payment options and customer satisfaction is significant. 73% of surveyed users say being provided with multiple ways to pay increases their customer satisfaction.

2016 Paymentus Study

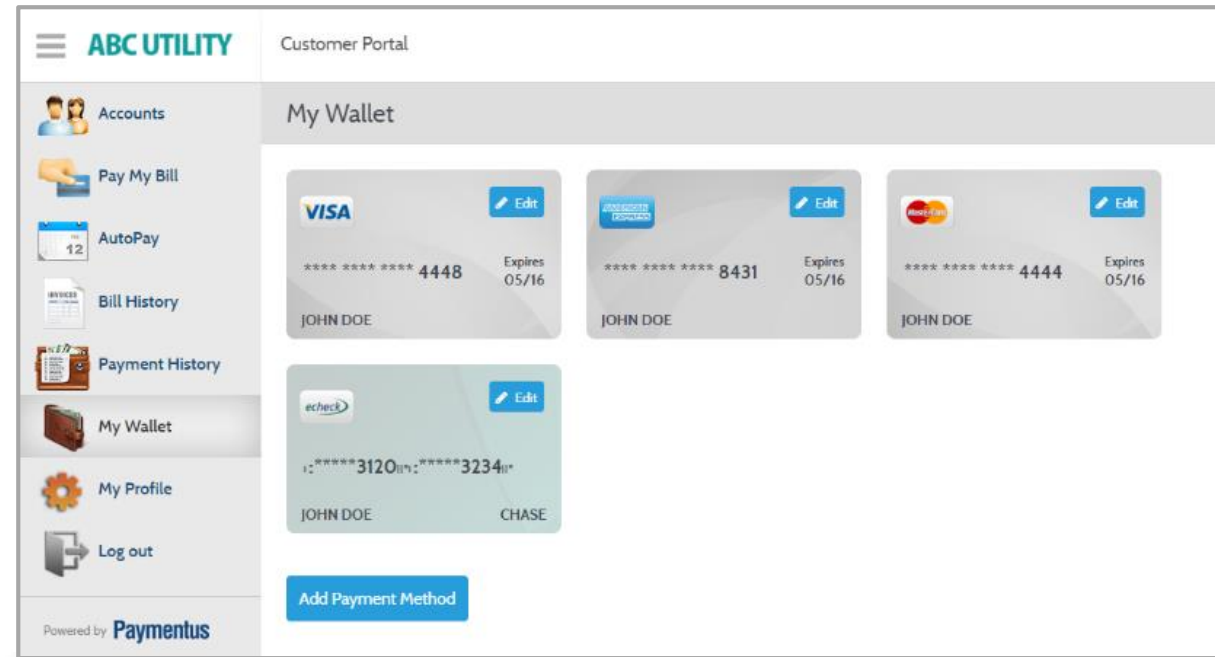
OUR SYSTEM

# Wallet



Allow your customers to save their payment information to use on any Paymentus channel.

Credit cards, debit cards, and eCheck information saved in the secure digital wallet makes it even easier to make a payment.



OUR SYSTEM

# Customer Self-Service Portal

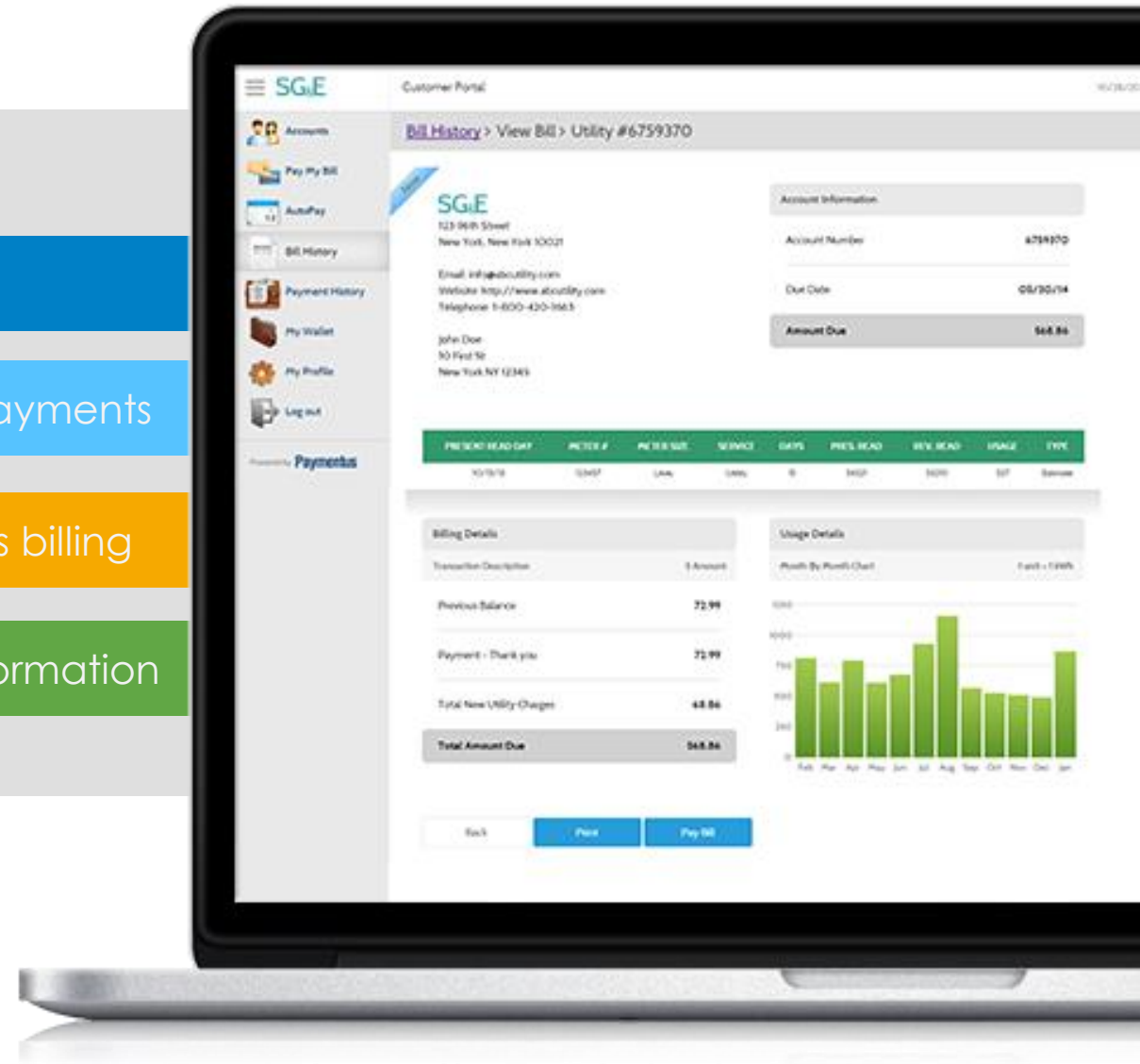
Using the Paymentus Self-Service Portal, your customers have a level of control over their bill-pay experience that is unmatched.

Pay Bills

Setup Recurring Payments

Manage paperless billing

Save payment information



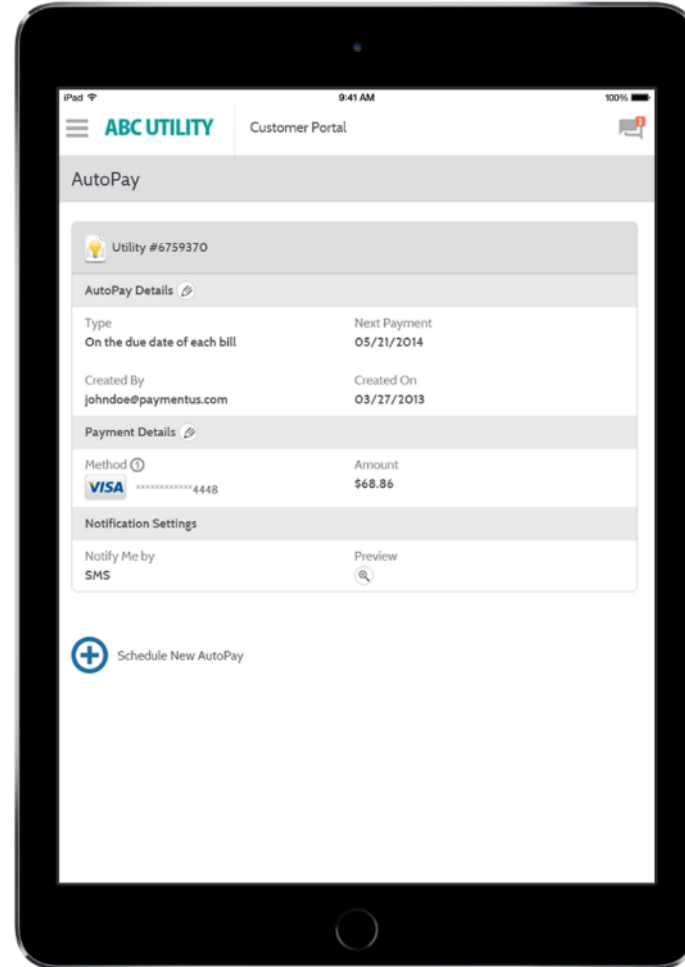
OUR SYSTEM

# AutoPay

*“Set it and forget it”*

Automatically pay you bills on time.

Eliminate all possibility of a missed or delinquent payment by using our rules based payment assistant to manage your account.

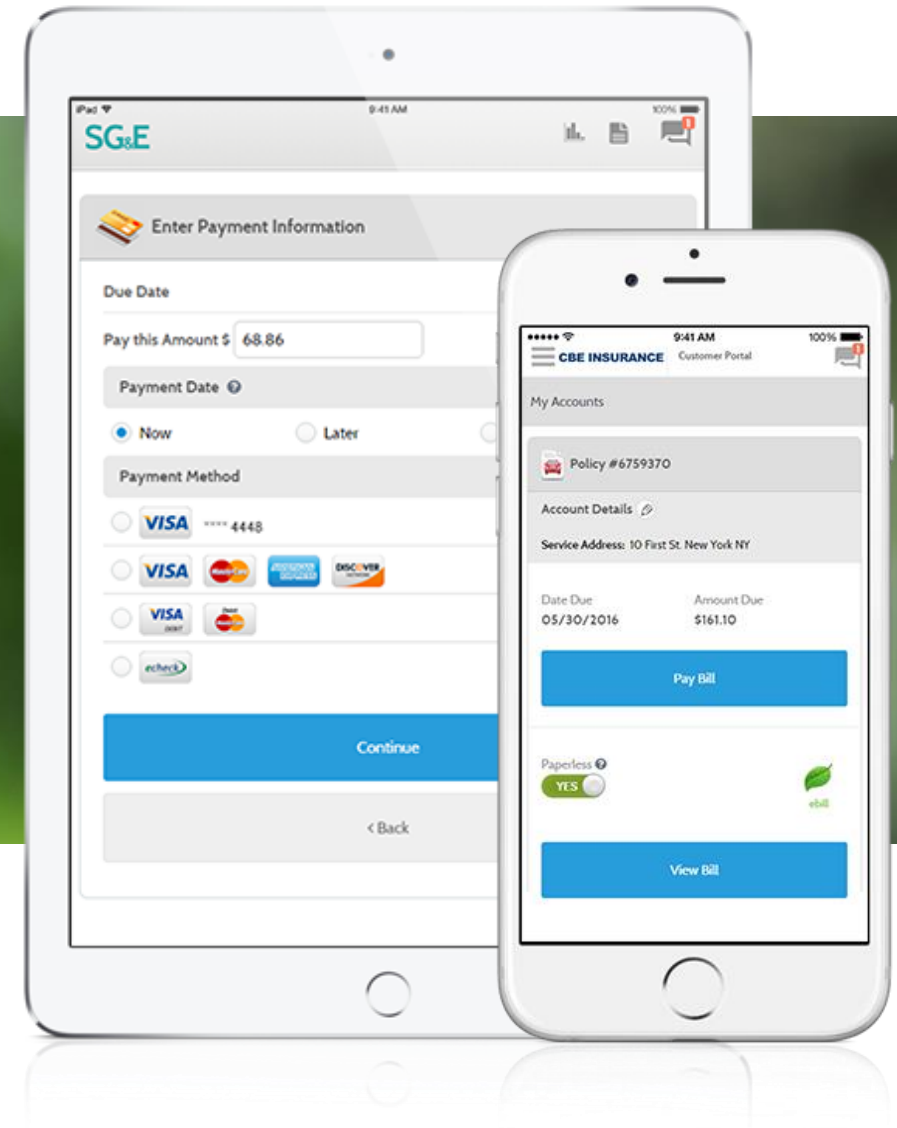


*Our customers have really embraced the Scheduled Payments feature, and that's helped reduce our number of disconnections by almost 50%.”*

OUR SYSTEM

# Mobile Payments

Our responsive web design ensures that all functionality available on a computer is available through any device and provides an ideal viewing experience, which leads to more electronic payments.



OUR SYSTEM

# Pay-by-Text

Over 80% of Americans use text messaging, making it the top activity performed on a smartphone.



- Your customers will receive a text message containing their current balance and due date.
- Customer can respond “Pay”, allowing them to instantly pay their bill.
- Reduce the number of late payments and collect receivables faster.



#### OUR SYSTEM

## IVR

- Paymentus IVR has achieved an industry leading 90% success ratio for completed calls and payment transactions.
  - Increase your customer service response rates without adding staff – handle calls faster, accept more payments and reach more customers.
- 
- Combine our IVR with outbound messaging to engage customers and prompt payments on outstanding bills.
  - These outbound notifications have proven to reduce delinquencies by an average of 50% from the very first use.



# Outbound Notifications



Paymentus provides a fully hosted platform to support the ability to:

- Send Text, Email and Phone Call Reminders
- Reduce Shut-Off for Non Payment Activity
- Link Outbound phone call to Inbound IVR for Payment
- Enhance Customer Service
- Notify Customers of Outages

## Keep In Touch

Even the most diligent customers can misplace a bill and ultimately forget to make a payment. But that doesn't mean there is nothing that can be done to ensure timely, complete payments. The Paymentus eBilling and Payment platform includes a full-feature customer notification capability — Enterprise Communication Manager (ECM) to make biller-to-payer communication simple.

## Enterprise Communication Manager

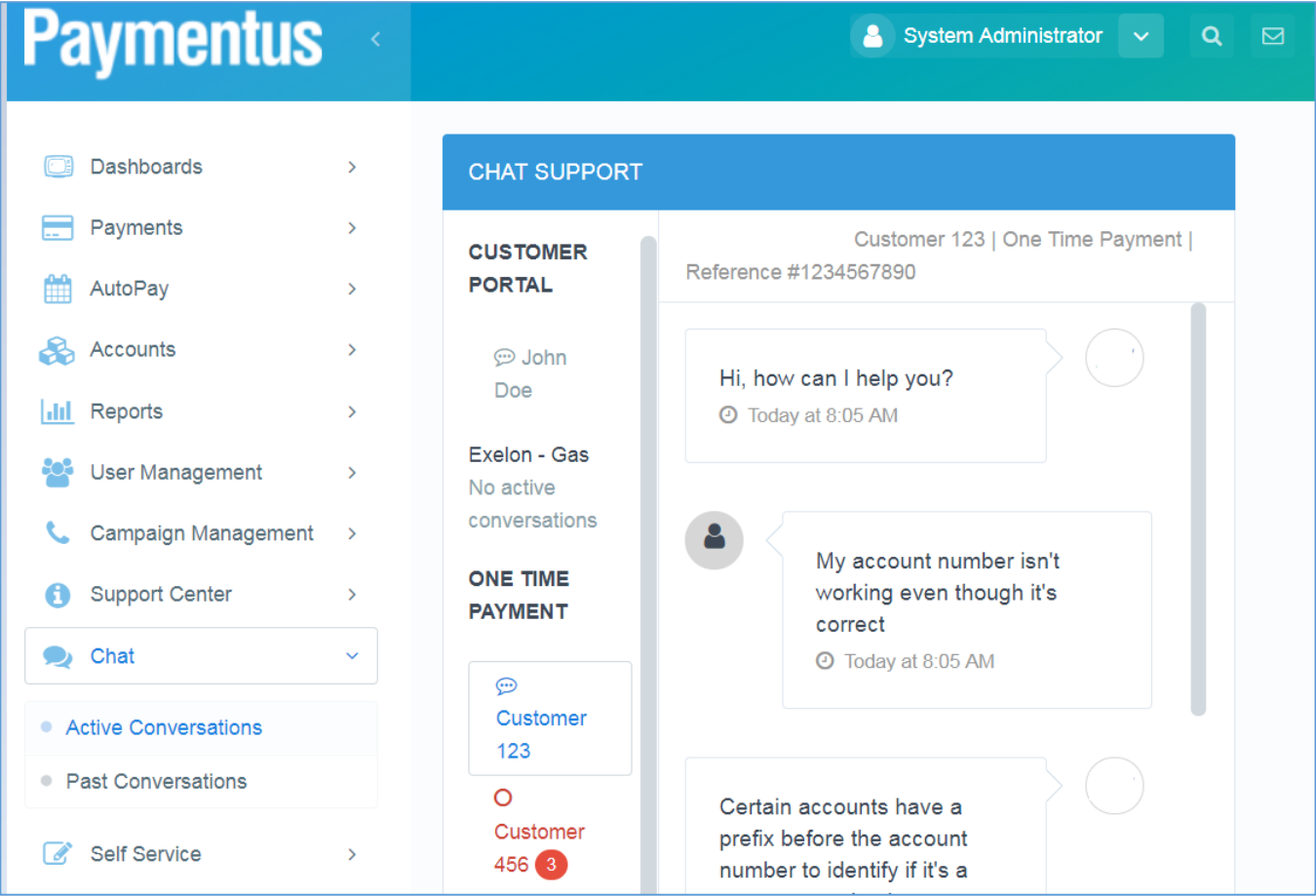
With ECM, you can directly target a specific audience in real-time with custom messaging. It is the *ultimate* customer service tool. In fact, it can be so effective that we have seen delinquencies decrease by more than 50% from the very first month of use. Alert customers to account enhancements, payment reminders, service interruptions, and more via text (sms), email, and phone!

## BENEFITS

- ✓ Reduce late payments
- ✓ Engage a single customer or thousands and drive desired behavior
- ✓ Remove the cost of manual delinquency processes
- ✓ Develop mutually beneficial customer relationships



# Customer Chat Support



The Paymentus solution offers an option to give your customers a secure chat service directly from your website via Paymentus Integrated Widgets. Your customers can chat directly with your CSRs through our Agent Dashboard.

# Social Payments

## Facebook Payments

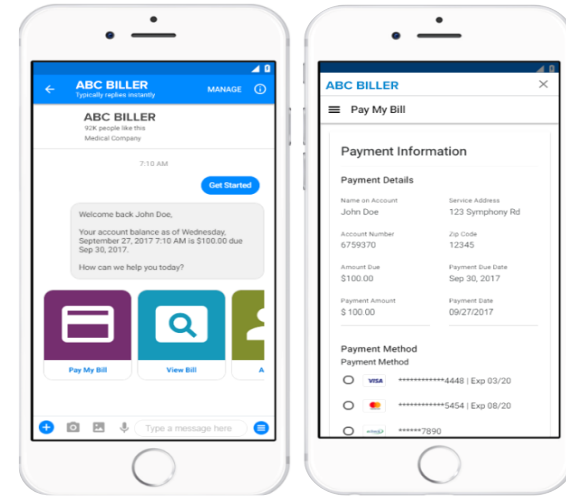
- Paymentus has integrated with Facebook to provide our full suite of billing and payment options using a chatbot in Facebook Messenger.
- For one-time payments, the customer enters account information for validation. For registered customers, we link their social media account to their profile in our system. We send eBills and two-way notifications to Facebook Messenger so payments can be made directly.

## Social Login

- The #1 breakage point in the payment flow is authentication. Users abandon the payment because they don't remember their login or password. To ease accessibility and improve customer satisfaction, you can allow users to link social login details (e.g., Google, Facebook) with their Ocwen account.

## Emerging Payments

- As a market leader, Paymentus continues to invest in innovations that create frictionless billing and payment experiences. This includes research and investments in blockchain technology, artificial intelligence and bots for integration with additional social platforms and natural language processing bots for voice payments via Google Home, Amazon Echo and Siri.



OUR SYSTEM

# eBilling

Paymentus eBill feature unlocks the many benefits of paperless billing:

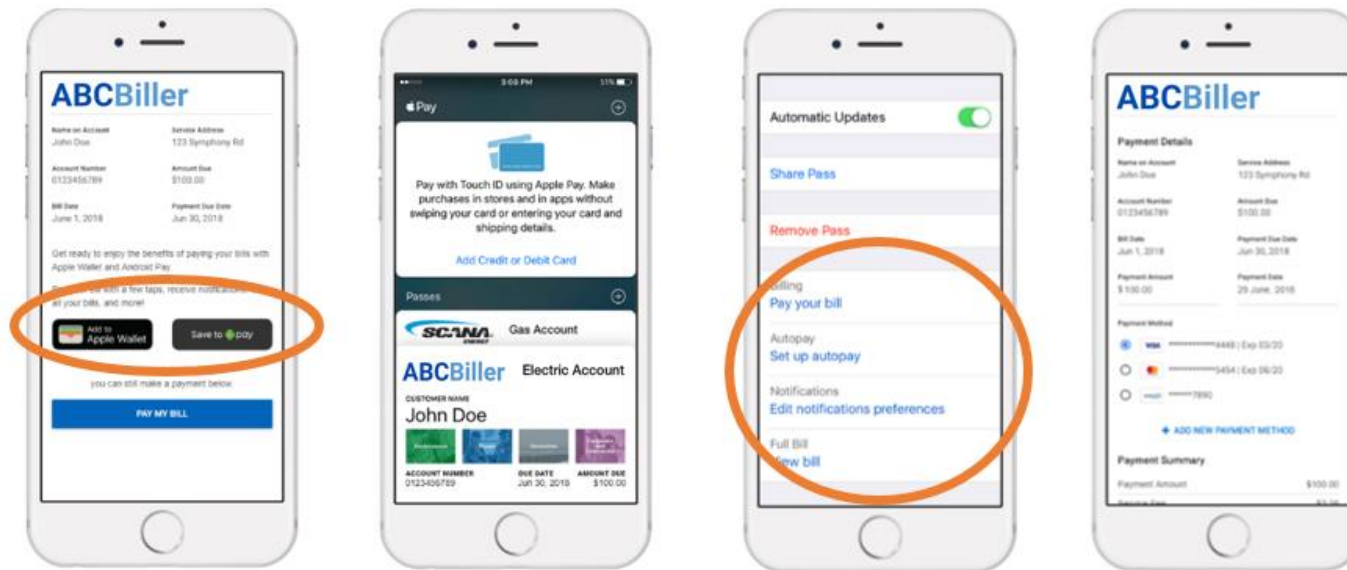
- Reduced printing and mailing costs
- Less calls to customer service
- Fewer missed payments
- Happier customers



*"The Paymentus eBill presentment has helped us to cut our paper billing costs by approximately 15%."*

# Mobile Wallet Bill Card

- Customer uses link add the bill to Apple Wallet or Google Pay
- Customer receives new bill notification in OS outside of app
- Bill summary statement automatically delivered each month within the wallet app on their mobile device
- Customer Portal experience in WebView used to pay, view their bill and setup autopay





OUR SYSTEM

# Business Intelligence

“Several departments in our company would spend hours each day trying to reconcile all of our payments. Today, the Paymentus Agent Portal does all of the work for us. From our Finance Department to Information Technology, Paymentus has made life much easier for all of us.

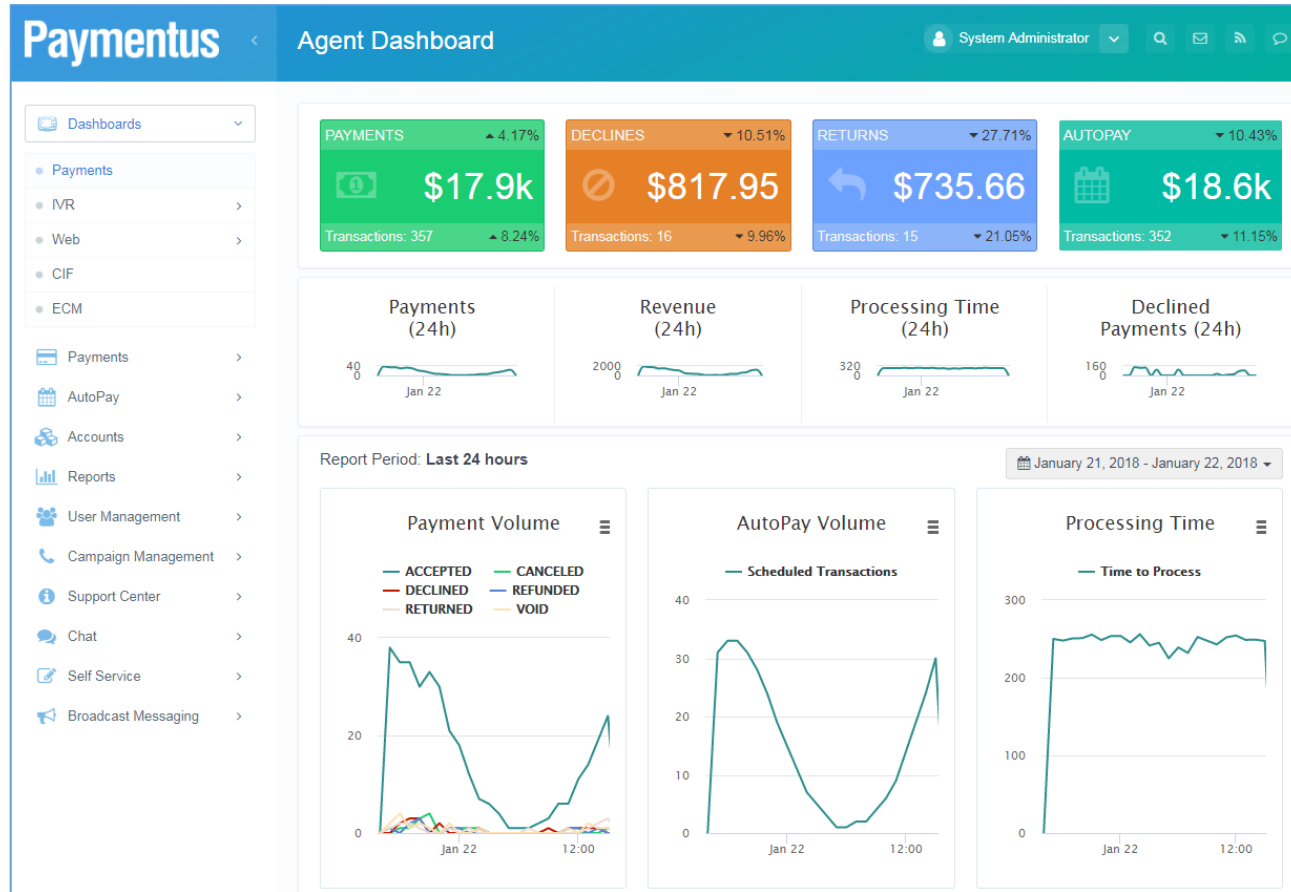


Our agent portal provides actionable insights to help you run your business more efficiently and influence customer behavior.



Consume Paymentus insights how and when you want it through the web portal, downloadable reports or push notifications.

# Agent Dashboard – Health Check & Payment Metrics



- View payments in real-time
- Accept customer payments
- Cancel payments in real-time
- Search for payments and payment attempts in any status
- Suspend and block payment methods
- View payments from other channels
- View and download standard reports
- Generate ad hoc reports
- File management
- View and track payment metrics across all channels
- Control customer and agent access
- View bills and suppress paper on customer's behalf
- Campaign messages (IVR, email, web)
- View of system uptime
- Open cases/tickets and track status through completion



# My Profile

Paymentus

Agent Dashboard

John Doe

Dashboards

Payments

IVR

Web

CIF

Batch

ECM

Payments

AutoPay

Accounts

Reports

User Management

Campaign Management

Support Center

Last 24 hour snapshot

Report Period: Last 24 hours

PAYMENTS

▼ 31.58%

\$6.2k

Transactions: 211

▼ 32.15%

DECLINES

▼ 73.30%

\$170.08

Transactions: 11

▼ 26.67%

RETURNS

▼ 25.22%

-\$3.5k

Transactions: 55

▼ 38.89%

AUTOPAY

▼ 17.27%

\$17.7k

Transactions: 331

▼ 18.27%

Payment Volume

AutoPay Volume

Processing Time

John Doe

ABC Biller Administrators

Last login by jdoo was on Jun 1, 2018 10:35:24 AM

My Profile

Switch to classic version

Logout

Provides a snapshot of the logged-in user and information about the last login.

Clicking on the "down arrow" icon opens this dialog box

# My Messages

Paymentus

Agent Dashboard

John Doe

Dashboards

Payments

IVR

Web

CIF

Batch

ECM

Payments

AutoPay

Accounts

Reports

User Management

Last 24 hour snapshot

Payment (last 24 hours)

320

Jun 5

12:00

3k -1k

Jun 5

Report Period: Last 24 hours

PAYMENTS

▼ 55.70%

\$4.4k

Transactions: 152

▼ 51.59%

DECLINES

▼ 16.07%

\$482.14

Transactions: 9

▼ 50.00%

RETURNS

▼ 43.52%

-\$2.4k

Transactions: 45

▼ 39.19%

AUTOPAY

▼ 51.38%

\$11.3k

Transactions: 211

▼ 54.53%

MY MESSAGES

Broadcast Messages

You have no messages

Notification Messages

extbill/bill-sample2-abc.csv has failed to load after 4 seconds 580 milliseconds

🕒 2018-06-05 13:44:50

Clicking on this icon opens this dialog box

Provides a snapshot of any messages and notifications intended for the user.

# Dynamic Reporting Engine

Paymentus

<

Agent Dashboard

System Administrator

>

🔍

✉

📡

💬

📊 Dashboards >

💳 Payments >

📅 AutoPay >

👤 Accounts >

📈 Reports >

List Reports

Report Totals

Deposits and Returns

ECM Reports

ECM Call Records

Charts

Notifications

File Reports

Real Time Logs

👥 User Management >

Please click on the report you would like to create.

Reports

Posting File

Posting File (Payments received within 24 hours immediately before last cut-off time)

Payments Made Today

Payments Today (Payments received since last cut-off time)

Payments Last 7 days

Payments Last Week (Payments received for last 7 days)

Payments Last 30 days

Payments Last Month (Payments received for the last 30 days)

Customized Payments

Payments between any 2 cutoff dates

Failed Scheduled Payments Today

Scheduled payments that have failed since last cut-off time

Customized Failed Scheduled Payments

Failed Scheduled Payments within the date range you specify

Paper Suppression Report

Paper billing suppression report for the date range you specify

Future Payments Report

Future Payments report for the date range you specify

Paymentus

<

Agent Dashboard

System Administrator

>

🔍

✉

📡

💬

📊 Dashboards >

💳 Payments >

📅 AutoPay >

👤 Accounts >

📈 Reports >

List Reports

Report Totals

Deposits and Returns

ECM Reports

ECM Call Records

Charts

Notifications

File Reports

Real Time Logs

👥 User Management >

Please click on the report you would like to create.

Deposits and Returns

Net Deposit Summary - Jan 21, 2018

Deposit transfer summary details (Deposits transfer summary records within the last 24 hours)

Deposits - Jan 21, 2018

(Deposits: 0, Deposit Amount: \$0.00, Returns: 0, Returned Amount: \$0.00, Net Deposit: \$0.00)

Deposit details (Deposits scheduled within 24 hours immediately before last cut-off time)

Returns - Jan 21, 2018

(Returns: 0, Returned Amount: \$0.00, Deposits: 0, Deposit Amount: \$0.00, Net Deposit: \$0.00)

Returns details (Returns posted within 24 hours immediately before last cut-off time)

Financial Report - Jan 21, 2018

Financial Summary Report from Paymentech for the last 24 hours

Deposit Transfer Summary Customized

Deposit Transfer Summaries for effective date range you specify

Customized Deposits

Deposits received within the date range you specify

Customized Returns

Returns received within the date range you specify

Customized Financial Report

Financial Summary Report from Paymentech for date range you specify

# Reports – List Reports – Payments Made Today

### Payments Made Today:

- System shows summary of all Payments made on current day
- Shows payments received “**after**” last cut-off time

Agent Dashboard

John Doe

|                                    |                 |        |                 |              |                         |               |                         |                         |                 |             |                       |          |                    |                     |              |                                               |
|------------------------------------|-----------------|--------|-----------------|--------------|-------------------------|---------------|-------------------------|-------------------------|-----------------|-------------|-----------------------|----------|--------------------|---------------------|--------------|-----------------------------------------------|
| Payments Made Today (Jun 26, 2018) |                 |        |                 |              |                         |               |                         |                         |                 |             |                       |          |                    |                     |              |                                               |
| 1-3 of 3 Items                     |                 |        |                 |              |                         |               |                         |                         |                 |             |                       |          |                    |                     |              |                                               |
| Confirmation Number                | Related Payment | Amount | Convenience Fee | Payment Type | Account Number          | Customer      | Payment Date/Time       | Payment Method          | Origin          | Channel     | Originator            | Status   | Status Description | Notification Status | Email Status | Action                                        |
| <a href="#">731263</a>             |                 | \$5.00 | \$1.50          | Utility      | <a href="#">6759370</a> | Peter Griffin | Jun 26, 2018 1:30:02 PM | Visa *****4448 (Wallet) | Customer Portal | Web Channel | kberlin@paymentus.com | Accepted | Approved           | Processing          | Queued       | <a href="#">View</a>   <a href="#">Refund</a> |
| <a href="#">731261</a>             |                 | \$5.00 | \$1.50          | Utility      | <a href="#">6759370</a> | Peter Griffin | Jun 26, 2018 1:28:59 PM | Visa *****4448 (Wallet) | Customer Portal | Web Channel | kberlin@paymentus.com | Accepted | Approved           | Processing          | Queued       | <a href="#">View</a>   <a href="#">Refund</a> |
| <a href="#">731259</a>             |                 | \$5.00 | \$1.50          | Utility      | <a href="#">6759370</a> | Peter Griffin | Jun 26, 2018 1:28:13 PM | Visa *****4448 (Wallet) | Customer Portal | Web Channel | kberlin@paymentus.com | Accepted | Approved           | Processing          | Queued       | <a href="#">View</a>   <a href="#">Refund</a> |

Download CSV

# Account Management

Block an account for specific payment methods

Paymentus

System Administrator

Dashboards

Payments

AutoPay

Accounts

Find Account

Add Account

Suspend an Account

Block a Payment Method

Find Blocked Payment Method

Paper Suppression

Find Account Details

Find Unpublished Batches

Deactivate Payment Method

Block a Payment Method

\* Payment Type:Electric

\* Account Number:679370

\* Payment Method:

☒ Visa

☐ Visa (Debit)

☒ MasterCard

☐ MasterCard (Debit)

☒ American Express

☐ Discover

☐ Checking Account

☐ Savings Account

☐ IPPPPays Kiosk Cash

Expiration Date:10/31/2017

SubmitCancel

Suspend an Account

\* Payment Type:Electric

\* Account Number:6759370

SuspendCancel

CSR suspends a user account

# Dashboards - IVR

Paymentus

Agent Dashboard

John Doe

Dashboards

Payments

IVR

Web

CIF

Batch

ECM

Payments

AutoPay

Accounts

Reports

User Management

Last 24 hour snapshot

IVR Call Volume (24h)

Abandoned IVR Calls (24h)

IVR Average Call Duration (24h)

Report Period: Last 24 hours

June 3, 2018 - June 4, 2018

SUCCESS CALLS

▼ 7.98%

242

Average Duration 82 min 57 s

▼ 0.08%

TOTAL CALLS

▼ 2.91%

401

Average Duration 83 min 36 s

▲ 1.10%

DROPPED CALLS

▲ 3.60%

115

Average Duration 85 min 44 s

▲ 3.57%

PAYMENTS FAILED

▲ 12.82%

44

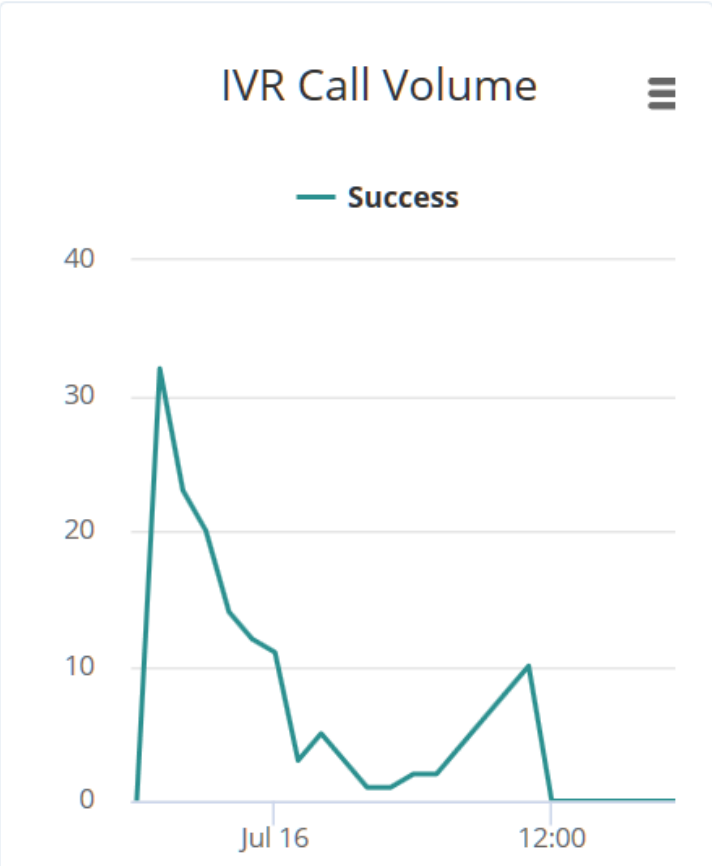
Average Duration 81 min 33 s

▲ 1.76%

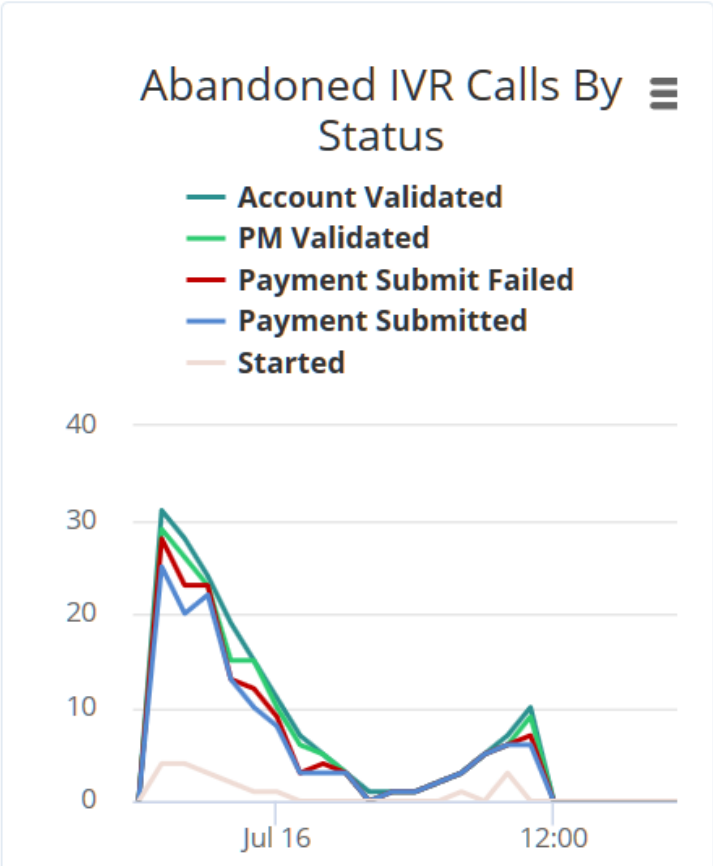
Paymentus

proprietary & confidential | 40

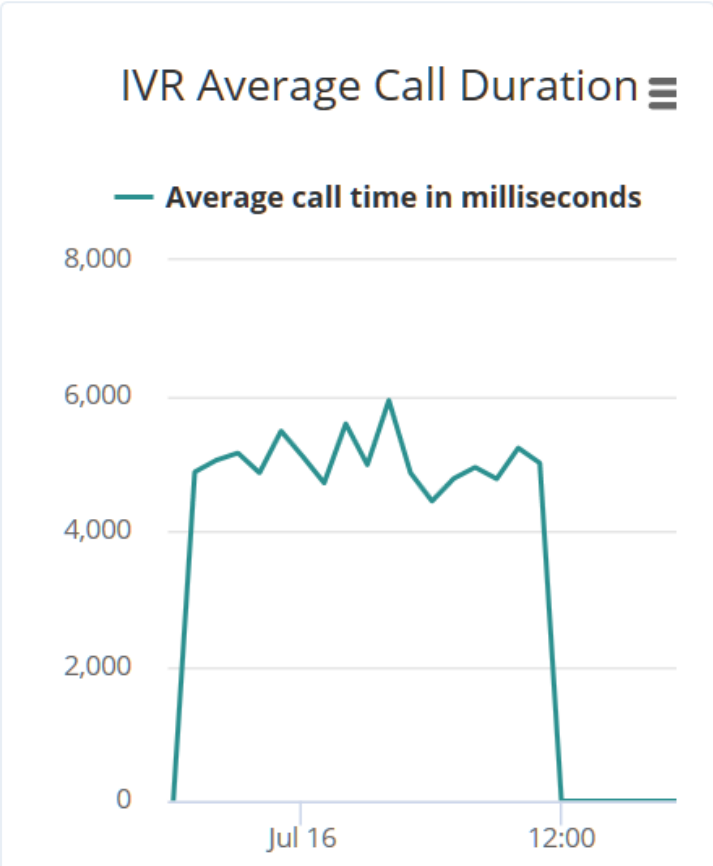
# Dashboards – IVR



**IVR Call Volume –**  
Graph shows number of successful IVR calls per hour



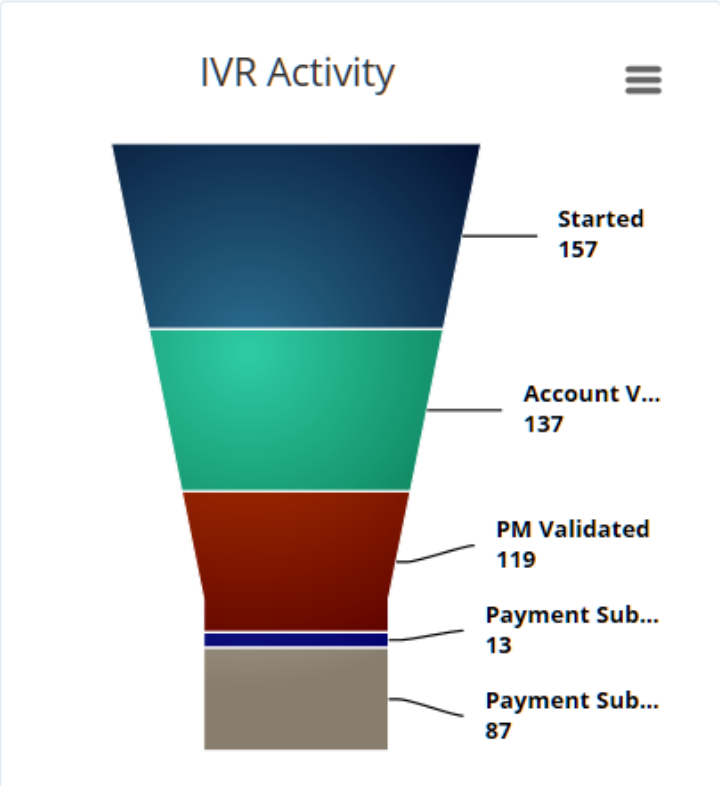
**Abandoned IVR Calls By Status –**  
Graph shows abandoned IVR calls with their status



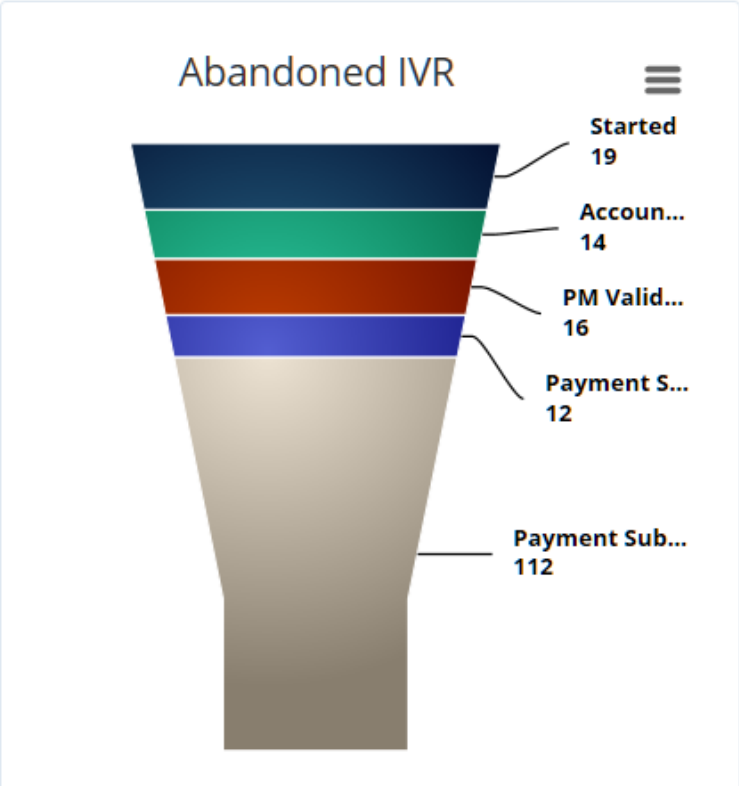
**Secure IVR Call Volume –**  
Graph shows number of secure IVR calls per hour



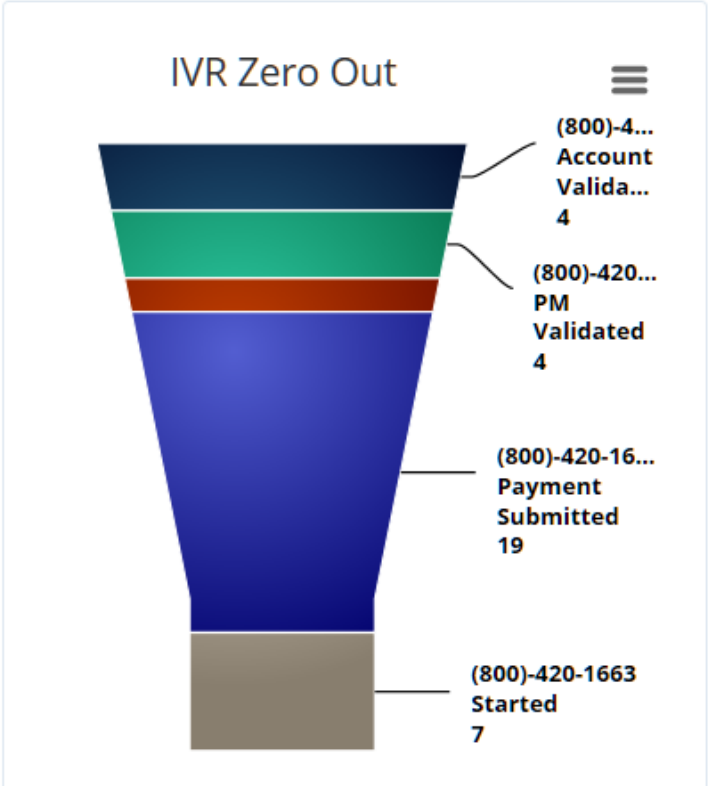
# Dashboards – IVR



**IVR Activity** – Graph shows breakdown of IVR call activity and at what point in the process were they terminated



**Secure IVR Activity** – Graph shows breakdown of secure IVR call activity and at what point in the process were they terminated



**IVR Zero Out** – Graph shows break down of when users opted to press “0” during an IVR call to reach an agent

# Dashboards – Web – Metrics

Paymentus

Agent Dashboard

Default view shows snapshot of the last 24 hours

John Doe

Dashboards

Payments

IVR

Web

Metrics

Feedback

CIF

Batch

ECM

Payments

AutoPay

Accounts

Last 24 hour snapshot

OTP Sessions (24h)

OTP Avg Resp Time (24h)

CP Sessions (24h)

CP Avg Resp Time (24h)

Report Period: Last 24 hours

July 15, 2018 - July 16, 2018

PAYMENTS

\$4.9k

Transactions 160

DECLINES

\$425...

Transactions 8

RETURNS

-\$2.4k

Transactions 43

AUTOPAY

\$10.9k

Transactions 205

SESSIONS

167

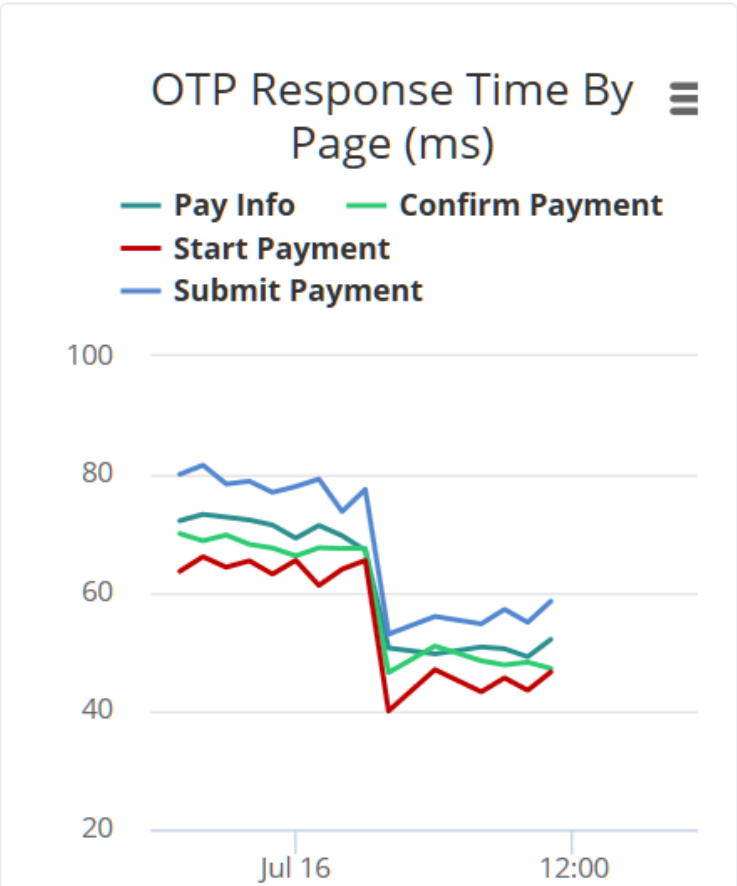
CIF ACCESS

1k

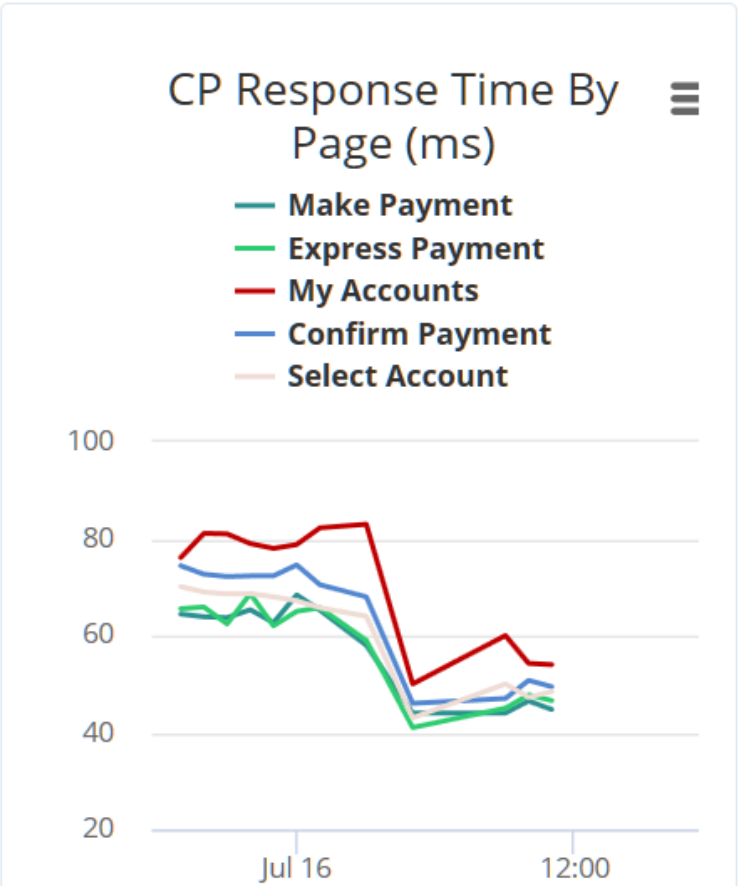
Paymentus

proprietary & confidential | 43

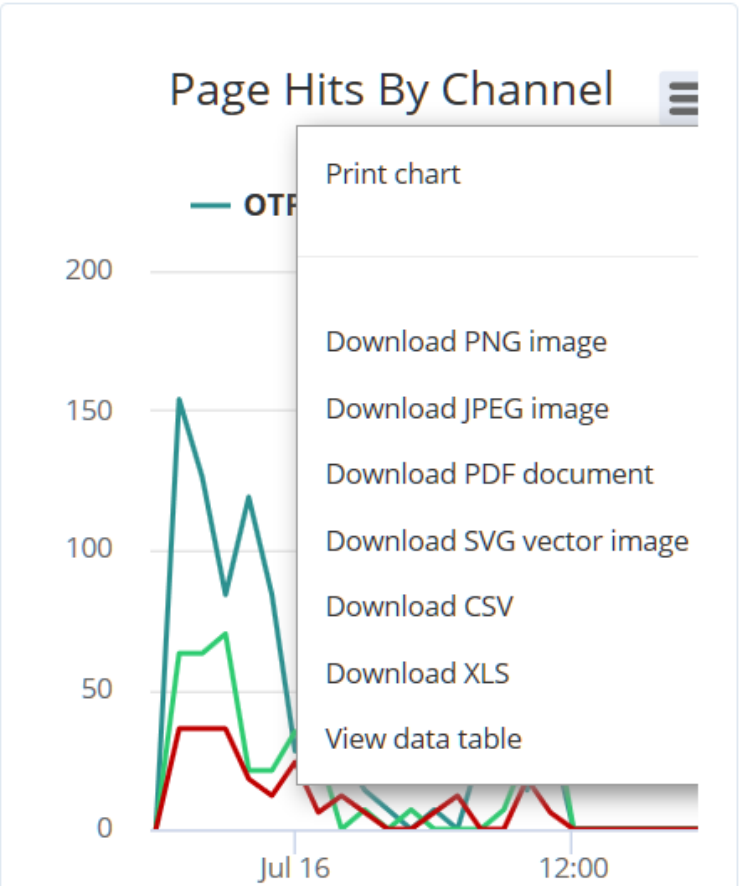
# Dashboards – Web – Metrics



**OTP Response Time** – Graph shows One-Time-Payment response time by page

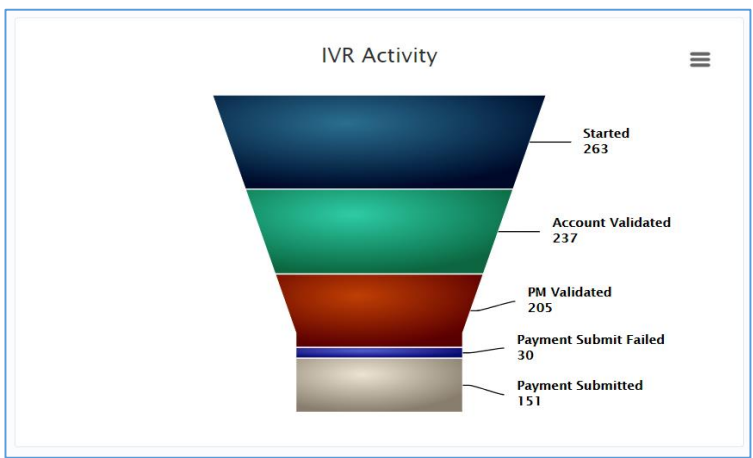
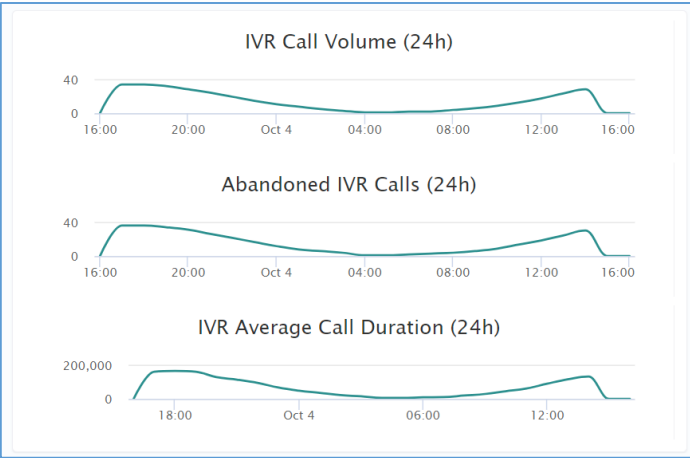
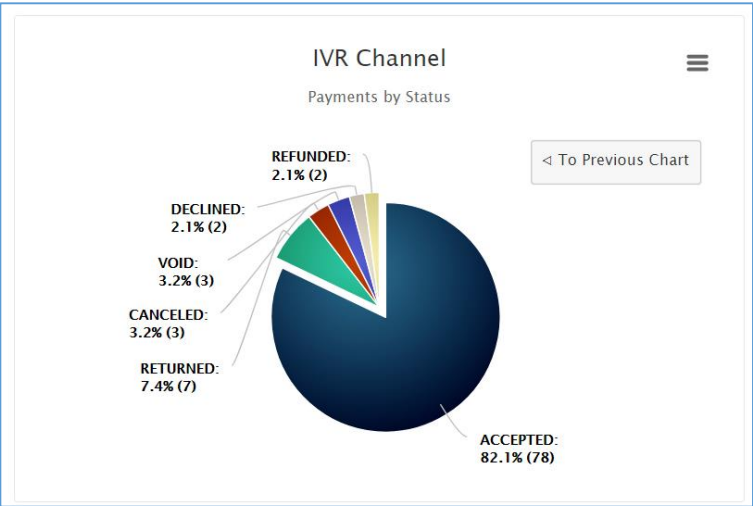
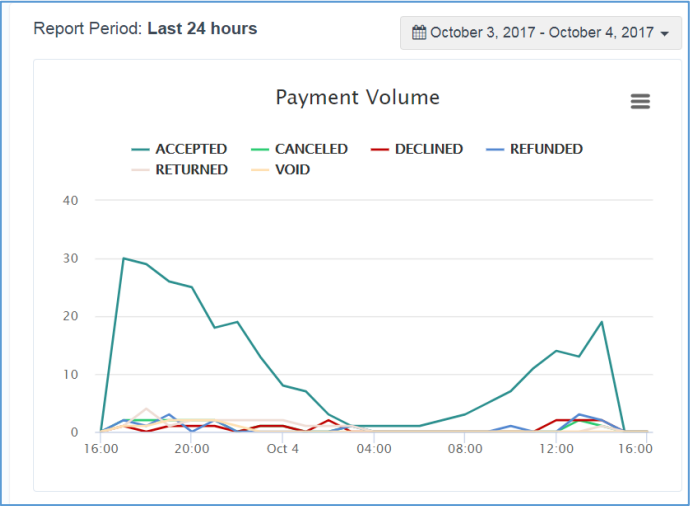


**CP Response Time** – Graph shows Customer Portal response time by page



**Page Hits By Channel** – Graph shows number of page hits by channel

# System Metrics



Sample performance metric charts and graphs

# Support Center – Find a Solution – Detailed Solution

Paymentus

<

Agent Dashboard

Dashboard

Payments

AutoPay

Accounts

Reports

User Management

Campaign Management

Support Center

Find a Solution

Log a Case

Search Cases

Self Service

Broadcast Messaging

How do I manually load CIF files after the cutoff time?

Description:

The Load CIF File tool allows you to manually process a CIF File after you have processed a batch of CIF files. This tool is especially useful if you experienced an issue with your normally-scheduled processing of CIF files.

Background Information:

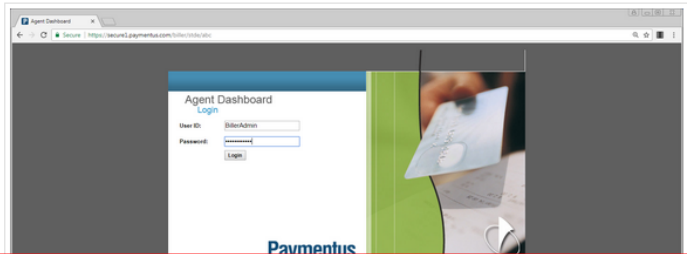
This feature currently supports the processing of non-zipped CIF files (i.e. CSV, DAT, TXT, XML). Please note you will have to refresh your screen after sending the load request to monitor process-progress. To prevent duplicate loading, CIF files processed will be moved from your "input" folder to your "processed/self-serve-load-liability/" folder on the SFTP server.

Prerequisites:

- CIF and respective CTL file uploaded into the "input" folder on our SFTP server
- Agent Dashboard login with access to "Self Service Menu", "Load Liability File", "Can Load CIF File", "Analysis & Reporting Menu", "View File Reports"

Step-By-Step Guide:

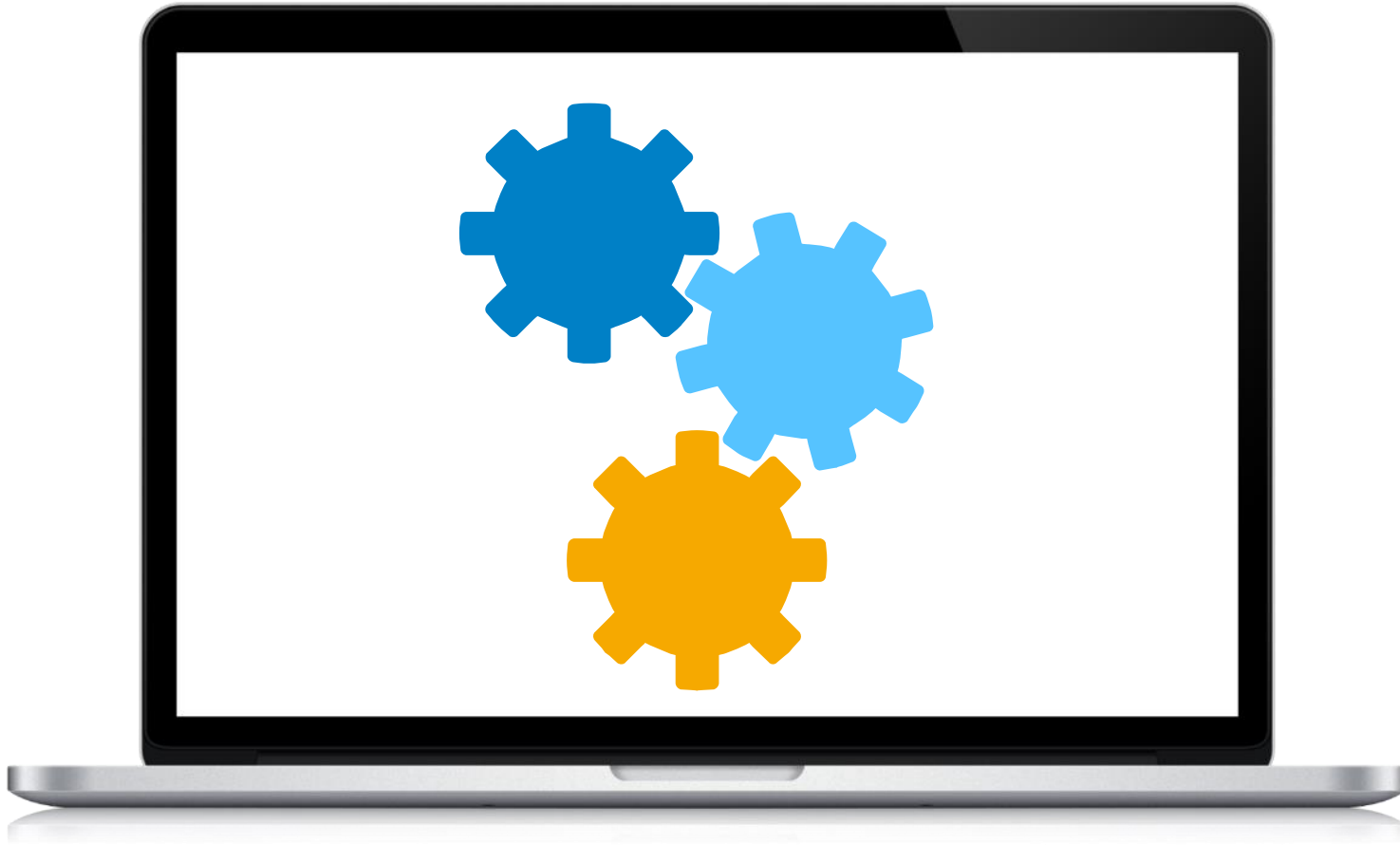
1) Login to Agent Dashboard



Support Center – Find a Solution – Detailed Solution:

The “**Description**” and “**Background Information**” help an agent to better understand the solution to a problem. Each solution to an issue is presented in detail for assisting an agent to overcome it

# Integration



Send and receive information exactly how and when you want it

- API Integrations
- Bill data files
- Text files
- Parameter passing
- Custom posting files
- PDF eBills
- eBill data files

Our team will map to existing file formats or replicate existing text file formats to minimize effort for our clients

# Ease of Implementation



<90

Efficient

The average implementation is less than 90 business days. Project management and communication is the key to a successful and timely launch. Paymentus has mastered this.



Minimal Resources Required

At each step in the process, Paymentus collaborates to do most of the heavy lifting. Our experience, configurable and agile platforms coupled with industry relationships reduce effort and time for all.



Integrated

We have already integrated with over 70 billing and customer information systems and frequently develop new integrations to support our clients initiatives and future purchases.



# Implementation Philosophy and Approach

- Minimize IT/development expense and resource utilization for our clients:
  - By utilizing existing interfaces as currently in place for our clients
  - All development to be done by Paymentus
- Minimize user impact wherever possible other than to improve user experience and our clients' cost to serve their customers
- Highly risk-averse execution approach to support success at all stages
  - Utilize phased approach wherever possible to ensure successful execution
- Highly consultative and partnering spirit in sharing best practices and our experience
  - Client is always right but we want to make sure clients have all necessary information while making decisions
  - Complete transparency in communication throughout the process

# Fully Configurable System

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Our **advanced rule-based engine** and **SaaS-based architecture** allows Paymentus to simplify integration with your systems, and configure our solution to meet your unique requirements without custom code.

YOUR LOGIC – YOUR BUSINESS RULES

---

# Trusted and Reliable System



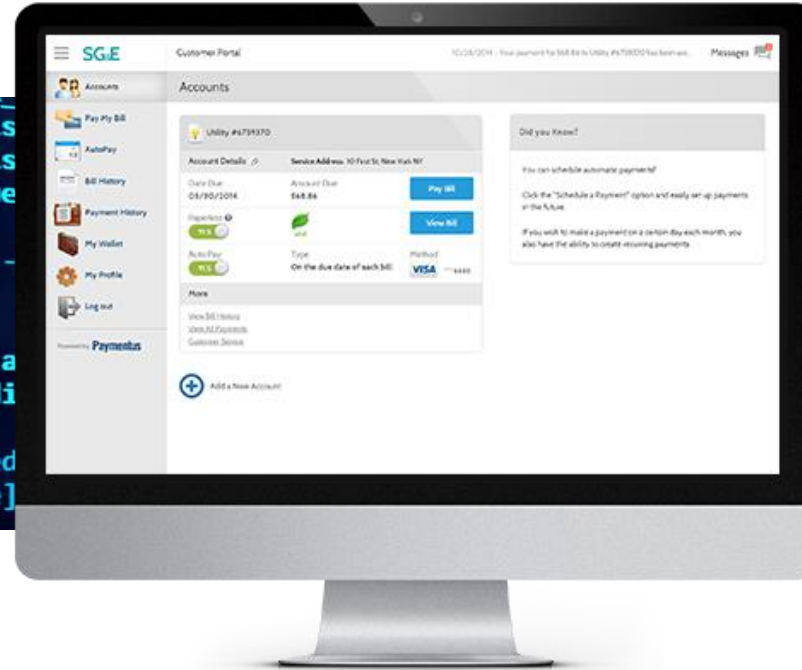
## Fail-Safe Architecture

Triple layer redundancy and operating hosted “hot-hot” data centers ensures that the system works in all scenarios.



## Proven Stability

Paymentus has achieved 100% uptime since 2004.



# 100%

Uptime

# Dedication to Serving Our Clients

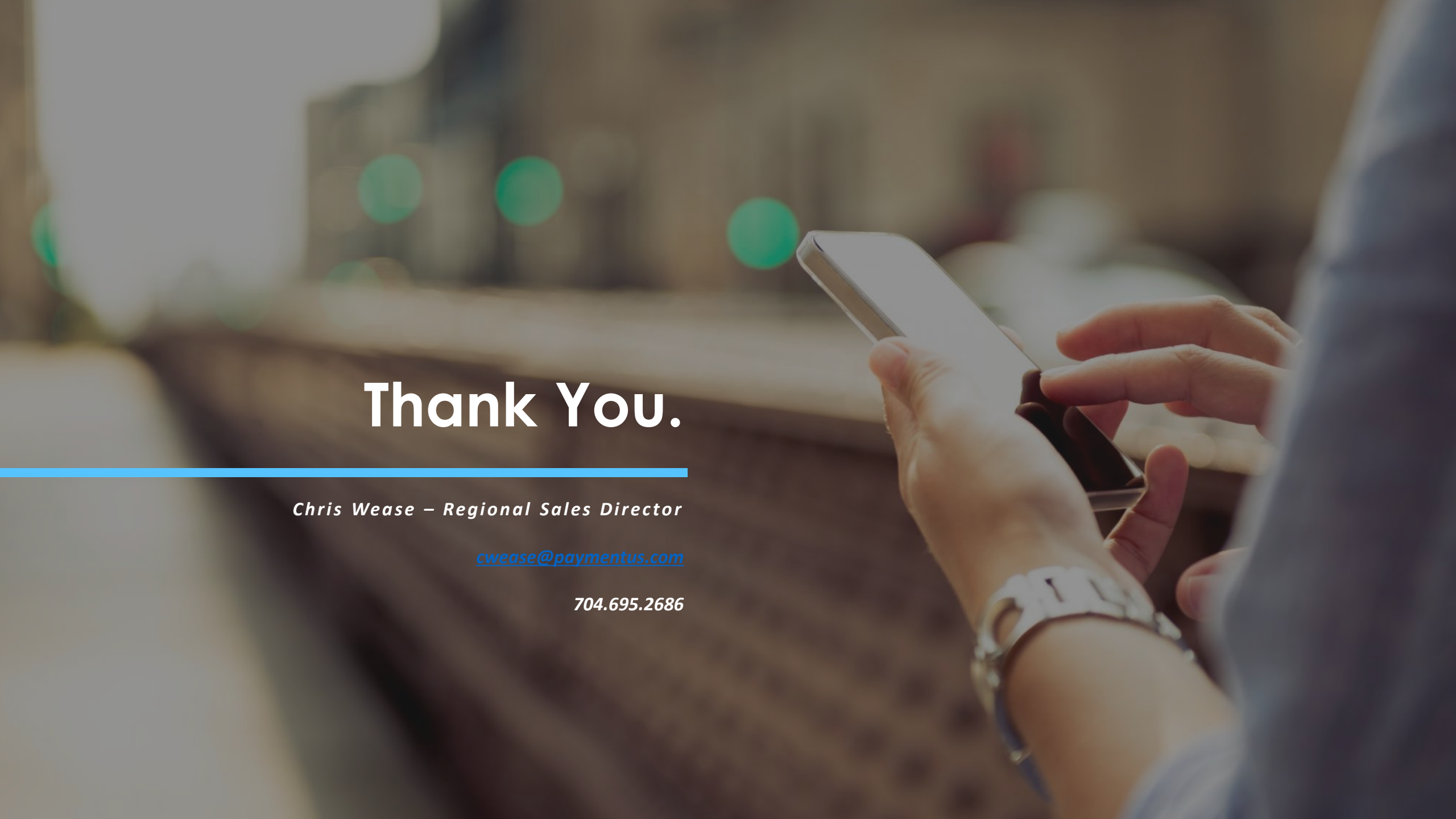


Paymentus is committed to our client's success and our clients succeed when their customer relationships are enhanced.

24/7 customer support with average resolution time of less than 1 business day.

Strategy reviews with a Paymentus Account Manager



A person's hands are shown holding a white smartphone. The person is wearing a silver watch on their left wrist. The background is a blurred city skyline at night, with green and white bokeh lights. The text "Thank You." is overlaid in white.

# Thank You.

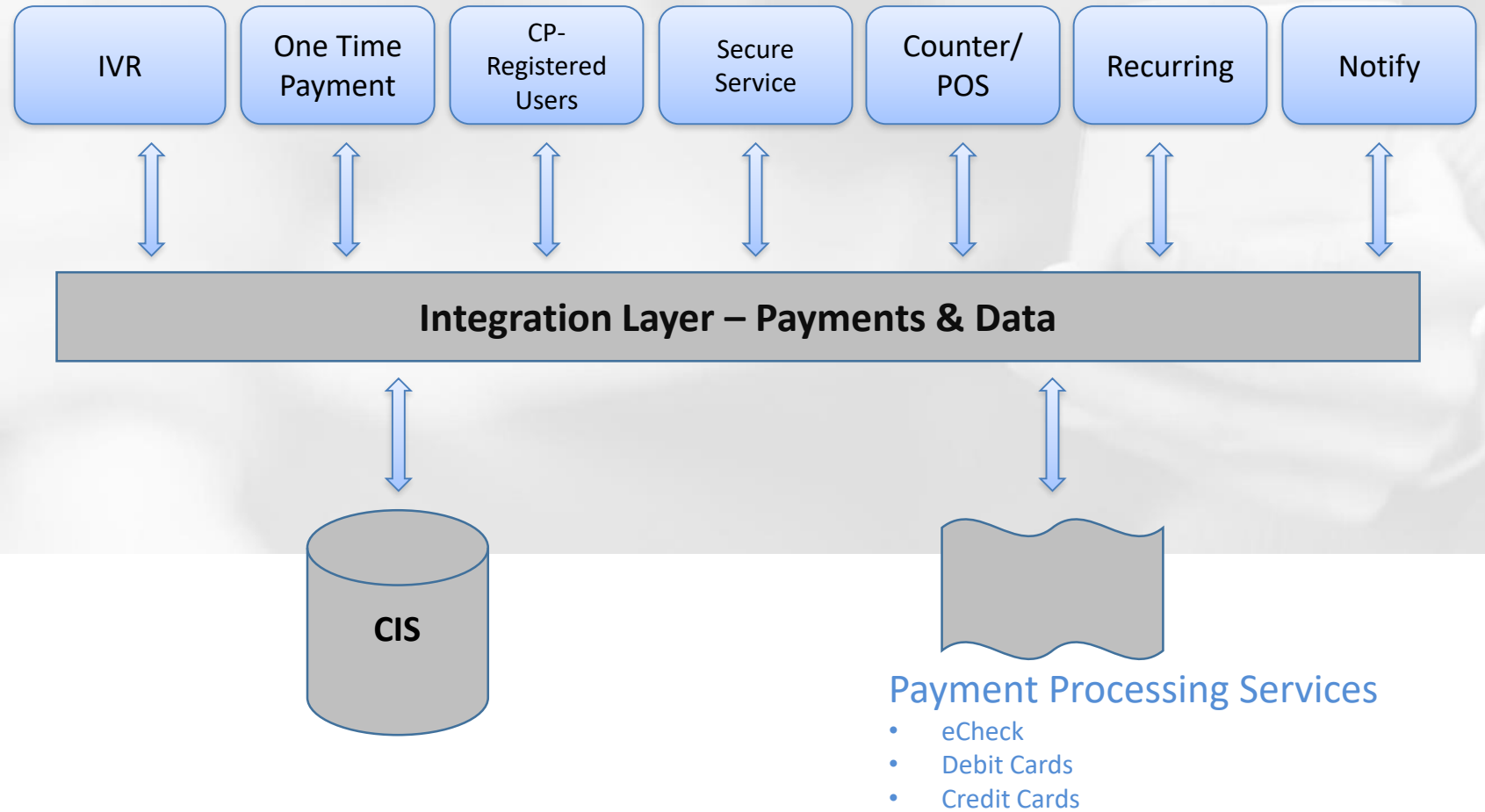
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*Chris Wease – Regional Sales Director*

[cwease@paymentus.com](mailto:cwease@paymentus.com)

704.695.2686

# PCI Compliant across whole platform





## City of Port Orange FINANCE DEPARTMENT

TO: M. H. Johansson, City Manager

FROM: Scott R. Neils, Chief Financial Officer and Finance Director

DATE: December 20, 2019

SUBJECT: Budget Transfer Request – Fusion Software Interface with Naviline

**REQUEST:**

Approval for transfer of funds to allow the acquisition of Central Square Fusion Software and related maintenance.

**PURPOSE:**

An API (application programming interface) is the most common method for two or more applications to integrate with each other. With Click2Gov, an API was not needed because Click2Gov is built into Naviline. Now that have shutdown Click2Gov and are looking at 3rd party products not native to Naviline, Fusion API is needed to allow a product such as Paymentus to integrate with Naviline in real-time. Without the API, Paymentus would only be able to connect to Naviline in a batch format, meaning real-time information would be unavailable. This would result in information available to customers being delayed by up to 24 hours.

**CONSIDERATION:**

The costs for the software and maintenance are shown in the attached quote.

The ongoing costs would be \$3,500 for the Fusion Proprietary Subscription fees. This would be due annually as long as we continued to use Naviline for Utility Billing.

Funding for this purchase is from funds set aside for consulting services for a new utility system.

**BUDGET TRANSFER:**

a.) Move \$11,000 from Professional Services 401-0100-536.31-13 to Computer Software Account 401-0100-536.49-02



**RECOMMENDATION:**

The Finance Department recommends City Manager approve this transfer.

**ANTICIPATED SCHEDULE:**

- a.) City Manager Approval 12/20/2019
- b.) Budget Transfer processed by 1/02/2020

**ATTACHMENTS:**

- a.) Budget Transfer for the 401 fund
- b.) Various supporting documents



## City of Port Orange FINANCE DEPARTMENT

TO: M. H. Johansson, City Manager

FROM: Scott R. Neils, Chief Financial Officer and Finance Director

DATE: April 23, 2020

**SUBJECT: Paymentus Online Payment Application Procurement**

**REQUEST:**

Approval to proceed with final negotiations with Paymentus for a contract to provide digital billing and payment processing as a replacement for the Click2Gov platform. Final is for signature by the City Manager.

**PURPOSE:**

On November 8, 2019, the City discontinued its customer online payment system, Click2Gov. Since that time, customers (Utility and Community Development) have not been able to use their credit card for online payments. Payments could still have been made via ACH direct debit, in-person, drive thru, or drop box.

The City desires to offer an on-line portal to allow 24/7 account access and enhanced customer service and payment opportunities to our customers.

**CONSIDERATIONS:**

The Finance Department, in conjunction with IT and Community Development, considers the on-line payment process as a critical customer service application. We propose the implementation of a new online payment system as an emergency, and desire approval for this designation.

Both Community Development and Utility Billing are preparing RFPs for new software. Design considerations require that the selected systems must be a hosted environment, interface with WorkDay, provide for on-line payments, and allow our current customer service team to process payments for ACH, in-person, drive-thru, and drop off.

James Hicks, IT Manager, suggested that we look at Paymentus as a provider of these services.

Paymentus was founded in 2004 and is headquartered in Charlotte, NC. They have over 1,600 clients, with a 99.7% retention rate. The hosted environment is PCI 3.1 Level 1 compliant and offers 24x7 support for the City and 12-hr multi-lingual support Monday – Friday for customers. The PCI-certified platform ensures that pay accounts are never captured or stored in City systems and Customer Service Representatives (CSRs) do not have access to customer credit card information. Two-Factor authentication is also available.

Paymentus offers payments through the legacy credit cards (VISA, MasterCard, Discover, and American Express) and through advanced payment systems, such as PayPal and venmo, etc. Paymentus supports advanced payment, presentment, and messaging channels through secure PDF billings, digital wallets, live chat, and voice assistants, such as Alexa.

Customers may log into their account through the City web site and have real-time access to their account. They can pay bills, even through texts, set up recurring payments, manage paperless billing, and save payment information.

Paymentus offers an IVR capability. Through this service, the system can send text, email, and phone reminders to customers of past dues and other notifications, such as water outages. Better notification is expected to reduce shutoffs. IVR allows enhanced customer service with reduced call wait time and with ability to direct customer inquiries to payments or other information, thus freeing CSRs to address more customer questions.

Paymentus also allows for customer chat support, something that was not available in the previous system.

Paymentus allows for eBilling, resulting in reduced printing and mailing costs, fewer calls to customer service, and fewer missed payments.

Paymentus offers a comprehensive Agent dashboard, which can display customer account information in real-time, and provide CSR with customer account statistics. In addition, any messages or notifications related to the customer would be displayed for the CSR to view while helping customer. To aid in reducing wait times, Paymentus can recognize customer via the phone number or account number being used.

There are many available reports to assist management and CSRs in providing the best customer service.

Paymentus offers integration with WorkDay. Specific integration for the City will need to be determined. One important benefit is reduced reconciliation of bank accounts. Paymentus pre-funds the day's transaction in full with one single cash deposit. Thus, the deposit from Paymentus is the same as the deposit recorded by the bank. All fees are billed at the end of the month. The previous system netted the fees from the deposit making matching more difficult.

Paymentus is compatible with a kiosk environment. A kiosk could be set up in City Hall or other locations in the City for customer use, thus reducing the load on CSRs.

Paymentus is used by South Daytona, although not currently using all the components that we propose to use. Finance and IT representatives held a conference call with their counterparts in South Daytona. They are currently using the One-Time Payment option and planning to implement additional features. They gave Paymentus high marks on Customer service and on the application.

Additional information is available on the attached documentation.

### **COST AND SAVINGS:**

Estimated transactions – October 2019 example

| Type        | Number of Payments | Total Amount Paid by Tender |
|-------------|--------------------|-----------------------------|
| Cash        | 613                | \$49,400                    |
| Credit Card | 3,249              | 422,800                     |
| Check       | 9,892              | 1,058,700                   |
| C2G E-check | 889                | 76,000                      |
| C2G CC      | 6,192              | 714,000                     |
|             | <b>20,835</b>      | <b>\$2,320,900</b>          |

Note: Billed 29,560 meters billed in October. The difference between total meters billed and payments received is shown below:

- We receive checks from agencies that pay multiple accounts with one check (majority of the difference)
- We bill for lien accounts that do not pay
- Customers have multiple meters at location (e.g. Public Schools)
- We bill for City owned property with meters

The average cost for our current payment system is \$23,000 per month (FY2019) for credit cards/ACH transaction fees from Truist (formerly SunTrust). The projected averaged monthly cost for Paymentus would be \$28,040 (\$23,140 (CC) plus \$4,900 ACH fees).

Paymentus confirmed that the 0.75 cost is per ACH transaction, regardless of what payment avenue is used (IVR, Payment Portal, Recurring Payment). Note that we have added 2,000 plus new ACH customers since Click2Gov was taken down.

We currently have 6,500 ACH customers with information stored on AS400. This information is not secure and can be seen by CSRs. If those accounts were transferred to Paymentus we would have an additional fee added to our monthly costs. (see below)

### Paymentus Fee Structure

|                                                                                                                                                       |                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Hardware/Software Costs                                                                                                                               | \$0.00                                                                                                                                                                                              |
| Set Up Fees / Integration Costs                                                                                                                       | \$0.00                                                                                                                                                                                              |
| Annual Subscription/User Fees                                                                                                                         | \$0.00                                                                                                                                                                                              |
| Annual Maintenance/Support Fees                                                                                                                       | \$0.00                                                                                                                                                                                              |
| Gateway Fees/PCI Compliance Fee                                                                                                                       | \$0.00                                                                                                                                                                                              |
| Credit/Debit Transaction Fees Utility Billing - <i>This fee includes all payment processing, gateway fees and Paymentus technology services</i>       | \$1.80 per qualified utility rate transaction via Visa, MasterCard, Discover authorization; Debit transaction; Paypal: Venmo, Paypal Credit<br>2.95% for all non-qualified credit card transactions |
| ACH ECheck Transactions                                                                                                                               | \$0.75 per transaction                                                                                                                                                                              |
| Credit/Debit Transaction Fees Non - Utility Billing - <i>This fee includes all payment processing, gateway fees and Paymentus technology services</i> | 2.95% per transaction via Visa, MasterCard, Discover authorization; Debit transaction; Paypal: Venmo, Paypal Credit                                                                                 |

Our ACH transaction currently do not have a monthly fee associated with them, and thus we would need to budget approximately \$59,000 to cover the costs of offering ACH as a form of payment.

For the IVR Selectron pricing without the online payment portal, the yearly costs would be \$27,500, just for the software.

For other applications such as Paymentus to work with Naviline in a real-time mode, there is a requirement to have Fusion Software API (application programming interface) installed at Central Square. There was an initial fee of \$8,790, plus an annual maintenance fee of about \$1,300. This software was purchased and installed in December (Memo to CM dated December 20, 2019). The Fusion API would be required for any on-line system interface. If we implement Paymentus, they will reimburse the City for the Fusion Software.

Paymentus includes an IVR capability as part of their transaction fee. Customer Service (Fund 505 – Lease and Replacement) has an IVR Project, ZMI047, which has approximately \$95,900 reserved. These funds would no longer be required for this purchase and could be allocated to another project.

**RECOMMENDATION:**

The benefits of an on-line payment system, combined with the other Customer Service related features offered by Paymentus, will increase Customer Service efficiency, provide a much-needed and requested online payment capability, will provide a significant increase in management reporting, and will be able to support whatever replacement utility billing software is selected.

The Finance Department recommends City Manager approve this agreement.



## City of Port Orange FINANCE DEPARTMENT

TO: M. H. Johansson, City Manager

THRU: Matt Jones, City Attorney

FROM: Scott R. Neils, Chief Financial Officer and Finance Director

DATE: May 2, 2020

**SUBJECT: Ratification of Emergency Purchase Paymentus Online Payment Application Procurement**

### **REQUEST:**

Ratification of emergency purchase of Paymentus contract to provide digital billing and payment processing as a replacement for the Click2Gov platform. Scheduled for Council Meeting 5/19/2020

### **BACKGROUND:**

On November 8, 2019, the City was forced to abruptly discontinue its customer online payment system, Click2Gov, due to data security concerns. Since that time, customers (Utility and Community Development) have not been able to use their credit card for online payments which has become a very popular payment method among the City's utility customers. The feedback received from the customers highlighted that this convenient bill pay service was sorely missed.

The City moved quickly to begin sourcing an on-line portal to allow 24/7 account access and enhanced customer service and payment opportunities to our customers.

### **CONSIDERATIONS:**

City Council was desirous that the City find a replacement for the online payment system as soon as possible and asked the City Manager to proceed on an emergency basis to find a replacement online bill pay service.

The City immediately began looking for a replacement system that would meet the needs of the customers and would integrate with the existing utility billing software and a



replacement utility billing system. The City was in development of a Request for Proposal for this software at that time.

Shortly after the discontinuance of the Click2Gov application, James Hicks, IT Manager, suggested that we look at Paymentus as a provider of these services. We immediately began a review of the Paymentus system, and it appeared that it met our requirements.

We contacted Paymentus and were directed to Chris Wease, Paymentus Regional Director. The Customer Service Manager, Cherie Cadenhead, and I had a demonstration of the system on December 2, 2019 from Chris, after which he provided additional information on the system. Cherie and I reviewed this documentation and found that it answered many of the questions we had. We then had a follow-on telephonic conference with Chris on December 9<sup>th</sup> to clarify some of the details of the system.

We also learned that South Daytona Beach uses Paymentus. On December 11, several of the South Daytona Beach and Port Orange staff had a conference call. We received favorable comments on the product and service.

Based on the information we received, our analysis, and the favorable recommendation from South Daytona Beach, I forwarded the Paymentus information, which included a proposed contract, internally to the various employees within the City that would be working with system on a daily basis. With staff input, the proposed contract prepared by Paymentus went to Matt Jones in the City Attorney's Office for review.

After several discussions between the two legal departments, a proposed contract was finalized and agreed to by the parties. This contract was signed by Paymentus on April 23, 2020 and by the City Manager on April 28, 2020.

### **RECOMMENDATION:**

The benefits of an on-line payment system, combined with the other Customer Service related features offered by Paymentus, will restore the online bill pay option for utility customers, increase Customer Service efficiency, provide a significant increase in management reporting, and will be able to support whatever replacement utility billing software is selected in the future.

The Finance Department, in conjunction with IT and Community Development, considers the on-line payment process to be a critical customer service application. We propose the implementation of a new online payment system as an emergency purchase, and desire ratification for this designation.



# CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 5/19/2020

Consent item: Yes

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**SUBJECT:** (B7c) Ratification of an Emergency Purchase Order to Logan Diving & Salvage for water main break under Halifax River

**DEPARTMENT:** Public Utilities

**GOAL:** 2 - Infrastructure

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**RECOMMENDED MOTION:** Move to approve ratification of the Emergency Standard Contract for Services CA7163, and related purchase order and change orders, to Logan Diving & Salvage for a cost not to exceed \$364,950.00 for the repair of the sub-aqueous river crossing; and authorize the Mayor and City Clerk to execute all documents as required.

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**SUMMARY:** The Public Works & Utilities Department is requesting City Council approve the ratification of Emergency Standard Contract for Services CA7163, emergency Purchase Order #PO-000017 and all four (4) Change Orders to Anderson Diving, Inc. d/b/a/ Logan Diving & Salvage for the total encumbered amount of \$364,950.00 for the repair of the 16" potable water line and 36" effluent pipelines under the river that included inspections of subaqueous river crossings. Actual cost of repair was \$360,819.16. The remaining amount of \$4,130.84 has been liquidated back to the account / project.

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On January 9, 2020, the City issued an Emergency Purchase Order to Anderson Diving, Inc. d/b/a Login Diving & Salvage (PO-000017) for an original amount of \$14,000. Several change orders had to be issued due to additional repairs necessary to complete the repair. The changes orders resulted in a revised purchase order amount of \$364,950.00.

This was deemed an emergency because the leak was on the 16" potable water transmission pipeline crossing under the Halifax river to beachside communities served by Port Orange. it is one of two potable pipelines serving those communities. The final cost of the repair was \$360,819.16. The remaining amount of \$4,130.84 has been liquidated back to the 403 fund and project URP011.

Council approved two budget resolutions to cover the funding of this repair.

Project      Funding Account No.: Fund: 403 Water/Sewer R&R, Cost Center:  
No.: URP Water/Sewer, Program: Water/Sewer Distribution, Spend Category: Water-  
011      Capital, Additional: URP011

Presenter: Lynn Stevens

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**ATTACHMENTS:**

|    |                                                               |                                                                   |
|----|---------------------------------------------------------------|-------------------------------------------------------------------|
| 1. | Dept Justification Memo Ratification<br>Logan Diving 5 6 2020 | Dept Justification Memo Ratification<br>Logan Diving 5 6 2020.pdf |
| 2. | Anderson Diving - Logans Standarded<br>Contract CA7163        | Anderson Diving - Logans Standarded<br>Contract CA7163.pdf        |
| 3. | Expense and Budget Histroy                                    | Expense and Budget Histroy.xlsx                                   |
| 4. | Reso 20-8                                                     | Reso 20-8.pdf                                                     |
| 5. | Reso 20-13                                                    | Reso 20-13.pdf                                                    |

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|                 |                               |
|-----------------|-------------------------------|
| Kynah Cockcroft | Created/Initiated - 2/25/2020 |
| Julia Wiggins   | Approved - 5/6/2020           |
| Lynn Stevens    | Approved - 5/6/2020           |
| Scott Neils     | Approved - 5/9/2020           |
| Matthew Jones   | Approved - 5/12/2020          |
| Jake Johansson  | Approved - 5/12/2020          |
| Robin Fenwick   | Final Approval - 5/12/2020    |

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## City of Port Orange Public Utilities and Works Department

TO: M.H. Johansson, City Manager

THRU: Lynn Stevens, Public Utilities and Works Director  
Julia Wiggins, Public Utilities and Works Budget Analyst

FROM: Junos Reed, P.E., Public Utilities and Works Engineering and  
Construction Manager

DATE: May 4, 2020

SUBJECT: Ratification of Emergency Contract CA7163 and Purchase Order –  
Anderson Diving, Inc. d/b/a/ Logan Diving & Salvage

**REQUEST:**

The Public Works & Utilities Department is requesting City Council approve the ratification of Emergency Standard Contract for Services CA7163, emergency Purchase Order #PO-000017 and four (4) Change Orders to Anderson Diving, Inc. d/b/a/ Logan Diving & Salvage for a not to exceed amount of \$364,950.00 for the repair of the subaqueous river crossings.

**PURPOSE:**

The purpose of this request is to provide ratification on an emergency request for repairs to 16" potable and 36" wastewater plant effluent pipelines under the Halifax River.

**CONSIDERATION:**

On January 7, 2020, the City received a report of a large amount of water boiling up in the Halifax River in the vicinity of the 16" potable water main. This water main is one of two pipelines that cross under the river to serve customers on the beach side area including Ponce Inlet and Daytona Beach Shores. City staff are not capable of repairing a pipeline under the river, therefore, Logan Diving was contacted. Logan Diving had previously (approximately 4 years ago) inspected the underwater pipelines for the City.

Emergency Purchase Order #00017 was issued to Anderson Diving, Inc. d/b/a Logan Diving & Salvage on January 9 for an original amount of \$14,000. The original scope of work included identifying the source of the leak. The leak was found on the 16" water main about 40 feet into the river from Halifax Drive.

Once the extent of the damaged pipe was revealed, the first change order included repairs. The initial repair did not resolve the leak and a second change order for additional repairs was made. Once those repairs were completed, staff pressurized the entire 1-mile long pipeline only to find that the pipe would not hold pressure.

Logan Diving was given a third change order to locate the source of the second leak and inspect the entire pipeline. The second leak was discovered in the 16" water main. However, while searching for the leak, the divers discovered a large area around and under both the 16" potable and the 36" wastewater plant effluent pipe had soil erosion, leaving the pipes exposed and unsupported. This scouring and subsidence of soils occurs with tidal flushing and rough waters in the river. The lines needed to be re-supported and covered in order to keep them in service.

The fourth and final change order included securing and burying both pipelines and repairing the second leak. The initial purchase order was \$14,000 and the change orders totaled \$350,950, resulting in a revised estimated purchase order amount of \$364,950.00.

On March 3, 2020, City Manager approved a Standard Contract for Services to Anderson Diving, Inc. d/b/a Logan Diving & Salvage for the emergency repair services on the 16" potable water line and the 36" effluent pipelines under the river as described above.

The line is currently repaired and has been returned to full operation. The final cost of the repair was \$360,819.16. The remaining amount of \$4,130.84 has been liquidated back into the 403 fund and project URP011.

**FUNDING:**

Fund: 403

Fund Name: Water and Sewer R&R

Cost Center: Water / Sewer

Program: Water / Sewer Distribution

Spend Category: Water – Capital

Additional Work tag: URP011

Council approved two budget resolutions to fund these repairs. The first resolution #20-8 was approved by Council on March 17, 2020 in the amount of \$250,000. The second budget resolution #20-13 was approved by Council on April 21, 2020 for an additional \$100,000.

**RECOMMENDATION:**

The Public Works & Utilities Department recommends City Council approve the ratification of Emergency Standard Contract for Services CA7163, emergency Purchase Order #PO-000017 and four (4) Change Orders to Anderson Diving, Inc. d/b/a/ Logan

Diving & Salvage for a not to exceed amount of \$364,950.00 for the repair of the subaqueous river crossings.

**ANTICIPATED SCHEDULE:**

- a) Ratification set for CC meeting May 19, 2020

**ATTACHMENTS:**

- a) Spreadsheet with expenses and budget
- b) Copy of PO00017 with all change orders
- c) Copy of the Emergency Standard Contract for Services CA7163





## CITY OF PORT ORANGE STANDARD CONTRACT FOR SERVICES

This Standard Contract for Services ("Contract") is entered into this 3rd day of March, 2020, by and between the **CITY OF PORT ORANGE**, a Florida municipal corporation, whose principal address is 1000 City Center Circle, Port Orange, Florida 32129 (the "City"), and **ANDERSON DIVING, INC. D/B/A LOGAN DIVING & SALVAGE** ("Contractor"), a Florida corporation whose principal address is 2815 St. Johns Bluff Road, Jacksonville, Florida 32246. The City and Contractor are collectively referred to herein as the "Parties."

1. Provision of Services

(a) The Contractor hereby agrees to provide emergency repair services on 16" potable water line and 36" effluent pipelines under the river, which shall include inspections of subaqueous river crossings, and as more specifically described in Contractor's Quote dated February 6, 2020, attached hereto as Exhibit "1," and made a part hereof by reference.

(b) The time, manner and place for performance of such services shall be:

Term: Notwithstanding the date of execution, this Contract shall be effective January 17, 2020 and shall continue until September 30, 2020 (the "Term").

Manner and Place: The work shall be performed in accordance with and in a manner as required by all current federal, state, county, fire, building and land development codes, laws, ordinances and regulations, and with applicable permits and licenses per the City Code of Ordinances.

Time and Essence: Contractor acknowledges that time is of the essence for this Contract.

Authorization for Services: This Contract standing alone does not authorize the purchase of any goods or services or require the City to place any orders for goods or service. Authorization for the purchase of goods or services from Contractor under this Contract shall be upon issuance of a written Purchase Order issued and executed by the City Manager. The City reserves the right to contract with other parties for the goods and services contemplated by this Contract, as determined in the City's sole and absolute discretion.

2. City Obligations. In return for the services identified above, the City agrees to compensate the Contractor at the prices set forth in Exhibit "1." The City's obligation to pay Contractor under this Contract is limited to an amount not to exceed the budget appropriation for each fiscal year. All payments shall be governed by the Local Government Prompt Payment Act as set forth in Sections 218.70 through 218.79, Florida Statutes, as amended.

(a) City shall reimburse Contractor for reasonable lodging with documentation of receipts/invoices, and a per diem rate of \$50.00 per person.

3. Liens. Contractor acknowledges that Contractor shall not be entitled to lien the City or other public property.



4. Contract Administration. The Public Works and Utility Director, Lynn Stevens, shall perform contract administration of this Contract. The City may change the contract administration, from time to time and at any time, upon written notice to Contractor. For notice provisions, see the paragraph below entitled "Notice."

5. Termination for Convenience of the City

(a) The parties agree that the City may terminate this Contract, or any work or delivery required hereunder, from time to time either in whole or part, whenever the City Manager of Port Orange shall determine that such termination is in the best interest of the City.

(b) Termination, in whole or in part, shall be effected by delivery of a Notice of Termination signed by the City Manager or his designee, mailed or delivered to the Contractor, and specifically setting forth the effective date of termination.

(c) Upon receipt of such Notice, the Contractor shall:

- (i) cease any further deliveries or work due under this Contract, on the date, and to the extent, which may be specified in the Notice;
- (ii) place no further orders with any subcontractors except as may be necessary to perform that portion of this Contract not subject to the Notice;
- (iii) terminate all subcontracts except those made with respect to contract performance not subject to the Notice;
- (iv) settle all outstanding liabilities and claims which may arise out of such termination, with the ratification of the Finance Director of Port Orange; and
- (v) use best efforts to mitigate any damages which may be sustained by the Contractor as a consequence of termination under this clause.

(d) After complying with the provisions of subparagraph (c), above, the Contractor shall submit a termination claim, in no event later than six (6) months after the effective date of termination, unless one or more extensions of three (3) months each are granted by the Finance Director.

(e) The Finance Director, with the approval of the City Manager, shall pay from the using department's budget, reasonable costs of termination, including a reasonable amount for profit on supplies or services delivered or work completed. In no event shall this amount be greater than the original contract price, reduced by any payments made prior to Notice of Termination, and further reduced by the price of the supplies not delivered or the services not provided. This Contract shall be amended accordingly, and the Contractor shall be paid the agreed amount.

(f) In the event that the parties cannot agree on the whole amount to be paid to the Contractor by reason of termination under this clause, the Finance Director shall pay the Contractor the amounts determined as follows, without duplicating any amounts which may have already been paid under the preceding paragraph of this clause:

- (i) With respect to all Contract performance prior to the effective date of Notice of Termination, the total of:
  - (1) the cost of work performed or supplies delivered;
  - (2) the cost of settling and paying any reasonable claims as provided in paragraph (c) (iv), above;



(3) a sum as profit on (a) determined by the Finance Director to be fair and reasonable.

(ii) The total sum to be paid under (i) above shall not exceed the contract price, as further reduced by the contract price of work or supplies not terminated.

(g) In the event that the Contractor is not satisfied with any payments which the Finance Director shall determine to be due under this clause, the Contractor may appeal any claim to the City Council in accordance with Paragraph 23 of this contract concerning disputes.

6. Termination for Convenience for Subcontractors. In accordance with the termination for the convenience of the City provision of this contract, the Contractor shall include similar provisions in any subcontract, and shall specifically include a requirement that subcontractors make all reasonable efforts to mitigate damages which may be suffered. Failure to include such provisions shall bar the Contractor from any recovery from the City whatsoever of loss or damage sustained by a subcontractor as a consequence of termination for convenience.

7. Termination for Default. Either party may terminate this Contract, without further obligation, for the default of the other party or its agents or employees with respect to any agreement or provision contained herein.

8. Examination of Records

(a) The Contractor agrees that the City, or any duly authorized representative, shall, until the expiration of five (5) years after final payment hereunder, have access to and the right to examine and copy any pertinent books, documents, papers and records of the Contractor involving transactions related to this Contract.

(b) The Contractor further agrees to include in any subcontract for more than \$10,000 entered into as a result of this Contract, a provision to the effect that the subcontractor agrees that the City or any duly authorized representative shall, until the expiration of five (5) years after final payment under the subcontract, have access to and the right to examine and copy any pertinent books, documents, papers and records of such contractor involved in transactions related to such subcontract, or this Contract. The term subcontract as used herein shall exclude purchase orders for public utility services at rates established for uniform applicability to the general public.

(c) The period of access provided in subparagraphs (a) and (b) above for records, books, documents and papers which may relate to any arbitration, litigation, or the settlement of claims arising out of the performance of this contract or any subcontract shall continue until any appeals, arbitration, litigation or claims shall have been finally disposed of.

9. Public Records Compliance. Contractor shall comply with public records laws as set forth in Chapter 119, Florida Statutes, and shall specifically:

(a) Keep and maintain public records that ordinarily and necessarily would be required by the City in order to perform the service.

(b) Provide the public with access to public records on the same terms and conditions that the City would provide the records and at a cost that does not exceed the cost provided in Section 119.0701, Florida Statutes, or as otherwise provided by law.

(c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Contract term.

(d) Upon completion of the Contract, Contractor shall transfer to the City, at no cost, all public records in possession of the Contractor and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the City in a format that is compatible with the information technology systems of the City.



If Contractor does not comply with a public records request, the City shall enforce the contract provisions in accordance with the contract.

**CONTRACTOR QUESTIONS RELATING TO CONTRACTOR'S DUTIES TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT MUST BE FORWARDED TO THE OFFICE OF THE CITY CLERK, CITY HALL, 1000 CITY CENTER CIRCLE, PORT ORANGE, FLORIDA 32129 TELEPHONE: (386) 506-5563 E-MAIL: CITYCLERK@PORT-ORANGE.ORG**

10. Termination for Non-Appropriation of Funds

(a) If funds are not appropriated for any succeeding fiscal years subsequent to the one in which this contract is entered into, for the purpose of this Contract, then the City may terminate this Contract upon thirty (30) days prior written notice to the Contractor. Should termination be accomplished in accordance with this Section, the City shall be liable only for payments due through the date of termination.

(b) The City agrees that should it terminate in accordance with this Section, it shall not obtain services which are substantially equal to or similar to those for which this contract was entered into. This provision shall survive any termination of the Contract.

11. Insurance. Contractor shall maintain insurance during the life of this Contract. Contractor shall provide to the City a certificate of insurance identifying the City of Port Orange as an additional insured. For workers' compensation coverage, the bidder's insurance certificate shall include the insurer's waiver of subrogation in lieu of naming the city as an additional insured for workers' compensation.

Policies other than Workers' Compensation shall be issued by insurers licensed and/or duly authorized under Florida Law to do business in the State of Florida and all insuring companies are required to have a minimum rating of "A" in the "Best Key Rating Guide" published by A.M. Best & Company, Inc. Policies for Workers' Compensation may be issued by companies authorized as a group self-insurer by F.S. 440.572. Contractor shall not commence work under this Contract until the City has received a certificate or certificates of insurance and endorsement evidencing the required insurance. Contractor shall provide the City written notice of cancellation, nonrenewal or any other changes in coverage no later than ten (10) days prior to the effective date of the change.

The City reserves the right to increase insurance coverage as determined for higher risk contracts and shall reimburse the Contractor for the reasonable additional costs of increased coverage.

| Standard Insurance Requirements     |                                                                                            |                                                                                                                          |                                                                                                                                                                                                                                                                          |
|-------------------------------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                     | Insurance                                                                                  | Standards                                                                                                                | Additional Requirements                                                                                                                                                                                                                                                  |
| <input checked="" type="checkbox"/> | Workers' Compensation<br><br><u>Additional Coverage:</u>                                   | <u>Limits:</u> Coverage A - Statutory<br>Coverage B - \$100,000<br><br>All States (Broad Form)<br>Voluntary Compensation | <input type="checkbox"/> If Contract requires work on or about navigable waters, Longshoreman's and Harbor Workers' Coverage required.<br><input type="checkbox"/> If vessels involved, Jones Act coverage with limits of \$500,000 required.                            |
| <input checked="" type="checkbox"/> | Comprehensive General Liability (including Completed Operations and Contractual Liability) | <u>Limits:</u> Combined Single Limit Bodily Injury and Property damage<br>\$500,000 occurrence<br>\$1,000,000 Aggregate  | <input type="checkbox"/> When work is on or under Railroad rights of way or properties, the Contractor shall take out and maintain during the life of the Contract, Railroad protective liability and property damage insurance in amounts as requested by the Railroad. |



|                                     |                                                                                                             |                                                                                                                                                                                          |                                                                          |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> | Comprehensive Business, Automobile Liability to include all automobiles.<br><br><u>Additional Coverage:</u> | <u>Limits:</u> Auto Liability Body Injury:<br>\$200,000 each person<br>\$300,000 each occurrence.<br>Property Damage Liability<br>\$100,000 each occurrence.<br><br>Non-Owned, Hired Car | Or \$500,000 Combined Single Limit for Bodily Injury and Property Damage |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|

| <b>Additional Insurance Requirements</b> |                                                                                                                                                                                                                                                     |                                                                                                                                                                                   |                                                                                                                                                                  |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/>                 | Property Insurance Builders Risk.<br><br><u>Additional Coverage:</u>                                                                                                                                                                                | <u>Limits:</u> Buildings - Completed value of Contract.<br><br>"All Risk" coverage on latest ISO for or its equivalent. Permission granted to occupy. Owner named as insured AIMA | If Contract requires handling or installation of Owner's equipment, coverage should be furnished on "All Risk" form, including transit and Owner shall be named. |
| <input type="checkbox"/>                 | Professional Liability                                                                                                                                                                                                                              | <u>Limits:</u> Coverage - \$1,000,000 minimum.                                                                                                                                    |                                                                                                                                                                  |
| <input type="checkbox"/>                 | Installation Floater (IT)                                                                                                                                                                                                                           | <u>Limits:</u> Coverage - \$ <u>To be determined.</u>                                                                                                                             |                                                                                                                                                                  |
| <input type="checkbox"/>                 | Contractor Pollution Liability                                                                                                                                                                                                                      | <u>Limits:</u> Coverage - \$ <u>1,000,000.00.</u>                                                                                                                                 |                                                                                                                                                                  |
| <input type="checkbox"/>                 | Errors and Omissions                                                                                                                                                                                                                                | <u>Limits:</u> Coverage - \$1,000,000.00 minimum.                                                                                                                                 |                                                                                                                                                                  |
| <input type="checkbox"/>                 | Payment and Performance Bond Required                                                                                                                                                                                                               | <u>Limits:</u> Coverage - Equal to amount of Contract.                                                                                                                            |                                                                                                                                                                  |
| <input type="checkbox"/>                 | Department Head waives Payment and Performance Bond for work under \$25,000.00.                                                                                                                                                                     |                                                                                                                                                                                   |                                                                                                                                                                  |
| <input type="checkbox"/>                 | Unless otherwise required by law, Department Head waives Insurance for work described as follows:<br>(check at least one)<br><input type="checkbox"/> under \$25,000.00<br><input type="checkbox"/> including goods F.O.B. the place of destination |                                                                                                                                                                                   |                                                                                                                                                                  |

12. Assignability of Contract. Neither this contract, nor any part hereof, may be assigned by the Contractor to any other party without the express written approval of the City Council.

13. Modifications or Changes to this Contract

(a) Change Orders. The Department Head, with the concurrence of the City's signatory as required by the City's Purchasing Policy, shall without notice to any sureties, have the authority to order changes in this Contract which affect the cost or time of performance. Such changes shall be ordered in writing specifically designated to be a change order. Such orders shall be limited to reasonable changes in the services to be performed or the time of the performance. The City will not be held liable for any changes which have not been properly authorized and approved in accordance with this Contract.



(b) If any change under this clause causes an increase or decrease in Contractor's cost of, or time required for the performance of the work hereunder, Contractor shall receive an equitable adjustment in accordance with subparagraph (d), which shall include all compensation to the Contractor, or the City, of any kind in connection with such change, including all costs and damages related to or incidental to such change.

(c) Contractor need not perform any work described in any change order unless it has received a certification from the City that there are funds budgeted and appropriated sufficient to cover the cost of such changes.

(d) No claim for changes ordered hereunder shall be considered if made after final payment in accordance with the Contract.

14. **Sovereign Immunity.** The City expressly retains all rights, benefits and immunities of sovereign immunity in accordance with Section 768.28, Florida Statutes. Notwithstanding anything set forth in any section of this Contract to the contrary, nothing in this Contract shall be deemed as a waiver of immunity or limits of liability of the City beyond any statutory limited waiver of immunity or limits of liability which may have been adopted by the Florida Legislature or may be adopted by the Florida Legislature and the cap on the amount and liability of the City for damages regardless of the number or nature of claims in tort or equity shall not exceed the dollar amount set by the legislature for tort. Nothing in this Contract shall inure to the benefit of any third party for the purpose of allowing any claim against the City which would otherwise be barred under the Doctrine of Sovereign Immunity or operation of law.

15. **Warranties.** Contractor warrants that (1) the supplies to be provided to the City pursuant to this Contract are fit and sufficient for the purpose intended; (2) the supplies are merchantable, of good quality, and free from defects, whether patent or latent, in material or workmanship, and (3) the supplies sold to the City pursuant to this Contract conform to the standards required by this Contract.

Contractor further warrants that Contractor has title to the supplies provided, and that the supplies are free and clear of all liens encumbrances, and security interests. All warranties made in this Contract, together with service warranties and guarantees, shall run to the City and its successors and assigns.

16. **Additional Warranties.** Contractor further expressly warrants that materials and workmanship are warranted from defect for a one-year period. This is a minimum acceptable warranty.

17. **Inspection**

(a) All supplies (which term throughout this clause includes without limitation raw materials, components, intermediate assemblies, and their products) shall be subject to inspection and test by the City, to the extent practicable at all times and places including the place of manufacturer, and in any event prior to acceptance.

(b) In the event any supplies or lots of supplies are defective in material or workmanship, or otherwise not in conformity with the requirements of this Contract, the City shall have the right either to reject them (with or without instructions as to their disposition) or to require their correction. Supplies or lots of supplies which have been rejected or required to be corrected shall be removed or, if permitted or required by the Finance Director, corrected in place by and at the expense of Contractor promptly after notice, and shall not thereafter be tendered for acceptance unless the former rejection or requirement of correction is disclosed. If Contractor fails promptly to remove such supplies or lots of supplies which are required to be removed or promptly to replace or correct such supplies or lots of supplies, the City may either (i) by contract or otherwise replace or correct such supplies and charge Contractor the cost for such replacement or correction; or (ii) may terminate this Contract for default as provided in the clause of this Contract entitled "Termination for Default." Unless Contractor corrects or replaces such supplies within the delivery schedule, the Finance Director may require the delivery of such supplies at a reduction in price, which is equitable under the circumstances. Acceptance or rejection of the supplies shall be



made as promptly as practicable after delivery, except as otherwise provided in this Contract. Failure to inspect and accept or reject supplies shall neither relieve Contractor from responsibility for such supplies as are not in accordance with the Contract requirements nor impose liability on the City therefor.

(c) The inspection and test by the City of any supplies or lots thereof does not relieve Contractor from any responsibility regarding defects or other failures to meet the Contract requirements, which may be discovered prior to acceptance. Except as otherwise provided in this Contract, acceptance shall be conclusive except as regards latent defects, fraud, or such gross mistakes as amount to fraud.

18. Liability for Loss or Damage. Contractor shall be liable for any loss of, or damage to, City property caused by the negligence, recklessness, or intended wrongful misconduct of Contractor, his/its agents, servants and employees and shall indemnify and save the City harmless against all actions, proceedings, claims, demands, costs, damages and expenses, including attorney's fees, by reason of any suit or action brought for any actual or alleged injury to or death of any person or damage to property other than City property, resulting from the performance of the Contract by Contractor, his/its agents, servants and employees. Contractor shall submit a full written report to the Finance Director within twenty-four (24) hours following the occurrence of such damage, loss or injury.

19. Non-discrimination. During the performance of this Contract, Contractor agrees as follows:

(a) Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, disability, marital status, age or national origin, except where such is a bona-fide occupational qualification reasonably necessary to the normal operation of Contractor. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. Contractor agrees and fully supports and complies with the Americans with Disabilities Act of 1990.

(b) Contractor shall state in all solicitations or advertisements for employees placed by or on behalf of Contractor that Contractor is an equal opportunity employer.

(c) Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient compliance with this provision. Contractor shall include the provisions of the foregoing subparagraphs (a), (b), and (c) in every subcontract or purchase order of over \$10,000 so that the provisions will be binding upon each subcontractor or vendor.

20. E-Verify. Contractor shall utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the Contractor during the term of this Contract and shall expressly require any subcontractor performing services pursuant to this Contract to likewise utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the subcontractor during the term of this Contract.

21. Disputes. The City Manager, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to Contractor, shall decide disputes with respect to this Contract. The decision by the City Manager shall be final and binding unless, within five (5) business days from the date of delivery of the decision of the City Manager, appeal is made to the City Council in writing and delivered to the City Clerk, Robin L. Fenwick, CMC. The decision of the City Council shall be final and binding unless set aside by a court of competent jurisdiction as fraudulent, capricious, arbitrary, or so grossly erroneous as necessary to imply bad faith, or not to be supported by any evidence.

22. Force Majeure. Neither party shall be liable for any delay in performance or failure to perform any obligation hereunder if, and to the extent that, such failure or delay is caused by an event of Force Majeure. Force Majeure shall mean any act, event or condition that is beyond the party's reasonable control, that materially and



adversely affects the party's ability to perform its obligations hereunder, and that is not the result of the party's willful neglect, error, omission or failure to exercise reasonable due diligence.

23. Controlling Law. THIS CONTRACT CONTAINS IMPORTANT MATTERS AFFECTING LEGAL RIGHTS AND IS ACCEPTED AND ENTERED INTO IN FLORIDA AND ANY QUESTION REGARDING ITS VALIDITY, CONSTRUCTION, ENFORCEMENT, OR PERFORMANCE SHALL BE GOVERNED BY FLORIDA LAW. ANY LEGAL PROCEEDING ARISING FROM OR IN ANY WAY REGARDING THE CONTRACT SHALL HAVE ITS VENUE LOCATED EXCLUSIVELY IN THE CIRCUIT COURT OF VOLUSIA COUNTY, FLORIDA, AND THE PARTIES HEREBY EXPRESSLY CONSENT AND SUBMIT THEMSELVES TO THE PERSONAL JURISDICTION AND VENUE OF THE COURT.

24. Additional Provisions. This Contract includes all additional provisions as may have been outlined in written quotes and purchase orders and any attachments or exhibits to this Contract whether delivered herewith or subsequently approved as a part hereof, such as drawings or technical specifications prepared in the performance of this work.

25. Integration. This Contract and the documents incorporated herein by reference shall constitute the whole agreement between the parties. There are no promises, terms, conditions, or obligations other than those contained herein, and this Contract shall supersede all previous communications, representations, or agreements, written or verbal, between the parties hereto. In the event of a conflict between this Contract and any other Contract documents, the order of precedence shall be as follows: this Contract as amended, City Purchase Order, City Change Order, and Contractor's Terms and Conditions.

26. Notice. For purposes of this Contract, notices shall be sent as follows:

|             |                                                                                                                                                                                                                                                                                                   |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| City:       | City of Port Orange<br>Attention: City Manager<br>1000 City Center Circle<br>Port Orange, Florida 32129<br>(386) 506-5501                                                                                                                                                                         |
| Copy to:    | City of Port Orange<br>Attention: Lynn Stevens, Public Works and Utilities Director<br>1000 City Center Circle<br>Port Orange, Florida 32129<br>(386) 506-5575                                                                                                                                    |
| Contractor: | Anderson Diving, Inc. d/b/a Logan Diving & Salvage<br>Attention: Scott C. Anderson, President<br>2815 St. Johns Bluff Road<br>Jacksonville, Florida 32246<br>(904) 731-0000 – Telephone<br>(904) 731-5493 – Facsimile<br><a href="mailto:jbusuttil@logandiving.com">jbusuttil@logandiving.com</a> |

Any notice or other communication given under the Contract will be in writing and delivered by hand, sent by facsimile (provided acknowledgement of receipt thereof is delivered to the sender), sent by certified, registered mail, or sent by any nationally recognized overnight courier service to the addresses provided herein. The parties may, from time to time and at any time, change their respective addresses and each will have the right to specify as its address any other address by at least 10 days written notice to the other party.



27. Contract Construction

This Contract may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The delivery by facsimile or e-mail of an executed copy of this Contract shall be deemed valid as if an original signature was delivered. No contract shall be formed between Contractor and the City until the City signs this Contract.

28. Authority to Sign. Each person signing this Contract warrants that he or she is duly authorized to do so and to bind the respective party to the Contract.

***[Remainder of this page intentionally left blank]***

Witnesses:

*Sarah N. Anderson*  
Printed Name: Sarah N. Anderson

*Jac Busatti*  
Printed Name: Jac Busatti

STATE OF FLORIDA  
COUNTY OF DUVAL

ANDERSON DIVING, INC. d/b/a LOGAN DIVING & SALVAGE

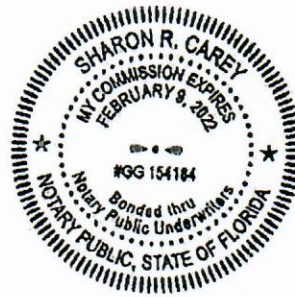
By: *Scott C. Anderson*  
Scott C. Anderson, President

*If this Contract is signed by an individual not identified as the President of the corporation in the records of the Florida Department of State, Division of Corporations, please provide written authorization for that individual to enter into contracts on behalf of the corporation.*

Date: 3/2/2020

The foregoing instrument was acknowledged before me by means of      physical presence or      online notarization, this 2 day of MARCH, 2020, by Scott C. Anderson, as President of Anderson Diving, Inc. d/b/a Logan Diving & Salvage, a Florida corporation. He is ✓ personally known or      produced      as identification.

*Sharon R. Carey*  
Notary Public, State of Florida  
Printed, typed or stamped name, commission and expiration:



Witnesses:

CITY OF PORT ORANGE

Cynthia K. Rivera  
Printed Name: Cynthia K. Rivera

By: M.H.  
M.H. Johansson, City Manager

Shelby Field  
Printed Name: Shelby Field

Date: 3/3/2020

STATE OF FLORIDA  
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me by means of X physical presence or \_\_\_ online notarization, this 3rd day of March, 2020, by M.H. Johansson, as City Manager of the City of Port Orange, a Florida municipal corporation, on behalf of the city. He is X personally known or \_\_\_ produced \_\_\_ as identification.



Witnesses:

Shelby Field  
Printed Name: Shelby Field

Jenna Misurata  
Printed Name: Jenna Misurata

STATE OF FLORIDA  
COUNTY OF VOLUSIA

Ruth E. Thayne  
Notary Public, State of Florida  
Printed, typed or stamped name, commission and expiration:

ATTEST: RUTH E. THAYNE

By: Robin L. Fenwick  
Robin L. Fenwick, MMC, City Clerk

Date: 3/3/2020

The foregoing instrument was acknowledged before me, by means of X physical presence or \_\_\_ online notarization, this 3rd day of March, 2020, by Robin L. Fenwick, as City Clerk of the City of Port Orange, a Florida municipal corporation, on behalf of the city. She is X personally known or \_\_\_ produced \_\_\_ as identification.



Ruth E. Thayne  
Notary Public, State of Florida  
Printed, typed or stamped name, commission and expiration:





## **LOGAN DIVING & SALVAGE**

2815 SAINT JOHNS BLUFF  
JACKSONVILLE, FLORIDA 32246  
TEL: (904) 731-0000 FAX: (904) 731-5493  
MARINE SPECIALTY CONTRACTOR  
FL SCC131151014  
FEBRUARY 6, 2020

LYNN STEVENS

DIRECTOR OF UTILITIES AND PUBLIC WORKS - CITY OF PORT ORANGE, FL.  
OFFICE (386) 506-5759 - CELL (386) 214-6074 - DIRECT (386) 562-1512  
[LSTEVENS@PORT-ORANGE.ORG](mailto:LSTEVENS@PORT-ORANGE.ORG)

RE: SUBAQUEOUS 16" WATER MAIN AND 36" TREATED SEWAGE OUTFALL - EMERGENCY REPAIR --  
PORT ORANGE, FL.  
ORDER OF MAGNITUDE ESTIMATE

MS. STEVENS,

THIS WILL COMPLY WITH OUR RECENT DISCUSSIONS AND YOUR REQUEST FOR PROPOSAL CONCERNING THE REFERENCED. RECENT SUBAQUEOUS PIPELINE CROSSING ASSESSMENT REVEALED 85' OF EXPOSED AND SUSPENDED 16" IN-SERVICE WATER MAIN AND 115' OF EXPOSED 36" TREATED SEWAGE OUTFALL LINE. BOTH PIPES HAVE EXPOSED PIPE JOINTS.

LOGAN DIVING & SALVAGE PROPOSES TO PROVIDE ALL MANAGEMENT, ADMINISTRATION, FULL TIME ON SITE SUPERVISION, MOBILIZATION, CERTIFIED COMMERCIAL DIVERS, SKILLED LABOR, DIVE BOATS, WORK BOATS, SPECIALTY EQUIPMENT, EXPENDABLES, AND INSURANCE TO SUPPORT, COVER, AND PROTECT THE EXPOSED 16" WM AND 36" OUTFALL SUBAQUEOUS INTRACOASTAL CROSSING AS FOLLOWS:

- 1) PROVIDE MOBILIZATION OF PERSONNEL AND EQUIPMENT ON A T & M BASIS.
- 2) PROVIDE DIVE BOATS, WORK BOATS, DIVING EQUIPMENT, OSHA/ADCI DIVING OPERATIONS COMPLIANCE/SAFETY.
- 3) PROVIDE ALL MATERIALS AND EXPENDABLES REQUIRED.
- 4) PROVIDE ALL THIRD-PARTY RENTAL EQUIPMENT REQUIRED.
- 5) CLEAN AND INSPECT PIPE / JOINTS AND DOCUMENT CURRENT EXISTING CONDITIONS PRIOR TO STABILIZATION AND REBURIAL.
- 6) PROVIDE CEMENT RIP RAP BAGS (KILN DRIED 3:1, 60 LB. CEMENT/SAND).
- 7) INSTALL RIP RAP BAGS IN WATER, WHILE DRY AND MALLEABLE, BESIDE AND ON TOP OF THE EXPOSED/SUSPENDED PIPES TO PROVIDE SUPPORT, IMMOBILIZATION, AND PIPELINE PROTECTION,
- 8) PROPOSAL SUBJECT TO PERMISSION FROM THE CITY OF PORT ORANGE TO USE THE DUNLAWTON BOAT RAMP TO STORE AND LOAD THE CEMENT BAGS TO WORK BOATS.
- 9) AID WITH PERMIT REQUIREMENTS, SIGNS, AND NMFS/SWPBO.

**EXHIBIT "1"**

CITY OF PORT ORANGE  
EMERGENCY WATER MAIN AND OUTFALL REPAIRS  
ORDER OF MAGNITUDE ESTIMATES

COMPLETE INSPECTION AND COVERAGE OF 85' OF EXPOSED AND SUSPENDED 16"  
SUBAQUEOUS WATER MAIN

ESTIMATE 7 - 9 DAYS — APPROXIMATELY 1550 QTY. CEMENT RIP RAP BAGS  
ESTIMATE..... \$ 74,440.00

LODGING AND PER DIEM.....\$ Cost + 20%  
ESTIMATE - \$6-7K

COMPLETE INSPECTION AND COVERAGE OF 115' OF EXPOSED 36" SUBAQUEOUS  
TREATED SEWAGE OUTFALL

ESTIMATE 15 - 17 DAYS — APPROXIMATELY 3520 QTY. CEMENT RIP RAP BAGS  
ESTIMATE..... \$ 156,370.00

LODGING AND PER DIEM.....\$ Cost + 20%  
ESTIMATE - \$13-14K

PERMIT CONSULTATION AND SUBMITTAL ASSISTANCE..... \$200.00/HR.

\*PERMITTING (LOCAL/STATE/FEDERAL) AS REQUIRED TO BE PROVIDED BY OWNER PRIOR TO MOBILIZATION.

PROPOSAL SUBJECT TO OUR STANDARD TERMS AND CONDITIONS POSTED UNDER SERVICES @  
[WWW.LOGANDIVING.COM](http://WWW.LOGANDIVING.COM).

INSURANCE CERTIFICATES WILL BE SENT DIRECT FROM OUR AGENTS INCLUDING GL AND ALL APPLICABLE  
COVERAGE'S AS THEY APPLY TO COMMERCIAL DIVING OPERATIONS ON NAVIGABLE WATERS OF THE  
TERRITORIAL AND CONTINENTAL UNITED STATES.

THANK YOU FOR THIS OPPORTUNITY TO BE OF SERVICE.

BEST REGARDS,

/JOE C. BUSUTTIL/

JOE BUSUTTIL  
SUPERINTENDENT/HSE  
LOGAN DIVING & SALVAGE  
[JBUSUTTIL@LOGANDIVING.COM](mailto:JBUSUTTIL@LOGANDIVING.COM)



## Terms & Conditions

1. The Scope of Work, Project Quote, and/or Purchase Order define and limit our services for this project and incorporate these Terms & Conditions. If you have any questions please let us know. Logan Diving & Salvage ("LDS") wants to have a clear understanding as to the Scope of Work, Project Quote, and/or Purchase Order and related terms before any work commences. Your request and acceptance to the presence of LDS employees on the worksite, and/or the commencement of any work or delivery of any materials pursuant to any oral request, Scope of Work, Project Quote, or Purchase Order creates a binding contract (collectively "Agreement") with LDS and incorporates these Terms & Conditions. This Agreement contains the entire understanding of the Client and LDS as to this project, and is made without reliance upon any oral or written promise, warranty or representation not specifically stated within this Agreement. This Agreement can only be changed or modified in writing and signed by both parties.
2. LDS will give the Client a reasonable opportunity to review and inspect the work and materials provided pursuant to the Agreement ("Work") provided to the Client. By accepting any goods delivered to the Client, Client acknowledges that such Work is in accordance with the Agreement and otherwise conforming as defined under Fla. Stat. §§672.001 et seq. In the event the Client rejects any Work, such rejection must be in writing and delivered to LDS within three (3) days of completion of the Work or any phase of Work, specifying the reason for rejection; otherwise the rejection is invalid. LDS wants the Client to be completely satisfied and will work to see that all Work and materials meet with Client's approval.
3. Upon delivery of any materials or supplies, ordered by LDS, to the project location, the risk of loss or damage passes immediately to the Client and LDS assumes no responsibility. The Client represents that there is sufficient insurance coverage to cover such risk of loss and that LDS will be the loss payee for any claim of loss until title passes to the Client. Title to any such materials will pass to the Client only after the final payment for all invoices has been made to LDS. This paragraph does not apply to any Client supplied materials, which shall remain as Client's risk of loss or damage.
4. Any additional work performed or upgrade of materials, including any special orders or other purchases made beyond the original Agreement on this project will be invoiced upon authorization by the Client and shall be in writing signed by the Client and LDS. Any change orders or supplemental work must be in writing and signed by Client and LDS.
5. Client releases and holds harmless LDS from any and all claims for any damages to persons or property directly or indirectly caused by or related to (1) any delays in delivery or shipment of any materials, (2) any damage to materials in delivery or shipment, and (3) any defect in the design or manufacture of any materials or ~~Work~~, including any latent defects or hazards. LDS shall have no liability for delays or any other breach of its obligations resulting from an Act of God, war, riot, explosion, accident, act of government, work stoppage, default of subcontractor or supplier of materials, or any other cause beyond the reasonable control of LDS. In no event shall LDS be liable for any special, indirect, incidental or consequential damages, including loss of profits or business interruption or loss of use of equipment, however caused, arising from the Work provided pursuant to this Agreement.
6. Client may cancel this Agreement upon written notice to LDS and payment of an agreed upon cancellation charge, which shall include all costs incurred by LDS prior to the cancellation plus a ~~reasonable profit~~. A Purchase Order may be suspended or delayed by Client with LDS's prior written consent. If LDS agrees to a suspension or delay, Client shall reimburse LDS for all costs incurred up to the date of such suspension or delay, plus a ~~reasonable profit~~. All other costs related to and risks incidental to resumption of the Work shall be borne by Client.
7. Client shall make available in a timely manner at no charge to LDS all drawings, technical data, measurements, or other information and resources reasonably required by LDS for the performance of the Work. Client will be responsible for, and assumes the risk of any problems resulting from, the content, accuracy, completeness and consistency of all such data, materials and information supplied by Client.
8. Unless otherwise noted, the Client has not advised LDS of any known, hidden, or latent hazards, dangers or defects existing on or at the project location. Any known, hidden, or latent hazards, dangers or defects existing on or at the project location must be disclosed to LDS in writing before Work begins.
9. **Any warranties related to any materials are by the original seller or manufacturer and any such warranties are transferred to the Client along with the title to the materials. LDS makes no express or implied warranties as to any of the Work or materials and specifically excludes any such warranty as to the merchantability or fitness of any Work or materials. There are no warranties that extend beyond the face hereof.**
- ~~10. Unless otherwise specifically set forth in the Agreement, all documents, including drawings, specifications, computer files, electronic media, data, engineering calculations, notes, and other documents and instruments prepared or furnished by LDS (collectively the "Documentation") are the property of LDS. LDS shall retain all common law, statutory and other reserved rights, including copyright, applicable to the Documentation. The Documentation is not intended or represented to be suitable for use on any other project. Any reuse of the Documentation without written verification or adaptation by LDS for the specific purpose intended is prohibited and will be at Client's sole risk and without liability or legal exposure to LDS. Client agrees to defend, indemnify and hold LDS harmless against all claims, damages, losses, and expenses (including reasonable attorneys' fees) arising from or in any way connected with the unauthorized use or modification of the Documentation by Client or any person or entity that acquires or obtains the Documentation from or through Client without the written authorization of LDS.~~
11. Each party shall retain ownership of all intellectual property it had prior to commencement of the Work on the project. However, LDS shall own exclusively all rights in any ideas, inventions, or works of authorship created in or resulting from the project, including but not limited to all patent rights, copyrights, moral rights, rights in proprietary information, trademark rights and other intellectual property rights, and Client will execute assignments as necessary to achieve that result.



12. The parties agree to comply with all applicable federal, state, or local laws in connection with the Work being provided pursuant to this Agreement.
13. Client may not assign this Agreement without the prior written consent of LDS. Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against LDS. LDS's Work is being performed solely for Client's benefit, and no party or entity shall have any claim against LDS because of this Agreement or the performance or nonperformance of the Work.
14. This Agreement shall be interpreted under the laws of the United States and Florida, excluding the choice of law provisions. LDS and Client agree that any dispute arising out of this Agreement shall be brought in the exclusive venue of Duval County, Florida, before the court of appropriate jurisdiction, saving only the enforcement of any maritime liens, which shall be enforced where the vessel or security is found. All Work by LDS that is performed upon a vessel, is performed pursuant to the laws of the United States, excluding its choice of law provisions, and LDS shall be entitled to all rights and remedies pursuant to the Maritime Commercial Instruments and Lien Act, 46 U.S.C. §§ 31301-31343; ~~and Fla. Stat. §§ 713.60, 713.61 & 713.64.~~
15. If any part of this Agreement is determined to be invalid, it shall not invalidate the entirety of the Agreement, but shall be severable. The failure to enforce or adhere to any one provision of this Agreement is not a waiver of the rights, remedies, or requirements in this Agreement. In the event of any conflict in the Scope of Work, Project Quote, or Purchase Order with these Terms & Conditions, then these Terms & Conditions shall prevail.
- ~~16. The Client will accept invoices for the Work as submitted by LDS. All invoices are due upon receipt and incorporate these Terms & Conditions. Any invoice remaining unpaid after ten (10) days will accrue interest at the rate of 18% per annum, or the maximum allowable interest rate under law, whichever is greater. In the event collection efforts are required to secure payment of any invoice, LDS is entitled to recover all such collection costs, including court costs and a reasonable attorney's fee and paralegal fee through investigation, negotiation, trial and any appeals. Client acknowledges that, in addition to any other remedies at law or in equity, LDS may recover any unpaid materials or Work from Client by an action for replevin and that LDS is entitled to record and enforce its rights as a lienor pursuant to the laws of the United States and Florida.~~
- ~~16. The Client will accept invoices for the Work as submitted by LDS. All invoices are due upon receipt and incorporate these Terms & Conditions. Any invoice remaining unpaid after ten (10) days will accrue interest at the rate of 18% per annum, or the maximum allowable interest rate under law, whichever is greater. In the event collection efforts are required to secure payment of any invoice, LDS is entitled to recover all such collection costs, including court costs and a reasonable attorney's fee and paralegal fee through investigation, negotiation, trial and any appeals. Client acknowledges that, in addition to any other remedies at law or in equity, LDS may recover any unpaid materials or Work from Client by an action for replevin and that LDS is entitled to record and enforce its rights as a lienor pursuant to the laws of the United States and Florida.~~

#### Services:

Underwater Welding & Burning  
Marine Construction  
Ships Husbandry  
Salvage  
Substructure Inspection  
Cathodic Protection  
Industrial Diving  
Underwater Pipelines  
Docks, Piers & Bulkheads

Projects/Press Releases

Towers / Platforms  
Hydrographic Survey  
Hazmat Diving  
Pile Jacketing  
Hurricane Response  
Power Plants  
Rapid Response  
Pulp & Paper Industry  
Underwater Cables

History  
Gallery  
Clients  
Employment  
Links  
Insurance  
Qualifications  
Safety  
Company Store

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**904.731.0000**

Jacksonville, Florida



**787.788.0295**

Catano, Puerto Rico

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Designed By: eDesignInc.net

**EXHIBIT "1"**

## Emergency Repair under the Halifax River

| <b>Andersn Diving Inc, d/b/a/ Login Diving &amp; Salvage</b> |                          | <b>403 fund</b>                     |                                    |
|--------------------------------------------------------------|--------------------------|-------------------------------------|------------------------------------|
| <b>Line and Line Splits</b>                                  | <b>Obligation Amount</b> | <b>Obligation Amount Liquidated</b> | <b>Obligation Amount Remaining</b> |
| PO-000017 - Line 1                                           | 14,000.00                | 14,000.00                           | 0.00                               |
| PO-000017 - Line 2                                           | 25,000.00                | 25,000.00                           | 0.00                               |
| PO-000017 - Line 3                                           | 20,000.00                | 20,000.00                           | 0.00                               |
| PO-000017 - Line 4                                           | 250,000.00               | 250,000.00                          | 0.00                               |
| PO-000017 - Line 5                                           | 55,950.00                | 51,819.16                           | 4,130.84                           |
|                                                              | <b>\$ 364,950.00</b>     | <b>\$ 360,819.16</b>                | <b>\$ 4,130.84</b>                 |

| <b>Expense History -All Supplers</b> |                                                                         | <b>403 Fund</b>               |                      |
|--------------------------------------|-------------------------------------------------------------------------|-------------------------------|----------------------|
| <b>Name</b>                          |                                                                         | <b>Type</b>                   | <b>Actual</b>        |
| Anderson Diving dba<br>Logain        | CC Approved Contract<br>CA7163 3/3/2020 & pending<br>final ratification | Purchase Order #PO-<br>000017 | \$ 360,819.16        |
| Core & Main                          |                                                                         | Purchase Order #PO-<br>000397 | \$ 8,880.84          |
| Purchasing Cards                     |                                                                         |                               | \$ 7,054.23          |
| Tomoka Const                         | CC Approved 5/5/2020                                                    | Purchase Order #PO-<br>000397 | \$ 18,700.00         |
|                                      |                                                                         | <b>Total</b>                  | <b>\$ 395,454.23</b> |

| <b>Project Starting Fund Balance &amp; Approved Resolutions</b> |                         |                      |
|-----------------------------------------------------------------|-------------------------|----------------------|
| <b>Funding Source</b>                                           |                         |                      |
| 403 Fund Balance                                                | Account bal as of 12/19 | \$ 270,701.00        |
| Budget Resol #20-8                                              | CC Approved 3/17/2020   | \$ 250,000.00        |
| Budget Resol #20-13                                             | CC Approved 4/21/2020   | \$ 100,000.00        |
|                                                                 | <b>Total</b>            | <b>\$ 620,701.00</b> |



# CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 3/17/2020

Consent item: Yes

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**SUBJECT:** (B9) Resolution No. 20-8 - Appropriate Fund Balance from Water and Sewer Fund (401) to cover River Water Main Repairs - Project URP011

**DEPARTMENT:** Finance

**GOAL:**

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**RECOMMENDED MOTION:** Move to approve Resolution No. 20-8 to appropriate funds from the Water and Sewer fund balance for the emergency repair of the 16" water main underneath the Halifax River.

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**SUMMARY:** Appropriate funds from the Water and Sewer fund balance for the emergency repair of the 16" water main underneath the Halifax River.

Project No.: Funding Account No.:

Presenter: Scott Neils, Lynn Stevens

---

**ATTACHMENTS:**

|    |                                                                 |                                                                      |
|----|-----------------------------------------------------------------|----------------------------------------------------------------------|
| 1. | h1 revised Bud Reso 20-8 - River Main Break Repairs CC 03-17-20 | h1 revised Bud Reso 20-8 - River Main Break Repairs CC 03-17-20.docx |
| 2. | h1 revised Bud Reso 20-8 Composite Exh A CC 03-17-20            | h1 revised Bud Reso 20-8 Composite Exh A CC 03-17-20.xlsx            |

---

|                 |                               |
|-----------------|-------------------------------|
| Julia Wiggins   | Created/Initiated - 2/24/2020 |
| Kynah Cockcroft | Approved - 2/25/2020          |
| Julia Wiggins   | Approved - 3/2/2020           |
| Lynn Stevens    | Approved - 3/2/2020           |
| Kevin Fall      | Approved - 3/2/2020           |
| Scott Neils     | Approved - 3/9/2020           |
| Matthew Jones   | Approved - 3/10/2020          |
| Jake Johansson  | Approved - 3/10/2020          |
| Robin Fenwick   | Final Approval - 3/10/2020    |

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RESOLUTION NO. 20-8

A RESOLUTION OF THE CITY OF PORT ORANGE, VOLUSIA COUNTY, FLORIDA, APPROPRIATING CAPITAL FUNDS FOR THE FISCAL YEAR 2020 BUDGET; TO BUDGET FOR REVENUE FROM THE EXISTING FUND BALANCE IN THE AMOUNT OF \$250,000 IN THE WATER AND SEWER OPERATIONS AND MAINTENANCE REVENUE FUND (401) AND APPROPRIATE TO THE INTERFUND TRANSFER EXPENDITURE ACCOUNT WITHIN THE WATER AND SEWER OPERATIONS AND MAINTENANCE REVENUE FUND (401); TO BUDGET REVENUE IN THE INTERFUND TRANSFER ACCOUNT AND TO APPROPRIATE TO PROJECT CAPITAL OUTLAY FOR THE RIVER WATER MAIN REPAIR PROJECT (URP011) WITHIN THE WATER AND SEWER RENEWAL AND REPLACEMENT FUND (403); SETTING FORTH REVENUES AND EXPENDITURES; AND PROVIDING FOR AN EFFECTIVE DATE;

WHEREAS, The City Council desires to designate and appropriate fund balance in the amount of \$250,000 in the Water and Sewer Operations and Maintenance Fund (401) and to designate and appropriate the transfer of such funds from the Water and Sewer Operations and Maintenance Revenue Fund (401) to the Water and Sewer Renewal and Replacement Fund (403) to provide additional funding for the River Water Main Repair Project (URP011); and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT ORANGE, VOLUSIA COUNTY, FLORIDA:

Section 1. The funds for the City capital items are hereby appropriated as set forth in Composite Exhibit A, attached hereto, which reflects revenues and corresponding expenditures for the designated projects.

Section 2. The Budget item adopted in the preceding section shall govern the expenditures relating to such operations for the City during the current fiscal year effective October 1, 2019 through September 30, 2020.

Section 3. Supplemental appropriations, reductions of appropriations, emergency appropriations, and interdepartmental transfers of appropriations may be effected by the City Council and the City Manager as deemed necessary in strict compliance with the procedures specified in Chapter 2, Article VI, Division 3, Code of Ordinances, City of Port Orange, Florida.

Section 4. This resolution shall become effective immediately upon adoption.

\_\_\_\_\_  
MAYOR DONALD O. BURNETTE

ATTEST:

\_\_\_\_\_  
Robin L. Fenwick, MMC City Clerk

Adopted on the \_\_\_\_\_ day of

Reviewed and Approved: \_\_\_\_\_  
Matthew J. Jones, City Attorney

FY2020      Water and Sewer Renewal and Replacement Fund - 403  
 Prepared:    March 13, 2020  
 Finance:     Finance Staff

|                                                   | <u>Budget Increase /<br/>(Decrease)</u> |
|---------------------------------------------------|-----------------------------------------|
| <b><u>Revenues:</u></b>                           |                                         |
| Other Sources - Interfund Transfer Revenue        | 250,000                                 |
| <b>Total Revenues:</b>                            | <u><u>\$ 250,000</u></u>                |
| <b><u>Expenditures:</u></b>                       |                                         |
| Capital Outlay - Water - Capital (Project URP011) | 250,000                                 |
| <b>Total Expenditures:</b>                        | <u><u>\$ 250,000</u></u>                |

To budget for the transfer of funds from the Water and Sewer Operations and Maintenance Revenue Fund (401) to provide additional funding for the River Water Main Repair Project URP011 within the Water and Sewer Renewal and Replacement Fund (403).

| <b><u>Information for Budget Transfer</u></b> |                               |                            |                        |         |                |
|-----------------------------------------------|-------------------------------|----------------------------|------------------------|---------|----------------|
| Type                                          | Cost Center                   | Ledger Acct Summary        | Rev / Spend Category   | Project | Amount         |
| Revenue                                       | Other Sources - Non Operating | Interfund Transfer Revenue | N/A                    | N/A     | 250,000        |
| <b>Total Revenues:</b>                        |                               |                            |                        |         | <b>250,000</b> |
|                                               |                               |                            |                        |         |                |
| Expense                                       | Water and Sewer               | 600000 - Capital Outlay    | Water- Capital Project | URP011  | 250,000        |
| <b>Total Expenditures:</b>                    |                               |                            |                        |         | <b>250,000</b> |



FY2020      Water and Sewer Operations and Maintenance Revenue Fund - 401  
 Prepared:    3/2/2020 (revised 3/13/20)  
 Finance:     Finance Staff

|                                                                  | <u>Budget Increase /<br/>(Decrease)</u> |
|------------------------------------------------------------------|-----------------------------------------|
| <b><u>Revenues:</u></b>                                          |                                         |
| General Revenues - Other Financing Sources - Appropriated Equity | 250,000                                 |
| <b>Total Revenues:</b>                                           | <b>\$ 250,000</b>                       |
| <b><u>Expenditures:</u></b>                                      |                                         |
| <del>Capital Outlay - Water - Capital (Project URP011)</del>     | <del>250,000</del>                      |
| Other Financing Uses - Interfund Transfer Expense                | 250,000                                 |
| <b>Total Expenditures:</b>                                       | <b>\$ 250,000</b>                       |

To budget for the use of Fund Balance and appropriate to the Interfund Transfer Expenditure account to provide additional funding for the River Water Main Repair Project URP011

| <b><u>Information for Budget Transfer</u></b> |                      |                         |                      |         |                |
|-----------------------------------------------|----------------------|-------------------------|----------------------|---------|----------------|
| Type                                          | Cost Center          | Ledger Acct Summary     | Rev / Spend Category | Project | Amount         |
| Revenue                                       | General Revenues     | Other Financing Sources | N/A                  | N/A     | 250,000        |
| <b>Total Revenues:</b>                        |                      |                         |                      |         | <b>250,000</b> |
|                                               |                      |                         |                      |         |                |
| Expense                                       | Other Financing Uses | Other Financing Uses    | N/A                  | N/A     | 250,000        |
| <b>Total Expenditures:</b>                    |                      |                         |                      |         | <b>250,000</b> |

FY2020 Water and Sewer Operations and Maintenance Revenue Fund - 401  
 Prepared: 3/2/2020 (revised 3/13/20)  
 Finance: Finance Staff

|                                                                  | Budget Increase /<br>(Decrease) |
|------------------------------------------------------------------|---------------------------------|
| <b>Revenues:</b>                                                 |                                 |
| General Revenues - Other Financing Sources - Appropriated Equity | 250,000                         |
| <b>Total Revenues:</b>                                           | <b>\$ 250,000</b>               |
| <b>Expenditures:</b>                                             |                                 |
| <del>Capital Outlay - Water - Capital (Project URP011)</del>     | <del>250,000</del>              |
| Other Financing Uses - Interfund Transfer Expense                | 250,000                         |
| <b>Total Expenditures:</b>                                       | <b>\$ 250,000</b>               |

To budget for the use of Fund Balance and appropriate to the Interfund Transfer Expenditure account to provide additional funding for the River Water Main Repair Project URP011

| Information for Budget Transfer |                      |                         |                      |         |         |
|---------------------------------|----------------------|-------------------------|----------------------|---------|---------|
| Type                            | Cost Center          | Ledger Acct Summary     | Rev / Spend Category | Project | Amount  |
| Revenue                         | General Revenues     | Other Financing Sources | N/A                  | N/A     | 250,000 |
| Total Revenues:                 |                      |                         |                      |         | 250,000 |
| Expense                         | Other Financing Uses | Other Financing Uses    | N/A                  | N/A     | 250,000 |
| Total Expenditures:             |                      |                         |                      |         | 250,000 |



# CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 4/21/2020

Consent item: Yes

---

**SUBJECT:** (B9) Resolution No. 20-13 - Appropriate Fund Balance from Water and Sewer Fund (401) and transfer to the Water and Sewer Renewal and Replacement Fund (403) to cover emergency repairs to water main under Halifax River - Project URP011

**DEPARTMENT:** Finance

**GOAL:**

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**RECOMMENDED MOTION:** Move to approve Resolution No. 20-13 to appropriate funds, \$100,000.00, from the Water and Sewer Fund balance for emergency repairs to water main underneath the Halifax River.

---

**SUMMARY:** Appropriate funds, \$100,000.00, from the Water and Sewer Fund balance (401) ) and transfer to the Water and Sewer Renewal and Replacement Fund (403) to cover additional work required for the River Water Main Repairs - Project URP011

Project No.: Funding Account No.:

Presenter: Scott Neils, Lynn Stevens

---

**ATTACHMENTS:**

|    |                                                    |                                                           |
|----|----------------------------------------------------|-----------------------------------------------------------|
| 1. | Budget Resolution 20-13 - River Main Break Repairs | Bud Reso 20-13 - River Main Break Repairs CC 04-21-20.pdf |
|----|----------------------------------------------------|-----------------------------------------------------------|

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Kynah Cockcroft  
Julia Wiggins  
Lynn Stevens  
Kevin Fall  
Scott Neils  
Matthew Jones  
Jake Johansson  
Robin Fenwick

Created/Initiated - 3/12/2020  
Approved - 4/6/2020  
Approved - 4/6/2020  
Approved - 4/8/2020  
Approved - 4/8/2020  
Approved - 4/10/2020  
Approved - 4/13/2020  
Final Approval - 4/13/2020

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RESOLUTION NO. 20-13

A RESOLUTION OF THE CITY OF PORT ORANGE, VOLUSIA COUNTY, FLORIDA, APPROPRIATING CAPITAL FUNDS FOR THE FISCAL YEAR 2020 BUDGET; TO BUDGET FOR REVENUE FROM THE EXISTING FUND BALANCE IN THE AMOUNT OF \$100,000 IN THE WATER AND SEWER OPERATIONS AND MAINTENANCE REVENUE FUND (401) AND APPROPRIATE TO THE INTERFUND TRANSFER EXPENDITURE ACCOUNT WITHIN THE WATER AND SEWER OPERATIONS AND MAINTENANCE REVENUE FUND (401); TO BUDGET REVENUE IN THE INTERFUND TRANSFER ACCOUNT AND TO APPROPRIATE TO CAPITAL OUTLAY FOR THE RIVER WATER MAIN REPAIR PROJECT (URP011) WITHIN THE WATER AND SEWER RENEWAL AND REPLACEMENT FUND (403); SETTING FORTH REVENUES AND EXPENDITURES; AND PROVIDING FOR AN EFFECTIVE DATE;

WHEREAS, The City Council desires to designate and appropriate fund balance in the amount of \$100,000 in the Water and Sewer Operations and Maintenance Fund (401) and to designate and appropriate the transfer of such funds from the Water and Sewer Operations and Maintenance Revenue Fund (401) to the Water and Sewer Renewal and Replacement Fund (403) to provide additional funding for the River Water Main Repair Project (URP011); and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT ORANGE, VOLUSIA COUNTY, FLORIDA:

Section 1. The funds for the City capital items are hereby appropriated as set forth in Composite Exhibit A, attached hereto, which reflects revenues and corresponding expenditures for the designated projects.

Section 2. The Budget item adopted in the preceding section shall govern the expenditures relating to such operations for the City during the current fiscal year effective October 1, 2019 through September 30, 2020.

Section 3. Supplemental appropriations, reductions of appropriations, emergency appropriations, and interdepartmental transfers of appropriations may be effected by the City Council and the City Manager as deemed necessary in strict compliance with the procedures specified in Chapter 2, Article VI, Division 3, Code of Ordinances, City of Port Orange, Florida.

Section 4. This resolution shall become effective immediately upon adoption.

\_\_\_\_\_  
MAYOR DONALD O. BURNETTE

ATTEST:

\_\_\_\_\_  
Robin L. Fenwick, MMC City Clerk

Adopted on the \_\_\_\_\_ day of

Reviewed and Approved: \_\_\_\_\_  
Matthew J. Jones, City Attorney



## Composite Exhibit A

Resolution No. 20-13

FY2020      Water and Sewer Operations and Maintenance Revenue Fund - 401  
 Prepared:    April 8, 2020  
 Finance:     Finance Staff

|                                                   | Budget Increase /<br>(Decrease) |
|---------------------------------------------------|---------------------------------|
| <b><u>Revenues:</u></b>                           |                                 |
| Other Financing Sources - Appropriated Equity     | 100,000                         |
| <b>Total Revenues:</b>                            | <b>\$ 100,000</b>               |
| <b><u>Expenditures:</u></b>                       |                                 |
| Other Financing Uses - Interfund Transfer Expense | 100,000                         |
| <b>Total Expenditures:</b>                        | <b>\$ 100,000</b>               |

To budget for the use of Fund Balance and appropriate to the Interfund Transfer Expenditure account to provide additional funding for the River Water Main Repair Project URP011 within the Water and Sewer Renewal and Replacement Fund (403)

| <b><u>Information for Budget Transfer</u></b> |                  |                                 |                        |         |                |
|-----------------------------------------------|------------------|---------------------------------|------------------------|---------|----------------|
| Type                                          | Cost Center      | Ledger Acct Summary             | Rev / Spend Category   | Project | Amount         |
| Revenue                                       | General Revenues | 380000 Other Financing Sources  | Appropriated Equity    | N/A     | 100,000        |
| <b>Total Revenues:</b>                        |                  |                                 |                        |         | <b>100,000</b> |
| Expense                                       | Water and Sewer  | 900000 - Interfund Transfer Exp | Interfund Transfer Exp | N/A     | 100,000        |
| <b>Total Expenditures:</b>                    |                  |                                 |                        |         | <b>100,000</b> |

FY2020 Water and Sewer Renewal and Replacement Fund - 403  
 Prepared: April 8, 2020  
 Finance: Finance Staff

|                                                   | Budget Increase /<br>(Decrease) |
|---------------------------------------------------|---------------------------------|
| <b>Revenues:</b>                                  |                                 |
| Other Sources - Interfund Transfer Revenue        | 100,000                         |
| <b>Total Revenues:</b>                            | <b>\$ 100,000</b>               |
| <b>Expenditures:</b>                              |                                 |
| Capital Outlay - Water - Capital (Project URP011) | 100,000                         |
| <b>Total Expenditures:</b>                        | <b>\$ 100,000</b>               |

To budget for the transfer of funds from the Water and Sewer Operations and Maintenance Revenue Fund (401) to provide additional funding for the River Water Main Repair Project URP011 within the Water and Sewer Renewal and Replacement Fund (403).

| Information for Budget Transfer |                                           |                                  |                                       |         |                |
|---------------------------------|-------------------------------------------|----------------------------------|---------------------------------------|---------|----------------|
| Type                            | Cost Center                               | Ledger Acct Summary              | Rev / Spend Category                  | Project | Amount         |
| Revenue                         | General Revenues                          | 380000 - Other Financing Sources | Interfund Transfer - Rev              | N/A     | 100,000        |
| <b>Total Revenues:</b>          |                                           |                                  |                                       |         | <b>100,000</b> |
|                                 |                                           |                                  |                                       |         |                |
| Expense                         | Water and Sewer Program - WS Distribution | 600000 - Capital Outlay          | Water - Capital<br>401-0200-533-63-97 | URP011  | 100,000        |
| <b>Total Expenditures:</b>      |                                           |                                  |                                       |         | <b>100,000</b> |



# CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 5/19/2020

Consent item: Yes

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**SUBJECT:** (B7d) Waiver of Formal Bidding Procedures and Approval to Renew Environmental Legal Liability and Tank Storage Insurance with Aspen Specialty Insurance Company

**DEPARTMENT:** Administrative Services

**GOAL:** Renewal of Environmental Legal Liability and Tank Storage Insurance with **Aspen Specialty Insurance Company**

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**RECOMMENDED MOTION:** Move to waive formal bidding procedures and to authorize the Mayor to renew the Environmental Legal Liability and Storage Tank insurance with Aspen Specialty Insurance Company for the term 06.21.2020 to 06.21.2021 and to sign all necessary documents.

---

## **SUMMARY:**

Environmental Legal Liability and Storage Tank Insurance is a specialty insurance offered by a limited number of carriers. Staff has worked with Brown and Brown Insurance to survey the market to ensure Aspen Specialty Insurance has remained market competitive. Brown and Brown marketed these coverages extensively by UCPM Environmental Insurance, a wholesaler who specializes in pollution liability. There are a number of markets that either will not write in Florida or will not write public entities. Two carriers declined to quote because their pricing was not competitive with the current policies in place, two other carriers declined to respond, and a fifth carrier could not offer cleanup at the City's wastewater treatment plant, which made their program unacceptable. Aspen's pricing is 4% higher than the current expiring policy, primarily because tanks are a year older, insurance pricing is rising, company fees are up, and there are no competitive options. The City has maintained coverage through Aspen Specialty Insurance Company since 2014. Aspen has an A.M. Best Financial "A" rating for stability.

The insurance covers 40 above ground storage tanks and 5 underground storage tanks located at 31 locations throughout the City and includes coverage for those acts certified to be acts of terrorism under the Federal Terrorism Insurance Act.

Pursuant to Section 2-267 of the City Code of Ordinances, the requirements for formal bidding may be waived for insurance coverage expenditures as provided in the insurance fund.

A breakdown of policy premiums (which include terrorism coverage premiums) is as follows:

---

| <u>Policy</u>            | Expiring<br>Premium | Proposed<br>Premium |
|--------------------------|---------------------|---------------------|
| Storage Tank Liability   | \$ 5,185.00         | \$ 5,765.00         |
| Site Pollution Liability | <u>\$19,605.00</u>  | <u>\$20,078.00</u>  |
| Total Premiums           | \$24,790.00         | \$25,843.00         |

Staff recommends that City Council waive formal bidding procedures as it is within current and approved guidelines, and Brown and Brown has served as the insurance broker on this plan to survey the market to ensure a competitive rate. Staff recommends to authorize the Mayor to contract with Aspen Specialty Insurance for one-year policies for Environmental Legal Liability, Tank Insurance Liability, and terrorism coverage at the rates set forth in the preceding paragraph and to sign all necessary documents. The signed applications and issued policies create a binding contract.

Project No.:      Funding Account No.:

Presenter: Jamie Miller

---

**ATTACHMENTS:**

|    |                   |                       |
|----|-------------------|-----------------------|
| 1. | 20200424 Proposal | 20200424 Proposal.pdf |
|----|-------------------|-----------------------|

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|                   |                               |
|-------------------|-------------------------------|
| Grace Stewart     | Created/Initiated - 4/27/2020 |
| Jamie Miller      | Approved - 4/28/2020          |
| Lupe Reyna-Coffin | Approved - 4/28/2020          |
| Scott Neils       | Approved - 4/29/2020          |
| Matthew Jones     | Approved - 5/8/2020           |
| Jake Johansson    | Approved - 5/11/2020          |
| Robin Fenwick     | Final Approval - 5/11/2020    |

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# **CITY OF PORT ORANGE**

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## **ENVIRONMENTAL LEGAL LIABILITY COVERAGE - SITE COVERAGE**

**AND**

## **STORAGE TANK LIABILITY**

*Effective: 06/21/2020 – 6/21/2021*

**Presented By:**

Bobbi Barlow, CPCU  
Senior Vice President

Joy Glaug  
Account Manager





*This proposal contains only a general description of the coverage(s) and does not constitute a policy/contract. For complete policy information, including exclusions, limitations, and conditions, refer to the policy document. In the event of any differences between the policy and this summary, the policy will prevail.*

Market Summary:

Ace: Cannot compete with the incumbent's expiring premium

AWAC: Quoted late last year but was not competitive; says their pricing this year would be higher due to adjustments for tank aging

Beazley: They do not offer onsite cleanup at sewer plant due to their reinsurance treaty

Berkley: Pending; Not getting response despite follow up

Admiral: Copies of current policies have been provided; they have not responded despite repeated requests for an indication; typically means they cannot compete

Aspen Specialty Insurance Company

**Environmental Legal Liability Policy – SITE coverage**

**Coverage Form:** Claims Made Form (Same as expiring/ASPENV110 0617)

**Insured Location & Retroactive Dates:** See ASPENV324 0517 the end of Proposal

**Summary of Coverage Provided:**

The Environmental Legal Liability Policy covers bodily injury, property damage, cleanup costs, emergency response costs, business interruption and defense costs caused by pollution conditions arising from your operations. Legal expenses incurred for defense of any claim shall erode the applicable limit of liability.

A pollution incident means the discharge, emission, seepage, migration, dispersal, release or escape of any pollutant into or upon land, or any structure on land, the atmosphere or any watercourse or body of water including groundwater, providing such pollutant is not naturally present in the environment in the concentration or amounts discovered. Pollution incident also means the illicit abandonment by a third-party without the insured's consent.

**Insuring Agreements:**

**Insuring Agreement A: First Party Protection**

Cleanup costs  
Emergency Response  
Environmental Crisis - \$250,000 Separate limit which does not erode aggregate  
Business Interruption  
Insured Location  
Non-Owned Site  
Transportation

**Insuring Agreement B: Defense, Supplementary Payments & Settlement**

**Limit of Liability:** HIGHER LIMITS ARE AVAILABLE (*Client chooses limit*)

|                              |                |
|------------------------------|----------------|
| Per Incident Limit           | \$1,000,000    |
| Aggregate Limit of Liability | \$1,000,000    |
| Defense                      | Included above |

**Per Incident Deductible:**

|                       |                                                                                                       |
|-----------------------|-------------------------------------------------------------------------------------------------------|
| Per Incident:         | \$25,000                                                                                              |
| Business Interruption | Equal to all amounts incurred during the 3 days of the business interruption including the first day. |

**Minimum Earned Premium:** 100% per ASPENV275 0517

Aspen Specialty Insurance Company

**Environmental Legal Liability Policy – SITE coverage (continued)**

**Exclusions include:**

- Contractual liability
- Criminal Fines, Penalties and Assessments
- Damage to Insured's work
- Divested properties
- Employment Liability
- Identified Underground Storage Tanks (unless scheduled)
- Installed Asbestos and Lead-Based Paints
- Insured's Products
- Insured versus Insured
- Intentional Non-Compliance
- Internal Expenses
- Prior Knowledge/Non-Disclosure
- War
- Workers Compensation and Similar Laws
- Material Changes in Use
- Microbial Matter/Legionella Pneumophila
- Nuclear, Biological, Chemical, Radiological Terrorism
- Other Insurance
- Prior Claims
- Storage Tank System Repair, Replace or Upgrade Exclusion
- Total Terrorism Exclusion (Unless coverage is selected)

**Conditions:**

- Defense Costs are inside the limit of insurance
- 100% Minimum Earned Premium – No return for cancellation

**Subject to:**

- Signed Terrorism Election form – Insured has previously Elected TRIA
- Signed Surplus Lines Acknowledgement form

Aspen Specialty Insurance Company

**Storage Tank Policy:**

**Coverage Form:** Claims Made Form (Same as Expiring/ASPENV503 0717)

Summary of Coverage Provided: The Storage Tank Policy covers bodily injury or property damage resulting from a pollution incident from a storage tank system provided the claim is first made against the insured and reported to the insurer during the policy period or the extended reporting period, if any. It covers clean-up costs and corrective action in excess of the deductible. The insurer has the right and duty to pay defense expense and to defend the insured for any claim. That duty ends when the \$1,000,000 aggregate for defense costs is exhausted by payment of defense expenses.

**Insuring Agreements:**

Insuring Agreement A: Storage Tank System Liability Protection  
Insuring Agreement B: Defense and Settlement

**Limits of Liability:** HIGHER LIMITS ARE AVAILABLE (*Client chooses limit*)

|                                             |             |
|---------------------------------------------|-------------|
| Insuring Agreement A - Each Incident Limit: | \$1,000,000 |
| Insuring Agreement A - Aggregate Limit:     | \$2,000,000 |
| Insuring Agreement B - Aggregate Defense:   | \$1,000,000 |

**Retroactive Dates & Per Incident Deductible:**

See Schedule of Storage Tanks -Form ASPENV506 0717 at the end of Proposal

**Subject to:**

Signed Terrorism Election Form  
Signed Surplus Lines Acknowledgement form

**Exclusions:**

Contractual Liability  
Fines, Penalties, Injunctive Relief  
Divested Storage Tank Systems or Insured Locations  
Employment Liability  
Installed Asbestos and Lead  
Insured versus Insured  
Intentional Non-Compliance  
Internal Expenses  
Microbial Matter  
Nuclear Hazard  
Prior Knowledge  
War  
Vehicles  
Non-Owned Disposal Sites (see Site policy)

## SUMMARY OF PREMIUMS AND RELATED INFORMATION

| <u>Premiums as Bound</u> | <u>Expiring</u>           | <u>Renewal</u>            |
|--------------------------|---------------------------|---------------------------|
| Storage Tank Liability   | \$ 5,185.00               | \$ 5,765.00               |
| Site Pollution Liability | \$19,605.00               | \$20,078.00               |
| <b>TOTAL:</b>            | <b><u>\$24,790.00</u></b> | <b><u>\$25,843.00</u></b> |

Payment Plan: Annual premium is due in full at time of binding coverage.

Premiums above **INCLUDE** Terrorism coverage.

*Please refer to the individual proposed coverage parts for terms and conditions that this proposal may be subject to. This proposal is based upon the exposures to loss made known to the Agency. Any changes in these exposures (i.e., new operations, new products, additional states of hire, etc.) need to be promptly reported to us in order that proper coverage(s) may be put into place.*

### A.M. BEST FINANCIAL RATING

The insurance company providing coverage has the following A. M. Best\* Financial rating:

\* **Rating Guide:** A++ to C- = Highest to lowest rating  
XV to I = Largest to smallest rating

|    | <b>Line of Coverage:</b>          | <b>Carrier:</b>               | <b>Rating for Stability:</b> | <b>Rating for Assets / Surplus:</b> |
|----|-----------------------------------|-------------------------------|------------------------------|-------------------------------------|
| ** | Environmental Liability Insurance | Aspen Specialty Insurance Co. | A                            | 15                                  |

**\*\* Denotes excess & surplus lines insurance company. See attached Statement Acknowledging that Coverage has been placed with a Non-Admitted Carrier. Please review and return to Brown & Brown. Brown & Brown does not have direct binding authority with this excess and surplus lines market.**



## A.M. BEST FINANCIAL RATING *(Continued)*

A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. It is based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile.

| Financial Strength Rating Guide |                                  |
|---------------------------------|----------------------------------|
| <i>Secure</i>                   | <i>Vulnerable</i>                |
| A++, A+ (Superior)              | B, B- (Fair)                     |
| A, A- (Excellent)               | C++, C+ (Marginal)               |
| B++, B+ (Good)                  | C, C- (Weak)                     |
|                                 | D (Poor)                         |
|                                 | E (Under Regulatory Supervision) |
|                                 | F (In Liquidation)               |
|                                 | S (Suspended)                    |

| Financial Size Category Guide       |                                     |
|-------------------------------------|-------------------------------------|
| <i>Class Adj. PHS (\$ Millions)</i> | <i>Class Adj. PHS (\$ Millions)</i> |
| <b>I</b> Less than 1                | <b>IX</b> 250 to 500                |
| <b>II</b> 1 to 2                    | <b>X</b> 500 to 750                 |
| <b>III</b> 2 to 5                   | <b>XI</b> 750 to 1,000              |
| <b>IV</b> 5 to 10                   | <b>XII</b> 1,000 to 1,250           |
| <b>V</b> 10 to 25                   | <b>XIII</b> 1,250 to 1,500          |
| <b>VI</b> 25 to 50                  | <b>XIV</b> 1,500 to 2,000           |
| <b>VII</b> 50 to 100                | <b>XV</b> 2,000 or greater          |
| <b>VIII</b> 100 to 250              |                                     |

**NON-ADMITTED CARRIER DISCLAIMER  
STATEMENT ACKNOWLEDGING THAT COVERAGE HAS  
BEEN PLACED WITH A NON-ADMITTED CARRIER**

Per Florida Statute, the insured is required to sign the following E&S disclosure: The undersigned hereby agrees to place insurance coverage in the surplus lines market and understands that superior coverage may be available in the admitted market and at a lesser cost. Persons insured by surplus lines carriers are not protected by the Florida Insurance Guaranty Association with respect to any right of recovery for the obligation of an insolvent unlicensed insurer.

City of Port Orange.

Named Insured

Signature of Insured's Authorized Representative

Date

Aspen Specialty Insurance Co.

Name of Excess and Surplus Lines Carrier

Site & Storage Tank Pollution Liability

Type of Insurance

6/21/2020 – 6/21/2021

Effective Date of Coverage

Bobbi Barlow

A013832

Producing Agent Name

License Number

| Line of Coverage               | Site Pollution      | Tank Pollution     |
|--------------------------------|---------------------|--------------------|
| Premium                        | \$ 19,828.00        | \$ 5,665.00        |
| Filing Fee                     | \$ 250.00           | \$ 100.00          |
| Provider Fee                   |                     | .                  |
| Terrorism Premium              |                     | .                  |
| Florida Surplus Lines Tax - 5% |                     | .                  |
| FSLSO Service Fee - 0.1%       |                     | .                  |
| EMPA Fee                       |                     | .                  |
| <b>Total Premium</b>           | <b>\$ 20,078.00</b> | <b>\$ 5,765.00</b> |

# APPENDIX

## RELATED INFORMATION

**Compensation:** In addition to the commissions or fees received by us for assistance with the placement, servicing, claims handling, or renewal of your insurance coverages, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties, some of which may be owned in whole or in part by Brown & Brown, Inc., may also receive compensation for their role in providing insurance products or services to you pursuant to their separate contracts with insurance or reinsurance carriers. That compensation is derived from your premium payments. Additionally, it is possible that we, or our corporate parents or affiliates, may receive contingent payments or allowances from insurers based on factors which are not client-specific, such as the performance and/or size of an overall book of business produced with an insurer. We generally do not know if such a contingent payment will be made by a particular insurer, or the amount of any such contingent payments, until the underwriting year is closed. That compensation is partially derived from your premium dollars, after being combined (or "pooled") with the premium dollars of other insureds that have purchased similar types of coverage. We may also receive invitations to programs sponsored and paid for by insurance carriers to inform brokers regarding their products & services, including possible participation in company-sponsored events such as trips, seminars, and advisory council meetings, based on the total volume of business placed with the carrier you select. We may, on occasion, receive loans or credit from insurance companies. Additionally, in the ordinary course of our business, we may receive and retain interest on premiums you pay from the date we receive them until the date the premiums are remitted to the insurance company or intermediary. In the event we assist with placement and other details of arranging for the financing of your insurance premium, we may also receive a fee from the premium finance company.

**Wholesale Broker/Managing General Agent:** *UCPM Environmental Insurance*  
This intermediary is not owned in whole or in part by Brown & Brown, Inc., the parent company of Brown & Brown of Florida, Inc.

Brown & Brown entities operate independently and are not required to utilize other companies owned by Brown & Brown, Inc., but routinely do so. In addition to providing access to the insurance company, the Wholesale Insurance Broker/Managing General Agent may provide additional services including, but not limited to, underwriting; loss control; risk placement; coverage review; claims coordination with the insurance company and policy issuance. Compensation paid for these services may be up to 15% of the premium you pay for coverage, and any compensation paid for those services is derived from your premium payment. The fee, if any, for the Wholesale Insurance Broker's/Managing General Agent's services above is \$0.

**Questions and Information Requests:** Should you have any questions, or require additional information, please contact this office at 1-800-877-2769 or, if you prefer, submit your question or request online at:  
<http://www.bbinsurance.com/customerinquiry.shtml>.

Policy No.:  
Effective Date: 06/21/2020  
Endorsement No.: 4



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**INSURED LOCATION SCHEDULE NEW CONDITIONS ONLY RETROACTIVE DATE  
ENDORSEMENT  
(COVERAGE 1A. THROUGH 2D.)**

It is hereby agreed that the location(s) scheduled below are included as **Insured location(s)** in Section VII. **DEFINITIONS**, Paragraph W. **Insured location** and the insuring agreement of each Coverage Section marked by an "X" is amended by adding the following sentence at the end thereof:

Provided, the **pollution incident** must have commenced on or after the Retroactive Date corresponding to the applicable **insured location**.

Insuring Agreements Subject to Retroactive Date

- 1.a. Clean-up ☒
- 1.b. Emergency Response ☒
- 1.c. Environmental Crisis ☒
- 1.d. Business Interruption ☒
- 2.a. Insured Location ☒
- 2.b. Non-Owned Site ☒
- 2.c. Transportation ☒
- 2.d. Covered Operations ☐

**SCHEDULE**

| Insured location(s) Schedule                                                                       | Retroactive Date |
|----------------------------------------------------------------------------------------------------|------------------|
| Location 1 :<br>Public Works Facility<br>10001 S. Highway 17<br>Port Orange, FL 32127              | 06/21/2003       |
| Location 2 :<br>Countryside LEO Station #46<br>633 Taylor Road<br>Port Orange, FL 32129            | 06/21/2010       |
| Location 3 :<br>Wastewater Treatment Plants 1 N. & 2 S.<br>817 Oak Street<br>Port Orange, FL 32127 | 06/21/2003       |

|                                                                                                    |            |
|----------------------------------------------------------------------------------------------------|------------|
| Location 4 :<br>City Hall<br>1000 City Center Circle<br>Port Orange, FL 32129                      | 06/21/2003 |
| Location 5 :<br>Fire Station #73<br>1090 City Center Circle<br>Port Orange, FL 32129               | 06/21/2003 |
| Location 6 :<br>East Well #15<br>1264 Richel Road<br>Port Orange, FL 32119                         | 06/21/2003 |
| Location 7 :<br>Dorothy L. Hukill City Center Annex<br>1395 Dunlawton Ave<br>Port Orange, FL 32127 | 06/21/2003 |
| Location 8 :<br>Fire Station #75<br>1701 Town West Blvd.<br>Port Orange, FL 32129                  | 06/21/2010 |
| Location 9 :<br>Lakeside Pavillion<br>1999 City Center Circle<br>Port Orange, FL 32129             | 06/21/2007 |
| Location 10 :<br>Well Field C-8<br>2396 Campsite Road<br>Port Orange, FL 32129                     | 06/21/2010 |
| Location 11 :<br>Well Field C-12<br>2426 Harley Road<br>Port Orange, FL 32129                      | 06/21/2010 |
| Location 12 :<br>Well Field C-20<br>2440 Drema Way<br>Port Orange, FL 32119                        | 06/21/2003 |
| Location 13 :<br>Well Field C-17<br>2777 Arnesian Way<br>Port Orange, FL 32119                     | 06/21/2003 |
| Location 14 :<br>Oceans Point Station<br>2842 Ridge Road<br>Daytona Beach, FL 32119                | 06/21/2003 |
| Location 15 :<br>Well Field C-23<br>2905 Campsite Road<br>Port Orange, FL 32129                    | 06/21/2003 |
| Location 16 :<br>Herbert & Nova Lift Station #39<br>3655 Nova Road                                 | 06/21/2003 |



|                                                                                                  |            |
|--------------------------------------------------------------------------------------------------|------------|
| Port Orange, FL 32129                                                                            |            |
| Location 17 :<br>Fire Station #71<br>4200 Ridgewood Ave<br>Port Orange, FL 32129                 | 06/21/2003 |
| Location 18 :<br>Peninsula Pump Station<br>4270 South Atlantic Avenue<br>Port Orange, FL 32127   | 06/21/2003 |
| Location 19 :<br>Garnsey Water Plant<br>4400 Wellfield Road<br>Port Orange, FL 32127             | 06/21/2003 |
| Location 20 :<br>Portable Lift Station #1 & #2<br>817 Oak Street<br>Port Orange, FL 32127        | 06/21/2003 |
| Location 21 :<br>Police Station<br>4545 Clyde Morris Blvd<br>Port Orange, FL 32127               | 12/30/2010 |
| Location 22 :<br>Ponce Inlet Lift Station #106<br>4668 S. Peninsula<br>Ponce Inlet, FL 32127     | 06/21/2003 |
| Location 23 :<br>YMCA<br>4701 City Center Parkway<br>Port Orange, FL 32129                       | 06/21/2003 |
| Location 24 :<br>Christianity Lift Station #11<br>5403 Christianity Ave<br>Port Orange, FL 32129 | 06/21/2010 |
| Location 25 :<br>Trailwood Pump Station<br>5839 Trailwood Drive<br>Port Orange, FL 32129         | 06/21/2003 |
| Location 26 :<br>Fire Station #72<br>6027 Central Park West<br>Port Orange, FL 32129             | 06/21/2010 |
| Location 27 :<br>Cypress Head Pump Station<br>6262 Williamson Blvd<br>Port Orange, FL 32127      | 06/21/2003 |
| Location 28 :<br>Fire Station #74<br>6701 Airport Road<br>Port Orange, FL 32127                  | 06/21/2003 |
| Location 29 :<br>Parks & Recreation Gymnasium                                                    | 06/21/2013 |

|                                                                                                        |            |
|--------------------------------------------------------------------------------------------------------|------------|
| 4655 City Center Circle<br>Port Orange, FL 32129                                                       |            |
| Location 30 :<br>Williamson Regional Lift Stations<br>5955 S. Williamson Road<br>Port Orange, FL 32127 | 06/21/2017 |
| Location 31 :<br>Ruth Street Pump Station<br>541 Ruth Street<br>Port Orange, FL 32127                  | 06/21/2017 |

All other terms and conditions of this Policy remain unchanged.

Policy No.:  
Effective Date: 06/21/2020  
Endorsement No.: 10



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**RETROACTIVE DATE ENDORSEMENT  
(NON-OWNED SITES AND TRANSPORTATION)**

It is hereby agreed that the Policy is amended as follows:

Solely with respect to a **loss** arising from **transportation** or **non-owned sites**, it is hereby agreed that the insuring agreement of each Coverage Section below marked by an "X" is amended by adding the following sentence at the end thereof:

Provided, the **pollution incident** must have commenced on or after the following Retroactive Date:

Retroactive Date: 06/21/2014

Insuring Agreements Subject to Retroactive Date

- 1.b. Emergency Response ☐
- 1.c. Environmental Crisis ☐
- 1.d. Business Interruption ☐
- 2.b. Non-Owned Site ☒
- 2.c. Transportation ☒

All other terms and conditions of this Policy remain unchanged.

Policy No.:  
Effective Date: 06/21/2020  
Endorsement No.:



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### UNDERGROUND STORAGE TANK SCHEDULE WITH RETROACTIVE DATE ENDORSEMENT

It is hereby agreed that Section II, **EXCLUSIONS**, Paragraph F, **Identified Underground Storage Tanks**, does not apply to the **underground storage tanks** scheduled below on this Endorsement and located on an **insured location**, but only with respect to **pollution incidents** that first commence on or after the retroactive date shown below corresponding to the applicable **underground storage tank**:

#### SCHEDULE

| <u>Underground Storage Tank(s) Scheduled</u>                                                                                                          | <u>Tank Size (gallons)</u> | <u>Tank Contents</u> | <u>Retroactive Date</u> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------|-------------------------|
| Location 1 : Public Works Facility<br>407 Virginia Ave<br>Port Orange, FL 32127<br>Tank 1                                                             | 12,000                     | Diesel               | 6/21/2003               |
| Location 1 : Public Works Facility<br>407 Virginia Ave<br>Port Orange, FL 32127<br>Tank 2                                                             | 12,000                     | UG                   | 6/21/2003               |
| Location 3 : Wastewater Plant Unit 2 South<br>817 Oak Street<br>Port Orange, FL 32127<br>Tank 1                                                       | 4,000                      | Diesel               | 6/21/2003               |
| Location 3 : Wastewater Plant Unit 2 South<br>817 Oak Street<br>Port Orange, FL 32127<br>Tank 2                                                       | 4,000                      | Diesel               | 6/21/2003               |
| Location 5 : Fire Station #73<br>1930 City Center Circle<br>Port Orange, FL 32129<br>Tank 1                                                           | 2,000                      | Diesel               | 6/21/2003               |
| Location 7 : Dorothy L. Hukill City Center Annex/Old<br>Police Station and Fueling facility<br>1395 Dunlawton Ave.<br>Port Orange, FL 32127<br>Tank 1 | 12,000                     | UG                   | 6/21/2003               |
| Location 7 : Dorothy L. Hukill City Center Annex/Old<br>Police Station and Fueling facility<br>1395 Dunlawton Ave.<br>Port Orange, FL 32127<br>Tank 2 | 2,000                      | Diesel               | 6/21/2003               |

|                                                                                                         |       |        |            |
|---------------------------------------------------------------------------------------------------------|-------|--------|------------|
| Location 8 : Fire Station #75<br>1701 Town Center West<br>Port Orange, FL 32129<br>Tank 1               | 1,120 | Diesel | 6/21/2010  |
| Location 19 : Garnsey Water Plant<br>4400 Wellfield Road<br>Port Orange, FL 32127<br>Tank 1             | 5,200 | Diesel | 6/21/2003  |
| Location 21 : Police Station North<br>4545 Clyde Morris Blvd.<br>Port Orange, FL 32129<br>Tank 1        | 2,500 | Diesel | 12/30/2010 |
| Location 21 : Police Station North<br>4545 Clyde Morris Blvd.<br>Port Orange, FL 32129<br>Tank 2        | 2,500 | Diesel | 12/30/2010 |
| Location 25 : Trailwood Pump Station<br>5839 Trailwood Drive<br>Port Orange, FL 32129<br>Tank 1         | 3,000 | Diesel | 6/21/2009  |
| Location 26 : Fire Station #72<br>6027 Central Park West<br>Port Orange, FL 32129<br>Tank 1             | 1,120 | Diesel | 6/21/2010  |
| Location 28 : Fire Station #74 Fueling Facility<br>6701 Airport Road<br>Port Orange, FL 32129<br>Tank 1 | 3,000 | Diesel | 6/21/2003  |
| Location 31 : Ruth Street Pump Station<br>541 Ruth Street<br>Port Orange, FL 32127<br>Tank 1            | 800   | Diesel | 6/21/2017  |

All other terms and conditions of this Policy remain unchanged.

Policy No.:  
Effective Date: 06/21/2020  
Endorsement No.: 6



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### SCHEDULE OF STORAGE TANK SYSTEMS ENDORSEMENT (WITH TANK SPECIFIC DEDUCTIBLE)

It is hereby agreed that:

1. The following storage tank(s) identified in the Schedule of Storage Tank Systems and Corresponding Deductibles below are included as **Storage Tank System(s)** in **Item 8. SCHEDULE OF STORAGE TANK SYSTEMS** of the Declarations; and
2. Each **Storage Tank System** shall have a corresponding Deductible applicable to that **Storage Tank System** that will replace the Deductible listed in **Item 7.** of the Declarations Page under **INSURING AGREEMENT A., 1. Storage Tank System Liability Protection.** The corresponding Deductibles are included in the Schedule of Storage Tank Systems and Corresponding Deductibles below.

#### SCHEDULE OF STORAGE TANK SYSTEMS AND CORRESPONDING DEDUCTIBLES

|                         |                                         |                       |              |                              |                 |                   |                                         |
|-------------------------|-----------------------------------------|-----------------------|--------------|------------------------------|-----------------|-------------------|-----------------------------------------|
| <b>Location Number:</b> | 1                                       |                       |              |                              |                 |                   |                                         |
| <b>Site Name:</b>       | Public Works Facility                   |                       |              |                              |                 |                   |                                         |
| <b>Address:</b>         | 407 Virginia Ave                        |                       |              |                              |                 |                   |                                         |
| <b>City:</b>            | Port Orange                             | <b>State:</b>         | FL           | <b>Zip:</b>                  | 32127           |                   |                                         |
| <b>Tank #</b>           | <b>UST/AST</b>                          | <b>Year Installed</b> | <b>DW/SW</b> | <b>Capacity (in gallons)</b> | <b>Contents</b> | <b>Deductible</b> | <b>Retroactive Date (if applicable)</b> |
| 1                       | UST                                     | 2005                  | DW           | 12,000                       | D               | \$25,000          | 6/21/2003                               |
| 2                       | UST                                     | 2005                  | DW           | 12,000                       | UG              | \$25,000          | 6/21/2003                               |
| <b>Location Number:</b> | 2                                       |                       |              |                              |                 |                   |                                         |
| <b>Site Name:</b>       | Wastewater Treatment Plant Unit 2 South |                       |              |                              |                 |                   |                                         |
| <b>Address:</b>         | 817 Oak Street                          |                       |              |                              |                 |                   |                                         |
| <b>City:</b>            | Port Orange                             | <b>State:</b>         | FL           | <b>Zip:</b>                  | 32127           |                   |                                         |
| <b>Tank #</b>           | <b>UST/AST</b>                          | <b>Year Installed</b> | <b>DW/SW</b> | <b>Capacity (in gallons)</b> | <b>Contents</b> | <b>Deductible</b> | <b>Retroactive Date (if applicable)</b> |
| 1                       | AST                                     | 2004                  | DW           | 4,000                        | D               | \$25,000          | 6/21/2003                               |
| 2                       | AST                                     | 2004                  | DW           | 4,000                        | D               | \$25,000          | 6/21/2003                               |
| <b>Location Number:</b> | 3                                       |                       |              |                              |                 |                   |                                         |



|                         |                                     |                       |              |                              |                 |                   |                                         |
|-------------------------|-------------------------------------|-----------------------|--------------|------------------------------|-----------------|-------------------|-----------------------------------------|
| <b>Site Name:</b>       | Fire Station #73                    |                       |              |                              |                 |                   |                                         |
| <b>Address:</b>         | 1090 City Center Circle             |                       |              |                              |                 |                   |                                         |
| <b>City:</b>            | Port Orange                         | <b>State:</b>         | FL           | <b>Zip:</b>                  | 32129           |                   |                                         |
| <b>Tank #</b>           | <b>UST/AST</b>                      | <b>Year Installed</b> | <b>DW/SW</b> | <b>Capacity (in gallons)</b> | <b>Contents</b> | <b>Deductible</b> | <b>Retroactive Date (if applicable)</b> |
| 1                       | AST                                 | 2015                  | DW           | 2,000                        | D               | \$6,000           | 6/21/2003                               |
| <b>Location Number:</b> | 4                                   |                       |              |                              |                 |                   |                                         |
| <b>Site Name:</b>       | Dorothy L. Hukill City Center Annex |                       |              |                              |                 |                   |                                         |
| <b>Address:</b>         | 1395 Dunlawton Ave                  |                       |              |                              |                 |                   |                                         |
| <b>City:</b>            | Port Orange                         | <b>State:</b>         | FL           | <b>Zip:</b>                  | 32127           |                   |                                         |
| <b>Tank #</b>           | <b>UST/AST</b>                      | <b>Year Installed</b> | <b>DW/SW</b> | <b>Capacity (in gallons)</b> | <b>Contents</b> | <b>Deductible</b> | <b>Retroactive Date (if applicable)</b> |
| 1                       | UST                                 | 2000                  | DW           | 2,000                        | UG              | \$25,000          | 6/21/2003                               |
| 2                       | UST                                 | 2000                  | DW           | 2,000                        | D               | \$25,000          | 6/21/2003                               |
| <b>Location Number:</b> | 5                                   |                       |              |                              |                 |                   |                                         |
| <b>Site Name:</b>       | Fire Station #75                    |                       |              |                              |                 |                   |                                         |
| <b>Address:</b>         | 1701 Town West Blvd.                |                       |              |                              |                 |                   |                                         |
| <b>City:</b>            | Port Orange                         | <b>State:</b>         | FL           | <b>Zip:</b>                  | 32129           |                   |                                         |
| <b>Tank #</b>           | <b>UST/AST</b>                      | <b>Year Installed</b> | <b>DW/SW</b> | <b>Capacity (in gallons)</b> | <b>Contents</b> | <b>Deductible</b> | <b>Retroactive Date (if applicable)</b> |
| 1                       | AST                                 | 2009                  | DW           | 1,120                        | D               | \$10,000          | 6/21/2010                               |
| <b>Location Number:</b> | 6                                   |                       |              |                              |                 |                   |                                         |
| <b>Site Name:</b>       | Garnsey Water Plant                 |                       |              |                              |                 |                   |                                         |
| <b>Address:</b>         | 4400 Wellfield Road                 |                       |              |                              |                 |                   |                                         |
| <b>City:</b>            | Port Orange                         | <b>State:</b>         | FL           | <b>Zip:</b>                  | 32127           |                   |                                         |
| <b>Tank #</b>           | <b>UST/AST</b>                      | <b>Year Installed</b> | <b>DW/SW</b> | <b>Capacity (in gallons)</b> | <b>Contents</b> | <b>Deductible</b> | <b>Retroactive Date (if applicable)</b> |
| 1                       | AST                                 | 2001                  | DW           | 5,200                        | D               | \$25,000          | 6/21/2003                               |
| <b>Location Number:</b> | 7                                   |                       |              |                              |                 |                   |                                         |
| <b>Site Name:</b>       | Police Station South                |                       |              |                              |                 |                   |                                         |
| <b>Address:</b>         | 4545 Clyde Morris Blvd.             |                       |              |                              |                 |                   |                                         |
| <b>City:</b>            | Port Orange                         | <b>State:</b>         | FL           | <b>Zip:</b>                  | 32129           |                   |                                         |

| Tank #                  | UST/AST | Year Installed         | DW/SW | Capacity (in gallons) | Contents | Deductible | Retroactive Date (if applicable) |
|-------------------------|---------|------------------------|-------|-----------------------|----------|------------|----------------------------------|
| 1                       | AST     | 2010                   | DW    | 2,500                 | D        | \$10,000   | 12/30/2010                       |
| 2                       | AST     | 2010                   | DW    | 2,500                 | D        | \$10,000   | 12/30/2010                       |
| <b>Location Number:</b> |         | 8                      |       |                       |          |            |                                  |
| <b>Site Name:</b>       |         | Trailwood Pump Station |       |                       |          |            |                                  |
| <b>Address:</b>         |         | 5839 Trailwood Drive   |       |                       |          |            |                                  |
| <b>City:</b>            |         | Port Orange            |       | <b>State:</b>         |          | FL         | <b>Zip:</b> 32129                |

| Tank #                  | UST/AST | Year Installed         | DW/SW | Capacity (in gallons) | Contents | Deductible | Retroactive Date (if applicable) |
|-------------------------|---------|------------------------|-------|-----------------------|----------|------------|----------------------------------|
| 1                       | AST     | 2009                   | DW    | 1,000                 | D        | \$10,000   | 6/21/2009                        |
| <b>Location Number:</b> |         | 9                      |       |                       |          |            |                                  |
| <b>Site Name:</b>       |         | Fire Station #72       |       |                       |          |            |                                  |
| <b>Address:</b>         |         | 6027 Central Park West |       |                       |          |            |                                  |
| <b>City:</b>            |         | Port Orange            |       | <b>State:</b>         |          | FL         | <b>Zip:</b> 32129                |

| Tank #                  | UST/AST | Year Installed                    | DW/SW | Capacity (in gallons) | Contents | Deductible | Retroactive Date (if applicable) |
|-------------------------|---------|-----------------------------------|-------|-----------------------|----------|------------|----------------------------------|
| 1                       | AST     | 2009                              | DW    | 1,120                 | D        | \$10,000   | 6/21/2010                        |
| <b>Location Number:</b> |         | 10                                |       |                       |          |            |                                  |
| <b>Site Name:</b>       |         | Fire Station #74 Fueling Facility |       |                       |          |            |                                  |
| <b>Address:</b>         |         | 6701 Airport Road                 |       |                       |          |            |                                  |
| <b>City:</b>            |         | Port Orange                       |       | <b>State:</b>         |          | FL         | <b>Zip:</b> 32129                |

| Tank #                  | UST/AST | Year Installed           | DW/SW | Capacity (in gallons) | Contents | Deductible | Retroactive Date (if applicable) |
|-------------------------|---------|--------------------------|-------|-----------------------|----------|------------|----------------------------------|
| 1                       | UST     | 2000                     | DW    | 3,000                 | D        | \$25,000   | 6/21/2003                        |
| <b>Location Number:</b> |         | 11                       |       |                       |          |            |                                  |
| <b>Site Name:</b>       |         | Ruth Street Pump Station |       |                       |          |            |                                  |
| <b>Address:</b>         |         | 541 Ruth Street          |       |                       |          |            |                                  |
| <b>City:</b>            |         | Port Orange              |       | <b>State:</b>         |          | FL         | <b>Zip:</b> 32127                |

| Tank # | UST/AST | Year Installed | DW/SW | Capacity (in gallons) | Contents | Deductible | Retroactive Date (if applicable) |
|--------|---------|----------------|-------|-----------------------|----------|------------|----------------------------------|
| 1      | AST     | 2015           | DW    | 800                   | D        | \$10,000   | 6/21/2017                        |

All other terms and conditions of this Policy remain unchanged.

Specimen



# CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 5/19/2020

Consent item: Yes

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**SUBJECT:** (B8) Resolution No. 20-17 – Easement Vacation - Lot 91 Cross Creek I

**DEPARTMENT:** Community Development

**GOAL:** 3 - Quality of Life

---

**RECOMMENDED MOTION:** Move to approve Resolution No. 20-17.

---

**SUMMARY:** The applicant, Stan Hoelle, on behalf of his clients, Naresh & Crystal Mangar, has submitted an application to vacate a portion of the existing 10-foot Drainage & Utility Easement along the rear property line which abuts a retention pond at the property located at 4645 Hidden Lake Drive in the Cross Creek Subdivision. The objective for the request is for the purposes of installing a pool in conjunction with the construction of a new home. The applicant's request is to vacate a portion of the easement that the proposed pool is currently designed to encroach into the easement.

The easement vacation application and legal description have been reviewed for completeness and accuracy. City departments have reviewed the application and have no outstanding concerns with the proposal to vacate a portion of the existing 10-foot Drainage & Utility Easement along the rear property line. All franchise utility companies have provided a release letter for the subject areas.

The applicant feels that the size and shape of the lot, with the required setbacks for R-8 zoning, make the layout for a single-family home and pool to be challenging. They believe these parameters are a hardship and are requesting the vacation of a portion of the rear easement in lieu of pursuing a front yard setback variance. They feel the difficulty of achieving a satisfactory home layout may be why the lot has been undeveloped until now.

Project No.:    Funding Account No.:

Presenter: Tim Burman

---

**ATTACHMENTS:**

|    |                                          |                                              |
|----|------------------------------------------|----------------------------------------------|
| 1. | Resolution No. 20-17 with exhibit        | Hidden Lakes Easement.pdf                    |
| 2. | 4645 Hidden Lake Case Summary            | 4645 Hidden Lake Case Summary.pdf            |
| 3. | 4645 Hidden Lake Easement Vac App        | 4645 Hidden Lake Easement Vac App.pdf        |
| 4. | 4645 Hidden Lake Location Map            | 4645 Hidden Lake Location Map.pdf            |
| 5. | 4645 Hidden Lake Aerial                  | 4645 Hidden Lake Aerial.pdf                  |
| 6. | 4645 Hidden Lake Revd Proposed Site Plan | 4645 Hidden Lake Revd Proposed Site Plan.pdf |

---

|                |                               |
|----------------|-------------------------------|
| Lisa Epstein   | Created/Initiated - 4/17/2020 |
| Tim Burman     | Approved - 5/1/2020           |
| Lynn Stevens   | Approved - 5/4/2020           |
| Shannon Balmer | Approved - 5/8/2020           |
| Jake Johansson | Approved - 5/8/2020           |
| Robin Fenwick  | Final Approval - 5/8/2020     |

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RESOLUTION NO.20-17

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
PORT ORANGE, VOLUSIA COUNTY, FLORIDA,  
VACATING A PORTION OF THE REAR YARD DRAINAGE,  
UTILITY AND GRADING EASEMENT LOCATED AT 4645  
HIDDEN LAKE DRIVE ON LOT 91 OF THE CROSS  
CREEK SUBDIVISION – PHASE I; AND PROVIDING AN  
EFFECTIVE DATE.

WHEREAS, Naresh Mangar and Krystal Vitkauskas, are the record owners of Lot 91, Cross Creek Subdivision – Phase I, according to the Warranty Deed recorded in Official Records Book 7812, Page 3619, Public Records of Volusia County, Florida, and have applied for the vacation of a portion of the 10 - foot wide rear-yard drainage utility and grading easement located at 4645 Hidden Lakes Drive, in connection with the construction of a pool and concrete decking; and

WHEREAS, the applicant has complied with the requirements of Section 177.101(4), Florida Statutes; and

WHEREAS, the City Council of the City of Port Orange has the power and authority to vacate publicly dedicated easements within the City limits under constitutional home rule powers and Chapters 166 and 177, Florida Statutes; and

WHEREAS, the City Council of the City of Port Orange has determined that the public's interest in that portion of the easement to be vacated is not required in its present location, and that it is in the best interest and welfare of the City of Port Orange and the citizens thereof to vacate and abandon that portion of the drainage easement as more particularly described on the attached **Exhibit "A."**

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT ORANGE, VOLUSIA COUNTY, FLORIDA:

Section 1. The interest of the public in the portion of the drainage and easement depicted and described on the attached Exhibit "A," is hereby declared to be vacated and abandoned, and any right, title and interest of the public in and to the attached easement hereby vacated are renounced and disclaimed. All other easements located within Lot 91 Cross Creek Subdivision – Phase I, not previously vacated shall remain in full force and effect.



Section 2. By accepting this vacation of the drainage and utility easements, the Property Owner accept full and sole responsibility for any damage to any private improvements placed or constructed within the vacated area.

Section 3. This resolution shall become effective immediately upon recording of a certified copy of this resolution in the Public Records of Volusia County, Florida.

\_\_\_\_\_  
MAYOR DONALD O. BURNETTE

ATTEST

\_\_\_\_\_  
Robin L. Fenwick, MMC, City Clerk

Adopted on the \_\_\_\_\_ day of \_\_\_\_\_, 2020

Reviewed and Approved: \_\_\_\_\_  
Shannon K. Balmer, Assistant City Attorney



# SLIGER & ASSOCIATES, INC.

PROFESSIONAL LAND SURVEYORS

LICENSED BUSINESS CERTIFICATION NO. 3019

3921 NOVA ROAD  
PORT ORANGE, FL. 32127  
(386) 761-5385

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## EXHIBIT "A"

### PARCEL "B" DRAINAGE & RETENTION AREA

POINT OF  
BEGINNING

N68°32'49"W  
7.59'

POINT OF  
COMMENCEMENT

RECOVERED 5/8"  
IRON ROD & CAP  
LB#3019

CORNER NOT  
FOUND OR SET

N68°32'49"W 123.09' NORTH LINE OF LOT 91,

N00°44'40"W  
10.80'

S68°32'49"E 107.39'  
10' DRAINAGE &  
UTILITY EASEMENT

S30°22'22"W  
10.12'

N68°32'49"W 101.74'

WESTERLY LINE OF LOT 91,  
7.5' DRAINAGE &  
UTILITY EASEMENT

N00°44'40"W  
114.57' (NR)

LOT 91

LOT 90

EASTERLY LINE OF LOT 91,  
110.00' (R)

7.5' DRAINAGE &  
UTILITY EASEMENT  
N30°22'22"E

$\Delta = 13^{\circ}06'46''$   
 $R = 275.00'$   
 $L = 62.94'$   
 $CB = N66^{\circ}10'01''W$

NOT A BOUNDARY SURVEY  
SKETCH OF DESCRIPTION

10' DRAINAGE &  
UTILITY EASEMENT

R/W LINE

FOUND 5/8"  
IRON ROD  
NO ID

CONCRETE SIDEWALK

TELEPHONE  
SERVICE

R/W LINE

RECOVERED 5/8"  
IRON ROD & CAP

**FOR: NARESH MANGAR & KRYSTAL VITKAUSKAS**

**DESCRIPTION:** A PORTION OF LOT 91, CROSS  
CREEK, PHASE I, AS RECORDED IN MAP BOOK  
42, PAGES 22-23, OF THE PUBLIC RECORDS  
OF VOLUSIA COUNTY, FLORIDA. SEE SHEET 2  
OF 2 FOR FULL DESCRIPTION

JOB #20-0162

SCALE: 1"=20'

FIELD BOOK:

PAGE:

#### ABBREVIATIONS

|               |                                            |
|---------------|--------------------------------------------|
| (P)           | PLATTED DIMENSION                          |
| (D)           | DEEDED DIMENSION                           |
| (M)           | MEASURED DIMENSION                         |
| (C)           | CALCULATED DIMENSION                       |
| ID            | IDENTIFICATION                             |
| A/C           | AIR CONDITIONER                            |
| R/W           | RIGHT OF WAY                               |
| CL            | CENTERLINE                                 |
| D             | CENTRAL ANGLE                              |
| R             | RADIUS                                     |
| L             | ARC LENGTH                                 |
| CB            | CHORD BEARING                              |
| FP&L CO.      | FLORIDA POWER &<br>LIGHT COMPANY           |
| N.G.V.D.      | NATIONAL GEODETIC<br>VERTICAL DATUM        |
| U.S.C. & G.S. | UNITED STATES COAST<br>AND GEODETIC SURVEY |

#### SHEET 1 OF 2

#### LEGEND

|      |                                 |
|------|---------------------------------|
| ●    | IRON ROD WITH CAP               |
| ○    | IRON PIPE                       |
| □    | CONCRETE MONUMENT               |
| ■    | PERMANENT REFERENCE<br>MONUMENT |
| △    | PERMANENT CONTROL<br>POINT      |
| (R)  | RADIAL LINE                     |
| (NR) | NON-RADIAL LINE                 |
| ○    | EXISTING ELEVATION              |
| □    | PROPOSED ELEVATION              |



# SLIGER & ASSOCIATES, INC.

PROFESSIONAL LAND SURVEYORS

LICENSED BUSINESS CERTIFICATION NO. 3019

3921 NOVA ROAD

PORT ORANGE, FL. 32127

(386) 761-5385

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www.sligerassociates.com

## SURVEYORS NOTES

1. NOTICE: THERE MAY BE ADDITIONAL RESTRICTIONS AND/OR OTHER MATTERS THAT ARE NOT SHOWN ON THIS PLAT OF SURVEY/SKETCH OF DESCRIPTION THAT MAY BE FOUND IN THE PUBLIC RECORDS OF THIS COUNTY. THIS SURVEY/SKETCH OF DESCRIPTION PREPARED WITHOUT BENEFIT OF AN ABSTRACT.
2. DIMENSIONS ARE SHOWN IN FEET AND DECIMALS THEREOF.
3. BEARING STRUCTURE BASED ON RECORD PLAT WITH THE BEARING ON EASTERLY LIN OF LOT 91 BEING N30°22'22"E.
4. UNLESS OTHERWISE SHOWN, RECORD DISTANCES AND DIRECTIONS AND FIELD MEASURED DISTANCES AND DIRECTIONS ARE THE SAME.
5. REVISED PER CITY COMMENTS NO ADDITIONAL FIELD WORK PREFORMED THIS DATE. (4/20/2020)

## NOTE:

NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER.

## DESCRIPTION:

A PORTION OF LAND BEING PART OF THE NORTHERLY 10 FEET, OF LOT 91, CROSS CREEK, PHASE I, MORE PARTICULARITY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTH EAST CORNER OF LOT 91, CROSS CREEK, PHASE I; THENCE N68°32'49"W ALONG THE NORTH LINE OF SAID LOT 91, A DISTANCE OF 7.59 FEET TO THE POINT OF BEGINNING; THENCE S30°22'22"W PARALLEL WITH THE EASTERLY LINE OF SAID LOT 91, A DISTANCE OF 10.12 FEET; THENCE DEPARTING SAID EAST LINE N68°32'49"W A DISTANCE OF 101.74 FEET TO A POINT; THENCE N00°44'40"W PARALLEL WITH THE WEST LINE OF SAID LOT 91, A DISTANCE OF 10.80 FEET TO A POINT BEING ON THE NORTHERLY LINE OF SAID LOT 91, THENCE S68°32'49"E ALONG THE NORTH LINE OF SAID LOT 91, A DISTANCE OF 107.39 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION.

PLAT PREPARED FOR THE FOLLOWING: (ONLY THE LAST DATE IS CERTIFIED ON SEALED COPY)

THIS PLAT OF SURVEY IS CERTIFIED TO AND PREPARED FOR THE SOLE AND EXCLUSIVE BENEFIT OF THE ENTITIES AND/OR INDIVIDUALS LISTED BELOW, ON THE MOST CURRENT DATE, AND SHALL NOT BE RELIED UPON BY ANY OTHER ENTITY OR INDIVIDUAL WHOMSOEVER.

| TYPE OF SURVEY | CERTIFIED TO                                                                    | SURVEY DATE    | JOB NUMBER |
|----------------|---------------------------------------------------------------------------------|----------------|------------|
| SKETCH OF      | NARESH MANGAR & KRYSTAL VITKAUSKAS                                              | MARCH 12, 2020 | 20-0162    |
| DESCRIPTION    | NOT CERTIFIED TO ANY ENTITIES AND/OR INDIVIDUALS OTHER THAN THOSE LISTED ABOVE. |                |            |
|                |                                                                                 |                |            |
|                |                                                                                 |                |            |
|                |                                                                                 |                |            |
|                |                                                                                 |                |            |

SHEET 2 OF 2

VALID WITH SIGNATURE & EMBOSSED SEAL ONLY EXCEPT THOSE WITH AN ELECTRONIC SEAL

FOR: NARESH MANGAR & KRYSTAL VITKAUSKAS

|                         | DATE           | JOB NO. | P.C. | DRW. | CHECKED BY |
|-------------------------|----------------|---------|------|------|------------|
| SKETCH OF DESCRIPTION   | MARCH 12, 2020 | 20-0162 |      | MB   | JB         |
| BOUNDARY SURVEY         |                |         |      |      |            |
| TOPOGRAPHIC SURVEY      |                |         |      |      |            |
| FOUNDATION LOCATED      |                |         |      |      |            |
| FINAL IMPROVEMENTS      |                |         |      |      |            |
| RECERTIFICATION         |                |         |      |      |            |
| PROPOSED HOUSE LOCATION |                |         |      |      |            |

I HEREBY CERTIFY THAT THIS PLAT MEETS THE STANDARDS OF PRACTICE SET FORTH BY THE FLORIDA BOARD OF PROFESSIONAL SURVEYORS AND MAPPERS IN CHAPTER 5J-17.05, FLORIDA ADMINISTRATIVE CODE, PURSUANT TO SECTION 472.027, FLORIDA STATUTES.

JEFF W. BARNES P.S.M. NO. 5576  
C.O. VAN KLEECK JR., P.S.M. NO. 6149  
MICHAEL S. MURPHY, P.S.M. NO. 6208

**CASE SUMMARY**  
**CASE #20-35000001**  
**EASEMENT VACATION REQUEST – 4645 HIDDEN LAKE DR**

|                                                                                                                                       |  |                                                              |  |
|---------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------------|--|
| Submittal Date.: 3/20/20                                                                                                              |  | Application Fee: \$250                                       |  |
| Property Address/Location: 4645 Hidden Lake Dr                                                                                        |  | Parcel No.: 6307-14-00-0910                                  |  |
| Staff Contact: L.Epstein                                                                                                              |  |                                                              |  |
| Applicant's Name: Stanley P. Hoelle                                                                                                   |  | Owner's Name: Naresh & Crystal Mangar                        |  |
| Applicant's Address: 1114 Mistletoe Dr<br>Daytona Beach, FL 32117                                                                     |  | Owner's Address: 3817 Grove View Ln<br>Port Orange, FL 32129 |  |
| Description of Request: Vacate existing Drainage & Utility Easement at rear of property                                               |  |                                                              |  |
| SUMMARY OF EVENTS:<br>Application received<br>Advertised in News Journal<br>CC approved request<br>Quit claim sent to applicant/owner |  |                                                              |  |
| CITY COUNCIL MEETING DATE: 5/19/2020                                                                                                  |  | RESOLUTION NO.:                                              |  |
| COMMENTS:                                                                                                                             |  |                                                              |  |



# CITY OF PORT ORANGE

Department of Community Development  
Engineering Division

CASE NO.

20-35000001

DATE APPLICATION RECEIVED

MAR 16 2020

1000 CITY CENTER CIRCLE, PORT ORANGE, FLORIDA 32129 PHONE: (386) 506-5600 FAX: (386) 506-5699  
www.port-orange.org

## EASEMENT VACATION APPLICATION

Applicant: STANLEY PAUL HOELLE, ARCHITECT  
Address: 1114 MISTLETOE DRIVE, DAYTONA BEACH, FL 32117  
Phone: 386-295-9750 Fax: — Email: SPHOELLE@AOL.COM  
Property Owner(s): NARESH MONGAR & Krystal Vitkauskas  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_  
Subject Property Address: 4645 HIDDEN LAKES DRIVE  
Subdivision Name: CROSS CREEK, PHASE 1  
Lot Number: #91 Parcel No.: 630714000910  
A11-5010881

(Provide a separate attachment for additional properties if necessary)

Legal Description of the proposed easement vacation area (provide a separate attachment if necessary):

Purpose for the proposed easement vacation: TO PROVIDE ENOUGH DIMENSION  
FOR A SWIMMING POOL (MINIMUM 14' REQUIRED)

### REQUIRED ATTACHMENTS

1. A current, original, sealed property survey showing all structures, easements, and the proposed easement vacation area
2. A copy of the recorded deed for the property
3. A property tax payment certification or a copy of the total property tax payment receipt
4. The application processing and recording fee payment of \$250.00
5. The completed original application form (notarized signatures required on Page 2)

Applicant Signature: [Signature] Date: 3-16-2020

Printed Name : STANLEY P. HOELLE

I HEREBY GRANT AUTHORIZATION FOR THE ABOVE LISTED APPLICANT TO ACT ON MY BEHALF:

Property Owner Signature: [Signature] Date: 3/16/2020

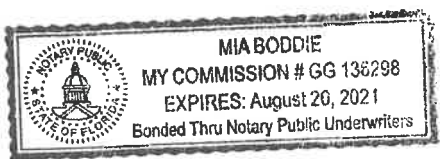
Printed Name: Nagesh Mangar Date: 3/16/2020

Property Owner Signature: [Signature] Date: 3/16/2020

Printed Name: Crystal Vitkauskas Date: 3/16/2020

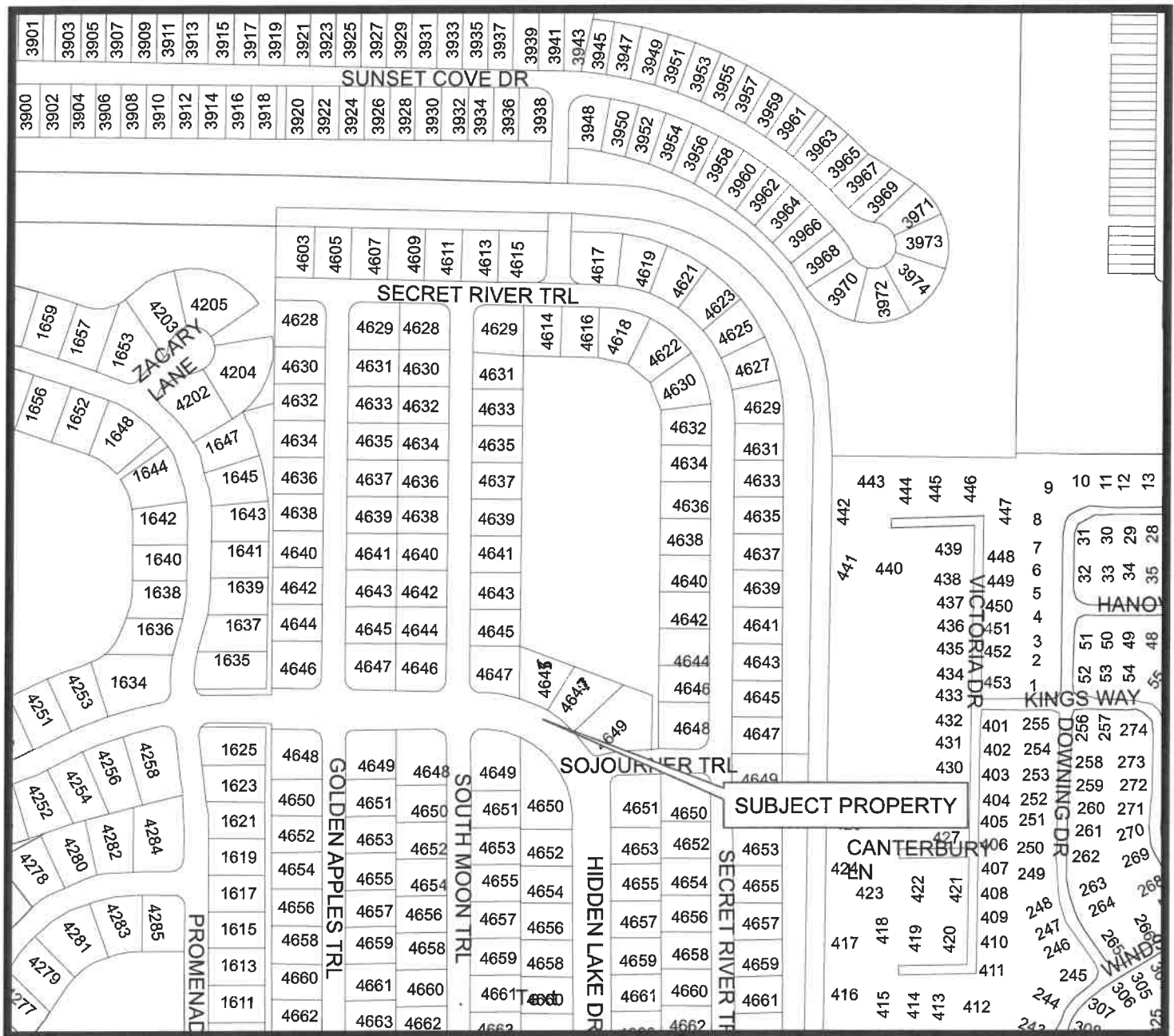
STATE OF FLORIDA  
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me by means of [ ☒ ] physical presence or [ ☐ ] online  
notarization this 16<sup>th</sup> day of March, 2020 by Stanley Hoelle,  
who [ ☒ ] is personally known to me or [ ☐ ] who has produced \_\_\_\_\_ as identification.



Mia Boddie  
Notary Public, State of Florida  
Printed Name, Commission, & Term Expiration Date:





**Case No.:** 20-35000001

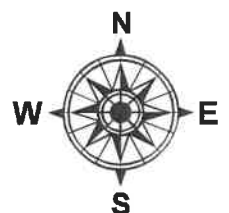
**Applicant:**  
NARESH MANGAR

**Location:** 4645 Hidden Lake Dr

**Requested Action:** To obtain vacation of existing Access, Utility, Drainage & Maint Easement to allow pool deck, patio



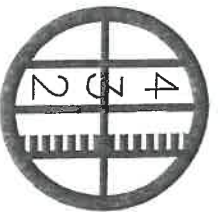
Location Map  
**CITY OF PORT ORANGE**  
DEPARTMENT OF COMMUNITY DEVELOPMENT



# 4645 Hidden Lake Dr





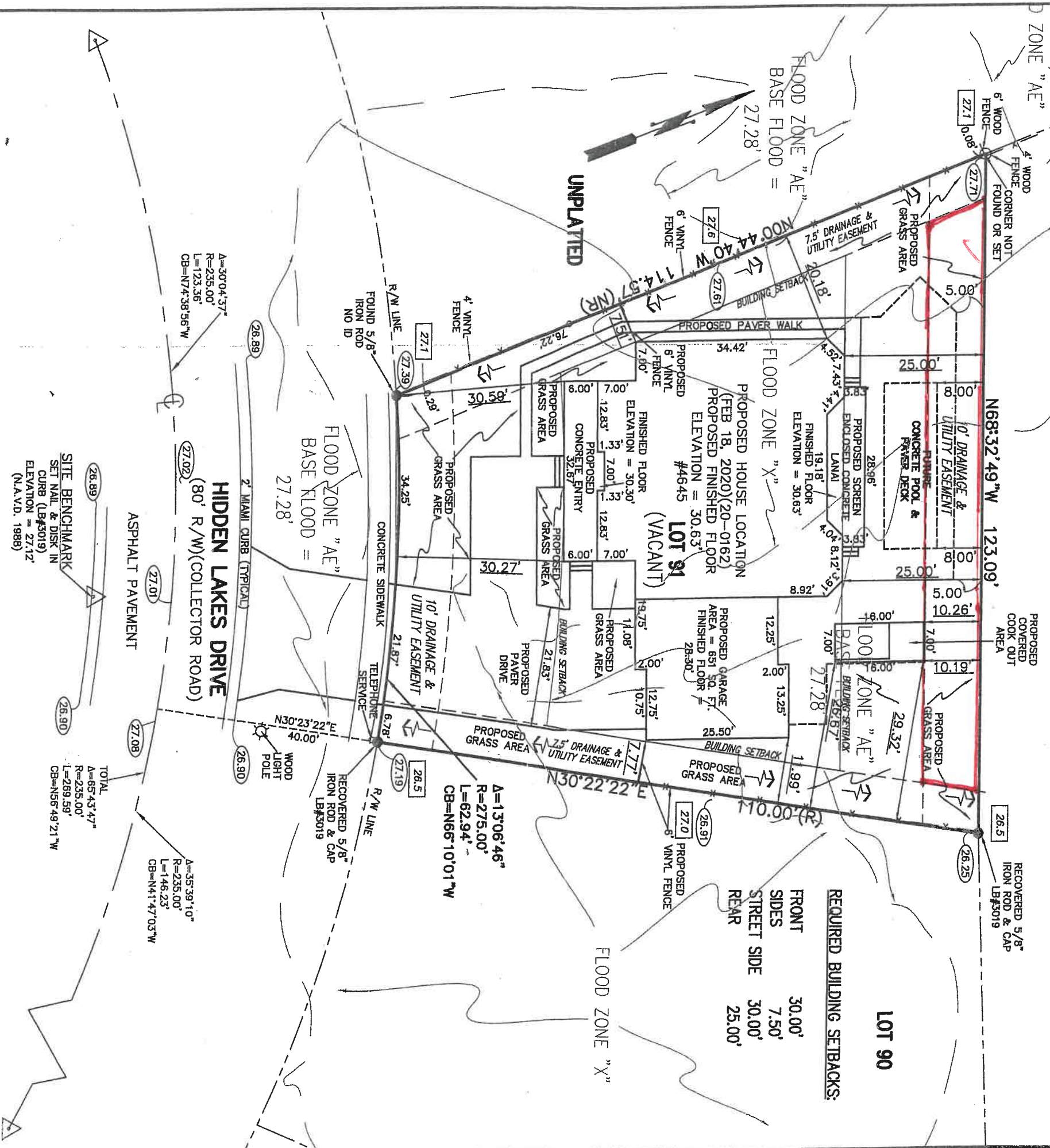


# SLIGER & ASSOCIATES, INC.

## PROFESSIONAL LAND SURVEYORS

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PORT ORANGE, FL 32127  
(386) 761-5385  
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WWW.SLIGERASSOCIATES.COM

### PARCEL "B" DRAINAGE & RETENTION AREA



### BOUNDARY SURVEY

#### ABBREVIATIONS

#### SHEET 1 OF 2

| ABBREVIATIONS                                         | LEGEND                         |
|-------------------------------------------------------|--------------------------------|
| (P) PLATTED DIMENSION                                 | ● IRON ROD WITH CAP            |
| (M) MEASURED DIMENSION                                | ○ IRON PIPE                    |
| (C) CALCULATED DIMENSION                              | □ CONCRETE MONUMENT            |
| (D) IDENTIFICATION                                    | ■ PERMANENT REFERENCE MONUMENT |
| A/C AIR CONDITIONER                                   | △ PERMANENT CONTROL POINT      |
| R/W RIGHT OF WAY                                      | (R) RADIAL LINE                |
| D CENTERLINE                                          | (NR) NON-RADIAL LINE           |
| L ARC LENGTH                                          | EXISTING ELEVATION             |
| CB CHORD BEARING                                      | PROPOSED ELEVATION             |
| FP&L CO. FLORIDA POWER & LIGHT COMPANY                |                                |
| N.G.V.D. NATIONAL GEODETIC VERTICAL DATUM             |                                |
| U.S.C. & G.S. UNITED STATES COAST AND GEODETIC SURVEY |                                |

FOR: NARESH MANGAR & KRYSYAL VITKAUSKAS  
DESCRIPTION: LOT 91, CROSS CREEK, PHASE 1,  
AS RECORDED IN MAP BOOK 42, PAGES 22-23,  
OF THE PUBLIC RECORDS OF VOLUSIA COUNTY,  
FLORIDA.

SCALE: 1"=20'

FIELD BOOK:

PAGE(S):

JOB # 20-0162



# CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 5/19/2020

Consent item: Yes

---

**SUBJECT:** (B9) Resolution No. 20-18 - Appropriate funds for parking lot repairs at Palmer Chiropractic College (Allen Green Center)

**DEPARTMENT:** Finance

**GOAL:**

---

**RECOMMENDED MOTION:** Move to approve Budget Resolution No. 20-18.

---

**SUMMARY:** Appropriation of funds for the parking lot repairs at Palmer Chiropractic College (Allen Green Center.). This project was not in the original budget request for FY20. The project will mitigate future cost of a full repaving by expediting repairs and resurfacing where required. The contract is under \$25,000 threshold and the city manager will execute once funds are in place.

Project No.:    Funding Account No.:

Presenter: Scott Neils

---

**ATTACHMENTS:**

|    |                                          |                                                               |
|----|------------------------------------------|---------------------------------------------------------------|
| 1. | Budget Resolution No. 20-18 with exhibit | Bud Reso 20-18 Palmer Parking Lot Repairs CC 05-19-20 (1).pdf |
|----|------------------------------------------|---------------------------------------------------------------|

---

Kevin Fall  
Scott Neils  
Matthew Jones  
Jake Johansson  
Robin Fenwick

Created/Initiated - 5/1/2020  
Approved - 5/4/2020  
Approved - 5/8/2020  
Approved - 5/11/2020  
Final Approval - 5/11/2020

---

RESOLUTION NO. 20-18

A RESOLUTION OF THE CITY OF PORT ORANGE, VOLUSIA COUNTY, FLORIDA, APPROPRIATING OPERATING FUNDS FOR THE FISCAL YEAR 2020 BUDGET; TO DESIGNATE FUND BALANCE IN THE AMOUNT OF \$20,000 IN THE GENERAL FUND (001) AND APPROPRIATE FOR MAINTENANCE AND REPAIRS WORK OF THE ALLEN GREEN CENTER (PALMER CLINIC) PARKING LOT AND; SETTING FORTH REVENUES AND EXPENDITURES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, The City Council desires to designate and appropriate fund balance in the amount of \$20,000 in the General Fund (001) to cover estimated costs of maintenance and repairs of the leased property, Palmer College Main Clinic (Allen Green Center) including; seal coating and re-striping the parking lot; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT ORANGE, VOLUSIA COUNTY, FLORIDA:

Section 1. The funds for the City capital items are hereby appropriated as set forth in Composite Exhibit A, attached hereto, which reflects revenues and corresponding expenditures for the designated projects.

Section 2. The Budget item adopted in the preceding section shall govern the expenditures relating to such operations for the City during the current fiscal year effective October 1, 2019 through September 30, 2020.

Section 3. Supplemental appropriations, reductions of appropriations, emergency appropriations, and interdepartmental transfers of appropriations may be effected by the City Council and the City Manager as deemed necessary in strict

compliance with the procedures specified in Chapter 2, Article VI, Division 3, Code of Ordinances, City of Port Orange, Florida.

Section 4. This resolution shall become effective immediately upon adoption.

\_\_\_\_\_  
MAYOR DONALD O. BURNETTE

ATTEST:

\_\_\_\_\_  
Robin L. Fenwick, MMC City Clerk

Adopted on the \_\_\_\_\_ day of

Reviewed and Approved: \_\_\_\_\_  
Matthew J. Jones, City Attorney



**Composite Exhibit A**

**Resolution No. 20-XX**

**FY2020**      **General Fund - Fund 001**  
**Prepared:**    **April 29, 2020**  
**Finance:**      **Finance Staff**

**Budget  
Increase /  
(Decrease)**

**Revenues:**

Other Financing Sources - Appropriated Equity      20,000

**Total Revenues:**    \$    20,000

**Expenditures:**

Parks and Recreation - Maintenance and Repairs      20,000

**Total Expenditures:**    \$    20,000

To budget for the use of Fund Balance and appropriate funds for the Repair and Maintenance of the property leased by Palmer College (Allen Green Center) Work to be done includes Seal Coating and Re-striping of parking lot

**Information for Budget Amendment**

| Type                       | Cost Center          | Program | Ledger Acct Summary              | Rev / Spend Category    | Project | Amount        |
|----------------------------|----------------------|---------|----------------------------------|-------------------------|---------|---------------|
| Revenue                    | General Revenues     | Parks   | 380000 Other Financing Sources   | Appropriated Equity     | N/A     | 20,000        |
| <b>Total Revenues:</b>     |                      |         |                                  |                         |         | <b>20,000</b> |
| Expense                    | Parks and Recreation | Parks   | 530000 - Maintenance and Repairs | Grounds Maint & Repairs | N/A     | 20,000        |
| <b>Total Expenditures:</b> |                      |         |                                  |                         |         | <b>20,000</b> |



# CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 5/19/2020

Consent item: Yes

---

**SUBJECT:** (B10) Resolution No. 20-19 - Appropriate Funds for Land Purchase (3641 Ridgewood Ave)

**DEPARTMENT:** Finance

**GOAL:**

---

**RECOMMENDED MOTION:** Move to approve Budget Resolution No. 20-19.

---

**SUMMARY:** Budget Resolution appropriating general fund balance for the acquisition of real property located at 3641 Ridgewood Ave. (former Dave's Pest Control Site). The City Council desires to designate and appropriate fund balance in the amount of \$1,156,224 in the General Fund (001) to purchase the property located at 3641 Ridgewood Avenue. Land purchase transaction totaled \$1,161,224. Funds will be applied as follows: property purchase price of \$1,150,000 plus Settlement charges of \$11,224.00 less deposit of \$5,000 previously paid, for a total appropriation for the Land purchase of \$1,156,224.00.

Land will be held in Inventory for Sale.

Project No.: Funding Account No.:

Presenter: Scott Neils

---

**ATTACHMENTS:**

|    |                                          |                                                                   |
|----|------------------------------------------|-------------------------------------------------------------------|
| 1. | Budget Resolution No. 20-19 with exhibit | Bud Reso 20-19 Fund 001 - Purchase 3641 Ridgewood CC 05-19-20.pdf |
|----|------------------------------------------|-------------------------------------------------------------------|

---

Kevin Fall  
Scott Neils  
Lupe Reyna-Coffin  
Matthew Jones  
Jake Johansson  
Robin Fenwick

Created/Initiated - 5/1/2020  
Approved - 5/4/2020  
Approved - 5/4/2020  
Approved - 5/10/2020  
Approved - 5/11/2020  
Final Approval - 5/11/2020

---

RESOLUTION NO. 20-19

A RESOLUTION OF THE CITY OF PORT ORANGE, VOLUSIA COUNTY, FLORIDA, APPROPRIATING CAPITAL FUNDS FOR THE FISCAL YEAR 2020 BUDGET; TO DESIGNATE FUND BALANCE IN THE AMOUNT OF \$1,156,224, IN THE GENERAL FUND (001) AND APPROPRIATE TO CAPITAL OUTLAY FOR THE PURCHASE OF THE PROPERTY LOCATED AT 3641 RIDGEWOOD AVENUE AND; SETTING FORTH REVENUES AND EXPENDITURES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, The City Council desires to designate and appropriate fund balance in the amount of \$1,156,224 in the General Fund (001) to purchase the property located at 3641 Ridgewood Avenue. Funds will be used as follows: property purchase price \$1,150,000, plus Settlement charges \$11,224.00 for total Land purchase funds of \$1,161,224 less deposit paid \$5,000; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT ORANGE, VOLUSIA COUNTY, FLORIDA:

Section 1. The funds for the City capital items are hereby appropriated as set forth in Composite Exhibit A, attached hereto, which reflects revenues and corresponding expenditures for the designated projects.

Section 2. The Budget item adopted in the preceding section shall govern the expenditures relating to such operations for the City during the current fiscal year effective October 1, 2019 through September 30, 2020.

Section 3. Supplemental appropriations, reductions of appropriations, emergency appropriations, and interdepartmental transfers of appropriations may be effected by the City Council and the City Manager as deemed necessary in strict

compliance with the procedures specified in Chapter 2, Article VI, Division 3, Code of Ordinances, City of Port Orange, Florida.

Section 4. This resolution shall become effective immediately upon adoption.

\_\_\_\_\_  
MAYOR DONALD O. BURNETTE

ATTEST:

\_\_\_\_\_  
Robin L. Fenwick, MMC City Clerk

Adopted on the \_\_\_\_\_ day of

Reviewed and Approved: \_\_\_\_\_  
Matthew J. Jones, City Attorney

## Composite Exhibit A

## Resolution No. 20-XX

FY2020      General Fund - Fund 001  
 Prepared:    April 29, 2020  
 Finance:     Finance Staff

**Budget Increase /  
(Decrease)**

**Revenues:**

Other Financing Sources - Appropriated Equity 1,156,224

**Total Revenues:**    \$      1,156,224

**Expenditures:**

Capital Outlay - Land 1,156,224

**Total Expenditures:**    \$      1,156,224

To budget for the use of Fund Balance and appropriate funds for the purchase of property located at 3641 Ridgewood Avenue  
 Purchase price \$1,150,000  
 Settlement Cost \$11,223.50  
 Less: Deposit      (\$5,000.00)

**Information for Budget Amendment**

| Type                       | Cost Center      | Ledger Acct Summary            | Rev / Spend Category | Project | Amount           |
|----------------------------|------------------|--------------------------------|----------------------|---------|------------------|
| Revenue                    | General Revenues | 380000 Other Financing Sources | Appropriated Equity  | N/A     | 1,156,224        |
| <b>Total Revenues:</b>     |                  |                                |                      |         | <b>1,156,224</b> |
| Expense                    | City Manager     | 600000 - Capital Outlay        | Land                 | N/A     | 1,156,224        |
| <b>Total Expenditures:</b> |                  |                                |                      |         | <b>1,156,224</b> |



# CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 5/19/2020

Consent item: No

---

**SUBJECT:** (B11) Resolution No. 20-21 - Expressing the City's Support and Intention to Create a PACE Program

**DEPARTMENT:** City Manager

**GOAL:** 4 - Economic Development

---

**RECOMMENDED MOTION:** Move to approve Resolution No. 20-21.

---

**SUMMARY:** Staff is requesting Council adopt a resolution in support of and with the intent to create a Property Assessed Clean Energy Program (P.A.C.E. program) within its boundaries. Other cities and counties within Florida have created such programs and staff has worked with Edgewater, New Smyrna Beach and Oak Hill in researching this opportunity.

Essentially the PACE program allows property owners (commercial and residential) to finance energy efficiency and hardening improvements and pay for that financing on their tax bill through an assessment. In addition to providing another avenue to finance worthwhile projects on real property within the City, this program also contributes to the resiliency of the community. By providing another financial avenue to harden and/or increase energy efficiency, our residents and businesses will be better equipped to handle storms and economic swings in the future.

Once the program is in place, these companies educate contractors on the program. Contractors can then offer this financing as an option when owners are looking to harden their structure and/or make them more energy efficient. If an owner wants to move forward with the work, their information is forwarded back to the PACE companies that complete the transaction and make sure the owner understands the program before the work begins. If Council approves the resolution, agreements with the Florida Green Finance Authority, Florida PACE Funding Agency, Florida Resiliency and Energy District and the Green Corridor PACE District will follow this item for approval.

This item came before Council and was approved in September 2018, but was never completed or approved of by the PACE providers. The reason we are bringing this item back before Council is that the new resolution is significantly different (simplified) from its original version and much of the contractual language has been removed and will be covered in each individual agreement. Due to these changes, staff is requesting a new approval for this resolution.

Project No.: Funding Account No.:

Presenter: Alan Rosen



---

**ATTACHMENTS:**

|    |                  |                           |
|----|------------------|---------------------------|
| 1. | Resolution 20-21 | Reso 20-21 w exhibits.pdf |
|----|------------------|---------------------------|

---

Alan Rosen  
Shannon Balmer  
Jake Johansson  
Robin Fenwick

Created/Initiated - 3/6/2020  
Approved - 5/12/2020  
Approved - 5/12/2020  
Final Approval - 5/12/2020

---

## **RESOLUTION NO. 20-21**

**A RESOLUTION OF THE CITY OF PORT ORANGE, VOLUSIA COUNTY, FLORIDA, AMENDING AND RESTATING RESOLUTION NO. 18-23 RELATING TO ESTABLISHING A PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM WITHIN THE CORPORATE LIMITS OF THE CITY OF PORT ORANGE; DELEGATING AUTHORITY PURSUANT TO INTERLOCAL AGREEMENTS TO SEPARATE LEGAL ENTITIES CREATED PURSUANT TO SECTION 163.01(7), FLORIDA STATUTES, WHO SHALL HAVE ESTABLISHED AND WHO IMPLEMENT, FACILITATE AND ADMINISTER VOLUNTARY NON-AD VALOREM FINANCING FOR PRIVATE PROPERTY OWNERS TO IMPROVE THE REAL PROPERTY WITH QUALIFYING IMPROVEMENTS FOR ENERGY EFFICIENCY, RENEWABLE ENERGY AND WIND RESISTANCE IMPROVEMENTS; PROVIDING FOR CERTAIN TERMS AND CONDITIONS IN THE INTERLOCAL AGREEMENT; AUTHORIZING CERTAIN CITY OFFICIALS TO EXECUTE SAID AGREEMENTS; PROVIDING FOR IMPLEMENTING ADMINISTRATIVE ACTIONS; PROVIDING FOR SCRIVENER'S ERRORS; PROVIDING FOR CONFLICTING RESOLUTIONS; PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, Section 163.08, *Florida Statutes* (the "Supplemental Act") authorizes counties, municipalities, dependent special district as defined in Section 189.012, and separate legal entities created pursuant to Section 163.01(7), Florida Statutes to establish and administer financing programs pursuant to which an owner of real property may voluntarily obtain funding for energy conservation and efficiency, renewable energy, wind resistance improvements, and as otherwise defined in the Supplemental Act, hereinafter "Qualifying Improvements", and repay such funding through voluntary, special, non-ad valorem assessments ("Special Assessments") levied upon the improved property pursuant to financing agreements between the owner thereof and the local government, which includes a separate legal entity created pursuant to Section 163.01(7), Florida Statutes, hereinafter "Separate Legal Entity" and (collectively, "PACE Program"); and

**WHEREAS**, pursuant to the Supplemental Act and to references made herein, "Local government" means a county, municipality, dependent special district as defined in Section 189.012, and a separate legal entity created pursuant to Section 163.01(7), Florida Statutes; and

**WHEREAS**, the Supplemental Act, authorizes counties, municipalities, dependent special district as defined in Section 189.012, and Separate Legal Entities, defined hereinabove, to enter into interlocal agreements to establish and administer financing of a PACE Program; and

**WHEREAS**, the property owners may obtain financing and shall repay such funding by executing a financing agreement that is secured by the real property and authorizes a voluntary special assessment, including costs of the administration and

financing, that may be collected, as a non-ad valorem assessment ("Special Assessments"), that may be included on the real property tax bill, pursuant to financing agreements between the owner thereof and the Separate Legal Entity (the "Financing Agreements") pursuant to Section 197.3632 and as otherwise provided in Section 163.08(4);

**WHEREAS**, the Florida Green Finance Authority, the Florida PACE Funding Agency, the Green Corridor Property Assessment Clean Energy (PACE) District, and the Florida Resiliency and Energy District (collectively the "PACE Providers") are currently four (4) Separate Legal Entities within the State of Florida which were established by separate interlocal agreements for the express purpose of providing financing of Qualifying Improvements throughout Florida in accordance with the Supplemental Act; and

**WHEREAS**, the PACE Providers undertake and shall be responsible for all such acts as are necessary to provide a uniform and scalable statewide platform in Florida, so that when authorized by individual local governments, the PACE Providers can facilitate the provision, funding, and financing of Qualifying Improvements to Florida properties; and

**WHEREAS**, the PACE Providers have created the financing, levy and collection process to implement PACE Programs without cost to or assumption of liability by the City of Port Orange, or demand upon the credit of the City of Port Orange; and

**WHEREAS**, the City Council of the City of Port Orange (the "Council") finds that local needs and conditions reasonably warrant the establishment of each of the PACE providers non-exclusive PACE Programs within all areas of Port Orange as a direct and immediate means to non-exclusively implement Section 163.08, Florida Statutes; and

**WHEREAS**, the City of Port Orange by this Resolution No. 20-21 authorizes the Mayor and City Clerk (as referred to herein, the certain "City Officials") to collectively execute on behalf of the City, interlocal agreements with other local governments, including Separate Legal Entities, who have previously established a PACE Program for financing Qualifying Improvements pursuant to the Supplemental Act (as referred to herein, the "Interlocal Agreements"); and

**WHEREAS**, the Council deems it to be in the best interest of the citizens and residents of Port Orange to authorize the appropriate City Officials to execute, each of the referenced agreements, in substantially the forms attached hereto, to achieve the compelling State interests and public purposes described in the Supplemental Act.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF CITY OF PORT ORANGE, FLORIDA, AS FOLLOWS:**

**SECTION 1. LEGISLATIVE FINDINGS AND INTENT.** The foregoing recitals are incorporated in this Resolution as if fully set forth herein and are approved and adopted. The City Council has complied with all requirements and procedures of Florida law in processing this Resolution, by notice of its meeting.

**SECTION 2. ESTABLISHMENT OF PACE PROGRAM.** The City Council hereby authorizes the availability of a Property Assessed Clean Energy (PACE) Program within the City Limits of the City of Port Orange through the subsequent execution of interlocal agreements with other local governments as defined in Section 163.08(2)(a), in accordance with Section 163.08, Florida Statutes and as set forth herein.

**SECTION 3. AUTHORITY TO ADMINISTER THE PROVISION OF SERVICES, FUNDING, AND FINANCING OF QUALIFYING IMPROVEMENTS.** Upon the approval of this Resolution No. 20-21 together with the subsequent execution of an interlocal agreement consistent herewith, the Separate Local Government shall have all power and authority available under its charter and general law, including without limitation, Chapter 163, 189 and 197, Florida Statutes , and shall be deemed to be authorized and may be implemented within the boundaries of the City of Port Orange.

**SECTION 4. NON-EXCLUSIVE PARTY MEMBERSHIP AGREEMENT WITH THE FLORIDA GREEN FINANCE AUTHORITY.** The non-exclusive Party Membership Agreement between the City and the Florida Green Finance Authority (the "Party Membership Agreement"), in substantially the form attached hereto as **Exhibit "A-1"**, incorporated herein by reference, is hereby approved. The Mayor and City Clerk are authorized to execute the Party Membership Agreement on behalf of the City. A copy of the Interlocal Agreement between the Florida Green Finance Authority, the Town of Lantana and the Town of Mangonia Park, the First Amended and Restated Interlocal Agreement forming the Florida Green Finance Authority, and the Second Amended and Restated Interlocal Agreement forming the Florida Green Finance Authority are marked as **Exhibit "A-2"**, attached hereto and incorporated herein by reference.

**SECTION 5. NON-EXCLUSIVE INTERLOCAL AGREEMENT RELATING TO THE FUNDING AND FINANCING OF QUALIFYING IMPROVEMENTS BY THE FLORIDA PACE FUNDING AGENCY.** The Non-Exclusive Interlocal Agreement Relating to the Funding and Financing of Qualifying Improvements between the City and the Florida PACE Funding Agency (the "Non-Exclusive Interlocal Agreement"), in substantially the form attached hereto as **Exhibit "B-1"**, incorporated herein by reference, is hereby approved. The Mayor and City Clerk are authorized to execute the Non-Exclusive Interlocal Agreement on behalf of the City. A copy of the Amended and Restated Interlocal Agreement Relating to the Establishment of the Florida PACE Funding Agency is marked as **Exhibit "B-2"**, attached hereto and incorporated herein by reference.

**SECTION 6. NON-EXCLUSIVE MEMBERSHIP AGREEMENT WITH THE GREEN CORRIDOR PROPERTY ASSESSMENT CLEAN ENERGY (PACE) DISTRICT.** The non-exclusive Membership Agreement between the City and the Green Corridor Property Assessment Clean Energy (PACE) District (the "Membership Agreement"), in substantially the form attached hereto as **Exhibit "C-1"** and incorporated herein by reference, is approved. The Mayor and City Clerk are authorized and directed to execute the Membership Agreement on behalf of the City. A copy of the Amended and Restated Interlocal Agreement between the Town of Cutler

Bay, Village of Palmetto Bay, Village of Pinecrest, City of South Miami, Miami Shores Village, City of Coral Gables and City of Miami is marked as **Exhibit “C-2”**, attached hereto and incorporated herein by reference.

**SECTION 7. NON-EXCLUSIVE LIMITED PURPOSE PARTY MEMBERSHIP AGREEMENT WITH FLORIDA RESILIENCY AND ENERGY DISTRICT.** The non-exclusive Limited Purpose Party Membership Agreement between the City and the Florida Resiliency and Energy District (the “Limited Purpose Party Membership Agreement”), in substantially the form attached hereto as **Exhibit “D-1”**, and incorporated herein by reference, is approved. The Mayor and City Clerk are authorized to execute the Limited Purpose Party Membership Agreement on behalf of the City. A copy of the Interlocal Agreement Relating to the Creation of the Florida Resiliency and Energy District and the Amended and Restated Agreement Relating to the Creation of the Florida Resiliency and Energy District is marked **Exhibit “D-2”**, attached hereto and incorporated herein by reference.

**SECTION 8. FINANCING AGREEMENTS.** The Separate Legal Entity shall prepare and provide to each participating property owner the form of the Financing Agreement which complies with the Supplemental Act and is in accordance with the financing documents as designated by the Separate Local Government governing body from time to time.

The Separate Legal Entity, not the City of Port Orange, shall be solely responsible for all matters associated with origination, funding, financing, collection and administration of each of the Separate Local Government’s authorized non-ad valorem assessments.

**SECTION 9. PROGRAM BOUNDARIES.** The provisions of this Resolution shall include the legal boundaries of the City of Port Orange, Florida, unless in conflict with or repealed by a municipal ordinance. The intention of the City Council being to allow for multiple non-exclusive service opportunities to interested private property owners, so that all property owners have a wide variety of competitive choices from qualified local governments. Nothing in this resolution shall be construed as excluding the city from creating an additional, separate or standalone program at any time.

**SECTION 10. AUTHORIZATION FOR EXECUTION OF INTERLOCAL AGREEMENT.** The City Council hereby authorizes and delegates to the Mayor and City Clerk on behalf of the City of Port Orange to execute interlocal agreements consistent with this Resolution No. 20-21.

**SECTION 11. SEVERABILITY.** If any one or more of the provisions of this Resolution shall for any reason be held illegal or invalid, such illegality or invalidity shall not affect any other provision contained herein.

**SECTION 12. IMPLEMENTING ADMINISTRATIVE ACTIONS.** The City Manager is hereby authorized and directed to take such actions as he may deem necessary and appropriate to implement the provisions of this Resolution. The City Manager may, as deemed appropriate, necessary and convenient, delegate the powers

of implementation as herein set forth to such City employees as deemed effectual and prudent.

**SECTION 13. SCRIVENER'S ERRORS.** Typographical errors and other matters of a similar nature that do not affect the intent of this Resolution, as determined by the City Clerk and City Attorney, may be corrected.

**SECTION 14. CONFLICTS.** All Resolutions or parts of Resolutions in conflict with any of the provisions of this Resolution are hereby repealed.

**SECTION 15. SUPERSEDES.** Resolution No. 18-23 is hereby amended and superseded by this Resolution No. 20-21.

**SECTION 16. EFFECTIVE DATE.** This Resolution No. 20-21 shall become effective immediately upon its passage and adoption.

\_\_\_\_\_  
MAYOR DONALD O. BURNETTE

ATTEST:

\_\_\_\_\_  
Robin L. Fenwick, MMC, City Clerk

Adopted on the       day of

Reviewed and Approved: \_\_\_\_\_  
Shannon K. Balmer, Assistant City Attorney



## **Exhibit A-1**

### **Party Membership Agreement To The Florida Green Finance Authority**

**WHEREAS**, Section 163.01, F.S., the “Florida Interlocal Cooperation Act of 1969,” authorizes local government units to enter into interlocal agreements for their mutual benefit; and

**WHEREAS**, the Town of Lantana, Florida, a Florida municipal corporation ("Lantana") and the Town of Mangonia Park, Florida, a Florida municipal corporation, ("Mangonia Park") entered into an Interlocal Agreement, dated June 11, 2012, first amended on August 11, 2014 and second amended on April 7, 2016 with document execution May 9, 2016, establishing the Florida Green Finance Authority as a means of implementing and financing a qualifying improvements program for energy and water conservation and efficiency, renewable energy and wind-resistance improvements, and to provide additional services consistent with law; and

**WHEREAS**, the City of Port Orange on May 19, 2020 adopted Resolution No. 20-21 and established the terms for the City’s participation in the program of the Florida Green Finance Authority to facilitate the financing of qualifying improvements for properties located within the City of Port Orange.

**NOW, THEREFORE**, it is agreed as follows:

1. The Interlocal Agreement between the Florida Green Finance Authority, the Town of Lantana and the Town of Mangonia Park, entered into on June 11, 2012 and as amended on August 11, 2014 and April 7, 2016 with document execution May 9, 2016 (the “Interlocal Agreement”), for the purpose of facilitating the financing of qualifying improvements for properties located within the Authority’s jurisdiction via the levy and collection of voluntary non-ad valorem assessments on improved property, is hereby supplemented and amended on the date last signed below by this Party Membership Agreement, which is hereby fully incorporated into the Interlocal Agreement, to include the City of Port Orange.
2. The Florida Green Finance Authority, together with its member Parties, and the City of Port Orange, with the intent to be bound thereto, hereby agree that the City of Port Orange shall become a Party to the Interlocal Agreement together with all of the rights and obligations of Parties to the Interlocal Agreement and as set forth in Resolution No. 20-21, incorporated herein as if fully set forth in this Agreement.
3. The Service Area of the Florida Green Finance Authority shall include the legal boundaries of the City of Port Orange, as the same may be more specifically designated by the City of Port Orange or amended from time to time.
4. The City of Port Orange designates the following as the respective place for any notices to be given pursuant to the Interlocal Agreement Section 27:

City of Port Orange:

Attn: M.H. Johansson, City Manager  
1000 City Center Circle,

Port Orange, FL 32129

With a copy to:

Matthew J. Jones, City Attorney  
1000 City Center Circle,  
Port Orange, FL 32129

5. This Party Membership Agreement shall be recorded by the Authority with the Clerk of the Court in the Public Records of Palm Beach County and Volusia County as an amendment to the Interlocal Agreement and recorded in the public records of the City of Port Orange, in accordance with Section 163.01(11), Florida Statutes.

6. Termination of this Agreement may occur with 10 days' written notice, and at the end of the 10-day period, this Agreement shall be automatically terminated and the Authority will not accept any new applications. Any projects related to applications received before the end of the 10-day period shall be permitted to be completed.

**IN WITNESS WHEREOF**, the Parties hereto subscribe their names to this Interlocal Agreement by their duly authorized officers.

ATTEST:

**The Florida Green Finance Authority**, a separate legal entity established pursuant to Section 163.01(7), Florida Statutes

By: \_\_\_\_\_  
Secretary of the Authority

By: \_\_\_\_\_  
Chair of the Authority

Approved by Authority Attorney  
as to form and legal sufficiency

By: \_\_\_\_\_  
Authority Attorney

ATTEST:

CITY OF PORT ORANGE

\_\_\_\_\_  
Robin L. Fenwick, MMC, City Clerk

By: \_\_\_\_\_  
Donald O. Burnette, Mayor

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

{SEAL}

Approved as to form:

By: \_\_\_\_\_  
Shannon K. Balmer, Assistant City Attorney

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

## Exhibit A-2



CFN 20160434320

### SECOND AMENDED AND RESTATED INTERLOCAL AGREEMENT FORMING THE FLORIDA GREEN FINANCE AUTHORITY

CR BK 28757 PG 0813  
RECORDED 12/09/2016 08:25:44  
Palm Beach County, Florida  
Sharon R. Bock, CLERK & COMPTROLLER  
Pgs 0813 - 858 (46pgs)

This Interlocal Agreement (the "Agreement") is entered into between the Town of Lantana, Florida, a Florida municipal corporation ("Lantana") the Town of Mangonia Park, Florida, a Florida municipal corporation, ("Mangonia Park") (together the "Originating Parties") and those additional cities and counties that have and hereafter execute a Party Membership Agreement as defined herein, (the "Additional Parties") and that altogether comprise the Florida Green Finance Authority (the "Authority").

#### RECITALS

**WHEREAS**, Section 163.01, F.S., the "Florida Interlocal Cooperation Act of 1969," authorizes local government units to enter into interlocal agreements for their mutual benefit; and

**WHEREAS**, Lantana and Mangonia Park with the Additional Parties desire to enter into this Interlocal Agreement in order to establish the Florida Green Finance Authority as a means of implementing and financing a qualifying improvements program for energy conservation and efficiency improvements, and to provide additional services consistent with law; and

**WHEREAS**, Section 163.08, F.S., provides that a local government may finance "qualifying improvements," including the type of improvements sought to be provided through this Agreement, via the levy and collection of voluntary non-ad valorem assessments on improved property; and

**WHEREAS**, Sections 170.01, and 170.201, F.S. provide for supplemental and alternative methods of making local municipal improvements, including the type of "qualifying improvements" sought to be provided by this Agreement; and

**WHEREAS**, pursuant to Sections 163.08, 170.01, and 170.201, F.S. and this Agreement, Lantana has created a "qualifying improvements" program entitled "RenewPACE"; and

**WHEREAS**, Section 163.01(7), F.S., allows for the creation of a "separate legal or administrative entity" to carry out the purposes of an interlocal agreement for the mutual benefit of the governmental units, and provide for parties to the agreement to administer the agreement; and

**WHEREAS**, pursuant to Section 163.01(4), F.S. a public agency of this state may exercise jointly with any other public agency of the state, any power, privilege or authority which such agencies share in common and which each might exercise separately, and the Parties to this Agreement have legislative authority over property within their jurisdictional boundaries; and

**WHEREAS**, Section 166.021, F.S., authorizes municipalities to exercise any power for municipal purposes, except when expressly prohibited by law, and Section 125.01 F.S. grants

counties the power to carry on county government to the extent not inconsistent with general or special law; and

**WHEREAS**, Section 163.08, F.S., provides that property retrofitted with energy-related “qualifying improvements” receives a special benefit from reduced energy consumption, benefits from the reduced potential for wind damage and assists in the fulfillment of the state’s energy and hurricane mitigation policies; and

**WHEREAS**, Lantana and Mangonia Park together with the Additional Parties have determined that it is necessary and appropriate to establish various obligations for future cooperation between themselves and the Authority related to the financing of qualifying improvements within the Authority; and

**WHEREAS**, this Agreement shall be administered pursuant to the terms and conditions herein; and

**WHEREAS**, Lantana, Mangonia Park and the Additional Parties have determined that it shall serve the public interest to enter into this Agreement to make the most efficient use of their powers by enabling them to cooperate on a basis of mutual advantage to provide for the financing of qualifying improvements within the Authority.

**NOW, THEREFORE**, in consideration of the terms and conditions, promises and covenants hereinafter set forth, the Originating Parties agree as follows:

**Section 1.**     Recitals Incorporated.     The above recitals are true and correct and are hereby incorporated herein.

**Section 2.**     Purpose.     The purpose of this Agreement is to provide the most economic and efficient means of implementing a financing program for qualifying improvements on property owners’ lands within the Authority’s Service Area and to provide additional services consistent with state law.

**Section 3.**     Creation of the Authority.     By execution of this Interlocal Agreement there is hereby created, pursuant to Section 163.01, F.S. and Section 163.08, F.S., the Florida Green Finance Authority (“the Authority”), a separate legal entity and public body with all of the powers and privileges as defined herein.

**Section 4.**     Legal Authority/Consent to Serve the Authority.     The Authority shall have all the powers, privileges and authority as set forth below and as provided by Chapter 163, F.S., as necessary to accomplish the purposes set forth in this Agreement. By resolution of the governing bodies of the Originating Parties and as subsequently resolved by the Additional Parties, all powers available to the Authority under this Agreement and general law, including but not limited to, Chapters 125, 163, 166, 170, 189 and 197, F.S. may be implemented by the Authority within the jurisdictional boundaries of all Parties. The Parties do hereby consent and agree to levy and collect voluntary non-ad valorem assessments on properties, either individually or collectively through the Authority as permitted by law, as may be more specifically



designated from time-to-time within their respective jurisdictions in accordance with the purposes of this Agreement and applicable law, to be repaid to the Authority. The Parties may also delegate the power to the Authority to levy and collect voluntary non-ad valorem assessments on properties within their jurisdictions as permitted by law. The Authority shall not act, provide its services or conduct its activities within any Party's jurisdiction without the execution of this Agreement and passage of a Resolution within that jurisdiction.

**Section 5.**     Definitions.

- a.     **"Additional Parties"** includes all cities and counties who execute a Party Membership Agreement to become part of the Authority.
- b.     **"Authority Board"** shall be the governing body of the Authority, comprised of representatives from all Parties as defined herein.
- c.     **"RenewPACE Program"** is the qualifying improvements program authorized by Section 163.08, F.S., developed by the third party administrator for Lantana and other Parties who elect to participate.
- d.     **"Interlocal Agreement" or "Agreement"** is defined as this Agreement including any amendments and supplements executed in accordance with the terms herein.
- e.     **"Originating Parties"** include the Florida local governments (as defined by Section 163.08, F.S.) that are the original signatories to this Agreement. These are the Towns of Lantana and Mangonia Park.
- f.     **"Participating Property Owner"** is defined as a property owner whose property is located within the Service Area of the Authority and has voluntarily acquired financing from the Authority.
- g.     **"Parties"** are any Florida local government (as defined by Section 163.08, F. S.) having the power to enter into interlocal agreements and which may, subject to the provisions of this Agreement, join in the efforts and activities provided for by this Agreement pursuant to Section 163.01, F.S. Any local government joining these efforts after the initial execution of this Agreement shall be known as an "Additional Party" or simply a "Party". To become a Party to this Agreement, a local government shall execute a Party Membership Agreement to the Florida Green Finance Authority in substantially similar form as the attached Exhibit B and passage of a Resolution within that jurisdiction.
- h.     **"Qualifying Improvements"** are as defined in Section 163.08, F.S. in addition to any other improvements or services not inconsistent with state law.
- i.     **"Service Area"** shall mean the geographic area comprising all of the jurisdictional boundaries of the Parties, except as such jurisdictional boundaries may be limited, expanded or more specifically designated, in writing with notice provided, from time to time by such Party or Parties, within the Florida Green Finance Authority as that area may be expanded or contracted in accordance with the provisions of this Agreement and the laws of the State of Florida.

**Section 6.**     Representation on the Authority Board. The Originating Parties, and all Additional Parties upon joining the Authority through execution of this Agreement, shall be represented by a member of the Authority Board as provided in Section 10 of this Agreement.

**Section 7.**     Authority Boundaries and Service Area. The boundaries of the Authority shall be the legal boundaries of the local governments that are Parties to this Agreement, which boundaries may be limited, expanded or more specifically designated, in writing with notice provided, from time to time by a Party. This is also the Authority's Service Area.

**Section 8.**     Role of the Authority. As contemplated in this Agreement, the Authority will uniformly facilitate and assist the Parties with any necessary actions to levy and collect voluntary non-ad valorem assessments, or other legally authorized form of collection, on the benefitted properties within the Authority's Service Area and with securing the repayment of costs of qualifying improvements for those individual properties participating in the RenewPACE Program. Upon approval by the Authority of an application by a landowner desiring to benefit their property, those properties receiving financing for Qualifying Improvements shall be assessed from time to time, in accordance with the applicable law and/or financing documents. Notwithstanding a local government's termination of participation within this Agreement, those properties that have received financing for Qualifying Improvements shall continue to be a part of the Authority, until such time that all outstanding debt has been satisfied and the special assessments shall continue to be levied until paid in full for the applicable benefitted property.

**Section 9.**     Powers of the Authority. The Authority shall exercise any or all of the powers granted under Sections 163.01, and 163.08, F.S., as well as powers, privileges or authorities which each local government might exercise separately, as may be amended from time to time, which include, without limitation, the following:

- a. To finance qualifying improvements within the Authority Service Area and to facilitate additional improvements or services consistent with law; including, but not limited to, acquiring, constructing, managing, maintaining or operating buildings, works or improvements;
- b. To make and enter into contracts in its own name;
- c. To enter into any interlocal agreement as necessary to exercise powers conferred by law;
- d. To appoint committees to assist with implementation of this Agreement;
- e. To employ agencies, employees, or consultants;
- f. To acquire, hold, lease or dispose of real or personal property;
- g. To borrow money, incur debts, liabilities, or obligations which shall not constitute the debts, liabilities, or obligations of the Originating Parties or any of the Parties to this Agreement;
- h. To levy and collect assessments, or assist in the levy and collection of assessments, either as the Authority or on behalf of a Party as permitted by law;
- i. To adopt resolutions and policies prescribing the powers, duties, and functions of the officers of the Authority, the conduct of the business of the Authority, and the maintenance of records and documents of the Authority;
- j. To maintain an office at such place or places as it may designate within the Service Area of the Authority or within the boundaries of a Party;
- k. To cooperate with or contract with other governmental agencies as may be necessary, convenient, incidental, or proper in connection with any of the powers,



duties, or purposes authorized by Section 163.08, F.S., and to accept funding from local and state agencies;

- l.** To exercise all powers necessary, convenient, incidental, or proper in connection with any of the powers, duties, or purposes authorized in Section 163.08, F. S.;
- m.** To create and adopt any and all necessary operating procedures, policies, manuals or bylaws;
- n.** To maintain insurance as the Authority deems appropriate;
- o.** To apply for, request, receive and accept gifts, grants, or assistance funds from any lawful source to support any activity authorized under this Agreement; and
- p.** To exercise any powers or duties necessary to address carbon or renewable energy credits, or any other similar commodity that may come into existence, for the public benefits of the program.

**Section 10.** Authority Board. The Authority shall be governed by a seven (7) member Board of Directors. Only Parties, through their governing bodies, may appoint representatives to serve as an Authority Board Director.

- a.** Initial Board Composition. The Initial Board shall be comprised of one Director appointed by the governing body of each Originating Party plus five (5) additional Directors to be appointed by the governing bodies of Additional Parties that join the Authority pursuant to paragraph b.1) below. Upon expiration of their terms as set forth in subparagraph c. of this section, the Initial Board seats shall be filled in the manner set forth below in subparagraph b. of this section.
- b.** Rules of Appointment. To encourage broad geographical and diverse jurisdictional representation across the State, the Authority desires Directors from local governments both large and small, including cities and counties representative of the diverse participating regions from throughout the State of Florida. To the extent that their application is practical, in terms of being able to establish a quorum of Directors to conduct Authority business and in terms of the actual breadth of the Authority's Party membership at any given time, the following rules of appointment shall apply to the selection of Directors:

  - 1) Geographic Diversity. To the extent that the Authority has party members in each such boundary area, and to the extent practical, one (1) Director shall be appointed from among the Parties located within the boundaries of each of the five (5) water management districts as defined in Chapter 373, F.S. Additionally, following the expiration of the Initial Board term limit, and to the extent practical, no more than three Directors from Parties located within the same water management district boundary should be seated to serve at the same time.
  - 2) Population Diversity. To the extent practical, the Board shall include one Director from a Party having a population of 500,000 or more residents. To the extent practical, the Board shall also include one Director from a Party having a population of less than 20,000 residents.

- 3) City and County Representation. To the extent practical, the Board shall be comprised of Directors representing at least three (3) cities and representing at least three (3) counties.
  - 4) Originating Party Directors; At Large Directors. Each Originating Party is entitled to a permanent Director seat at all times. In the event that an Originating Party does not appoint its Director, such seat shall become an “at-large” seat. The Board may include up to two (2) At Large Directors. When an at-large Director seat is established and becomes available, any Party that does not already have a representative on the Board may nominate a representative to be considered for an At Large Director seat. At Large Director seats shall each be filled by majority vote of the other five (5) Directors. When selecting an At Large Director from among the representative nominees, the Board shall consider the geographic, population, and county/municipal factors stated in the Rules of Appointment, together with the Order of Appointment set forth in paragraph b.5) as well as any other factors that they believe to be relevant in order to achieve and/or maintain diversity on the Board.
  - 5) Order of Appointment. As Additional Parties join the Authority, their governing body receives the right (but not the obligation) to appoint a Board member on a “first come-first served” basis, within the parameters of paragraphs b.1) through b.4) above. A Party who has a sitting Director may substitute that Director for another one from that local government jurisdiction any time upon notification to the Authority to serve out the remainder of a term. Each Party’s right resets either after expiration of their Board Term, or after the Party is given the option of appointing a representative to the Board and chooses not to do so except for the Originating Party Directors as specified in paragraph b.4)..
  - 6) Expertise of Directors. Parties shall strive to appoint Directors with expertise in finance, administration and/or special assessments.
- c. Director Term Limits. All Board of Director terms shall be three (3) years. However, in the event that successor Directors are not appointed to serve pursuant to the parameters of paragraphs b.1) through b.4) above, then the term limited Director may serve additional terms until a successor is appointed at the end of any such additional term.
- d. Officers. The Board shall be governed by a Chair, a Vice Chair, a Secretary and a Treasurer. The Chair shall preside at meetings of the Authority, and shall be recognized as head of the Authority for service of process, execution of contracts and other documents as approved by the Authority. The Vice Chair shall act as Chair during the absence or disability of the Chair. The Secretary, which officer role may be delegated to a member of Staff, shall keep all meeting minutes and a record of all proceedings and acts of the Board and shall be responsible for ensuring that Board meeting minutes are distributed to all Directors and Parties in



a reasonable time period after the subject meeting. The Treasurer, which officer role may be delegated to a member of Staff, shall be responsible for managing and presenting the Authority Budget. The Chair and Vice-Chair shall be elected from the current Board membership and all officer terms shall be set as one (1) year terms and shall commence on October 1<sup>st</sup> of each year. The Board shall re-organize no later than September 30 for the subsequent fiscal year.

- e. Board Powers and Duties. The Authority Board shall act as the governing body of the Authority and shall have, in addition to all other powers and duties described herein, the following powers and duties:

- 1) To fix the time, and determine policies and orders of business for meetings, the place or places at which its meeting shall be held, and as set forth herein, to call and hold special meetings as may be necessary.
- 2) To make and pass policies, regulations, resolutions and orders not inconsistent with the Constitution of the United States or of the State of Florida, or the provisions of this Agreement, as may be necessary for the governance and management of the affairs of the Authority, for the execution of the powers, obligations and responsibilities vested in the Authority, and for carrying into effect the provisions of this Agreement.
- 3) To adopt bylaws or rules of procedure, or amend those initially adopted by the Originating Parties.
- 4) To fix the location of the principal place of business of the Authority and the location of all offices maintained thereunder.
- 5) To create any and all necessary offices in addition to Chair, Vice-Chair, Secretary and Treasurer; to establish the powers, duties and compensation of all employees or contractors; and to require and fix the amount of all non-ad valorem assessments and/or fees necessary to operate the RenewPACE Program.
- 6) To select and employ such employees and executive officers as the Authority Board deems necessary or desirable, and to set their compensation and duties.
- 7) To employ or hire such attorneys as it deems appropriate to provide legal advice and/or legal services to the Authority, and to employ and hire such other consultants as it deems appropriate through any procedure not inconsistent with law.
- 8) As applicable and available, nothing herein shall limit the Authority's ability to pursue actions or remedies pursuant to Chapter 120, F.S.

- f. Resignation. Any Director may resign from service upon providing at least thirty (30) days written notice pursuant to Section 27 of this Agreement, to the Authority Board Secretary. Such notice shall state the date said resignation shall take effect. Additionally, any Authority Board Director who is absent for three (3) Authority Board meetings within any given year, unless excused by majority vote of the Board, may, at the discretion of the Board, be deemed to have resigned

from the Authority Board. Any Director who resigns shall be replaced in accordance with the Rules of Appointment set forth in subparagraph (b) above. Any resigning Director shall immediately turn over and deliver to the Authority Board Secretary all records, books, documents or other Authority property in their possession or under their control. If extenuating circumstances require appointment of an interim Director necessary to enable the Authority to operate, an interim Director may be appointed by majority vote of the Authority Board until such time as a permanent successor can be seated.

- g. Board Compensation; Expenses. Authority Board Directors, as representatives of the local government Parties to this Agreement, shall serve without compensation. Reasonable travel or Authority-related expenses for Authority Board Directors shall be reimbursable as permitted by Florida law.

**Section 11.**    Meetings of the Authority Board.

- a. Within thirty (30) calendar days of the creation of the Authority, or sooner if feasible, the Originating Parties shall hold an organizational meeting to appoint officers and perform other duties as required under this Agreement.
- b. There shall be an Annual Meeting of the Authority. The annual statements shall be presented, and any other such matter as the Authority Board deems appropriate may be considered.
- c. The Authority Board shall have regular, noticed, quarterly meetings at such times and places as the Authority Board may designate or prescribe. In addition, special meetings may be called, from time to time, by the Authority Board Chair, or by a majority vote of the Authority Board. A minimum of 24 hours notice to the public and all Authority Board Directors shall be given for any special meetings.
- d. In the absence of specific rules of procedure adopted by the Authority Board for the conduct of its meetings, the fundamental principles of parliamentary procedure shall be relied upon for the orderly conduct of all Authority Board meetings.

**Section 12.**    Decisions of the Authority Board. A quorum of the Authority Board shall be required to be present at any meeting in order for official action to be taken by the Board. A majority of all Authority Board Directors shall constitute a quorum. A quorum may be established by both in person attendance and attendance through communications media technology, as allowed by state law, and pursuant to policy adopted by the Board. It is the desire and intent of this Agreement that decisions made by the Authority Board shall be by consensus of the Board. However, if a consensus is not achievable in any particular instance, then a majority vote of the quorum of the Authority Board shall be required to adopt any measure or approve any action, unless otherwise provided herein.

**Section 13.**    Authority Staff and Attorney. The Authority's administrative functions shall be carried out on a day-to-day basis by the Third-Party Administrator and its subcontractors in accordance with the Administration Services Agreement attached as Exhibit A, as it may be updated and amended from time to time noticed to all Parties to this Agreement. The Third-Party Administrator shall be delegated with all duties necessary for the conduct of the



Authority's business and be delegated with the exercise of the powers of the Authority as provided in Section 163.01 and Section 163.08, F.S. The Authority may also hire legal counsel to serve as its General Counsel.

**Section 14. Authorized Official.** The Authority Board Chair or its designee shall serve as the local official or designee who is authorized to enter into a financing agreement, pursuant to Section 163.08(8), F.S., with property owner(s) who obtain financing through the Authority.

**Section 15. Additional Parties.** With the express goal of expanding to offer services to all Florida local governments, the Originating Parties to this Agreement support and encourage the participation of Additional Parties as contemplated herein.

**Section 16. Funding the Initial Program.** Funding for the Authority shall initially be from grant funds or other funds acquired by the Originating Parties and/or Additional Parties. For the initial establishment of the Authority, contributions can be made to the Authority as permitted by law.

**Section 17. Debts of the Authority are Not Obligations of any Parties.** Pursuant to Section 163.01(7), F.S. the Authority may exercise all powers in connection with the authorization, issuance, and sale of bonds or other legally authorized mechanisms of finance. Any debts, liabilities, or obligations of the Authority do not constitute debts, liabilities or obligations of the Originating Parties or any Additional Party to this Agreement. Neither this Agreement nor the bonds issued to further the program shall be deemed to constitute a general debt, liability, or obligation of or a pledge of the faith and credit of any other Party to this Agreement. The issuance of bonds as contemplated by this Agreement shall not directly, indirectly, or contingently obligate any Party to this Agreement to levy or to pledge any form of taxation whatsoever therefore, or to make any appropriation for their payment.

**Section 18. Annual Budget.**

- a. Prior to the beginning of the Authority's fiscal year, the Authority Board will adopt an annual budget. Such budget shall be prepared in the manner and within the time period required for the adoption of a tentative and final budget for state governmental agencies pursuant to general law. The Authority's annual budget shall contain an estimate of receipts by source and an itemized estimation of expenditures anticipated to be incurred to meet the financial needs and obligations of the Authority.
- b. The adopted Budget shall be the operating and fiscal guide for the Authority for the ensuing Fiscal Year.
- c. The Board may from time to time amend the Budget at any duly called regular or special meeting.

**Section 19. Reports.**

- a. **Financial reports:** The Authority shall provide financial reports in such form and in such manner as prescribed pursuant to this Agreement and Chapter 218,

F.S. Both quarterly and annual financial reports of the Authority shall be completed in accordance with generally accepted Government Auditing Standards by an independent certified public accountant. At a minimum, the quarterly and annual reports shall include a balance sheet, a statement of revenues, expenditures and changes in fund equity and combining statements prepared in accordance with generally accepted accounting principles.

- b. **Operational reports:** The Authority Board shall cause to be made at least once every year a comprehensive report of its operations including all matters relating to fees, costs, projects financed and status of all funds and accounts.
- c. **Audits:** The Authority shall be subject to, and shall cause to be conducted: (i) an independent financial audit and (ii) an independent performance audit performed in accordance with generally accepted accounting practices and as applicable by state law.
- d. **Reports to be public records:** All reports, as well as supporting documentation such as, but not limited to, construction, financial, correspondence, instructions, memoranda, bid estimate sheets, proposal documentation, back charge documentation, canceled checks, and other related records produced and maintained by the Authority, its employees and consultants shall be deemed public records pursuant to Chapter 119, F.S., and shall be made available for audit, review or copying by any person upon reasonable notice.

**Section 20. Bonds.** The Authority Board is authorized to provide, from time to time, for the issuance of bonds, or other legally authorized form of finance, to pay all or part of the cost of qualifying improvements in accordance with law.

**Section 21. Schedule of Rates and Fees.**

- a. Upon the creation of the Authority as set forth in this Agreement, the Authority Board shall establish a schedule of rates, fees or other charges for the purpose of making the Authority a self-sustaining district. There shall not be any obligation on the part of the Originating Parties or any Additional Parties for financing contributions. The Authority shall not be authorized to create or distribute a profit. This shall not, however, prevent the Authority from establishing reserves for unanticipated expenses or for future projects in keeping with sound, prudent and reasonable operation of the Program within industry standards or from fulfilling any other requirements imposed by bond financings, other financial obligations or law. Nor shall this prevent the Authority from incurring costs such as professional fees and other costs necessary to accomplish its purpose. The Authority Board shall fix the initial schedule of rates, fees or other charges for the use of and the services to operate the RenewPACE Program to be paid by each participating property owner consistent with Section 163.08(4), F.S.
- b. The Authority Board may revise the schedule of rates, fees or other charges from time to time; provided however, that such rates, fees or charges shall be so fixed and revised so as to provide sums, which with other funds available for such purposes, shall be sufficient at all times to pay the expenses of operating and maintaining the RenewPACE Program. This shall include any required reserves



for such purposes, the principal of and interest on bonds, or other financing method, as the same shall become due, and to provide a margin of safety over and above the total amount of any such payments, and to comply fully with any covenants contained in the proceedings authorizing the issuance of any bonds or other obligations of the Authority.

- c. The rates, fees or other charges set pursuant to this section shall be just and equitable and uniform for users and, where appropriate, may be based upon the size and scope of the financial obligation undertaken by a Participating Property Owner. All such rates, fees or charges shall be applied in a non-discretionary manner with respect to the Participating Property Owner's geographical location within the Authority's Service Area. No rates, fees or charges shall be fixed or subsequently amended under the foregoing provisions until after a public hearing at which all the potential participants in the Program, and other interested persons, shall have an opportunity to be heard concerning the proposed rates, fees or other charges. Notice of such public hearing setting forth the proposed schedule or schedules of rates, fees or other charges shall be provided in accordance with Chapter 163 and Chapter 197, F.S.
- d. The Authority shall charge and collect such rates, fees or other charges so fixed or revised, and such rates, fees and other charges shall not be subject to the supervision or regulation by any other commission, board, bureau, agency or other political subdivision or agency of the county or state.
- e. In the event that any assessed fees, rates or other charges for the services and financing provided by the Authority to Participating Property Owners shall not be paid as and when due, any unpaid balance thereof, and all interest accruing thereon, shall be a lien on any parcel or property affected or improved thereby. Pursuant to Section 163.08(8), F.S., such lien shall constitute a lien of equal dignity to county taxes and assessments from the date of recordation. In the event that any such fee, rate or charge shall not be paid as and when due and shall be in default for thirty (30) days or more, the unpaid balance thereof, and all interest accrued thereon, together with attorney's fees and costs, may be recovered by the Authority in a civil action, and any such lien and accrued interest may be foreclosed and otherwise enforced by the Authority by action or suit in equity as for the foreclosure of a mortgage on real property.

**Section 22.** Disbursements. Disbursements made on behalf of the Authority shall be made by checks drawn on the accounts of the Authority.

**Section 23.** Procurement; Program Implementation and Administration. The Authority shall be administered and operated by a Third Party Administrator ("TPA") who shall be responsible for providing services to the Authority for the design, implementation and administration of the RenewPACE Program. The Originating Parties and all Additional Parties understand and acknowledge, and the Town of Lantana represents and warrants that, the procurement for the initial TPA was performed in accordance with its adopted procurement procedures. Pursuant to said procurement procedures, "EcoCity Partners, L3C" was hired as the TPA. The "Florida Green Energy Works Program Administration Services Agreement" between Lantana and EcoCity Partners, L3C is attached hereto as Exhibit 1 and is hereby incorporated by

reference. The initial Florida Green Energy Works Program Administration Services Agreement, as amended, was assigned by the Authority to Renewable Funding LLC on March 10, 2016..

**Section 24.** Term. This Interlocal Agreement shall remain in full force and effect from the date of its execution by the Originating Parties until such time as there is unanimous agreement of the Authority Board to dissolve the Authority. Notwithstanding the foregoing, dissolution of the Authority cannot occur unless and until any and all outstanding obligations are repaid; provided, however, that any Party may terminate its involvement and its participation in this Interlocal Agreement upon thirty (30) days' written notice to the other Parties. Should a Party terminate its participation in this Interlocal Agreement, be dissolved, abolished, or otherwise cease to exist, this Interlocal Agreement shall continue until such time as all remaining Parties agree to dissolve the Authority and all special assessments levied upon Participating Property Owners properties have been paid in full.

**Section 25.** Consent. The execution of this Interlocal Agreement, as authorized by the government body of the Originating Parties and any Additional Party shall be considered the Parties' consent to the creation of the Authority as required by Sections 163.01 and 163.08, F.S.

**Section 26.** Limits of Liability.

- a. All of the privileges and immunities from liability and exemptions from law, ordinances and rules which apply to municipalities and counties of this state pursuant to Florida law shall equally apply to the Authority. Likewise, all of the privileges and immunities from liability; exemptions from laws, ordinances and rules which apply to the activity of officers, agents, or employees of counties and municipalities of this state pursuant to Florida law shall equally apply to the officers, agents or employees of the Authority.
- b. The Originating Parties and all Additional Parties to this Agreement shall each be individually and separately liable and responsible for the actions of their own officers, agents and employees in the performance of their respective obligations under this Agreement pursuant to Chapters 768 and 163, F.S. and any other applicable law. The Parties may not be held jointly or severally liable for the actions of officer or employees of the Authority or by any other action by the Authority or another member of the Authority and the Authority shall be solely liable for the actions of its officers, employees or agents to the extent of the waiver of sovereign immunity or limitation on liability provided by Chapter 768, F.S. Except as may be otherwise specified herein, the Parties shall each individually defend any action or proceeding brought against their respective agency under this Agreement, and they shall be individually responsible for all of their respective costs, attorneys' fees, expenses and liabilities incurred as a result of any such claims, demands, suits, actions, damages and causes of action, including the investigation or the defense thereof, and from and against any orders, judgments or decrees which may be entered as a result thereof. The Parties shall each individually maintain throughout the term of this Agreement any and all applicable insurance coverage required by Florida law for





**Section 31.**    Merger, Amendments. This Agreement incorporates and includes all prior negotiations, correspondence, agreements or understandings applicable to the matters contained herein; and the Parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Agreement that are not contained in this document. Accordingly, the Parties agree that no deviation from the terms hereof shall be predicated upon any prior representations or agreements whether oral or written. It is further agreed that no change, amendment, alteration or modification in the terms and conditions contained in this Interlocal Agreement shall be effective unless contained in a written document that is ratified or approved by at least seventy-five (75%) of the Parties to this Interlocal Agreement, which ratification or approval shall be expressed in writing by such Party and delivered to the Authority in a form upon which the Authority can rely, and the Authority has made a finding to that effect in the manner specified in Section 12 of this Interlocal Agreement.

**Section 32.**    Assignment. The respective obligations of the Parties set forth in this Interlocal Agreement shall not be assigned, in whole or in part, without the written consent of the other Parties hereto.

**Section 33.**    Records. The Parties shall each maintain their own respective records and documents associated with this Interlocal Agreement in accordance with the requirements for records retention set forth in Florida law.

**Section 34.**    Compliance with Laws. In the performance of this Agreement, the Parties hereto shall comply in all material respects with all applicable federal and state laws and regulations and all applicable county and municipal ordinances and regulations.

**Section 35.**    Governing Law and Venue. This Interlocal Agreement shall be governed, construed and controlled according to the laws of the State of Florida. Venue for any claim, objection or dispute arising out of the terms of this Interlocal Agreement shall be proper exclusively in Palm Beach County, Florida.

**Section 36.**    Severability. In the event a portion of this Interlocal Agreement is found by a court of competent jurisdiction to be invalid, the remaining provisions shall continue to be effective to the extent possible.

**Section 37.**    Effective Date and Joinder by Authority. This Interlocal Agreement shall become effective upon its execution by the Originating Parties. It is agreed that, upon the formation of the Authority, the Authority shall thereafter join this Interlocal Agreement and that the Authority shall thereafter be deemed a Party to this Interlocal Agreement.

**Section 38.**    No Third Party Rights. No provision in this Agreement shall provide to any person that is not a party to this Agreement any remedy, claim, or cause of action, or create any third-party beneficiary rights against any Party to this Agreement.

**Section 39.**    Access and Audits. Palm Beach County has established the Office of Inspector General in Article VIII of the Charter of Palm Beach County, as may be amended, which is authorized and empowered to review past, present and proposed county or municipal

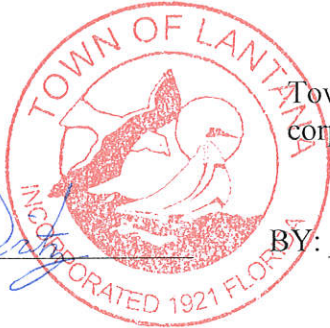
contracts, transactions, accounts and records. The Inspector General has the power to subpoena witnesses, administer oaths and require the production of records, and audit, investigate, monitor, and inspect the activities of Palm Beach County, its officers, agents, employees, and lobbyists, as well as the activities of all municipalities in the county, and their officers, agents, employees, and lobbyists, in order to ensure compliance with contract requirements and detect corruption and fraud. Failure to cooperate with the Inspector General or interference or impeding any investigation shall be in violation of Chapter 2, Article XIII of the Palm Beach County Code of Ordinances.

[Remainder of page intentionally left blank.]



IN WITNESS WHEREOF, the Originating Parties hereto have made and executed this Interlocal Agreement on this 9<sup>th</sup> day of May, 2016.

ATTEST:



Town of Lantana, a municipal corporation of the State of Florida

BY: Nick D. Dwyer

Town Clerk

BY: Robert S. Meyer

Town Manager

(Affix Town Seal)

Approved by Town Attorney  
as to form and legal sufficiency

[Signature]  
Town Attorney

ATTEST:

Town of Mangonia Park, a municipal corporation of the State of Florida

BY: [Signature]

Town Clerk

BY: [Signature]

Town Manager

(Affix Town Seal)

Approved by Town Attorney  
as to form and legal sufficiency

[Signature]  
Town Attorney



**AMENDED AND RESTATED  
FLORIDA GREEN ENERGY WORKS PROGRAM  
ADMINISTRATION SERVICES AGREEMENT**

THIS AMENDED AND RESTATED FLORIDA GREEN ENERGY WORKS PROGRAM ADMINISTRATION SERVICES AGREEMENT ("Agreement"), effective as of June 1, 2015 (the "Effective Date"), is entered into by and between the Florida Green Finance Authority ("Authority") and EcoCity Partners, L3C, a Vermont low-profit limited liability company ("Administrator") (Authority and Administrator are referred to herein collectively as the "Parties" and singly as a "Party").

**WHEREAS**, the Town of Lantana and Administrator originally entered into that certain Florida Clean Energy and Climate Commission Grant Agreement #ARS053 dated July 26, 2011 (the "Grant Agreement"), which was assigned by the Town of Lantana to the Authority, and assumed from the Town of Lantana by the Authority, and amended by that certain Florida Green Energy Works Program Agreement and Addendum to Grant Agreement dated as of April 2, 2012, as further amended by Addendum #2 on April 17, 2012, and as further amended by Addendum #3 on April 22, 2013 (the "**Agreement**"); and

**WHEREAS**, the parties hereto agree that the Agreement is amended as restated herein and that this Amendment shall be incorporated into and supersede the Agreement, shall be made a part thereof, and to the extent of any conflict with the Agreement, shall supersede same.

**NOW, THEREFORE**, in consideration of the mutual covenants set forth herein, the parties agree as follows:

**Agreement**

1. **Restatement; Assignment.** This Agreement shall become effective upon execution by the Town and the Administrator. It amends, restates and replaces the Existing Agreement in its entirety except the assignment of the Agreement by the Town to the Authority, and assumption of the Agreement by the Authority from the Town, shall remain in effect.

2. **Term; Renewal.** The term of this Agreement (the "Initial Term") shall be a period of five (5) years from the Effective Date. At the expiration of the Initial Term and any Renewal Term, the Agreement shall automatically be renewed for an additional five (5) year period(s) (each, a "Renewal Term" and, together with the Initial Term, the "Term") unless terminated earlier as provided in Section 7.

3. Services.

(a) Scope of Services. Administrator has been engaged to design, implement and administer the Program, and Administrator shall perform the services described in Exhibit A attached hereto and made a part hereof (the "Services"). The Services shall be provided to the Authority for purposes of assisting the local governments that are parties to the Interlocal Agreement ("Members") with financing of qualifying improvements authorized by the PACE Act (hereinafter "Qualifying Improvements"). Administrator shall have the express authority to represent the Authority in contract negotiations with local governments and shall have all necessary powers and duties to carry out its obligations consistent with this Agreement.

(b) Standards of Service. Work under this Agreement shall be performed only by competent personnel under the supervision of Administrator. Such right to employ vendors includes the right to engage a provider to offer residential PACE administrative services consistent with this agreement, as it may be amended from time to time. Administrator shall commit adequate resources to develop and implement the Program and perform the Services as required by this Agreement. The Administrator shall exercise the same degree of care, skill and diligence in the performance of the Services as that ordinarily provided by an administrator under similar circumstances. Work, equipment or materials that do not conform to the requirements of this Agreement, or to the requirements of law, may be rejected by the Authority by written notice to Administrator and in such case shall be replaced promptly by Administrator following notice and explanation of applicable requirements from the Authority, unless Administrator provides a bona fide objection to the rejection notice. The Administrator has a material obligation to maintain these reasonable standards of service; failure to do so may constitute an Event of Default pursuant to Section 7(a)(i) of this Agreement."

(c) Additional Service Providers. Administrator shall be permitted, in its sole discretion, to use and employ vendors, underwriters, providers, consultants, advisors or counsel in the development and administration of the Program or the provision of the Services. A current list of subcontractors is attached as Exhibit B. Administrator shall be responsible for all work performed by any other parties engaged by Administrator related to the Services.

(d) Compliance with Laws: Binding Agreement. The Administrator hereby warrants and represents that at all times during the term of this Agreement it shall maintain in good standing all required licenses, certifications and permits required under federal, state and local laws applicable to and necessary to perform the Services as an independent contractor. Administrator represents that it is authorized to do business in the State of Florida. The execution, delivery and performance of this Agreement by Administrator has been duly authorized, and this Agreement is binding on Administrator and enforceable against Administrator in accordance with its terms. No consent of any other person or entity to such execution, delivery and performance is required.

(e) No Exclusive Engagement; Conflicts of Interest. Nothing in this Agreement shall prevent Administrator from performing similar Services in other jurisdictions, either within or outside the State of Florida. So long as Administrator fulfills its obligations to provide the Services, Administrator, its sub consultants or any other provider, vendor, consultant, underwriter, or third party used or employed by Administrator, is permitted, individually or



collectively, to advance without conflict any other PACE Program, or assist any other PACE Program sponsor, and that there is and shall be no objection by the Authority to such actions. The Administrator agrees that neither it nor its sub consultants shall represent any persons or entities in any action before the Authority, or before any Member of the Authority concerning implementation of the Program.

(f) Independent Administrator. Administrator and any agent or employee of Administrator shall be deemed at all times to be an independent contractor and not an employee, partner, agent, joint venture or principal of the Authority with respect to all of the acts and Services performed by and under the terms of this Agreement. Accordingly, neither Party shall have any authority to represent or bind the other. Administrator is wholly responsible for the manner in which it performs the Services and work required under this Agreement. Neither Administrator nor any agent or employee of Administrator shall be entitled to participate in any plans, arrangements or distributions by the Authority or any of its Members pertaining to or in connection with any retirement, health or other benefits the Authority or any of its Members may offer their employees. Administrator is liable for the acts and omissions of itself, its employees and agents. Any terms in this Agreement referring to instructions from the Authority shall be construed as providing for direction on policy and the results of Administrator's work, but not the means as to which such a result is obtained. The Authority does not retain the right to control the means or method by which Administrator performs the Services.

(g) Taxes. Administrator shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance and other similar responsibilities arising from Administrator's business operations.

4. Responsibilities of Authority. The Authority acknowledges that the Florida law authorizing PACE programs reserves authority and responsibility for establishing the program and executing financing agreements with property owners to local government. Consequently, the Authority shall timely take the following actions:

- (a) Authorize and adopt resolutions required to implement the Program;
- (b) Approve documents authorizing the Administrator to commence legal proceedings on behalf of the Authority to validate Program related obligations and to engage counsel for the purpose;
- (c) Within a reasonable time following submittal by Administrator, execute documents required to implement the Program including, but not limited to, financing or other agreements, obligations or instruments;
- (d) Other actions reasonably required to be performed by the Authority to facilitate the development, implementation or activities of the PACE Program.

5. Compensation.

(a) Program Administration. For Services relating to the prior design and ongoing operation of the Program, and for its performance hereunder, Administrator shall be

entitled to impose and collect fees and charges in accordance with the schedule of fees described in Schedule 3 to Exhibit A ("Schedule of Fees"), which the Authority and Administrator may amend from time to time by mutual agreement to ensure the Program is priced to be competitive in the marketplace and all expenses are paid for through Program operation.

(b) Payment Does Not Imply Acceptance. The making of any payment by the Authority, or the receipt thereof by Administrator, shall not reduce the liability of Administrator to replace any work, equipment or materials which do not conform to the requirements of this Agreement, regardless of whether the unsatisfactory character of such work, equipment or materials was apparent or reasonably detectable at the time payment was made.

(c) Additional Service Providers. Administrator shall be solely responsible for all payments to any third party subcontractors, service providers or sub consultants that are engaged by Administrator to perform any of the Services contemplated by this Agreement.

6. Indemnification; Insurance.

(a) Indemnification. Administrator shall indemnify and hold harmless the Authority, its member Parties, its officers agents and employees, and shall upon request defend them, from and against any and all demands, claims, losses, suits, liabilities, causes of action, judgment or damages, arising out of, related to, or in any way connected with Administrator's performance of this Agreement, including, but not limited to, liabilities arising from contracts between the Administrator and third parties made pursuant to this Agreement. The indemnity obligations provided for in this paragraph shall include reasonable attorneys' fees, but shall exclude any liability resulting from acts of, or failure to take action by, the Authority, its member Parties, its officers, agents and employees.

The Authority shall promptly notify the Administrator of any claim giving rise to a right to indemnity and shall fully cooperate with the Administrator in defense of such claims. So long as the Administrator has agreed that the Authority is entitled to indemnification, the Administrator shall have the right to control the defense of the claim, including, without limitation, the right to designate counsel and to select a single counsel to jointly represent the interests of the Authority and the Administrator (unless an actual present conflict would preclude joint representation) and including the right to control all negotiations, litigation, arbitration, settlements, compromises, and appeals of the claim. The Authority shall cooperate in defense of any claims and may, but is not required to, retain at its cost additional separate counsel to participate in or monitor the defense of the claim by Administrator.

This Section 6(a) shall survive termination of this Agreement.

(b) Insurance. Without in any way limiting Administrator's liability pursuant to Section 7(a) above, Administrator shall maintain in force, throughout the Term, insurance with the following coverages:

- i. Worker's Compensation insurance in the amount required by law;
- ii. Commercial General Liability Insurance with limits of not less than \$1 million per occurrence Combined Single Limit for Bodily Injury and



Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations;

- iii. Commercial Automobile Liability Insurance with limits of not less than \$1 million per occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable; and
- iv. Professional liability insurance with limits of not less than \$1 million per claim with respect to negligent acts, errors or omissions in connection with professional services to be provided under this Agreement.

(c) Required Provisions. All insurance required under this Agreement shall be maintained with reputable companies authorized to do business in the State of Florida. The liability insurance required under this Section 6 shall (i) name the Authority as an additional insured, (ii) provide that such policy is primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this Agreement, and (iii) apply separately to each insured against whom a claim is made or a suit is brought. Upon request, Administrator shall deliver a certificate of insurance to the Authority confirming the existence of the insurance required by this Agreement.

7. Default; Termination.

(a) Events of Default. Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

- i. Either Party fails or refuses to perform or observe any material term, covenant or condition contained in any section of this Agreement, and such failure continues for a period of thirty (30) days after receipt of written notice from the non-breaching Party, or such longer period as may be reasonably required for cure, provided the breaching Party commences the cure within thirty (30) days and diligently pursues the cure until completion.
- ii. Administrator (A) is generally not paying its debts as they become due, (B) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency, or other debtors' relief law of any jurisdiction, (C) makes an assignment for the benefit of creditors, or (D) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers over Administrator or any substantial part of Administrator's property.
- iii. A court or governmental authority enters an order (A) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Administrator or any substantial part of Administrator's property, (B) constituting an order for relief or approving a petition for

relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency, or other debtors' relief law of any jurisdiction, or (C) ordering the dissolution, winding-up or liquidation of Administrator.

(b) Remedies for Default. Upon the occurrence of any Event of Default, each Party shall be entitled to proceed at law or in equity to enforce their rights under this Agreement, including, without limitation, to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, following the occurrence of any Event of Default, the Authority shall have the option, but no obligation, to cure or cause to be cured any Event of Default on behalf of Administrator, and in such event Administrator shall pay to the Authority upon written demand all costs and expenses incurred by the Authority in effecting such cure, with interest thereon from the date the expense is incurred by the Authority at the maximum rate then permitted by law. The Authority shall have the right to offset from any amounts due Administrator under this Agreement or any other Agreement between the Authority and the Administrator all damages, losses, costs and expenses incurred by the Authority as a result of the occurrence of an Event of Default caused by Administrator.

(c) Exercise of Remedies. All remedies provided for in this Agreement may be exercised singly or in combination with any other remedy available hereunder or under applicable law. The exercise of any remedy shall not be deemed a waiver of any other remedy.

(d) Termination for Convenience.

- i. Effective Date. Following the Initial Term, either party may notify the other of its intent to terminate the Agreement for any reason by delivering written notice of termination no later than May 15 of any year during the Term. In such event, the Agreement will terminate on August 15 of the year in which the termination notice is delivered, at which date Administrator shall cease providing the Services. In the event the Authority terminates the Agreement under the provisions of this paragraph 7(d), Administrator shall be entitled to continue to offer the Services during the transition period so long as (i) Administrator does not approve any projects, completion of which will extend beyond the termination date; (ii) Administrator provides for ongoing management of assessments related to any projects completed under Administrator's auspices; (iii) Administrator continues to provide all of the Services in a professional manner in accordance with the Agreement; (iv) Administrator continues to work in good faith with the Authority to provide a smooth transition for either the termination of the program or transfer to another administrator.
- ii. Termination Fee. In the event of termination for convenience by the Authority, Administrator shall be entitled to a termination fee equal to thirty percent (30%) of the origination fee which would have been received by Administrator pursuant to Schedule 1 to Exhibit A, had the Agreement not been terminated, for all PACE projects funded through



the Authority which (i) had completed applications submitted to the Program prior to the termination date, (ii) are closed within one (1) year after the termination date, and (iii) are identified by Administrator in writing no later than five (5) days after the termination date..

(e) Termination for Impossibility. In the event that (i) conditions in U.S. financial markets, (ii) changes in PACE law, or (iii) changes in the Authority's authority to provide assessment lien priority render the PACE Program infeasible, Administrator may suspend the PACE Program for a period of up to twelve (12) months. Should the Administrator determine at the conclusion of the suspension period that conditions do not warrant resumption of the program Administrator may request from the Authority an extension of the PACE Program suspension for an additional six (6) months. The Authority may, at its option, grant the extension or instead choose to terminate the Agreement.

(f) Rights and Duties Upon Termination. Upon the expiration or earlier termination of this Agreement pursuant to this Section, this Agreement shall terminate and be of no further force and effect, except for those provisions which expressly survive termination. Upon expiration or termination, Administrator shall transfer to the Authority any records, data, supplies and inventory produced or acquired in connection with this Agreement. This subsection shall survive the termination of the Agreement.

8. Confidential Information; Ownership and Access to Records.

(a) Proprietary or Confidential Information. Administrator acknowledges that, in the performance of the Services or in contemplation thereof, Administrator may have access to private or confidential information which may be owned or controlled by the Authority, and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to the Authority. Administrator agrees that all information disclosed by Authority to Administrator shall be held in confidence and used only in performance of this Agreement. Administrator shall exercise the same standard of care to protect such information as a reasonably prudent Administrator would use to protect its own proprietary data.

(b) Ownership of Information. The parties acknowledge that all inventions, innovations, improvements, developments, methods, designs, analyses, drawings, reports and all similar or related information (whether patentable or not) which are conceived, developed or made by Administrator or Authority exclusively for the Program during the term of this Agreement are deemed to be within the public domain, and subsequently may be used by each party without warranty of any kind. Any artworks, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes or any other original works created by Administrator in connection with the Program shall not be deemed to be works for hire. Notwithstanding the foregoing, to the extent that any components used in the Program are developed independently and licensed from third parties, including, without limitation, any software, methods, inventions, processes, logos, brands or data, such components shall not become part of the public domain and the terms of the applicable license shall prevail. Among other things, the online sustainability tool for green business certification has been licensed from Green Bureau, LLC and use of the service-mark PACE3P<sup>®</sup> and any related trademarks or service marks have been licensed from Demeter Power Group, Inc.



(c) Public Records. All records, books, documents, maps, data, deliverables, papers and financial information associated with the Program to be administered by Administrator (the "Records") are public records of the Authority and Administrator shall make them available to be inspected and copied upon request by the Authority. Public record requests made pursuant to Chapter 119, Florida Statutes shall be overseen by the General Counsel to the Authority and process by the Administrator on behalf of the Authority. While the Authority may have a continuing obligation to maintain the Records, the Administrator is obligated to turn over to the Authority all documents upon termination of the Agreement and remains obligated to support Public Record requests for a period of three (3) years from the date of termination of this Agreement. The Authority, or its designee, shall, during the term of this Agreement and for a period of three (3) years from the date of termination of this Agreement, have access to and the right to examine and audit any of the Records. Refusal or failure by the Administrator to comply with the requirements of this Section or of Chapter 119, Florida Statutes (Public Records) may constitute a material failure giving rise to an Event of Default in accordance with Section 7(a)(i).

9. Miscellaneous.

(a) Nondiscrimination. During the term of this Agreement, Administrator shall not discriminate against any of its employees or applicants for employment, if any, because of their race, age, color, religion, sex, sexual orientation, national origin, marital status, physical or mental disability, or political affiliation and Administrator shall abide by all Federal and State laws regarding nondiscrimination. Administrator agrees not to discriminate against persons on these grounds in the provision of services, benefits or activities provided under the Agreement and further agrees that any violation of this prohibition on the part of the Administrator, its employees, agents or assigns will constitute a material breach of this Agreement.

(b) Disabilities. Administrator acknowledges that, pursuant to the Americans with Disabilities Act ("ADA"), programs, services and other activities provided by a public entity to the public, whether directly or through an Administrator, must be accessible to the disabled public. Administrator shall provide the Services in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights laws. Administrator agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under the Agreement and further agrees that any violation of this prohibition on the part of the Administrator, its employees, agents or assigns will constitute a material breach of this Agreement.

(c) Entire Agreement; Amendment. This Agreement, including the Exhibits hereto, contains the entire agreement of the Parties with respect to its subject matter and supersedes any prior oral or written representations. No representations were made or relied upon by either Party, other than those that are expressly set forth herein. No agent, employee, or other representative of either Party is empowered to amend, change, modify, supplement, rescind, terminate or discharge the terms of this Agreement, except by a written agreement executed by the Parties.

(d) Binding Effect; No Third Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, successors and permitted assigns. This Agreement shall not confer any rights or remedies upon any person other than the Parties and their respective successors and permitted assigns.



(e) Non-waiver. The omission by either Party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants or provisions hereof by the other Party at the time designated, shall not be a waiver of such default or right to which the Party is entitled, nor shall it in any way affect the right of the Party to enforce such provisions thereafter.

(f) Severability. If the application of any provision of this Agreement to any particular facts or circumstances is found by a court of competent jurisdiction to be invalid or unenforceable, then the validity of other provisions of this Agreement shall not be affected or impaired thereby, and such provision shall be enforced to the maximum extent possible so as to effect the intent of the Parties.

(g) Assignment. The Services to be performed by Administrator are personal in character and neither this Agreement nor any of the duties or obligations hereunder may be assigned by the Administrator; provided, however, that this Section shall not prohibit the engagement of subcontractors or other third parties to perform any part of the Services. The performance of the Services requires the cooperation and legal authority of the Authority and accordingly the Agreement may not be assigned by the Authority without the prior written consent of Administrator.

(h) Governing Law; Venue; Jurisdiction. This Agreement shall be construed in accordance with and governed by the laws of the State of Florida without regard to conflicts of law principles. Each Party agrees to personal jurisdiction in any action brought in any court, Federal or State, within the County of Palm Beach, State of Florida having subject matter jurisdiction over the matters arising under this Agreement. Any suit, action or proceeding arising out of or relating to this Agreement shall only be instituted in the County of Palm Beach, State of Florida. Each Party waives any objection which it may have now or hereafter to the laying of the venue of such action or proceeding and irrevocably submits to the jurisdiction of any such court in any such suit, action or proceeding.

(i) Attorney's Fees. In the event of any proceedings arising out of this Agreement, the prevailing Party shall be entitled to recover its reasonable attorneys fees and costs, including the fees and expenses of any paralegals, law clerks and legal assistants, and including fees and expenses charged for representation at both the trial and appellate levels.

(j) Jury Trial. **In the event of any litigation arising out of this Agreement, each party hereby knowingly, irrevocably, voluntarily and intentionally waives its right to trial by jury.**

(k) Limitation of Liability. The obligations of the Authority shall be limited to the payment of the compensation provided in this Agreement, and cooperation required to facilitate the implementation of the Program. In no event shall any Party to this Agreement shall have any liability for special, consequential, incidental or indirect damages, including lost profits, arising out of or in connection with this Agreement or the Services.

(l) Days. All references to days in this Agreement shall refer to calendar days unless other expressly provided. In the event any period specified in this Agreement expires on a

Saturday, Sunday or another day on which banks are permitted or required to be closed in the State of Florida, then the period shall be extended until the next business day.

(m) Exhibits. The Exhibits attached hereto are hereby incorporated in and made a part of this Agreement as if set forth in full herein and are an integral part of this Agreement.

(n) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

(o) Construction; Interpretation. The Parties have participated equally in the drafting and negotiation of this Agreement and accordingly any rule of construction, which would construe the terms agreement against the draft are inapplicable.

(p) Notices. All notices permitted or required under this Agreement shall be in writing and shall be delivered in person or mailed by first class, registered or certified mail, postage prepaid, to the address of the party specified below or such other address as either party may specify in writing. Such notice shall be deemed to have been given upon receipt.

If to Authority: Florida Green Finance Authority  
Attention: Board Chair  
500 Greynolds Circle  
Lantana, Florida 33462

With copy to: Corbett, White, Davis and Ashton  
1111 Hypoluxo Road, Suite 207  
Lantana, FL 33462  
Attention: Keith Davis, Esq.

If to Administrator: EcoCity Partners, L3C  
433 Central Avenue  
Suite 209  
St. Petersburg, FL 33701  
Attn: Florida Green Energy Works Program Manager

**[Remainder of page intentionally blank.]**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

THE FLORIDA GREEN FINANCE AUTHORITY

By: David B. Thatch

Name: David B. Thatch

Title: Chairman

ECOCITY PARTNERS, L3C, a Vermont low-profit limited liability company

By: Michael Wallander

Name: Michael Wallander

Title: Principal



## **EXHIBIT A**

### **Scope of Third Party Administration Services & Program Fee Schedule**

#### **SCOPE OF SERVICES & FEES:**

- I. Program Administration Services**
- II. Authority Management Services**
- III. Ancillary Services**
- IV. Fee Schedule**

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#### **I. Program Administration Services**

Program administration services include all tasks necessary to administer the Program on an ongoing and sustainable basis, including processing applications, providing customer service and administration, contractor certification, project quality assurance and control, management of assessments and payments.

##### **Deliverables:**

#### **1) Application Processing**

- a) Administrator will conduct the property and project screen to ensure both meet the terms and conditions of the Program. Administrator will complete property/project screen within a reasonable period of time from receipt of the application. Administrator will regularly report on applications approved, denied or pending.
  - i) Administrator will install protocols for evaluating applicant properties pre- and post-installation for purposes of establishing a Savings to Investment Ratio (SIR) greater than one.
  - ii) Administrator will utilize eligibility and underwriting criteria that complies with State, federal and local law and prudent underwriting standards and that makes financing available to large and small property owners in traditional as well as underserved markets.
- b) When funding is requested, Administrator will verify the project installation through review of appropriate documents. Administrator will conduct this review within a reasonable period of time from the date that all required documentation is received.
- c) Once projects are verified, Administrator will notify the Authority and provide the property owner with legal documents.
- d) Administrator will verify completion of the legal documents after receipt from property owners and will review such documentation within a reasonable period of time.

- e) Upon receipt of complete documents, Administrator will notify the Authority of an approved funding request and provide the documents necessary to record the lien. Administrator will record the lien on behalf of the Authority.
- f) Once a bond is issued and purchased or some other funding mechanism has been completed, Administrator will disburse funds to the property owner within a reasonable period of time.
- g) Administrator will seek to establish and implement appropriate procedures and timelines for applications filed in paper copy as well as via the web portal.
- h) The reasonableness of the timelines listed above are subject to revision and specificity by mutual agreement of the Authority and Administrator in conjunction with the establishment and maintenance of program terms and conditions.

## **2) Program Reporting**

- a) Administrator will provide reports on program application statistics to the Authority on a regular basis.
- b) Administrator will prepare reports, schedules and documents to support the issuance and underwriting of bond or other financing documents, such as disclosure documents for the IRS, SEC and/or any other regulatory body purposes; cash flows analysis; debt service and repayment projections; substantiation of revenue and expenditure estimates and project costs; verification of cash flows; and project or market feasibility, as needed.

## **3) Program Documentation**

- a) Administrator will develop and maintain the documents for Program administration, which may include, but not necessarily be limited to, the following:
  - i) Program Terms and Policies
  - ii) Assessment Underwriting Criteria
  - iii) List of Qualifying Improvements
  - iv) Program Application & Funding Request Forms
    - (1) Application Form
    - (2) Financing Agreement
    - (3) Truth-In-Lending Form (if applicable)
    - (4) Lender Notification & Authorization Form
    - (5) FHFA/FNMA/FMAC PACE Status Disclosure Form (if necessary)
    - (6) Information Verification Form(s)

## **4) Customer Service:** Administrator will provide direct customer service to the community via the

web, email, phone and walk-in, as appropriate.

## **II. Authority Management Services**

District Management Services involve those tasks necessary to help facilitate the relationship between the Authority and local governments and dependent special districts that participate in the Program. These services may include the following:

### **Deliverables:**

#### **Administrative and Management Services**

- 1) Attend and conduct all regularly scheduled and special Board meetings, hearings and workshops. Arrange for time and location and all other necessary logistics for such meetings, hearings, etc.
- 2) Prepare agenda packages for transmittal to Board members and staff prior to Board meeting. Prepare meeting materials for other meetings, hearings, etc. as needed.
- 3) Provide accurate minutes for all meetings and hearings.
- 4) Other responsibilities include such items as:
  - a. Custody of the District's Seal
  - b. Records custodian and records management liaison with State of Florida and other applicable government agencies overseeing the storage of inactive files and destruction of obsolete files.
  - c. Maintaining and safeguarding the minutes of public meetings, Resolutions, contracts and agreements.
- 5) Ensure compliance with Federal and/or State law affecting the District which include but are not limited to the following:
  - a. Property notice all public meetings, in accordance with the appropriate Florida Statutes, including but not limited to, public hearings on assessments, the budget, all other required notices of meetings, hearings and workshops.
  - b. Provide required information to the Department of Community Affairs, the County, the Auditor General, and all other state or local agencies with reporting requirements for the district.
- 6) Maintain "Record of Proceedings" for the District, which includes meeting minutes, agreements, resolutions and other records required by law.
  - a. Implement and maintain a document management system to create and save documents, and provide for the archiving of district documents.
  - b. Protect integrity of all public records in accordance with the requirements of applicable law. Respond to public record requests as required by law.



- 7) Ensure District is in compliance with administrative and financial reporting for Special Districts.
- 8) Assist in negotiations of contracts, as directed by the Board.
- 9) Provide contract administration and supervision of all contracts, as directed by the Board.
- 10) Serve as liaison with County and State agencies, including the Supervisor of Elections, Taxing officials and the Property Appraisers.
- 11) Implement the policies established by the District.

#### **Financial Services**

- 1) Establish Fund Accounting System in accordance with federal and state law as well as Government Accounting Standard Board and the Rules of the Auditor General.
- 2) Prepare regular balance sheet, income statement(s) with budget to actual variances. Prepare Public Depositor's Report and distribute to State.
- 3) Prepare all other financial reports as required by applicable law and accounting standards.

#### **Budgeting**

- 1) Prepare budget, budget resolutions, and backup material for and present the budget at all budget meetings, hearings and workshops. The budget is to be done in accordance with state law standards, and consistent with applicable Government Finance Officers Association and Government Accounting Standard Board standards. Budget preparation shall include calculation of operation and maintenance assessments, which may include development of benefit methodology for those assessments.
- 2) Administer Adopted Budget of the District.
- 3) Transmit proposed budget to local governing authorities in the required timeframe prior to adoption.
- 4) File all required documentation with the Department of Revenue, Auditor General, the County, and other governmental agencies with jurisdiction.
- 5) Prepare and cause to be published notices of all budget hearings and workshops.
- 6) Prepare year-end adjusting journal entries in preparation for annual audit by Independent Certified Public Accounting Firm.
- 7) Prepare all budget amendments on an outgoing basis.
- 8) Assist in process to retain an auditor and cooperate and assist in the performance of the audit by the Independent auditor.

### **Revenue Collection**

- 1) Administer collection and disbursement of assessments, fees, and charges and all revenues of the District in accordance with Florida law governing the uniform method of assessing, levying and collecting special assessment.
- 2) Recommend enforcement actions to ensure payment as needed.
- 3) Prepare monthly financial reports showing revenues and expenses for the month in comparison to annual budget, noting variances.
- 4) Prepare and refine a property database.
- 5) Prepare annual assessment roll. Certify roll either to the County Tax Collector, or direct bill and collect (or both), as appropriate.
- 6) Issue estoppels letters as needed.

### **Accounts Payable/Receivables**

- 1) Administer the processing, review and payment of all invoices and purchase orders. Ensure timely payment of district bills is made.
- 2) Report cash balances by fund.
- 3) Maintain checking accounts with qualified public depository.

### **Capital Program Administration**

- 1) Maintain proper capital fund and project funding accounting procedures and records.
- 2) Oversee and implement bond issue related compliance, i.e., coordination of annual arbitrage report, transmittal of annual audit and budget to the trustees, transmittal of annual audit and other information to dissemination agent (if other than manager) or directly to bond holders as required by Continuing Disclosure Agreements, annual/quarterly disclosure reporting, update, etc.
- 3) Prepare annual debt service fund budgets. Work with taxing officials to assure correct application of revenues and proper routing of payments to the trustee to assure proper bond debt pay-off. Track and account for debt service payments and prepayments and process debt lien releases.

### **Purchasing**

- 1) Assist in selection of vendors as needed for services, goods, supplies, and materials.
- 2) Obtain pricing proposals as needed and in accordance with District rules and State law.
- 3) Prepare RFPs for services needed, including, when requested, preparation of specifications and bid documents for various professional, construction, and maintenance services.



### **Investment Services**

- 1) All investments shall be made pursuant to applicable law and policies approved by the Board of Supervisors.
- 2) Recommend investment policies and procedures pursuant to State law.
- 3) Provide for investment of funds per approved policies.

### **Risk Management**

- 1) Prepare and follow risk management policies and procedures.
- 2) Recommend and advise the Board of the appropriate amounts and types of insurance and be responsible for procuring all necessary insurance.
- 3) Process and assist in the investigation of insurance claims, in coordination with Counsel of the District.
- 4) Review insurance policies and coverage amounts of District vendors.

### **III. Ancillary Services**

The Administrator may develop additional tools and programs, as may be appropriate, to facilitate interest and participation in the Program. Administrator will only provide such ancillary services with the advance approval of the Authority, such approval not to be unreasonably withheld. Such ancillary services currently offered by Administrator include development and administration of a green business certification and marketing program for businesses (including those that do not utilize the financing program). Examples of future ancillary services may include, but are not necessarily limited to; workforce or energy auditor training programs; an online marketplace of green technologies (such as those used in Qualifying Improvements); a carbon-offset / environmental attribute and marketing program that helps participating property owners lower their environmental impact through a purchase of offsets or environmental attributes or earn a fee for the sale of carbon offsets or environmental attributes that they may own and wish to sell; a rewards program; or any other program or service that furthers the broad goals of the Program.

### **IV. Fee Schedule**

The Administrator shall be entitled to impose and collect fees and charges intended to sustain the operation of the Program in accordance with prudent financial management standards. Such fees shall include (i) community opt-in fees; (ii) finance program closing fees; and (iii) ongoing finance program administration fees. From time to time the Authority and the Administrator will evaluate the Program fees to ensure that the Program is priced to be competitive in the marketplace. The initial Schedule of Fees is as set forth in Schedule 1.

## **Schedule 1**

### **Fee Schedule**

Fees shall be as set forth in the Program Handbooks, including the Non-Residential PACE Program Handbook and/or the Residential PACE Program Handbook, as may be adopted and amended by the Florida Green Finance Authority from time to time.

**EXHIBIT B**

**CURRENT LIST OF SUBCONTRACTORS & LICENSES**

**Current List of Subcontractors**

Erin L. Deady, P.A.  
Special District Services, Inc.  
Demeter Power Group, Inc.  
Renovate America

**Current List of Licenses**

Demeter Power Group, Inc. d/b/a Demeter Fund (PACE3P®)  
Green Bureau, LLC (web-based sustainability tool)

**EXHIBIT I**  
**FGFA ADDENDUM**

**ADDENDUM #1 TO AMENDED AND RESTATED  
FLORIDA GREEN ENERGY WORKS PROGRAM  
ADMINISTRATION SERVICES AGREEMENT**

This Addendum #1 to the Amended and Restated Florida Green Energy Works Program Administration Services Agreement (this "Addendum") is made and entered into as of the 3rd day of September, 2015 (the "Addendum Effective Date"), by and between by and between the Florida Green Finance Authority ("Authority") and EcoCity Partners, L3C, a Vermont low-profit limited liability company ("Administrator") (Authority and Administrator are referred to herein collectively as the "Parties" and singly as a "Party").

WHEREAS, the Town of Lantana and Administrator originally entered into that certain Florida Clean Energy and Climate Commission Grant Agreement #ARS053 dated July 26, 2011 (the "Grant Agreement"), which was assigned by the Town of Lantana to the Authority, and assumed from the Town of Lantana by the Authority, and amended by that certain Florida Green Energy Works Program Agreement and Addendum to Grant Agreement dated as of April 2, 2012, as further amended by Addendum #2 on April 17, 2012, and as further amended by Addendum #3 on April 22, 2013, and as further amended and restated by that certain Amended and Restated Florida Green Energy Works Program Administration Services Agreement on June 1, 2015 (the "Agreement"); and

WHEREAS, the parties hereto agree that the Agreement is amended as stated herein and that this Addendum shall be incorporated into the Agreement and made a part thereof.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties agree as follows:

1. Within Exhibit A, a new Article III shall be inserted and existing Article III. (Ancillary Services) shall become new Article IV. and existing Article IV. (Fee Schedule) shall become new Article V., which new Article III. shall state as follows:

**III. Bond Placement Services and Issuance of Asset-Backed Securities.**

Administrator will work in good faith to promote a competitive marketplace for PACE financing, including through the issuance of one or more series of revenue bonds (each such series of bonds referred to as a "Series") secured by voluntary contractual assessments levied on commercial and residential real estate parcels (as such term is defined in the Program Handbook), pursuant to a master indenture, as supplemented by one or more supplemental indentures authorized by a resolution and to be designated as the "Florida Green Finance Authority Special Assessment Revenue Bonds" (the "Bonds").

With prior approval from the Authority, the Administrator may assign to a third party the authority to close and fund the acquisition of Bonds. The Administrator (including its subcontractors and affiliates) shall have and retain the right to purchase the Bonds through a bond purchase agreement. The bond purchase agreement between the Authority and the investor specifies the terms, conditions and prices of the Bonds.

From time to time, a purchaser of Florida Green Finance Authority Special Assessment Revenue Bonds may elect at its own expense to securitize its interest in Bonds and sell such securities to the investment community or sell the Bonds. All fees and costs associated with purchaser's issuance of asset-backed securities or selling the Bonds, including costs of issuance and annual disclosure costs, will be borne by the purchaser(s).

2. Capitalized terms not otherwise defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be executed in any number of multiple counterparts, each of which shall be deemed an original, but all of which together constitute one and the same instrument. Facsimile signatures will be considered original signatures. Any provision not specifically modified by this Addendum shall remain in full force and effect.



IN WITNESS WHEREOF, the undersigned have executed this Addendum #1 to the Amended and Restated Florida Green Energy Works Program Administration Services Agreement as of the Addendum Effective Date.

THE FLORIDA GREEN FINANCE AUTHORITY

By: *D. B. Thatcher*  
Name: *Daria B. Thatcher*  
Title: *Chairman*

ECOCITY PARTNERS, L3C, a Vermont low-profit  
limited liability company

By: *Michael Wallender*  
Name: *Michael Wallender*  
Title: *Principal*

**ADDENDUM #2  
TO PROGRAM ADMINISTRATION SERVICES AGREEMENT**

**THIS ADDENDUM #2 TO PROGRAM ADMINISTRATION SERVICES AGREEMENT** (this "Amendment"), dated as of September 1, 2016 (the "Amendment Date"), is entered into by and between the Florida Green Finance Authority, a public body corporate and politic, a public instrumentality and separate legal entity, duly organized and existing under the Constitution and laws of the State of Florida ("Authority") and [Renewable Funding] LLC, a [California] limited liability company ("Administrator"). Authority and Administrator are sometimes hereinafter referred to individually as a "Party" and collectively as the "Parties").

**RECITALS**

A. Authority and Administrator (as assignee of EcoCity Partners, L3C) are parties to that certain Amended and Restated Florida Green Energy Works Program Administration Services Agreement, dated as of June 1, 2015, as amended by that certain Addendum #1 to the Amended and Restated Florida Green Energy Works Program Administration Services Agreement, dated as of September 3, 2015, by and between Authority and Administrator (as assignee of EcoCity Partners, L3C) (the "Agreement").

B. The Parties have agreed to amend the Agreement as set forth herein.

In consideration of the mutual covenants and agreements in this Amendment and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Amendment to Section 3. Section 3 of the Agreement is hereby amended to add the following text to the end thereof:

"References to the "Program" or the "PACE Program" herein shall be defined to mean the Authority's Energy Efficiency, Renewable Energy and Wind Resistance Improvement Finance Program as established by Resolution No. 2014-3 of the Authority and administered in accordance herewith, as such Program may be changed from time to time in accordance with the provisions of the PACE Act and as mutually agreed by the Parties. For the avoidance of doubt, the Program includes both residential and non-residential properties. References to the "PACE Act" or "PACE law" herein shall be defined to mean Section 163.08, Florida Statutes."

2. Amendment to Section 5. Section 5 of the Agreement is hereby amended to replace the reference to "Schedule 3 of Exhibit A" in the fourth line thereof with "Schedule 1 of Exhibit A."

3. Amendment to Section 9(g). Section 9(g) of the Agreement is hereby amended by deleting the contents thereof in their entirety and replacing them with the following:

“Assignment. The Services to be performed by Administrator are personal in character and neither this Agreement nor any of the duties and obligations hereunder may be assigned by Administrator; provided, however, that this Section shall not prohibit (i) the engagement by Administrator of subcontractors or other third parties to perform any part of the Services, or (ii) the assignment or delegation by Administrator of any of its obligations hereunder to an affiliate. The performance of the Services requires the cooperation and legal authority of the Authority and accordingly the Agreement may not be assigned by the Authority without the prior written consent of Administrator.”

4. Amendment to Section 9(p). Section 9(p) of the Agreement is hereby amended by deleting Administrator’s notice address therein and replacing it with the following:

[Renewable Funding] LLC  
1221 Broadway, 4<sup>th</sup> Floor  
Oakland, CA 94612  
Attn: General Counsel

5. Amendment to Article III of Exhibit A. Article III of Exhibit A of the Agreement is hereby amended by deleting the contents thereof in their entirety and replacing them with the following:

**“III. Bond and Debt Obligations Services and Issuance of Asset-Backed Securities.**

Administrator will work in good faith to promote a competitive marketplace for PACE financing, including through the issuance of one or more series of revenue bonds (each such series of bonds referred to as a “Series”) or debt obligations secured by voluntary contractual assessments levied in commercial and residential real estate parcels (as such term is defined in the Program Handbook), pursuant to a master indenture, as supplemented by one or more supplemental indentures (in the case of bonds) or a master debt obligations agreement (in the case of debt obligations), in each case authorized by a resolution and to be designated as “Florida Green Finance Authority Special Assessment Revenue Bonds” (the “Bonds”) or “Florida Green Finance Authority Special Assessment Debt Obligations” (the “Obligations”).

With prior approval from the Authority, Administrator may assign to a third party the authority to close and fund the acquisition of the Bonds or Obligations. Administrator (including its subcontractors and affiliates) shall have and retain the right to purchase the Bonds and Obligations through a bond purchase agreement or debt obligations purchase



agreement, as applicable. The bond purchase agreement or debt obligations agreement between the Authority and the investor shall specify the terms, conditions and prices of the Bonds or Obligations, as applicable.

From time to time, a purchaser of Florida Green Finance Authority Special Assessment Revenue Bonds or Florida Green Finance Authority Special Assessment Debt Obligations may elect at its own expense to securitize its interest in the Bonds or Obligations and sell such securities to the investment community or sell the Bonds or Obligations. All fees and costs associated with purchaser's issuance of asset-backed securities or selling the Bonds or Obligations, including costs of issuance and annual disclosure costs, will be borne by the purchaser(s)."

6. Amendment to Article IV of Exhibit A. Article IV of Exhibit A of the Agreement is hereby amended by deleting the contents thereof in their entirety and replacing them with the following:

**"IV. Fee Schedule**

Administrator shall be entitled to impose and collect fees and charges intended to sustain the operation of the Program in accordance with prudent financial management standards. Such fees shall include (i) finance program closing fees and (ii) ongoing finance program administration fees. From time to time Authority and Administrator will evaluate the Program fees to ensure that the Program is priced to be competitive in the marketplace. The Schedule of Fees is as set forth in Schedule 1."

7. Amendment to Schedule 1 of Exhibit A. Schedule 1 to Exhibit A of the Agreement is hereby deleted in its entirety and replace with the contents of Appendix 1 attached hereto.

8. Amendment to Exhibit B. Exhibit B of the Agreement is hereby deleted in its entirety and replaced with the contents of Appendix 2 attached hereto.

9. Global Amendments. In each instance where the term "bond" is used in the Agreement (other than Article III of Exhibit A, amendments to which shall be governed by Section 5 above), such term shall be replaced with the phrase "bond or debt obligations."

10. No Other Amendments or Modifications. Except as specifically amended by this Amendment, all other provisions of the Agreement are hereby reaffirmed and remain in full force and effect as written. Any and all notices, requests, certificates and other documents or instruments executed and delivered concurrently with or after the execution and delivery of this Amendment may refer to the Agreement without making specific reference to this Amendment, but all such references shall be deemed to include this Amendment, unless the context shall otherwise require.

11. Governing Law. This Amendment and the rights and obligations of the Parties hereunder shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of Florida.

12. Severability. The invalidity of one or more phrases, sentences, clauses or sections contained in this Amendment shall not affect the validity of the remaining portions of this Amendment so long as the material purposes of this Amendment can be determined and effectuated.

13. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall constitute an original but all of which, taken together, shall constitute but one and the same agreement.

*[signature pages follow]*

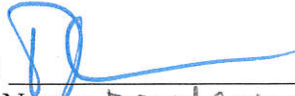


IN WITNESS WHEREOF, the Parties have caused this Amendment to be duly executed and delivered as of the Amendment Date.

Florida Green Finance Authority

By:   
Name: David Thatcher  
Title: Chair

Renewable Funding LLC,  
a California limited liability company

By: 

Name: David Sykes

Title: General Counsel & Secretary

## **APPENDIX 1**

### **Schedule 1**

#### **Fee Schedule**

Fees shall be as set forth in the applicable bond purchase agreement or debt obligations agreement.

## **APPENDIX 2**

### **EXHIBIT B**

#### **CURRENT LIST OF SUBCONTRACTORS & LICENSES**

##### **Current List of Subcontractors**

1. Erin L. Deady, P.A.
2. Special District Services, Inc.
3. Demeter Power Group, Inc.

##### **Current List of Licenses**

1. Demeter Power Group, Inc. d/b/a Demeter Fund (PACE3P®)
2. Green Bureau, LLC (web-based sustainability tool)

## **Exhibit B-1**

### **NON-EXCLUSIVE INTERLOCAL SUBSCRIPTION AGREEMENT RELATING TO THE FUNDING AND FINANCING OF QUALIFYING IMPROVEMENTS BY THE FLORIDA PACE FUNDING AGENCY**

**THIS NON-EXCLUSIVE INTERLOCAL SUBSCRIPTION AGREEMENT** is made and entered into as of \_\_\_\_\_, 2020 (this "Subscription Agreement"), by and between the City of Port Orange, Florida (the "Subscriber"), and the Florida PACE Funding Agency, a separate legal entity and public body and unit of local government, established pursuant to Section 163.01(7), Florida Statutes, (the "Agency"), by and through their respective governing bodies. The purpose of the Subscription Agreement is to secure, in an efficient and uniform manner, for the Property Owners (as hereinafter defined) within the jurisdiction and boundaries of the Subscriber the privileges, benefits, powers and terms provided for herein and by law, and particularly by Section 163.08, Florida Statutes, as amended (the "Supplemental Act"), relating to the voluntary determination by affected property owners to obtain and finance certain improvements to property for energy efficiency, renewable energy or wind resistance.

#### **WITNESSETH:**

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained and for other good and valuable consideration each to the other, receipt of which is hereby acknowledged by each party, the Subscriber and the Agency hereby agree, stipulate and covenant as follows:

#### **ARTICLE I DEFINITIONS AND CONSTRUCTION**

**SECTION 1.01. DEFINITIONS.** As used in this Agreement, the following terms shall have the meanings as defined unless the context requires otherwise:

**"Board of Directors"** means the governing body of the Agency.

**"Agency Charter Agreement"** or **"Charter"** means, unless the context otherwise requires, the separate interlocal agreement which created and established the Agency, including any amendments and supplements hereto executed and delivered in accordance with the terms thereof.

**"Financing Agreement"** means the agreement authorized hereunder and by the Act (specifically including section 163.08(4) thereof) between the Agency and a Property Owner providing for the funding to finance Qualifying Improvements and the imposition of a non-ad valorem Special Assessment against the Property Owner's assessed property.

**"Financing Documents"** shall mean the resolution or resolutions duly adopted by the Agency, as well as any indenture of trust, trust agreement, interlocal agreement or other instrument relating to the issuance or security of any bond or Obligations of the Agency and any



agreement between the Agency and the Subscriber, pursuant to which the Subscriber and Property Owners obtain access to funds provided by the Agency.

**"Obligations"** shall mean any lawful obligation committed to by the Agency or pursuant to an interlocal agreement with another governmental body or agency and/or warrants issued for services rendered or administrative expenses.

**"Program"** means the program operated by the Agency to provide financing for Qualifying Improvements undertaken within the jurisdiction of the Subscriber. Unless determined otherwise by the Subscriber, the Agency's Program will be non-exclusive; and, the Subscriber may embrace or authorize any similar program under the Act as the Subscriber sees fit and in the interest of the public.

**"Property Owner"** means, collectively, all of the record owners of real property subject to a Financing Agreement.

**"Qualifying Improvements"** means those improvements for energy efficiency, renewable energy, or wind resistance described in the Supplemental Act authorized to be affixed and/or installed by the record owner of an affected property. The term does not include similar improvements underwritten or financed by local, state or federal programs including, but not limited to State Housing Initiatives Partnership or SHIP Program, which are not secured by a special or non-ad valorem assessment.

**"Special Assessments"** means the non-ad valorem assessments authorized by the Supplemental Act and levied by the Agency on property owned by participating property owner who has entered into a Financing Agreement with the Agency to fund the costs of Qualifying Improvements.

## **SECTION 1.02 CONSTRUCTION.**

(A) Words importing the singular number shall include the plural in each case and vice versa, and words importing persons shall include firms and corporations. The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Subscription Agreement; the term "heretofore" shall mean before the date this Subscription Agreement is executed; and the term "hereafter" shall mean after the date this Subscription Agreement is executed.

(B) Each recital, covenant, agreement, representation and warranty made by a party herein shall be deemed to have been material and to have been relied on by the other party to this Subscription Agreement. Both parties have independently reviewed this Subscription Agreement with their own counsel and covenant that the provisions hereof shall not be construed for or against either the Subscriber or the Agency by reason of authorship.

**SECTION 1.03. SECTION HEADINGS.** Any headings preceding the texts of the several Articles and Sections of this Subscription Agreement and any table of contents or marginal notes appended to copies hereof shall be solely for convenience of reference and shall neither constitute a part of this Subscription Agreement nor affect its meaning, construction or effect.

**SECTION 1.04. FINDINGS.** It is hereby ascertained, determined and declared that:

(A) The State has declared it the public policy of the State to develop energy management programs aimed at promoting energy conservation and wind resistance or 'hardening' programs achieving hurricane and wind damage mitigation.

(B) The State Legislature has determined there is a compelling state interest in enabling property owners to voluntarily finance Qualifying Improvements with local government assistance. The actions authorized by the Supplemental Act, including the financing of Qualifying Improvements through the execution of Financing Agreements and the related imposition of a Special Assessment, are reasonable and are necessary for the prosperity and welfare of the State, the Subscriber and its property owners and inhabitants.

(C) The Agency has secured a binding final judgment, binding and only advantageous to the Agency, which has statewide effect. Such judgment carefully relieves the Subscriber from cost and liability associated with implementation of the Agency's Program.

(D) The Agency has provided evidence to the Subscriber that: (1) the Agency's Program has assembled, at the Agency's sole cost and expense, open public governance and oversight, staffing in the form of qualified third-party administration, active funding provider servicing oversight, dedicated Program counsel, and an independent institutional trustee, (2) that the Agency is immediately ready to commence origination of Special Assessments for Qualifying Improvements, and (3) that the Agency presently has large scale funding in place and available under an executed bond purchase agreement and trust indenture.

(E) The availability of the non-exclusive Program offered by the Agency (without cost to, assumption of liability by or demand upon the credit of the Subscriber) and the voluntary participation in the Program by Property Owners will provide an alternative financing option to finance and repay the costs to provide and install Qualifying Improvements.

(F) This Agreement provides an alternative, supplemental and non-exclusive means to achieve, *inter alia*, immediate and careful local economic development, commerce and job creation, as well as the compelling State interests and public purposes described in the Supplemental Act.

(G) The Subscriber on May 19, 2020 adopted Resolution No. 20-21, by reference incorporated herein as if fully set forth in this Agreement, and setting the terms for the City of Port Orange to participate in the Agency for the Agency financing of qualifying improvements in accordance with Section 163.08, Florida Statutes.

## **ARTICLE II SUBSCRIPTION**

### **SECTION 2.01. AUTHORITY.**

(A) The execution hereof has been duly authorized by the resolution of the governing bodies of each party hereto.

(B) The Agency by this Subscription Agreement is hereby authorized to act to provide its services, and conduct its affairs, within the boundaries of the Subscriber's jurisdiction.

(C) The execution of this Subscription Agreement evidences the express authority and concurrent transfer of all necessary powers to the Agency, and the covenant to reasonably cooperate by the Subscriber, so that the Agency may facilitate, administer, implement and provide Qualifying Improvements, facilitate Financing Agreements and non-ad valorem assessments only on properties subjected to same by the record owners thereof, develop markets, structures and procedures to finance same, and to take any actions associated therewith or necessarily resulting there from, as contemplated by the Supplemental Act as the same may be amended from time to time.

(D) By resolution of the governing bodies of each of the parties and as implemented pursuant by this Subscription Agreement, all power and authority available to the Agency under its Charter and general law, including without limitation, Chapters 163, 189 and 197, Florida Statutes, shall be deemed to be authorized and may be implemented by the Agency within the boundaries of the Subscriber.

(E) This Subscription Agreement may be amended only by written amendment hereto.

### **SECTION 2.02. CREATION OF STATE, COUNTY OR MUNICIPAL DEBTS PROHIBITED.**

The Agency shall not be empowered or authorized in any manner to create a debt as against the State, county, or any municipality, and may not pledge the full faith and credit of the State, any county, or any municipality. All revenue bonds or debt obligations of the Agency shall contain on the face thereof a statement to the effect that the State, county or any municipality shall not be obligated to pay the same or the interest and that they are only payable from Agency revenues or the portion thereof for which they are issued and that neither the full faith and credit nor the taxing power of the State or of any political subdivision thereof is pledged to the payment of the principal of or the interest on such bonds. The issuance of revenue or refunding bonds under the provisions of law, the Charter Agreement, or this Subscription Agreement shall not directly or indirectly or contingently obligate the State, or any county or municipality to levy or to pledge any form of ad valorem taxation whatever therefore or to make any appropriation for their payment.

### **SECTION 2.03. ADOPTION OF RATES, FEES AND CHARGES.**

(A) The Board of Directors may adopt from time to time by resolution such rates, fees or other charges for the provision of the services of the Agency to be paid by the record owner of any property, pursuant to a Financing Agreement described in the Supplemental Act.

(B) Such rates, fees and charges shall be adopted and revised so as to provide moneys, which, with other funds available for such purposes, shall be at least sufficient at all times to pay the expenses of administering, managing, and providing for the services and administration of the activities of the Agency, to pay costs and expenses provided for by law or the Charter Agreement and the Financing Documents, and to pay the principal and interest on the Obligations as the same shall become due and reserves therefore, and to provide for necessary administration and reasonable margin of safety over and above the total amount of such payments. Notwithstanding any other provision in the Charter Agreement or this Subscription Agreement, such rates, fees and charges shall always be sufficient to comply fully with any covenants contained in the Financing Documents.

(C) Such rates, fees and charges may vary from jurisdiction to jurisdiction, but shall be just and equitable and uniform at the time of imposition for the record owners in the same class of or within each subscribing local governmental jurisdiction electing to enter into any Financing Agreement described in the Supplemental Act and may be based upon or computed upon any factor (including, by way of example and not limitation, competitive or market conditions, distinguishing between residential and non-residential properties or uses, distinguishing between variable costs of administrative services over time) or combination of factors affecting the demand or cost of the services furnished or provided to administer the services and affairs of the Agency as may be determined by the Board of Directors from time to time.

(D) Notwithstanding anything in this Subscription Agreement to the contrary, the Agency may establish a general fund and/or performance assurance account into which moneys may be deposited from an annual surcharge upon the Special Assessments imposed, pledged to or collected by the Agency. Any moneys deposited to such general fund account from such a surcharge shall be considered legally available for any lawful purpose approved by the Board of Directors. Moneys in such general fund and/or performance assurance account may be used to pay for or reimburse initial costs and expenses advanced or associated with start-up costs, feasibility studies, economic analysis, financial advisory services, program development or implementation costs or enhancements, public education, energy audits, administration, quality control, vendor procurement, and any other purpose associated with the purpose or mission of the Agency approved by the Board of Directors.

### **SECTION 2.04. FINANCING AGREEMENTS.**

(A) The Agency shall prepare and provide to each participating property owner the form of the Financing Agreement which complies with the Supplemental Act and is in accordance with the Financing Documents as designated by the Board of Directors from time to time.

(B) The Agency, not the Subscriber, shall be solely responsible for all matters associated with origination, funding, financing, collection and administration of each of the Agency's authorized non-ad valorem assessments.

**SECTION 2.05. IMPOSITION OF SPECIAL ASSESSMENTS PURSUANT TO FINANCING AGREEMENTS.**

(A) Upon execution by the record owners and the Agency, the Financing Agreement or a summary or memorandum thereof shall be recorded by the Agency within five (5) days of execution as required by Section 163.08(8), Florida Statutes. The recorded Financing Agreement, or summary or memorandum thereof, provides constructive notice that the non-ad valorem assessment to be levied on the subject property constitutes a lien of equal dignity to ad valorem taxes and assessments from the date of recordation.

(B) In a reasonably cooperative and uniform manner the Agency is authorized to and shall provide a digital copy to the property appraiser or tax collector of the recorded Financing Agreement or summary thereof, the most recent property identification number and annual amount of the non-ad valorem assessment along with such other efficient and reasonable information necessary for the tax collector to collect such amounts on behalf of the Agency pursuant to Sections 197.3632 and 163.08, Florida Statutes, as a non-ad valorem assessment.

**SECTION 2.06. COLLECTION OF SPECIAL ASSESSMENTS.**

(A) The Agency shall be solely responsible for professionally coordinating all interface with the tax collector or property appraiser, and minimize to the greatest extent reasonably possible the time, effort and attention of these public officials to accomplish the public purposes and direction of the Supplemental Act subscribed to by the Subscriber. Subscriber hereby respectfully requests and encourages the tax collector or property appraiser to only impose, charge, or deduct the minimum amount allowed by general law for the collection or handling of the Special Assessments which are the subject of this Subscription Agreement.

(B) To advance Program acceptance and to minimize Program participation costs, and because each Property Owner is voluntarily undertaking to achieve and underwrite the unique and compelling State interests described in the Supplemental Act, the Subscriber urges either the waiver of such fees by the tax collector and property appraiser or a flat five dollar (\$5) fee per year per tax parcel for such purposes which shall be paid by the Agency via deduction, by the institutional trustee required by the Financing Documents, or as otherwise reasonably agreed to by the Agency and these parties.

**SECTION 2.07. PLEDGE OF PROCEEDS FROM NON AD VALOREM ASSESSMENTS.**

(A) The Agency will take such actions as are necessary for the lawful levy of the Special Assessments against all lands and properties specially benefitted by the acquisition, construction and financing of Qualifying Improvements. If any assessment made with respect to any property shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the Agency or Subscriber shall be satisfied that any such assessment is so irregular or defective



that the same cannot be enforced or collected, the Agency is authorized to take all necessary steps to cause a new assessment to be made for the whole or any part of any Qualifying Improvements or against any property specially benefitted by such improvement, to the extent and in the manner provided by law.

(B) Pursuant to the Financing Documents and this Subscription Agreement, the Agency shall irrevocably pledge and, to the fullest extent permitted by law, pledge and assign any and all revenues derived from Special Assessments to the repayment of any debt obligation issued by the Agency pursuant to the Financing Documents.

(C) The Subscriber shall not incur or ever be requested to authorize any obligations secured by Special Assessments associated with Qualifying Improvements imposed by the Agency.

(D) Each series of Financing Documents shall be secured forthwith equally and ratably by a pledge of and lien upon the Special Assessments. The obligations of the Agency under and pursuant to the Financing Documents shall not be or constitute general obligations or an indebtedness of the Subscriber as "bonds" within the meaning of the Constitution of Florida, but shall be payable from and secured solely by a lien upon and pledge of the Special Assessments as provided herein. Neither the Agency nor any holder of any debt obligation issued by the Agency pursuant to the Financing Documents shall ever have the right to compel the exercise of the ad valorem taxing power of the Subscriber or taxation in any form of property therein to pay any amount due under any Financing Documents or any Special Assessment. The Financing Documents shall not constitute a lien upon any property of or in the Subscriber except as to the respective Special Assessments in the manner provided herein and by law.

**SECTION 2.08. CARBON OR SIMILAR CREDITS.** The form of Financing Agreement in each instance shall provide for the transfer of any carbon or similar mitigation credits derived from Qualifying Improvements to the Agency, with such revenues therefrom, if any ever materialize, to be used by the Agency to underwrite generally its operation, mission and purpose. By execution hereof any such interest in mitigation credits shall be assigned by the Subscriber to the Agency without any future action by the parties. Provided, however, the Subscriber shall upon request from time to time execute and deliver all such documents as may be reasonably required to further evidence the assignment and transfer of such interests to the Agency. Such credits expressly exclude investment tax credits available under the Internal Revenue Code or monetary rebates available to the Property Owner.

### **ARTICLE III GENERAL PROVISIONS**

**SECTION 3.01. INTERLOCAL AGREEMENT PROVISIONS.** This Subscription Agreement constitutes a joint exercise of power, privilege or authority by and between the Subscriber and the Agency and shall be deemed to be an "interlocal agreement" within the meaning of the Florida Interlocal Cooperation Act of 1969, as amended. This Subscription

Agreement shall be filed by the Agency with the Clerk of the Circuit Court of the county in which the Subscriber is located.

### **SECTION 3.02. DISCLOSURE.**

(A) The Agency has provided a copy of (1) the Supplemental Act, (2) the Agency's Charter Agreement, (3) the Final Judgment in *Fla. PACE Funding Agency v. State*, No. 2011-CA-1824 (Fla. 2d Cir. Ct. 2011), and (4) other relevant disclosure information and background materials to the Subscriber prior to execution hereof. Subscriber, through its own staff and advisors, has independently reviewed and considered the foregoing and other relevant information of its choosing.

(B) The objective of the Agency's mission is to offer a uniform, standardized and scalable approach that provides efficiencies and economies of scale intended to attract voluntary financing of Qualifying Improvements and stimulate a substantial and meaningful flow of private sector economic activity and new job creation. In doing so, each subscribing local government by entering into a subscription agreement of this nature authorizes the availability of the Agency's uniform program to property owners in the subscribing jurisdiction. Accordingly, the Agency has engaged, and may engage in the future, various advisors, consultants, attorneys or other professionals or firms with recognized expertise necessary to accomplish the Agency's mission.

(C) Each of the various advisors, consultants, attorneys or other professionals engaged by the Agency has been, and shall in the future be, disclosed to the Subscriber. The Subscriber and Agency recognize, consider and acknowledge the fact or possibility that one or more of the various professionals or firms may serve as the advisor to the Agency in its mission, and to the Subscriber or another client in providing other similar professional services, outside of the provision, funding and financing of Qualifying Improvements. Such circumstance is acceptable and will not be construed as a conflict, be objected to unreasonably, nor be used as the basis for its disqualification of such professionals or firms from any continued or future representation of either party hereto which can otherwise be resolved by a reasonable waiver.

### **SECTION 3.03. TERM OF AGREEMENT; DURATION OF AGREEMENT; EXCLUSIVITY.**

(A) This Subscription Agreement shall commence as of the date first above written, and shall remain in effect until terminated as herein provided. Either party (the "non-breaching party") may terminate this Subscription Agreement by providing the other party (the "breaching party") 10 days prior written notice ("Termination Notice") in the event the breaching party breaches this Subscription Agreement and such breach is not cured to the reasonable satisfaction of the non-breaching party within a reasonable period of time following notice of such breach. Beginning on the date the Agency receives from, or gives to, the Subscriber a Termination Notice ("Termination Date"), the Agency shall not approve any new applications affecting property within the legal boundaries of the Subscriber. Provided, however either party may unilaterally terminate this Agreement prior to any Financing Agreements being executed or, if earlier, the

issuance of any Obligations of the Agency secured by pledged revenues derived from within the jurisdiction or boundaries of the Subscriber.

(B) Termination of this Agreement may occur with 30 days' written notice, and at the end of the 30-day period, this Agreement shall be automatically terminated and the Authority will not accept any new applications. Any projects related to applications received before the end of the 30-day period shall be permitted to be completed.

(C) In the event of any termination hereunder, and so long as the Agency has Obligations outstanding which are secured by pledged revenues derived from Financing Agreements relating to any properties within the jurisdiction or boundaries of the Subscriber, or the Agency has projects for Qualified Improvements underway therein, the applicable provisions, authority and responsibility under this Agreement reasonably necessary to carry out the remaining aspects of the Program and responsibilities of Agency then underway, shall remain in effect and survive such termination until such time as those obligations and all associated remaining Program responsibilities are fulfilled (including, but not limited to the collection of assessments in due course).

#### **SECTION 3.04. AMENDMENTS AND WAIVERS.**

(A) Except as otherwise provided herein, no amendment, supplement, modification or waiver of this Subscription Agreement shall be binding unless executed in writing by the Subscriber and Agency.

(B) To the extent the Agency has no outstanding bonds, Obligations or other evidence of indebtedness, this Subscription Agreement may be amended or modified or provisions hereto waived upon the written consent of all parties hereto.

(C) To the extent the Agency has outstanding bonds, Obligations or other evidence of indebtedness arising from Financing Agreements relating to properties within the jurisdiction or boundaries of the Subscriber, this Subscription Agreement may not be amended or modified in any way that is materially adverse to holders of such bonds, Obligations or other evidence of indebtedness without the consent in writing of the holders of at least two-thirds (2/3) or more in principal amount of such bonds, Obligations or other evidence of indebtedness (exclusive of any warrants issued by the Agency) then outstanding, or any insurer duly authorized to provide such consent on behalf of such holders.

#### **SECTION 3.05. NOTICES.**

(A) All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered (or confirmed electronic facsimile transmission) or mailed by registered or certified mail, postage prepaid, or sent by nationally recognized overnight courier (with delivery instructions for "next business day" service) to the parties at the following addresses:

Subscriber:           **City of Port Orange**  
•                           Attention: City Manager  
•                           1000 City Center Circle  
•                           Port Orange, Florida 32129  
•                           (386) 506-5501  
•                           [mjohansson@port-orange.org](mailto:mjohansson@port-orange.org)  
•

Copy to:               **City of Port Orange**  
•                           Attention: City Attorney  
•                           1000 City Center Circle  
•                           Port Orange, Florida 32129  
•                           (386) 506-5525  
•                           [mjones@port-orange.org](mailto:mjones@port-orange.org)  
•

Agency:               Executive Director  
                             Florida PACE Funding Agency  
                             c/o Counterpointe Energy Solutions  
                             2600 Maitland Center Blvd., Suite 163  
                             Maitland, FL 32751

With a copy to:       Program Counsel for the Florida PACE Funding Agency  
                             P.O. Box 14043  
                             Tallahassee, Florida 32317-4043

(B) Any of the parties may, by notice in writing given to the other, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice shall be deemed given on the date such notice is delivered by hand (or confirmed electronic facsimile transmission) or three days after the date mailed.

**SECTION 3.06. QUALITY CONTROL AND COMMUNICATION.** For quality control purposes the Agency and Subscriber desire, and the Agency covenants to develop, implement and employ policies, systems and procedures which are within industry standards; with such standards being reasonably expected to change and evolve over time. An ongoing positive and informal line of communication between staff and agents for the parties is encouraged. At any time, notwithstanding lack of default or lack of material breach hereunder, the Subscriber is encouraged to objectively and specifically communicate to the Agency in writing as provided for herein any concerns, suggestions or disapproval with performance, policies, systems or procedures being employed by the Agency. The Agency through its administrator, Executive Director, or a duly authorized designee, will promptly respond in writing to all such communications (reasonably within fifteen (15) days of receipt of any such written communication, but sooner if necessary) and follow-up accordingly; and, also promptly communicate any such response, follow-up, and all related communication to the Board of Directors for review.

**SECTION 3.07. IMMUNITY; LIMITED LIABILITY.**

(A) All of the privileges and immunities from liability and exemptions from laws, ordinances and rules which apply to the activity of officials, officers, agents or employees of the parties shall apply to the officials, officers, agents or employees thereof when performing their respective functions and duties under the provisions of this Subscription Agreement.

(B) The Subscriber and Agency are and shall be subject to Sections 768.28 and 163.01(9)(c), Florida Statutes, and any other provisions of Florida law governing sovereign immunity. Pursuant to Section 163.01(5)(o), Florida Statutes, and this covenant of the parties hereto, the local governments who are either or both the incorporators or members of the Agency shall not be held jointly liable for the torts of the officers or employees of the Agency, or any other tort attributable to the Agency, and that the Agency alone shall be liable for any torts attributable to it or for torts of its officers, employees or agents, and then only to the extent of the waiver of sovereign immunity or limitation of liability as specified in Section 768.28, Florida Statutes. The Subscriber and Agency acknowledge and agree that the Agency shall have all of the privileges and immunities from liability and exemptions from laws, ordinances, rules and common law which apply to the municipalities and counties of the State. Nothing in this Subscription Agreement is intended to inure to the benefit of any third-party for the purpose of allowing any claim, which would otherwise be barred under the doctrine of sovereign immunity or by operation of law.

(C) Neither the Subscriber, nor the local governments who are either or both the incorporators or members of the Agency, nor any subsequently subscribing or participating local government in the affairs of the Agency shall in any manner be obligated to pay any debts, obligations or liabilities arising as a result of any actions of the Agency, the Board of Directors or any other agents, employees, officers or officials of the Agency, except to the extent otherwise mutually and expressly agreed upon, and neither the Agency, the Board of Directors or any other agents, employees, officers or officials of the Agency have any authority or power to otherwise obligate either the Subscriber, the local governments who are either or both the incorporators or members of the Agency, nor any subsequently subscribing or participating local government in the affairs of the Agency in any manner.

**SECTION 3.08. BINDING EFFECT.** This Subscription Agreement shall be binding upon the parties, their respective successors and assigns and shall inure to the benefit of the parties, their respective successors and assigns.

**SECTION 3.09. SEVERABILITY** In the event any provision of this Subscription Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**SECTION 3.10. EXECUTION IN COUNTERPARTS.** This Subscription Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.



**SECTION 3.11. APPLICABLE LAW.** The exclusive venue of any legal or equitable action that arises out of or relates to this Subscription Agreement shall be the appropriate state court in Volusia County. In any such action, Florida law shall apply and the parties waive any right to jury trial.

**SECTION 3.12. ENTIRE AGREEMENT.** This Subscription Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions of the parties, whether oral or written, and there are no warranties, representations or other agreements among the parties in connection with the subject matter hereof, except as specifically set forth herein.

[Remainder of page intentionally left blank.]

**IN WITNESS WHEREOF**, the undersigned have caused this Subscription Agreement to be duly executed and entered into as of the date first above written.

(SEAL)

**THE CITY OF PORT ORANGE**

By: \_\_\_\_\_  
Donald O. Burnette, Mayor

Attest:

Approved as to form:

\_\_\_\_\_  
Robin L. Fenwick, MMC, City Clerk

\_\_\_\_\_  
Shannon K. Balmer, Assistant City Attorney

**IN WITNESS WHEREOF**, the undersigned have caused this Subscription Agreement to be duly executed and entered into as of the date first above written.

**THE FLORIDA PACE FUNDING AGENCY**

(SEAL)

By: \_\_\_\_\_  
Michael A. Moran, Executive Director

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_, Assistant Secretary

**AMENDED AND RESTATED  
INTERLOCAL AGREEMENT  
RELATING TO THE ESTABLISHMENT OF THE  
FLORIDA PACE FUNDING AGENCY**

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**AMENDED AND RESTATED  
INTERLOCAL AGREEMENT RELATING TO THE ESTABLISHMENT OF  
THE FLORIDA PACE FUNDING AGENCY**

**THIS AMENDED AND RESTATED OF THE INTERLOCAL AGREEMENT** is made and entered into as of the last date of execution hereof by the Incorporators (hereinafter the "Charter Agreement" or "Charter"), by and among the local governments acting as Incorporators hereof (each an "Incorporator", and collectively, the "Incorporators") as evidenced by their execution hereof, by and through their respective governing bodies. This amendment and restatement concerns the Interlocal Agreement recorded at Official Record Book 4143, at Page 2562, as amended at Official Record Book 4210, at Page 2544 in the Official Records of Osceola County, Florida, and in Record Book 1821 at Page 1493, as amended at Official Record Book, at Page 1843, page 415 in the Official Records of Flagler County, Florida (the "Interlocal Agreement"). The purpose of the Interlocal Agreement was to create and establish a separate legal entity, public body and unit of local government, pursuant to Section 163.01(7)(g), Florida Statutes, with all of the privileges, benefits, powers and terms provided for therein and by law.

**WITNESSETH:**

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained and for other good and valuable consideration each to the other, receipt of which is hereby acknowledged by each Incorporator and the Agency, the parties hereby update, amend, codify and restate the Interlocal Agreement, and agree, stipulate and covenant as follows:

## ARTICLE I DEFINITIONS AND CONSTRUCTION

**SECTION 1.01. DEFINITIONS.** As used in this Charter Agreement, the following terms shall have the meanings as defined unless the context requires otherwise:

**"Agency"** means the Florida PACE Funding Agency, a separate legal entity and public body created pursuant to the provisions of the Interlocal Agreement, and as updated, amended, codified and restated by this Charter Agreement. The name or acronym PACE is derived from the concept commonly referred to as 'property assessed clean energy' and relates hereto to the provisions of general law related to funding and financing energy efficiency, renewable energy, and/or wind resistance improvements encouraged and authorized by Section 163.08, Florida Statutes.

**"Charter Agreement"** or **"Charter"** means this Charter Agreement which updates, amends, codifies as a single document, and restates the Interlocal Agreement in its entirety and confirms the establishment of the Agency, including any amendments and supplements hereto executed and delivered in accordance with the terms hereof.

**"Financing Documents"** shall mean the resolution or resolutions duly adopted by the Agency, as well as any indenture of trust, trust agreement, interlocal agreement or other instrument relating to the issuance or security of any bond or debt obligations of the Agency, or the lending or provision of the proceeds thereof to a Subscribing Local Government.

**"Incorporator" and "Incorporators"** shall mean those local governments executing the Interlocal Agreement and this Charter Agreement, acting as the Incorporators of the Agency, and any future constituent local government member of the Agency who may join in to this Charter Agreement.

**"Obligations"** shall mean a series of bonds, obligations or any other evidence of indebtedness, including, but not limited to, notes, commercial paper, certificates or any other obligations of the Agency issued under the Interlocal Agreement or hereunder, or under any general law provisions, and pursuant to the Financing Documents. The term shall also include any lawful debt obligation committed to by the Agency pursuant to an interlocal agreement with another governmental body or agency and/or warrants issued for services rendered or administration expenses.

**"Pledged Funds"** shall mean (A) the revenues derived from non-ad valorem special assessments levied in association with Qualified Improvements by a local government or the Agency and other moneys received by the Agency or its designee

relating to some portion thereof, (B) until applied in accordance with the terms of the Financing Documents, all moneys in the funds, accounts and sub-accounts established thereby, including investments therein, and (C) such other property, assets and moneys of the Agency as shall be pledged pursuant to the Financing Documents; in each case to the extent provided by the Board of Directors pursuant to the Financing Documents. The Pledged Funds pledged to one series of Obligations may be different than the Pledged Funds pledged to other series of Obligations. Pledged Funds shall not include any general or performance assurance fund or account of the Agency.

**"Qualifying Improvement"** means those improvements for energy efficiency, renewable energy, and/or wind resistance or any such similar purposes described or authorized in the Supplemental Act or any amendment thereto, to be affixed or installed by the record owner of an affected property. Until subsequently determined by the Board of Directors of the Agency once the Agency's programs have become established, Qualifying Improvements shall not include improvements completed before the property has received an initial certificate of occupancy.

**"Serve", "service" or the "provision of service"** as such terms are used herein relate to a governmental function or purpose identified by law, which serve and achieve what the Legislature has determined as a compelling state interest necessary for the prosperity and welfare of the state and its property owners and inhabitants, and shall include and mean all actions authorized by the Supplemental Act and this Charter, including, but not limited to, the funding and financing of Qualifying Improvements through the execution of financing agreements and the related imposition of voluntary non-ad valorem assessments to finance facilities on behalf of private property owners within or outside of any Incorporator, all of which have been authorized and declared by the Legislature to benefit the people of the state, increase their commerce and prosperity, improve their health and living conditions, and to allow for the performance of essential governmental functions by the Agency.

**"Subscribing Local Government" or "Subscriber"** shall mean any municipality, county or other government permitted by the Supplemental Act to enter into financing agreements as provided for therein which elects to participate in the Agency's financing program for Qualifying Improvements by entering into a Subscription Agreement with the Agency.

**"Subscription Agreement"** means a separate interlocal agreement between the Agency and any municipality, county or other government permitted by general law to finance Qualifying Improvements or permitted by the Supplemental Act to enter into financing agreements as provided for therein. At a minimum, such Subscription Agreement shall provide for (1) the request or confirmation of authority of the Agency to

act, provide its services, and conduct its affairs in cooperation with and/or within the subscribing government's area of service or boundaries; (2) the Agency or local government to facilitate by law the voluntary acquisition, delivery, installation or any other manner of provision of Qualifying Improvements to record owners desiring such improvements who are willing to enter into financing agreements as provided for in the Supplemental Act and agree to impose non-ad valorem assessments which shall run with the land on their respective properties; (3) the Agency or local government to levy, impose and collect non-ad valorem assessments pursuant to such financing agreements; (4) the issuance of Obligations of the Agency to fund and finance the Qualifying Improvements; (5) the proceeds of such non-ad valorem assessments to be timely and faithfully paid to the Agency or its bondholders; (6) the withdrawal from, discontinuance of, or termination of the Subscription Agreement by either party upon reasonable notice in a manner not detrimental to the holders of any Obligations of the Agency or inconsistent with general law or any Financing Documents; (7) such disclosures, consents or waivers reasonably necessary to concurrently use or employ the service and activities of the Agency; and (8) such other covenants or provisions deemed necessary and mutually agreed to by the parties in respect of general law to carry out the purpose and mission of the Agency.

**"Supplemental Act"** means the provisions of, and additional and supplemental authority described in, Section 163.08, Florida Statutes, and as may be amended from time to time and contemporaneously in effect.

## **SECTION 1.02      CONSTRUCTION.**

A) Words importing the singular number shall include the plural in each case and vice versa, and words importing persons shall include firms and corporations. The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Charter Agreement; the term "heretofore" shall mean before the date this Charter Agreement is entered into; and the term "hereafter" shall mean after the date this Charter Agreement is entered into.

B) Each recital, covenant, agreement, representation and warranty made by a party herein shall be deemed to have been material and to have been relied on by the other party to this Charter Agreement. Each Incorporator has reviewed and desires to enter into this Charter Agreement; the Agency is a successor to such Incorporators and a beneficiary thereof, and the provisions hereof shall not be construed for or against any Incorporator or the Agency by reason of authorship or incorporation.

**SECTION 1.03.      SECTION HEADINGS.** Any headings preceding the texts of the several Articles and Sections of this Charter Agreement and any table of contents

or marginal notes appended to copies hereof shall be solely for convenience of reference and shall neither constitute a part of this Charter Agreement nor affect its meaning, construction or effect.

**SECTION 1.04. FINDINGS.** It is hereby ascertained, determined and declared that:

(A) The Legislature has determined that all energy consuming improvements to property that are not using energy conservation strategies contribute to the burden resulting from fossil fuel energy production. This comports with the declared public policy of the State to play a leading role in developing and instituting energy management programs to promote energy conservation, energy security, and the reduction of greenhouse gases, in addition to establishing policies to promote the use of renewable energy.

(B) The Legislature has also determined that improved properties not protected from wind damage by wind-resistant improvements contribute to the burden resulting from potential wind damage; and, the installation and operation of Qualifying Improvements not only benefit the affected properties for which the improvements are made, but also assist in fulfilling the goals of the State's energy and hurricane mitigation policies.

(C) In the Supplemental Act, the Legislature finds that there is a compelling State interest in enabling property owners to voluntarily finance such improvements with local government facilitative assistance.

(D) In the Supplemental Act, the Legislature makes it clear that the financing of Qualifying Improvements through the execution of financing agreements and related imposition of voluntary assessments is reasonable and necessary for the prosperity and welfare of the State and its property owners and inhabitants.

(E) The Supplemental Act also expressly allows for, but does not require, local governments to enter into partnerships with one or more local governments for the purpose of providing and financing Qualifying Improvements. Such provision allows among other things for innovation in carrying out service and the compelling state interest described in the Supplemental Act.

(F) Although, in theory, assessments for Qualifying Improvements could be imposed under home rule authority, the Legislature felt it necessary and desirable to provide supplemental authority and encouragement which provides a framework for local, regional, and even state-wide approaches to service. The Supplemental Act



provides guidelines, safeguards and clarifies necessary aspects of implementation. The concept that each landowner voluntarily subjects their land as security for payment of the non-ad valorem assessments through an individual financing agreement is unique and fundamental to reasonably attracting funding secured by assessments for Qualifying Improvements which include energy efficiency, renewable energy, wind resistant improvements.

(G) A simplified and standardized state-wide program offers efficiencies, economies of scale, and uniformity that can efficiently attract a stream of financing and uniform program implementation and avoid administrative burdens and inefficient expenditures by local governments throughout Florida. The approach embodied in this Charter Agreement allows the local governments executing this Charter Agreement to act initially as 'incorporators' to create a focused single legal entity which minimizes their involvement and exposure in a manner like that of an incorporator in the corporate sense. The Legislature has expressly determined that the Agency shall be defined as a local government in the Supplemental Act and is independently authorized by law to impose these types of voluntary assessments for energy efficiency, renewable energy or wind resistant Qualifying Improvements.

(H) The Agency achieves local economic development, the hardening of building stock and creates local jobs by bringing owners and contractors together to facilitate the provision, funding, and financing of Qualifying Improvements. As a separate legal entity, the Agency is expressly authorized by general law to finance facilities on behalf of any person relating to a governmental function or purpose which may serve populations within or outside of the members of the entity.

(I) This approach requires a match of demand by individual property owners, both residential and commercial, to the reservoir of qualified labor, tradesmen and vendors in communities throughout Florida. The Agency presents *inter alia* a focused governmental function of attracting and educating qualified labor, tradesman and vendors in how to effectively serve a new market. Facilitation by creating uniform and standardized approaches, careful disclosure to interested private property owners, and developing financing underwritten voluntarily by individual property owners not only addresses energy efficiency, renewable energy, and/or wind resistance burdens and benefits, but will stimulate a substantial and meaningful flow of private sector economic activity and new job creation.

(J) The creation and establishment of the Florida PACE Funding Agency serves to minimize duplication of effort and unnecessary government exposure or involvement, and by law accomplishes a compelling state interest through the provision of service by making available uniform, competitive and credible funding and financing

for individual property owners wishing to participate. The increased availability of funding and financing service by the Florida PACE Funding Agency serves to convert a resource of unused trade and construction skill-sets into productive new private sector job markets, naturally creates local employment, and carefully complies with relevant industry guidelines, safeguards and implementation authorization provided by the Legislature in the Supplemental Act.

(K) This Charter Agreement serves to expressly address and conform to a change in general law subsequent to the execution and effective date of the Interlocal Agreement in order to more broadly serve and provide competitive opportunities to communities, labor markets, material markets, populations, and persons and help to improve properties throughout Florida in order to assist property owners in voluntarily achieving the compelling state interest and fulfilling the goal of the state's energy and hurricane policies articulated in the Supplemental Act.

[Remainder of page intentionally left blank]

## **ARTICLE II THE AGENCY**

### **SECTION 2.01. ESTABLISHMENT AND CREATION.**

(A) Creation and establishment of the "Florida PACE Funding Agency," a separate legal entity and public body and unit of local government with all of the privileges, benefits, powers and terms provided for herein and by law, and as defined herein as the "Agency", by the Interlocal Agreement is ratified and confirmed.

(B) Initial membership in and the Incorporators of the Agency consists of those local governments executing the Interlocal Agreement and this Charter Agreement as Incorporators. To the extent permitted by Section 163.01, Florida Statutes, additional members may be included or deleted by amendment hereto approved by all member local governments of the Agency and the governing body of the Agency. As a condition to membership in the Agency, each member shall be a municipality or county, or other government permitted by the Supplemental Act to enter into financing agreements as provided for therein.

(C) The boundaries or non-exclusive jurisdiction of the Agency shall embrace the territory of any county or municipality throughout the state within which any person owning a property therein determines to enter into a financing agreement evidencing the levy and imposition of a non-ad valorem assessment for a Qualifying Improvement funded or financed by the Agency.

(D) A municipality or county or other government permitted by the Supplemental Act to enter into financing agreements as provided for therein need not be a local government member in or of the Agency, and by law need not otherwise enter into a Subscription Agreement, nor undertake any exclusive relationship with the Agency, nor otherwise take any action to acquiesce, encourage or request the Agency to act, provide its services, or conduct its affairs within the local governments' boundaries.

(E) The Agency is created for purposes set forth in Section 163.01(7)(g), Florida Statutes, and this Charter Agreement as the same may be amended from time to time, in order to facilitate, administer, implement and assist in providing funding and financing for Qualifying Improvements, enter into Subscription Agreements and other agreements, and otherwise serve or provide its services to facilitate financing agreements and non-ad valorem assessments only on properties subjected to same by the record owners thereof, develop funding and financing markets, develop structures and procedures to finance Qualifying Improvements, and to take any actions associated therewith or necessarily resulting therefrom, as contemplated by the Supplemental Act and general law.

(F) The Agency charter created by this Charter Agreement may be amended only by written amendment hereto, or by special act of the Legislature, upon the consent by resolution of the governing bodies of the then members of the Agency.

(G) The mission of the Agency shall be to aspire to and undertake, cause and/or perform all such acts as shall be necessary to provide an independent, uniform and efficient local platform capable of serving private property owners in Florida, by securing economies of scale, market-based competition and uniform implementation on a state-wide basis as authorized by general law and this Charter to facilitate the provision of service, and the funding and financing of Qualifying Improvements to only interested property owners desiring to voluntarily achieve the compelling state interests expressed in the Supplemental Act.

(H) The Agency's mission fundamentally includes a judicially-confirmed structure which eliminates responsibility or liability for the Agency's actions with regard to any other governmental official or entity, while benefitting local commerce, fulfilling the state's energy and hurricane mitigation policies, and allows for cooperation and sharing information with general purpose local governments; and, shall focus upon education of interested and participating property owners, along with providing for direct written disclosure and constructive notice which meets and exceeds relevant industry standards and the extraordinary direct and constructive notice provided by the Supplemental Act.

(I) The Agency, pursuant to general law and by judicial determination, is (1) a legal entity separate and distinct from its Incorporators or members, and (2) a valid and legally existing public body corporate and politic within the State of Florida created pursuant to the Interlocal Agreement and other general law. The Agency is not and cannot be characterized as a dependent special district under section 189.012, Florida Statutes. Accordingly, for providing a status statement and substantial compliance with section 189.03, Florida Statutes and its predecessor in function, as previously requested by the Department of Economic Opportunity, the status of the Agency is "independent." Such status is consistent with the determination of the Department of Economic Opportunity.

**SECTION 2.02. AUTHORITY TO ADMINISTER THE PROVISION OF SERVICE, FUNDING AND FINANCING OF QUALIFYING IMPROVEMENTS.** By this Charter, the provisions of section 163.01(7)(g), Florida Statutes, the Supplemental Act, or by resolution of the governing bodies of a general purpose local government affected and as implemented pursuant to a Subscription Agreement, collectively, alternatively, or supplementally, all power and authority available to the Agency under this Charter Agreement, and general law, including without limitation, Chapters 163, 189

and 197, Florida Statutes, shall be deemed to be authorized and may be implemented by the Agency to serve populations within and outside of the members of the Agency.

### **SECTION 2.03. GOVERNANCE.**

(A) The governing body of the Agency shall consist of a number of persons equal to one (1) member of the Agency's Board of Directors appointed by each Incorporator, and due to the event of an even number of Incorporators, one (1) member of the Agency's Board of Directors shall be selected jointly by all Incorporators, each of whom shall serve a staggered term of three (3) years commencing on October 1. To immediately broaden geographic and insightful participation in governance, until the Agency attains a total of four (4) local government members (including the initial Incorporators) as provided for in the preceding sentence, the Board of Directors of the Agency is directed and authorized to appoint Board Director No. 4 and Board Director No. 5 using substantially the process as provided in subsection (C) of this Section. However, any person so appointed by the Board of Directors concerning Board Director No. 4 or Board Director No. 5 shall be appointed for the unexpired term. Each Director shall hold office until his or her successor has been appointed, qualified and taken an oath of office. The procedure for appointment of members of the Board of Directors and their initial terms of office shall be as follows:

(1) Board Director No. 1, Barbara Revels, is hereby confirmed and appointed by the Board of County Commissioners of Flagler County and accepted to serve a second term ending on September 30, 2019.

(2) Board Director No. 2, Cheryl Grieb, is hereby confirmed and appointed by the City Commission of the City of Kissimmee and accepted to serve a second term ending on September 30, 2017.

(3) Board Director No. 3, Jim Ley, is hereby jointly confirmed and appointed, due to the event of an even number of initial Board of Directors appointed by the Incorporators, and accepted to serve a first term ending September 30, 2018.

(4) Board Director No. 4, as soon as reasonably practicable, shall be appointed as provided herein or as otherwise directed and authorized to an initial term ending on September 30, 2019.

(5) Board Director No. 5, as soon as reasonably practicable, shall be appointed as provided herein or as otherwise directed and authorized to an initial term ending on September 30, 2018.



(6) All members of the Board of Directors shall be qualified electors of the State of Florida.

To the extent necessary, if at all, and without assumption of any liability therefore by the Incorporators, all actions of the Incorporators, the Agency's Board of Directors, and their duly authorized officers and agents, beginning with the inception of the Agency through execution hereof, are hereby ratified and confirmed. This confirmation and ratification provision serves the purpose of a savings clause for the avoidance of doubt in favor of the public interest, and for purposes of repose in the conduct of orderly public affairs.

(B) Members of the Board of Directors shall serve no more than three (3) consecutive three (3) year terms, not including any initial term of less than three (3) years. Provided, however, they shall continue to hold office for the terms for which they were appointed until their successors are chosen, qualified and taken an oath or office.

(C) Upon the occasion of a vacancy for any reason in the term of office of a member of the Board of Directors, which vacancy occurs prior to the replacement of the Board member by appointment and which remains unfilled for thirty (30) days after such vacancy due to inaction or the failure of the respective Incorporator's governing body to duly appoint a successor who is a qualified elector of the State as provided in subsection (A) hereof or otherwise, a successor shall be appointed by a majority of a quorum of the remaining Board of Directors at a meeting held for such purposes. Except as specifically provided on an interim basis in subsection (A) concerning Board Director No. 4 and Board Director No. 5, any person so appointed to fill a vacancy shall be appointed to serve only for the unexpired term or until a successor is duly appointed.

(D) The Board of Directors shall elect a Chairperson, Vice-Chairperson, Secretary, Assistant Secretary and such other officers of the Agency as may be hereafter designated and authorized by the Board of Directors, each of whom shall serve for one (1) year commencing as soon as practicable after October 1 and until their successor is chosen. The Chairperson, the Vice-Chairperson, or the Secretary shall conduct the meetings of the Agency and perform such other functions as herein provided. The Chairperson and Vice-Chairperson shall take such actions, and have all such powers and sign all documents on behalf of the Agency in furtherance of this Charter Agreement or as may be approved by resolution of the Board of Directors adopted at a duly called meeting. The Vice-Chairperson, in the Chairperson's absence, shall preside at all meetings. The Secretary, or the Secretary's designee, shall keep minutes of all meetings, proceedings and acts of the Board of Directors, but such minutes need not be verbatim. Copies of all minutes of the meetings of the Agency shall promptly be sent by the Secretary, or the Secretary's designee, to all members of the Board of Directors and to each general purpose local government which is an Incorporator or Subscribing Local

Government. The Secretary and any Assistant Secretary may also attest to the execution of documents. The Secretary and any Assistant Secretary, or other person duly designated by resolution of the Board, shall have such other powers as may be approved by resolution of the Board of Directors adopted at a duly called meeting.

(E) The Board of Directors shall have those administrative duties set forth in this Charter Agreement and Chapter 189, Florida Statutes, as the same may be amended from time to time. Any certificate, resolution or instrument signed by the Chairperson, Vice-Chairperson or such other person on behalf of the Agency as may hereafter be designated and authorized by resolution of the Board of Directors shall be evidence of the action of the Agency and any such certificate, resolution or other instrument so signed shall be conclusively presumed to be authentic.

(F) Except as provided in this subsection, the members of the Board of Directors shall receive no compensation for their services. Each member of the Board of Directors may be reimbursed for expenses as provided in Section 112.061, Florida Statutes, or, as an alternative, receive a per diem to compensate each member for the inconvenience of travel and associated expenses not to exceed \$350 per calendar day or as otherwise approved by the Board of Directors for travel on Agency business. Provided, however, such expenses or per diem shall not be construed as a salary, and accrue and only be payable as, if and when funds to pay same are available to the Agency.

(G) A majority of the Board of Directors shall constitute a quorum for the transaction of business of the Agency. The affirmative vote of the majority of the members of the Board of Directors present and voting (exclusive of any member having a conflict) shall be necessary to transact business.

(H) By the Interlocal Agreement, prior to the appointment of the entire Board of Directors and the first organizational meeting thereof, the affairs of the Agency were governed by joint resolution of the Incorporators and the then members of the Agency. In such interim period, however long, such acts were necessarily made on behalf of and shall be binding upon the Agency by joint resolution of said Incorporators and the then members. Such acts shall be deemed actions of the governing body of the Agency. In this context, "joint resolution" shall mean any one or a set of resolutions adopting concurrent direction and authorization under the provisions of the Interlocal Agreement or the Charter, and may be evidenced by resolutions executed separately, jointly or with counterpart or other similar provisions, and do not require the joint meeting of the Incorporators. Such actions shall be exclusively on behalf of the Agency, and no liability or responsibility therefor shall be imputed to said Incorporators or the then members. Such acts may include any power or authority otherwise available to the Agency and shall include, among other things, approval of such Financing Documents as were

deemed advisable to file all necessary validation or other pleadings, and undertake appellate matters if necessary, in order to obtain validation of the authority for the Agency to undertake its purpose and mission and issue its Obligations associated there with, the retention of counsel, the procurement of other professional services and all other reasonable acts to initiate and validate the purpose, mission and authority of the Agency, with the cost thereof accruing exclusively to and only payable by the Agency as, if and when funds from or associated with the programs of the Agency become available. All such actions taken or instruments executed on behalf of the Agency are ratified and confirmed and shall continue to be valid and binding in every respect upon the Agency as if duly executed by the Chairman on behalf of the Board of Directors or any other person authorized by the Board of Directors to execute same.

**SECTION 2.04. MEETINGS; NOTICE.** Unless determined otherwise by the Board of Directors, the Board of Directors shall hold meetings pursuant to Section 189.015, Florida Statutes. Notice of meetings and the adoption of the annual budget shall be promulgated on the Agency's website, and notice concerning same shall be published in newspapers of general circulation in the counties of the Incorporators and members of the Agency. Meetings may be noticed and conducted in any reasonable manner in any lawful location within the State.

**SECTION 2.05. REPORTS; BUDGETS; AUDITS.** Unless determined otherwise by the Board of Directors, the Agency shall prepare and submit reports, budgets and audits as provided in Sections 189.016, Florida Statutes.

**SECTION 2.06. POWERS, FUNCTIONS AND DUTIES.**

(A) The Agency shall have all powers to carry out the purposes of this Charter Agreement and the functions and duties provided for herein, including the following powers which shall be in addition to and supplementing any other privileges, benefits and powers granted by this Charter Agreement or by law:

(1) To execute all contracts and other documents, adopt all proceedings and perform all acts determined by the Board of Directors as necessary or advisable to carry out the purpose or mission of the Agency, the purposes of the Interlocal Agreement or this Charter Agreement or any Subscription Agreement with a local government. Unless otherwise provided for herein or authorized by the Board of Directors, the Chairperson or Vice-Chairperson shall execute contracts and other documents on behalf of the Board of Directors.

(2) To plan and provide for the provision, funding, and financing of Qualified Improvements in any manner or means determined by the Board of Directors.

(3) To contract for the service of administrators, accountants, attorneys and any other experts, advisors, or consultants, and such other professionals, agents and employees as the Board of Directors may require or deem appropriate from time to time.

(4) To contract for such services, costs, goods, facilities, or other costs or expenses on a contingent, at risk or deferred basis with the providers, purveyors, or vendors thereof with the express understanding that payment therefore may be evidenced by warrants only due or payable from the Agency (and absolutely no other person, entity or Incorporator) as, if and when identified funds to pay same are available to the Agency.

(5) To reimburse any Incorporator for actual and verifiable costs and expenses reasonably associated with the creation and establishment of the Agency, if any, as, if and when identified funds to repay same are available to the Agency.

(6) To adopt all necessary rules, regulations, procedures, or standards by resolution.

(7) To exercise jurisdiction, control and supervision over the provision, funding, and financing of Qualified Improvements and to make and enforce such rules, procedures and regulations applicable thereto as may be, in the judgment of the Board of Directors, necessary or desirable for the efficient operation of the Agency in accomplishing the purpose and mission of the Agency, and purposes of this Charter Agreement.

(8) To enter into interlocal agreements or join with any other special purpose or general purpose local governments, public agencies or authorities in the exercise of common powers.

(9) To contract with private or public entities or persons.

(10) Subject to such provisions and restrictions as may be set forth in any Financing Document, to enter into contracts with the government of the United States or any agency or instrumentality thereof, the State, or with any municipality, county, district, authority, political subdivision, private corporation, partnership, association or individual providing for or relating to the provision, funding, or financing of Qualifying Improvements and any other matters relevant

thereto or otherwise necessary to effect the purpose and mission of the Agency and purposes of this Charter Agreement.

(11) To receive and accept from any federal or State agency, grants or loans for or in aid of the planning, administration, provision or financing of Qualifying Improvements, and to receive and accept aid or contributions or loans from any other source of either money, labor or other things of value, to be held, used and applied only for the purpose for which such grants, contributions or loans may be made.

(12) To purchase, finance, assume the ownership of, lease, operate, manage and/or control of any administrative facilities, including all equipment or personal property deemed necessary by the Board of Directors to achieve the purpose or mission of the Agency.

(13) To appoint advisory boards and committees to assist the Board of Directors in the exercise and performance of the powers and duties provided in this Charter Agreement.

(14) To sue and be sued in the name of the Agency and participate as a party in any civil, administrative or other action.

(15) To provide or contract for record retention and public records administration.

(16) To adopt and use a seal and authorize the use of a facsimile thereof.

(17) To employ or contract with any public or private entity or person to administer, manage, operate or provide professional services or other efforts associated with any Agency activity, program or facilities, or any portion thereof, including project or program management or similar plans, upon such terms as the Board of Directors deems appropriate.

(18) Subject to such provisions and restrictions as may be set forth in any Financing Document, to own, use, manage or otherwise dispose of any administrative facilities, equipment or personal property, or any portion thereof, upon such terms as the Board of Directors deems appropriate.

(19) Subject to such provisions and restrictions as may be set forth in any Financing Document, to acquire, own, manage, or otherwise dispose of carbon, renewable energy or similar credits upon such terms as the Board of



Directors deems appropriate; and use the proceeds of same, if any materialize, to underwrite start-up or on-going program costs, payment to professionals for deferred or contingent fee or other work or retainers, the advancement of educational programs, deposit into any general or performance assurance fund and/or payment of other reasonable costs or expenditure to advance the mission and purpose of the Agency.

(20) To acquire, by purchase, gift, devise, tax sale certificate or otherwise, and to dispose of, real or personal property, or any estate therein in the course of the purpose or mission of the Agency.

(21) To make and execute contracts or other instruments necessary or convenient to the exercise of its powers.

(22) To maintain an office or offices within the State at such place or places as the Board of Directors may designate from time to time.

(23) To utilize and employ technology and innovation to the maximum extent possible, unless otherwise inconstant with general law, in conducting the meetings and affairs of the Agency.

(24) To lease, as lessor or lessee, to or from any person, firm, corporation, association or body, public or private, facilities or property of any nature to carry out any of the purposes authorized by law or this Charter Agreement.

(25) To borrow money and issue bonds, certificates, warrants, notes, obligations or other evidence of indebtedness of any kind.

(26) To independently act, assist, serve or provide service within the bounds of any general purpose local government to fund, finance, assess, levy, impose, collect and enforce non-ad valorem assessments authorized by Section 163.08, Florida Statutes, as expressly authorized to do so by either the Legislature and this Charter or by the general purpose local government in which the lands assessed are located. Such non-ad valorem assessments may only be to fund and finance Qualifying Improvements.

(27) To contract, apply for and accept grants, loans, assignments and subsidies from any governmental entity for the provision, funding and financing of Qualifying Improvements, and to comply with all requirements and conditions imposed in connection therewith.

(28) To the extent allowed by law and to the extent required to effectuate the purposes of this Charter Agreement, to have and exercise all privileges, immunities and exemptions accorded municipalities and counties of the State under the provisions of the constitution and laws of the State.

(29) To adopt investment policies from time to time and/or invest its moneys in such investments as directed by the Board of Directors in a manner which shall be consistent in all instances with the applicable provisions of the Financing Documents and State law.

(30) To purchase such insurance, bonds, sureties, contracts of indemnity, or similar facilities of any kind or nature as it deems appropriate.

(31) To do all acts and to exercise all of the powers necessary, convenient, incidental, implied or proper, in connection with any of the powers, duties, obligations or purposes authorized by this Charter Agreement or by law.

(B) The Board of Directors may appoint or contract with one or more persons or entities to act as the third party administrator for the Agency having such functions, duties, and responsibilities to implement the services and affairs of the Agency as the Board of Directors may prescribe.

(C) The Board of Directors may appoint or contract with a person or entity to act as executive director of the Agency having such official title, functions, duties, and powers as the chief administrative officer of the Agency as the Board of Directors may prescribe. The Board of Directors shall appoint a person or entity to act as the legal counsel for the Agency. The executive director and legal counsel shall each answer directly to the Board of Directors. The third party administrator shall answer to the executive director, unless otherwise directed by the Board of Directors. Neither the executive director, the third party administrator, legal counsel, nor any other employee of the Agency shall be a member of the Board of Directors.

(D) The Board of Directors (or the executive director prior to the first meeting of Board of Directors) may use or employ any procurement procedures or approach not otherwise inconsistent with general law.

(E) The Board of Directors (or the executive director prior to the first meeting of Board of Directors) may request proposals, or receive unsolicited proposals; provided, however, a courtesy notice thereof shall be provided to the chief administrative officer of each then Incorporator or member of the Agency.

(F) The executive director shall be authorized to execute and deliver on behalf of the Agency such documents and to take such actions as shall be authorized from time to time by the governing body of the Agency. The executive director, or other person or entity otherwise specifically directed to do so, is hereby directed and authorized to undertake such reasonable actions to request proposals, receive unsolicited proposals or employ any procurement procedures necessary to reasonably and timely advance the mission and purpose of the Agency, and thereafter make recommendations to the Board of Directors.

(G) In exercising the powers conferred by this Charter Agreement, the Board of Directors shall act by resolution or motion made and adopted at duly noticed and publicly held meetings in conformance with applicable law.

(H) The provisions of Chapter 120, Florida Statutes, shall not apply to the Agency.

(I) However, nothing herein shall affect the ability of the Agency to engage in or pursue any civil or administrative action or remedies, including but not limited to any proceeding or remedy available under Chapter 120, Florida Statutes, or its successor in function.

**SECTION 2.07. CREATION OF STATE, COUNTY OR MUNICIPAL DEBTS PROHIBITED.** The Agency shall not be empowered or authorized in any manner to create a debt as against the State, any county or any municipality, and may not pledge the full faith and credit of the State, any county, or any municipality. All revenue bonds or debt obligations shall contain on the face thereof a statement to the effect that the state, county or any municipality shall not be obligated to pay the same or interest thereon and that they are only payable from Agency revenues or the portion thereof for which they are issued and that neither the full faith and credit nor the taxing power of the state or of any political subdivision thereof is pledged to the payment of the principal of or the interest on such bonds. The issuance of revenue or refunding bonds under the provisions of law or this Charter Agreement shall not directly or indirectly or contingently obligate the state, or any county or municipality to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment.

**SECTION 2.08. ADOPTION OF RATES, FEES AND CHARGES.**

(A) The Board of Directors may adopt from time to time by resolution such rates, fees or other charges for the provision of the services of the Agency to be paid by the record owner of any property, pursuant to a financing agreement described in the Supplemental Act.

(B) Such rates, fees and charges shall be adopted and revised so as to provide moneys, which, together with other funds available for such purposes, shall be at least sufficient at all times to pay the expenses of administering, managing, and providing for the services and administration of the activities of the Agency, to pay costs and expenses provided for by law or this Charter Agreement and the Financing Documents (including the funding of any financing or operating reserves deemed advisable by the Agency), and to pay the principal and interest on the Obligations as the same shall become due and reserves therefor, and to provide a reasonable margin of safety over and above the total amount of such payments. Notwithstanding any other provision in this Charter Agreement, such rates, fees and charges shall always be sufficient to comply fully with any covenants contained in the Financing Documents. The Agency shall charge and collect such rates, fees and charges so adopted and revised, and such rates, fees and charges shall not be subject to supervision or regulation by any other commission, board, bureau, agency or other political subdivision of the State.

(C) Such rates, fees and charges may vary from jurisdiction to jurisdiction, but shall be just and equitable and uniform at the time of imposition for the record owners (within each community served or subscribing local governmental jurisdiction) electing to enter into any financing agreement described in the Supplemental Act within the same class, and may be based upon or computed upon any factor (including, by way of example and not limitation, distinguishing between residential and non-residential customers or uses, distinguishing between variable costs of administrative services, the degree of local cooperation, assistance from and coordination with local officials, underwriting or market factors over time) or combination of factors affecting the demand or cost of the service furnished by the Agency or provided to administer the affairs of the Agency and provision of service as may be determined or approved by the Board of Directors from time to time.

(D) Notwithstanding anything in this Charter Agreement to the contrary, the Agency may establish a general fund and/or performance assurance account into which moneys may be deposited from an annual surcharge not to exceed one percent (1%) upon any assessments, or any rates, fees and charges imposed, pledged to or collected by the Agency. Any moneys deposited to such general fund account from such a surcharge represent a fair and reasonable cost of administration and shall be considered legally available for any lawful purpose approved by the Board of Directors. Moneys in such general fund and/or performance assurance account may be used to pay for or reimburse initial costs and expenses advanced or associated with start-up costs, feasibility studies, economic analysis, financial advisory services, program development or implementation costs or enhancements, public education, administration, quality control, vendor procurement, and any other lawful purpose approved by the Board of Directors.

## **SECTION 2.09. BONDS AND OBLIGATIONS.**

(A) The Board of Directors shall have the power and it is hereby authorized to provide pursuant to the Financing Documents, at one time or from time to time in one or more series, for the issuance of Obligations of the Agency, or notes in anticipation thereof, for one or more of the following purposes:

- (1) Paying all or part of the cost of one or more Qualifying Improvements,
- (2) Refunding any bonds or other indebtedness of the Agency,
- (3) Assuming or repaying the indebtedness relating to Qualifying Improvements,
- (4) Setting aside moneys in a reserve or performance assurance account,
- (5) Funding a debt service reserve account,
- (6) Capitalizing interest on the Obligations,
- (7) Paying costs of issuance relating to the Obligations, and
- (8) Any other purpose relating to the purpose or mission of the Agency or this Charter Agreement.

(B) The principal of and the interest on each series of Obligations shall be payable from the Pledged Funds, all as determined pursuant to the Financing Documents. The Agency may grant a lien upon and pledge the Pledged Funds in favor of the holders of each series of Obligations in the manner and to the extent provided in the Financing Documents. Such Pledged Funds shall immediately be subject to such lien without any physical delivery thereof and such lien shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Agency.

(C) The Obligations of each series shall be dated, shall bear interest and such rate or rates, shall mature at such time or times not exceeding forty (40) years from their date or dates, may be made redeemable before maturity, at the option of the Agency, at such price or prices and under such terms and conditions, all as shall be determined by the Board of Directors pursuant to the Financing Documents. The Board of Directors shall determine the form of the Obligations, the manner of executing such Obligations, and shall fix the denomination of such Obligations and the place of payment of the principal

and interest, which may be at any bank or trust company within or without the State. In case any officer whose signature or facsimile of whose signature shall appear on any Obligations shall cease to be such officer before the delivery of such Obligations, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until delivery. The Board of Directors may sell Obligations in such manner and for such price as it may determine to be in the best interest of the Agency in accordance with the terms of the Financing Documents. In addition to the Pledged Funds, the Obligations may be secured by such credit enhancement as the Board of Directors determines to be appropriate pursuant to the Financing Documents. The Obligations may be issued as capital appreciation bonds, current interest bonds, term bonds, serial bonds, variable bonds or any combination thereof, all as shall be determined pursuant to the Financing Documents.

(D) Prior to the preparation of definitive Obligations of any series, the Board of Directors may issue interim receipts, interim certificates or temporary Obligations, exchangeable for definitive Obligations when such Obligations have been executed and are available for delivery. The Board of Directors may also provide for the replacement of any Obligations which shall become mutilated, or be destroyed or lost. Obligations may be issued without any other proceedings or the happening of any other conditions or things than those proceedings, conditions or things which are specifically required by this Charter Agreement, the Financing Documents or other applicable laws.

(E) The Board of Directors may enter into such swap, hedge or other similar arrangements relating to any Obligations as it deems appropriate.

(F) The proceeds of any series of Obligations shall be used for such purposes, and shall be disbursed in such manner and under such restrictions, if any, as the Board of Directors may provide pursuant to the Financing Documents.

(G) The Financing Documents may also contain such limitations upon the issuance of additional Obligations as the Board of Directors may deem appropriate, and such additional Obligations shall be issued under such restrictions and limitations as may be prescribed by such Financing Documents. The Financing Documents may contain such provisions and terms in relation to the Obligations and the Pledged Funds as the Board of Directors deems appropriate and which shall not be inconsistent herewith.

(H) Obligations shall not be deemed to constitute a general obligation debt of the Agency or a pledge of the faith and credit of the Agency, but such Obligations shall be payable solely from the Pledged Funds and any moneys received from the credit enhancers of the Obligations, in accordance with the terms of the Financing Documents. The issuance of Obligations shall not directly or indirectly or contingently obligate the



Agency to levy or to pledge any form of ad valorem taxation whatsoever therefor. No holder of any such Obligations shall ever have the right to compel any exercise of the ad valorem taxing power on the part of the Agency or any incorporating local government or subscribing local government to pay any such Obligations or the interest thereon or the right to enforce payment of such Obligations, or the interest thereon, against any property of the Agency, nor shall such Obligations constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Agency, except the Pledged Funds in accordance with the terms of the Financing Documents.

(I) All Pledged Funds shall be deemed to be trust funds, to be held and applied solely as provided in the Financing Documents. Such Pledged Funds may be invested by the Agency in such manner as provided in the Financing Documents.

(J) Any holder of Obligations, except to the extent the rights herein given may be restricted by the Financing Documents, may, either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights under the laws of the State or granted hereunder or under the Financing Documents, and may enforce and compel the performance of all agreements or covenants required by this Charter Agreement, or by such Financing Documents, to be performed by the Agency or by any officer thereof.

(K) From time to time the Agency may issue warrants, payable not from Pledged Funds, but as, if and when other legally available funds become available; or as otherwise authorized under the Financing Documents.

(L) Obligations may be validated, at the sole discretion of the Board of Directors, pursuant to Chapter 75, Florida Statutes. Obligations may be issued pursuant to and secured by a resolution of the Board of Directors. Provided, however, the Agency's power and authority to issue its Obligations for proper, legal, and paramount public purposes in the amount not to exceed \$2,000,000,000 in revenue bonds (various series), together with the validity of the Interlocal Agreement, and all of its terms, provisions and powers, the Pledged Funds, the power and authority of the Agency and any subscribing local government to enter into a Subscription Agreement, the provision, funding, and financing of Qualifying Improvements, the power and authority for local governments to enter into financing agreements and impose non-ad valorem assessments and the status of such non-ad valorem assessments as a lien of equal dignity to taxes and assessments as described in the Supplemental Act, and all matters associated therewith were required to be and were validated pursuant to Chapter 75, Florida Statutes, as soon as practicable after the execution of the Interlocal Agreement.

(M) In addition to the other provisions and requirements of this Charter Agreement, any Financing Documents may contain such provisions as the Board of Directors deems appropriate.

(N) All Obligations issued hereunder shall not be invalid for any irregularity or defect in the proceedings for the issuance and sale thereof and shall be incontestable in the hands of bona fide purchasers for value. No proceedings in respect to the issuance of such Obligations shall be necessary except such as are required by law, this Charter Agreement or the Financing Documents. The provisions of the Financing Documents shall constitute an irrevocable contract between the Agency and the holders of the Obligations issued pursuant to the provisions thereof.

(O) Holders of Obligations shall be considered third party beneficiaries hereunder and may enforce the provisions of this Charter Agreement or general law.

#### **SECTION 2.10. MERGER; DISSOLUTION.**

(A) In no event shall a merger involving the Agency be permitted, unless otherwise approved by resolution of the local governments which are then members of the Agency pursuant to this Charter Agreement.

(B) The dissolution of the Agency shall occur by law and transfer the title to all property owned by the Agency in a manner consistent with Chapter 189, Florida Statutes, unless (1) the Agency is merged into an independent special district as acknowledged herein, (2) this Charter Agreement is terminated pursuant to Section 3.02 hereof, or (3) as otherwise provided in a dissolution plan approved and adopted by resolution of the local governments which are then members of the Agency pursuant to this Charter Agreement.

**SECTION 2.11. ENFORCEMENT AND PENALTIES.** The Board of Directors or any aggrieved person may have recourse to such remedies in law and equity as may be necessary to ensure compliance with the provisions of this Charter Agreement, including injunctive relief to mandate compliance with or enjoin or restrain any person violating the provisions of this Charter Agreement and any bylaws, resolutions, regulations, rules, codes, and orders adopted under this Charter Agreement, and the court shall, upon proof of such failure of compliance or violation, have the duty to issue forthwith such temporary and permanent injunctions as are necessary to mandate compliance with or prevent such further violations thereof.

**SECTION 2.12. TAX EXEMPTION.** As the exercise of the powers conferred by this Charter Agreement to effect the purposes of this Charter Agreement constitute

the performance of essential public functions, and as the programs of the Agency constitute public purposes as more particularly articulated in the Supplemental Act, all assets and properties of the Agency and all Obligations issued hereunder and interest paid thereon and all assessment proceeds, rates, fees, charges, and other revenues derived by the Agency from the activities, services, and programs provided for by this Charter Agreement or otherwise shall be exempt from all taxes by the State or any political subdivision, agency, or instrumentality thereof, except that this exemption shall not apply to interest earnings subject to taxation under Chapter 220, Florida Statutes.

[Remainder of page intentionally left blank.]

### ARTICLE III GENERAL PROVISIONS

**SECTION 3.01. INTERLOCAL AGREEMENT PROVISIONS.** This Charter Agreement constitutes a joint exercise of power, privilege or authority by and between the Incorporators and shall be deemed to be an "interlocal agreement" within the meaning of the Florida Interlocal Cooperation Act of 1969, as amended. This Charter Agreement shall be filed with the applicable clerk of the circuit court as provided by Section 163.01(11), Florida Statutes.

**SECTION 3.02. TERM OF AGREEMENT; DURATION OF AGREEMENT.**

(A) The term of this Charter Agreement shall commence as of the date first above written, and shall continue for so long as the Agency shall exist.

(B) The Agency shall continue to exist so long as the Agency has Obligations outstanding. At such time as no Obligations are outstanding, the Agency may dissolve by a majority vote of the Board of Directors in a manner provided for herein.

(C) So long as the Agency has Obligations outstanding, the members of the Agency covenant not to undertake any act or action to withdraw from or otherwise terminate this Charter Agreement; and any such action shall not be effective if such action would leave less than two (2) members.

**SECTION 3.03. AMENDMENTS AND WAIVERS.**

(A) Except as otherwise provided herein, no amendment, supplement, modification or waiver of this Charter Agreement shall be binding unless executed in writing by the Agency and the local governments which are then members of the Agency pursuant to this Charter Agreement.

(B) To the extent the Agency has no outstanding bonds, Obligations or other evidence of indebtedness, this Charter Agreement may be amended or modified or provisions hereto waived upon the written consent of all the then members of the Agency as more particularly described in Section 2.01(B) hereof.

(C) This Charter Agreement is fairly determined as not materially adverse to the holders of any Agency Obligations. Notwithstanding any other provision herein interpreted to the contrary, to the extent the Agency has outstanding Obligations or other evidence of indebtedness, this Charter Agreement may not be amended or modified in any way that is materially adverse to holders of such Obligations or other evidence of indebtedness without the consent in writing of the holders of at least two-thirds (2/3) or

more in principal amount of such Obligations or other evidence of indebtedness then outstanding, or any trustee or insurer duly authorized to provide such consent on behalf of such holders.

#### **SECTION 3.04. NOTICES.**

(A) All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered (or confirmed electronic facsimile transmission) or mailed by registered or certified mail, postage prepaid, or sent by nationally recognized overnight courier (with delivery instructions for "next business day" service) to the Incorporators at the addresses appearing on their respective signature page.

(B) Upon execution hereof all notices shall also be sent to the Agency, to the attention of its Chair, with a separate copy to the legal counsel and registered agent of the Agency.

(C) Any of the Incorporators (including the Agency after execution hereof by the Incorporators) may, by notice in writing given to the others, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice shall be deemed given on the date such notice is delivered by hand (or confirmed electronic facsimile transmission) or three days after the date mailed.

#### **SECTION 3.05. IMMUNITY; LIMITED LIABILITY.**

(A) All of the privileges and immunities from liability and exemptions from laws, ordinances and rules which apply to the activity of officials, officers, agents or employees of the general purpose local governments incorporating or by law deemed members of the Agency shall apply to the officials, officers, agents or employees of the Agency when performing their respective functions and duties under the provisions of this Charter Agreement.

(B) The Agency and the general purpose local governments incorporating or by law deemed members of the Agency are and shall be subject to Sections 768.28 and 163.01(9)(c), Florida Statutes, and any other provisions of Florida law governing sovereign immunity. Pursuant to Section 163.01(5)(o), Florida Statutes, such local governments may not be held jointly or severally liable for the torts of the officers or employees of the Agency, or any other tort attributable to the Agency or another member of the Agency, and that the Agency alone shall be liable for any torts attributable to it or for torts of its officers, employees or agents, and then only to the extent of the waiver of sovereign immunity or limitation of liability as specified in Section 768.28, Florida

Statutes. The general purpose local governments incorporating or by law deemed members of the Agency intend that the Agency shall have all of the privileges and immunities from liability and exemptions from laws, ordinances, rules and common law which apply to the municipalities and counties of the State. Nothing in this Charter Agreement is intended to inure to the benefit of any third-party for the purpose of allowing any claim, which would otherwise be barred under the doctrine of sovereign immunity or by operation of law.

(C) Neither any Incorporator nor any subsequent Subscribing Local Government shall in any manner be obligated to pay any debts, obligations or liabilities arising as a result of any actions of the Agency, the Board of Directors or any other agents, employees, officers or officials of the Agency, except to the extent otherwise mutually and expressly agreed upon, and neither the Agency, the Board of Directors nor any other agents, employees, officers or officials of the Agency have any authority or power to otherwise obligate one or more of the Incorporators or Members of the Agency, nor any subsequently Subscribing Local Government in any manner.

**SECTION 3.06. BINDING EFFECT.** All actions of the Agency heretofore are acknowledged and ratified as to effect. To the extent provided herein, this Charter Agreement shall be binding upon the parties, their respective successors and assigns and shall inure to the benefit of the parties, their respective successors and assigns.

**SECTION 3.07. SEVERABILITY.** In the event any provision of this Charter Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable the Interlocal Agreement otherwise or any other provision hereof.

**SECTION 3.08. EXECUTION IN COUNTERPARTS.** This Charter Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 3.09. APPLICABLE LAW.** This Charter Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

**SECTION 3.10. ENTIRE AGREEMENT.** This Charter Agreement constitutes the entire updated, amended, codified and restated agreement among the parties pertaining to the subject matter hereof, and there are no warranties, representations or other agreements among the parties in connection with the subject matter hereof, except as specifically set forth herein.

*Incorporator Signature Page*



IN WITNESS WHEREOF, the undersigned have caused this Charter Agreement to be duly executed and entered into as of this date.

BOARD OF COUNTY COMMISSIONERS  
OF FLAGLER COUNTY, FLORIDA

By:   
Nate McLaughlin, Chair

ATTEST:

  
Tom Bexley, Clerk of the Circuit Court  
and Comptroller

APPROVED AS TO FORM:

  
Al Hadeed, County Attorney

*Incorporator Signature Page*

**IN WITNESS WHEREOF**, the undersigned have caused this Charter Agreement to be duly executed and entered into as of this date.



ATTEST:

Kinda Stensell  
City Clerk

**THE CITY COMMISSION OF THE  
CITY OF KISSIMMEE, FLORIDA**

By: \_\_\_\_\_  
Mayor

A blue ink signature of the Mayor, written over a horizontal line.

*Agency Acknowledgment Page*

**IN WITNESS WHEREOF**, the undersigned on behalf of the Agency hereby accepts and acknowledges this Charter Agreement and the provisions set forth herein.

**FLORDIA PACE FUNDING AGENCY**

(SEAL)



By: Barbara J. Peneb  
Chair

ATTEST:

[Signature]  
Executive Director

## Exhibit C-1

### INTERLOCAL AGREEMENT FOR MEMBERSHIP AGREEMENT BETWEEN THE GREEN CORRIDOR PROPERTY ASSESSMENT CLEAN ENERGY (PACE) DISTRICT AND CITY OF PORT ORANGE

This Membership Agreement (the “Membership Agreement”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 2020 by and between the Green Corridor Property Assessment Clean Energy (PACE) District, a public body corporate and politic (the “Green Corridor”), and the City of Port Orange, Florida, a municipal corporation of the State of Florida (the “City”) (collectively, the “Parties”) for the purpose of providing a PACE program within the City.

#### RECITALS

**WHEREAS**, on August 6, 2012, the Green Corridor was created as a separate legal entity pursuant to Section 163.01(7), Florida Statutes, to finance qualifying improvements in accordance with Section 163.08, Florida Statutes; and

**WHEREAS**, on May 19, 2020, the City adopted Resolution No. 20-21 and established the terms for the City’s participation with the program of join the Green Corridor as a non-voting member in order to finance qualifying improvements in the City in accordance with Section 163.08, Florida Statutes; and

**WHEREAS**, the Parties have determined that entering into this Membership Agreement is in the best interest and welfare of the property owners within the Green Corridor and City.

**NOW, THEREFORE**, in consideration of the terms and conditions, promises and covenants hereinafter set forth, the Parties agree as follows:

**Section 1. Recitals Incorporated.** The above recitals are true and correct and incorporated herein.

**Section 2. Purpose.** The purpose of this Membership Agreement is to facilitate the financing of qualifying improvements for property owners within the City in accordance with Section 163.08, Florida Statutes, by virtue of the City’s joining the Green Corridor as a non-voting member and utilizing the Green Corridor’s existing program (the “Program”).

**Section 3. Qualifying Improvements.** The City shall allow the Green Corridor to provide financing of qualifying improvements, as defined in Section 163.08, Florida Statutes, on properties within the City.

**Section 4. Non-Exclusive.** The Green Corridor Program is non-exclusive, meaning the City specifically reserves the right to join any other entity providing a similar program under Section 163.08, Florida Statutes, or create its own program under Section 163.08, Florida Statutes.

**Section 5. Program Guidelines.** The Parties agree that, unless the City desires to implement its own local program guidelines as described below, the Program to be offered in the City will be wholly governed by the Green Corridor’s Program Guidelines. If the City desires to implement its own local program guidelines, it may do so upon sixty (60) day’s written notice to the Green Corridor. Any such local program guidelines can be amended and changed only by

the authorized designee of the City. These local program guidelines shall be consistent with the Green Corridor's guidelines. The City may adopt more restrictive guidelines than that of the Green Corridor. However, if there is a conflict between the Green Corridor's guidelines and the City's guidelines, the Green Corridor's guidelines shall control.

**Section 6. Boundaries.** Pursuant to this Membership Agreement, the boundaries of the Green Corridor shall include the legal boundaries of the City, which boundaries may be limited, expanded, or more specifically designated from time to time by the City by providing written notice to the Green Corridor. As contemplated in the Interlocal Agreement (as defined in Section 8) and as supplemented by this Membership Agreement, the Green Corridor will, on a non-exclusive basis, levy voluntary non ad valorem special assessments on the benefitted properties within the boundaries of the City to help finance the costs of qualifying improvements for those individual properties. Those properties receiving financing for qualifying improvements shall be assessed from time to time, in accordance with Section 163.08, Florida Statutes and other applicable law. Notwithstanding termination of this Membership Agreement or notice of a change in boundaries by the City as provided for above, those properties that have received financing for qualifying improvements shall continue to be a part of the Green Corridor, until such time that all outstanding debt has been satisfied.

**Section 7. Financing Agreement.** The Parties agree that the Green Corridor may enter into a financing agreement, pursuant to Section 163.08, Florida Statutes, with property owner(s) within the City who obtain financing through the Green Corridor.

**Section 8. Amended and Restated Interlocal Agreement.** The Parties agree that the City shall be subject to all terms, covenants, and conditions of the Amended and Restated Interlocal Agreement recorded in the Official Records of Miami-Dade County at Official Records Book 28217, Page 0312, which created the Green Corridor (the "Interlocal Agreement") And the terms established in Resolution No. 20-21 incorporated herein as if fully set forth in this Agreement.

**Section 9. Responsibilities of the Green Corridor; Indemnification.** The Green Corridor shall be solely responsible for all matters associated with origination, funding, financing and administration of each of the Green Corridor's authorized non-ad valorem assessments, including responding to any complaints or inquiries by participants, tax certificate holders, lenders or others relating to the Program's special assessments, the Program's financing agreements, the Program's qualifying improvements, or any other aspect of the Program. The Parties understand that indemnification of the Green Corridor members is provided for in Section 16 of the Interlocal Agreement, and that such provisions shall apply to the City. In addition to the indemnification provided pursuant to the Interlocal Agreement, the Green Corridor will directly indemnify and hold harmless the City, its respective officers, agents and employees, from and against any and all demands, claims, losses, suits, liabilities, causes of action, judgment or damages, arising out of, related to, or in any way connected with performance or nonperformance by the Green Corridor, its officers, contractors and agents for all matters associated with origination, funding, financing and administration of each of the Green Corridor's authorized non-ad valorem assessments, including responding to any complaints or inquiries by participants, tax certificate holders, lenders or others relating to the Program's special assessments, the Program's financing agreements, the Program's qualifying improvements, or any other aspect of the Program. This grant of indemnification shall not be deemed or treated as a waiver by the Green Corridor of any immunity to which it is entitled by

law, including but not limited to the District's sovereign immunity as set forth in Section 768.28, Florida Statutes. This Section shall survive termination of this Agreement.

**Section 10. Agreements with Tax Collector, Property Appraiser and Municipalities.** The Green Corridor acknowledges that the City has no authority to bind the County Tax Collector and the County Property Appraiser, and the Green Corridor will be required to enter into separate agreement(s) with the County Tax Collector and/or the County Property Appraiser, which shall establish the fees (if any) to be charged by the Tax Collector and Property Appraiser for the collection or handling of the Program's special assessments.

**Section 11. Resale or Refinancing of a Property.** The Green Corridor recognizes that some lenders may require full repayment of the Program's special assessments upon resale or refinancing of a property subject to the Program's special assessments. The Green Corridor agrees to provide written disclosure of this matter to all City property owners that may utilize the Program.

**Section 12. Term.** This Membership Agreement shall remain in full force and effect from the date of its execution by both Parties. Any Party may terminate this Membership Agreement upon ninety (90) days prior written notice.

**Section 13. Consent.** This Membership Agreement and any required resolution or ordinance of an individual Party shall be considered the City's consent to joining the Green Corridor and participation therein, as required by Section 163.08, Florida Statutes.

**Section 14. Voting Rights.** The Parties agree that the City shall be a non-voting member of the Green Corridor for the term of this Membership Agreement.

**Section 15. Notices.** Any notices to be given hereunder shall be in writing and shall be deemed to have been given if sent by hand delivery, recognized overnight courier (such as Federal Express), or by written certified U.S. mail, with return receipt requested, addressed to the Party for whom it is intended, at the place specified. For the present, the Parties designate the following as the respective places for notice purposes:

*If to Green Corridor:*  
Paul Winkeljohn, Executive Director  
Green Corridor  
5385 Nob Hill Rd.  
Sunrise, FL 33351

*If to City:*  
M.H. Johansson  
City Manager  
1000 City Center Circle  
Port Orange, FL 32129

*With a Copy to:*  
Matthew J. Jones  
City Attorney  
1000 City Center Circle  
Port Orange, FL 32129

**Section 16. Amendments.** It is further agreed that no modification, amendment or alteration in the terms or conditions herein shall be effective unless contained in a written document executed by the Parties hereto.



**Section 17. Joint Effort.** The preparation of this Membership Agreement has been a joint effort of the Parties hereto and the resulting document shall not, solely as a matter of judicial construction, be construed more severely against one of the Parties than the other.

**Section 18. Merger.** This Membership Agreement incorporates and includes all prior negotiations, correspondence, agreements, or understandings applicable to the matters contained herein; and the Parties agree that there are no commitments, agreements, or understandings concerning the subject matter of this Membership Agreement that are not contained in this document. Accordingly, the Parties agree that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written. It is further agreed that no change, amendment, alteration, or modification in the terms and conditions contained herein shall be effective unless contained in a written document, executed with the same formality, and of equal dignity herewith by all Parties to this Membership Agreement.

**Section 19. Assignment.** The respective obligations of the Parties set forth in this Membership Agreement shall not be assigned, in whole or in part, without the written consent of the other Party hereto.

**Section 20. Records.** The Parties shall each maintain their own respective records and documents associated with this Membership Agreement in accordance with the requirements for records retention set forth in Chapter 119, Florida Statutes.

**Section 21. No Third Party Beneficiaries.** It is the intent and agreement of the Parties that this Agreement is solely for the benefit of the Parties and no person not a party hereto shall have any rights or privileges hereunder.

**Section 22. Severability.** In the event a portion of this Membership Agreement is found by a court of competent jurisdiction to be invalid, the remaining provisions shall continue to be effective.

**Section 23. Venue.** The exclusive venue of any legal or equitable action against the City that arises out of or relates to this Membership Agreement shall be the appropriate state court governing Volusia County, Florida.

**Section 24. Effective Date.** This Membership Agreement shall become effective upon the execution by the Parties hereto.

[This space intentionally left blank. Signature page follows.]

**IN WITNESS WHEREOF**, the Parties hereto have made and executed this Agreement on the day first written above.

ATTEST:

GREEN CORRIDOR PROPERTY  
ASSESSMENT CLEAN ENERGY (PACE)  
DISTRICT

By: \_\_\_\_\_  
District Secretary

By: \_\_\_\_\_  
Executive Director

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY:

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

ATTEST:

THE CITY OF PORT ORANGE

By: \_\_\_\_\_  
Robin L. Fenwick, MMC, City Clerk

By: \_\_\_\_\_  
Donald O. Burnette, Mayor

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY:

By: \_\_\_\_\_  
Shannon K. Balmer, Assistant City Attorney

[SIGNATURE PAGE TO MEMBERSHIP AGREEMENT]



CFN 2012R0550022  
 OR Bk 28217 Pgs 0312 - 3331 (22pgs)  
 RECORDED 08/06/2012 12:20:13  
 HARVEY RUVIN, CLERK OF COURT  
 MIAMI-DADE COUNTY, FLORIDA

**AMENDED AND RESTATED<sup>1</sup>  
 INTERLOCAL AGREEMENT BETWEEN THE TOWN OF  
 CUTLER BAY, VILLAGE OF PALMETTO BAY, VILLAGE OF  
 PINECREST, CITY OF SOUTH MIAMI, MIAMI SHORES VILLAGE, CITY OF CORAL  
 GABLES & CITY OF MIAMI**

This Amended and Restated Interlocal Agreement (the "Interlocal Agreement") is entered into between the Town of Cutler Bay, Florida, a Florida municipal corporation; Village of Palmetto Bay, Florida, a Florida municipal corporation; Village of Pinecrest, a Florida municipal corporation; City of South Miami, a Florida municipal corporation; Miami Shores Village, a Florida municipal corporation; City of Coral Gables, a Florida municipal corporation, and the City of Miami, a Florida municipal corporation (Collectively, the "Parties").

**RECITALS**

**WHEREAS**, Section 163.01, Florida Statutes, the "Florida Interlocal Cooperation Act of 1969," authorizes local government units to enter into interlocal agreements for the mutual benefit of governmental units; and

**WHEREAS**, Section 163.01 (7), Florida Statutes, allows for the creation of a "separate legal entity" constituted pursuant to the terms of the interlocal agreement to carry out the purposes of the interlocal agreement for the mutual benefit of the governmental units; and

**WHEREAS**, the Parties desire to enter into an interlocal agreement creating a separate legal entity entitled the Green Corridor Property Assessment Clean Energy (PACE) District, hereinafter referred to as the "District;" and

**WHEREAS**, Section 166.021, Florida Statutes, authorizes the Parties to exercise any power for municipal purposes, except when expressly prohibited by law; and

**WHEREAS**, Section 163.08, Florida Statutes, provides that a "local government," defined as a county, municipality, a dependent special district as defined in Section 189.403, Florida Statutes, or a separate legal entity created pursuant to Section 163.01(7), Florida Statutes may finance energy related "qualifying improvements" through voluntary assessments; and

<sup>1</sup> This Interlocal Agreement restates and amends an interlocal agreement approved by the Town of Cutler Bay, Village of Palmetto Bay, Village of Pinecrest, and City of South of Miami, which was not recorded and thus never became effective. Therefore, this Interlocal Agreement, upon recordation, shall serve as the Interlocal Agreement establishing the Green Corridor Property Assessment Clean Energy (PACE) District created pursuant to Section 163.01(7), Florida Statutes.

**WHEREAS**, Section 163.08, Florida Statutes, provides that improved property that has been retrofitted with energy-related qualifying improvements receives the special benefit of alleviating the property's burden from energy consumption and assists in the fulfillment of the state's energy and hurricane mitigation policies; and

**WHEREAS**, Section 163.08(5), Florida Statutes, provides that local governments may enter into a partnership with one or more local governments for the purpose of providing and financing qualifying improvements; and

**WHEREAS**, the Parties to this Interlocal Agreement have expressed a desire to enter into this Interlocal Agreement in order to authorize the establishment of the District as a means of implementing and financing a qualifying improvements program within the District; and

**WHEREAS**, the Parties have determined that it is necessary and appropriate to create the District and to clarify various obligations for future cooperation between the Parties related to the financing of qualifying improvements within the District; and

**WHEREAS**, the Parties agree and understand that each member of the District will have complete control over the administration, governance, and implementation of their own PACE program, which includes, but is not limited to, the ability to review and approve program documents, marketing strategies, and determining eligible property types and improvements; and

**WHEREAS**, the Parties have determined that it shall serve the public interest to enter into this Interlocal Agreement to make the most efficient use of their powers by enabling them to cooperate on a basis of mutual advantage to provide for the financing of qualifying improvements within the District.

**NOW, THEREFORE**, in consideration of the terms and conditions, promises and covenants hereinafter set forth, the Parties agree as follows:

Section 1. Recitals Incorporated. The above recitals are true and correct and incorporated herein.

Section 2. Purpose. The purpose of this Interlocal Agreement is to consent to and authorize the creation of the District, pursuant to Section 163.08, Florida Statutes in order to facilitate the financing of qualifying improvements for property owners within the District. The District shall be a separate legal entity, pursuant to Section 163.01(7), Florida Statutes.

Section 3. Qualifying Improvements. The District shall allow the financing of qualifying improvements as defined in Section 163.08, Florida Statutes.

Section 4. Enabling Ordinance or Resolution. The Parties to this Interlocal Agreement agree to approve and keep in effect such resolutions and ordinances as may be necessary to approve, create and maintain the District. Said ordinances and resolutions shall include all of the provisions as provided for in Sections 163.01 and

163.08, Florida Statutes, for the creation of a partnership between local governments as a separate legal entity. The District shall be created upon the execution of this Interlocal Agreement by the Parties hereto and the adoption of an ordinance or resolution of support by the Parties establishing the District. Additional local governments may join in and enter into this Interlocal Agreement by approval of two-thirds of the members of the Board (as defined in Section 6 below), execution of this Interlocal Agreement and adoption of an ordinance or resolution of support establishing the District.

Section 5. District Boundaries. The boundaries of the District shall be the legal boundaries of the local governments that are Parties to this Interlocal Agreement. As contemplated in this Interlocal Agreement, the District will levy voluntary assessments on the benefitted properties within the boundaries of the District to help finance the costs of qualifying improvements for those individual properties. Upon petition by the landowners of individual properties desiring to be benefitted, those properties receiving financing for qualifying improvements shall be assessed from time to time, in accordance with the applicable law. Notwithstanding a Parties termination of participation within this Interlocal Agreement, those properties that have received financing for qualifying improvements shall continue to be a part of the District, until such time that all outstanding debt has been satisfied.

Section 6. Governing Board of the District. The District shall be governed by a governing board (the "Board,") which shall be comprised of property owners or elected officials within the jurisdictional boundaries of the Parties to this Interlocal Agreement and one at large property owner from within the District. The maximum number of members of the Board serving at any given time shall be no more than seven (7) and the minimum number of members shall be not less than three (3). Notwithstanding the foregoing, the maximum number of members on the Board may be increased by a two-third majority vote of the Board. The initial Board shall serve for an initial four (4) year term and shall consist of one (1) representative appointed by each Party from within their jurisdictional boundaries. The initial at large member of the Board shall be appointed by a majority vote of the Board. All subsequent renewal terms shall be for four (4) years. Following the initial Board appointments, the Parties to this Interlocal Agreement shall nominate appointees to be elected to the Board by current sitting Board members. In the event a Board member is no longer eligible to serve on the Board, that Party to this Interlocal Agreement shall appoint a replacement to fulfill the remaining term of that member. The Board's administrative duties shall include all duties necessary for the conduct of the Board's business and the exercise of the powers of the District as provided in Section 11.

Section 7. Decisions of the Board. Decisions of the Board shall be made by majority vote of the Board. The Board may adopt rules of procedure. In the absence of the adoption of such rules of procedure, the fundamental parliamentary procedures of Roberts Rules of Order shall apply.

Section 8. District Staff and Attorney. The Town Manager of Cutler Bay shall serve as the staff to the District. In addition, the Town Attorney for Cutler Bay shall

serve as the counsel to the District. To the extent not paid by the Third Party Administrator of the District (the "TPA"), all of the District's staff and attorney expenses shall be borne by the Town of Cutler Bay. After the District has been operating for two years, the Board may choose to hire different District staff and/or Attorney. If the Board chooses to hire different District staff and/or Attorney, the Town of Cutler Bay will no longer pay for the staff and/or attorney expenses to the extent they are not paid by the TPA.

Section 9. Financing Agreement. The Parties agree that the District shall enter into a financing agreement, pursuant to Section 163.08(8), Florida Statutes, with property owner(s) who obtain financing through the District.

Section 10. Procurement. The Parties agree and understand that the initial procurement for the TPA for the District was performed by the Town of Cutler Bay in accordance with its adopted competitive procurement procedures (Request for Proposal 10-05). The Parties further agree and understand that the Town of Cutler Bay has selected Ygrene Energy Fund, Florida, LLC (the "Ygrene") as the initial TPA. The Town of Cutler Bay, on the behalf of the District, has entered into an Agreement between the Town of Cutler Bay and Ygrene, dated August 16, 2011, which was assigned to the District.

Section 11. Powers of the District. The District shall exercise any or all of the powers granted under Sections 163.01 and 163.08, Florida Statutes, as may be amended from time to time, which include, without limitation, the following:

- a. To finance qualifying improvements within the District boundaries;
- b. In its own name to make and enter into contracts;
- c. To employ agencies, employees, or consultants;
- d. To acquire, construct, manage, maintain, or operate buildings, works, or improvements;
- e. To acquire, hold, or dispose of property;
- f. To incur debts, liabilities, or obligations which do not constitute the debts, liabilities, or obligations of any of the Parties to this Interlocal Agreement;
- g. To adopt resolutions and policies prescribing the powers, duties, and functions of the officers of the District, the conduct of the business of the District, and the maintenance of records and documents of the District;
- h. To maintain an office at such place or places as it may designate within the District or within the boundaries of a Party to this Interlocal Agreement;
- i. To cooperate with or contract with other governmental agencies as may be necessary, convenient, incidental, or proper in connection with any of



the powers, duties, or purposes authorized by Section 163.08, Florida Statutes, and to accept funding from local and state agencies;

- j. To exercise all powers necessary, convenient, incidental, or proper in connection with any of the powers, duties, or purposes authorized in Section 163.08, Florida Statutes; and
- k. To apply for, request, receive and accept gifts, grants, or assistance funds from any lawful source to support any activity authorized under this Agreement.

Section 12. Quarterly Reports. A quarterly report of the District shall be completed in accordance with generally accepted Government Auditing Standards by an independent certified public accountant. At a minimum, the quarterly report shall include a balance sheet, statement of revenues, expenditures and changes in fund equity and combining statements prepared in accordance with generally accepted accounting principles. All records such as, but not limited to, construction, financial, correspondence, instructions, memoranda, bid estimate sheets, proposal documentation, back charge documentation, canceled checks, reports and other related records produced and maintained by the District, its employees and consultants shall be deemed public records, and shall be made available for audit, review or copying by a Party to this Interlocal Agreement upon reasonable notice.

Section 13. Term. This Interlocal Agreement shall remain in full force and effect from the date of its execution; provided, however, that any Party may terminate its involvement in the District and its participation in this Interlocal Agreement upon ten (10) days' written notice to the other Parties. Should a Party terminate its participation in this Interlocal Agreement, be dissolved, abolished, or otherwise cease to exist, the District and this Interlocal Agreement shall continue until such time as all remaining Parties agree to terminate.

Section 14. Consent. This Interlocal Agreement and any required resolution or ordinance of an individual Party shall be considered the Parties' consent to the creation of the District as required by Sections 163.01 and 163.08, Florida Statutes.

Section 15. Liability. The Parties hereto shall each be individually and separately liable and responsible for the actions of its own officers, agents and employees in the performance of their respective obligations under this Interlocal Agreement. Except as specified herein, the Parties shall each individually defend any action or proceeding brought against their respective agency pursuant to this Interlocal Agreement and shall be individually responsible for all of their respective costs, attorneys' fees, expenses and liabilities incurred as a result of any such claims, demands, suits, actions, damages and causes of action, including the investigation or the defense thereof, and from and against any orders, judgments or decrees which may be entered as a result thereof. The Parties shall each individually maintain throughout the term of this Interlocal Agreement any and all applicable insurance coverage required by Florida law for governmental entities. Nothing in this Agreement shall be construed

to affect in any way the Parties' rights, privileges, and immunities, including the monetary limitations of liability set forth therein, under the doctrine of "sovereign immunity" and as set forth in Section 768.28 of the Florida Statutes.

Section 16. Indemnification. The Parties agree that the TPA for the District shall always indemnify and hold harmless the Parties and the District. The Parties understand and acknowledge that the indemnification provisions included in Section 11 "Indemnification" of the Agreement between the Town of Cutler Bay and Ygrene, dated August 16, 2011, which will be assigned to the District, extend to all of the members of the District.

Section 17. Notices. Any notices to be given hereunder shall be in writing and shall be deemed to have been given if sent by hand delivery, recognized overnight courier (such as Federal Express), or it must be given by written certified U.S. mail, with return receipt requested, addressed to the Party for whom it is intended, at the place specified. For the present, the Parties designate the following as the respective places for notice purposes:

If to \_\_\_\_\_: See Attachment

With a Copy to: See Attachment

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Section 18. Amendments. It is further agreed that no modification, amendment or alteration in the terms or conditions herein shall be effective unless contained in a written document executed by the Parties hereto and the District.

Section 19. Filing. It is agreed that this Interlocal Agreement shall be filed with the Clerk of the Circuit Court of Miami-Dade County, as required by Section 163.01(11), Florida Statutes.

Section 20. Joint Effort. The preparation of this Interlocal Agreement has been a joint effort of the Parties hereto and the resulting document shall not, solely as a matter of judicial construction, be construed more severely against one of the Parties than the other.

Section 21. Merger. This Interlocal Agreement incorporates and includes all prior negotiations, correspondence, agreements or understandings applicable to the matters contained herein; and the Parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Interlocal Agreement that are not contained in this document. Accordingly, the Parties agree that no deviation from the terms hereof shall be predicated upon any prior representations or agreements whether oral or written. It is further agreed that no change, amendment, alteration or modification in the terms and conditions contained herein shall be effective unless contained in a written document executed with the same formality and of equal dignity herewith by all Parties to this Interlocal Agreement.

Section 22. Assignment. The respective obligations of the Parties set forth in this Interlocal Agreement shall not be assigned, in whole or in part, without the written consent of the other Parties hereto.

Section 23. Records. The Parties shall each maintain their own respective records and documents associated with this Interlocal Agreement in accordance with the requirements for records retention set forth in Chapter 119, Florida Statutes.

Section 24. Governing Law and Venue. This Interlocal Agreement shall be governed, construed and controlled according to the laws of the State of Florida. Venue for any claim, objection or dispute arising out of the terms of this Interlocal Agreement shall be proper exclusively in Miami-Dade County, Florida.

Section 25. Severability. In the event a portion of this Interlocal Agreement is found by a court of competent jurisdiction to be invalid, the remaining provisions shall continue to be effective.

Section 26. Third Party Beneficiaries. This Interlocal Agreement is solely for the benefit of the Parties and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Nothing in the Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation other than the Parties any right, remedy, or claims under or by reason of this Interlocal Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the Parties.

Section 27. Effective Date. This Interlocal Agreement shall become effective upon the execution by the Parties hereto and recordation in the public records of the applicable county.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Parties hereto have made and executed this Interlocal Agreement on this 24<sup>th</sup> day of JULY, 2012.

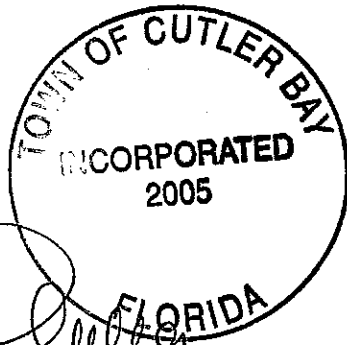
ATTEST:

BY: 

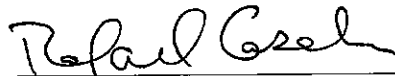
Town Clerk

(Affix Town Seal)

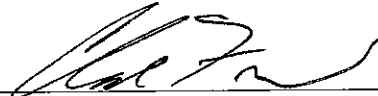
Approved by Town Attorney  
as to form and legal sufficiency



TOWN OF CUTLER BAY, a municipal  
corporation of the State of Florida

BY: 

Town Manager

  
Town Attorney

Section 16. Indemnification. The Parties agree that the TPA for the District shall always indemnify and hold harmless the Parties and the District. The Parties understand and acknowledge that the indemnification provisions included in Section 11 "Indemnification" of the Agreement between the Town of Cutler Bay and Ygrene, dated August 16, 2011, which will be assigned to the District, extend to all of the members of the District.

Section 17. Notices. Any notices to be given hereunder shall be in writing and shall be deemed to have been given if sent by hand delivery, recognized overnight courier (such as Federal Express), or it must be given by written certified U.S. mail, with return receipt requested, addressed to the Party for whom it is intended, at the place specified. For the present, the Parties designate the following as the respective places for notice purposes:

If to Cutler Bay:                      Town Manager  
                                                 Town of Cutler Bay  
                                                 10720 Caribbean Boulevard, Suite 105  
                                                 Town of Cutler Bay, Florida 33189

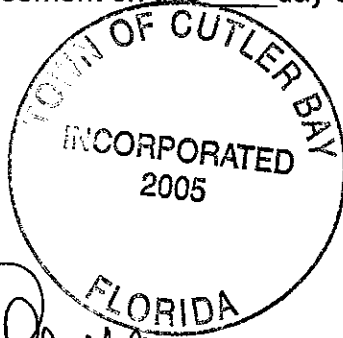
With a Copy to:                      Weiss Serota Helfman  
                                                 Pastoriza Cole & Boniske, P.L.  
                                                 2525 Ponce de Leon Boulevard  
                                                 Suite 700  
                                                 Coral Gables, Florida 33134

\_\_\_\_\_  
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Section 18. Amendments. It is further agreed that no modification, amendment or alteration in the terms or conditions herein shall be effective unless contained in a written document executed by the Parties hereto and the District.



IN WITNESS WHEREOF, the Parties hereto have made and executed this Interlocal Agreement on this 27 day of July, 2012.



ATTEST:

BY: [Signature]

Town Clerk

(Affix Town Seal)

TOWN OF CUTLER BAY, a municipal corporation of the State of Florida

BY: [Signature]

Town Manager

Approved by Town Attorney  
as to form and legal sufficiency

[Signature]  
Town Attorney

ATTEST:

BY: [Signature]

Guido H. Inguanzo, Jr., CMC  
Village Clerk

(Affix Town Seal)  
Village

Approved by <sup>Village</sup> Town Attorney  
as to form and legal sufficiency

VILLAGE OF PINECREST, a municipal corporation of the State of Florida

BY: [Signature]

Yocelyn Galano Gomez, ICMA-CM  
Village Manager

[Signature]  
Village Attorney

"Indemnification" of the Agreement between the Town of Cutler Bay and Ygrene, dated August 16, 2011, which will be assigned to the District, extend to all of the members of the District.

Section 17. Notices. Any notices to be given hereunder shall be in writing and shall be deemed to have been given if sent by hand delivery, recognized overnight courier (such as Federal Express), or it must be given by written certified U.S. mail, with return receipt requested, addressed to the Party for whom it is intended, at the place specified. For the present, the Parties designate the following as the respective places for notice purposes:

If to Cutler Bay:                      Town Manager  
                                                 Town of Cutler Bay  
                                                 10720 Caribbean Boulevard, Suite 105  
                                                 Town of Cutler Bay, Florida 33189

With a Copy to:                      Weiss Serota Helfman  
                                                 Pastoriza Cole & Boniske, P.L.  
                                                 2525 Ponce de Leon Boulevard  
                                                 Suite 700  
                                                 Coral Gables, Florida 33134

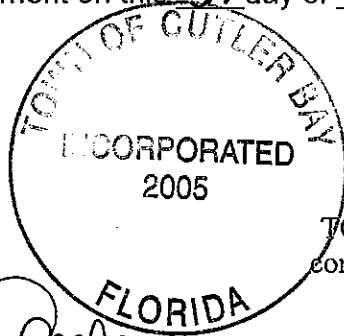
Village Manager/Village of Pinecrest  
12645 Pinecrest Parkway  
Pinecrest, FL 33156

\_\_\_\_\_  
\_\_\_\_\_  
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Section 18. Amendments. It is further agreed that no modification, amendment or alteration in the terms or conditions herein shall be effective unless contained in a written document executed by the Parties hereto and the District.

Section 19. Filing. It is agreed that this Interlocal Agreement shall be filed with the Clerk of the Circuit Court of Miami-Dade County, as required by Section 163.01(11), Florida Statutes.

IN WITNESS WHEREOF, the Parties hereto have made and executed this Interlocal Agreement on this 31 day of July, 2012.



ATTEST:

TOWN OF CUTLER BAY, a municipal corporation of the State of Florida

BY: [Signature]

Town Clerk

BY: [Signature]

Town Manager

(Affix Town Seal)

Approved by Town Attorney  
as to form and legal sufficiency

[Signature]  
Town Attorney

ATTEST:

CITY OF SOUTH MIAMI, a municipal corporation of the State of Florida

BY: [Signature]

City Clerk

BY: [Signature]

City Manager

(Affix Town Seal)

Approved by City Attorney  
as to form and legal sufficiency

[Signature]  
City Attorney

Section 16. Indemnification. The Parties agree that the TPA for the District shall always indemnify and hold harmless the Parties and the District. The Parties understand and acknowledge that the indemnification provisions included in Section 11 "Indemnification" of the Agreement between the Town of Cutler Bay and Ygrene, dated August 16, 2011, which will be assigned to the District, extend to all of the members of the District.

Section 17. Notices. Any notices to be given hereunder shall be in writing and shall be deemed to have been given if sent by hand delivery, recognized overnight courier (such as Federal Express), or it must be given by written certified U.S. mail, with return receipt requested, addressed to the Party for whom it is intended, at the place specified. For the present, the Parties designate the following as the respective places for notice purposes:

If to Cutler Bay:

Town Manager  
Town of Cutler Bay  
10720 Caribbean Boulevard, Suite 105  
Town of Cutler Bay, Florida 33189

With a Copy to:

Weiss Serota Helfman  
Pastoriza Cole & Boniske, P.L.  
2525 Ponce de Leon Boulevard  
Suite 700  
Coral Gables, Florida 33134

CITY MANAGER  
CITY OF SOUTH MIAMI  
6130 SUNSET DR.

SOUTH MIAMI, FL 33143

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Section 18. Amendments. It is further agreed that no modification, amendment or alteration in the terms or conditions herein shall be effective unless contained in a written document executed by the Parties hereto and the District.

IN WITNESS WHEREOF, the Parties hereto have made and executed this Interlocal Agreement on this 24th day of July, 2012.

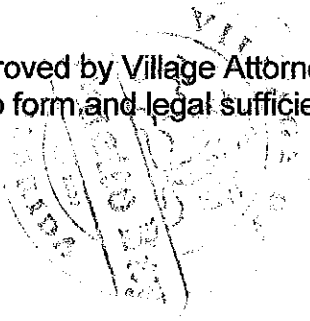
ATTEST:

VILLAGE OF PALMETTO BAY, a municipal corporation of the State of Florida

BY: Melissa Alexandre  
Village Clerk  
(Affix Village Seal)

BY: [Signature]  
Village Manager

Approved by Village Attorney  
as to form and legal sufficiency:



[Signature]  
Village Attorney

Section 17. Notices. Any notices to be given hereunder shall be in writing and shall be deemed to have been given if sent by hand delivery, recognized overnight courier (such as Federal Express), or it must be given by written certified U.S. mail, with return receipt requested, addressed to the Party for whom it is intended, at the place specified. For the present, the Parties designate the following as the respective places for notice purposes:

If to Cutler Bay:

Town Manager  
Town of Cutler Bay  
10720 Caribbean Boulevard, Suite 105  
Town of Cutler Bay, Florida 33189

With a Copy to:

Weiss Serota Helfman  
Pastoriza Cole & Boniske, P.L.  
2525 Ponce de Leon Boulevard  
Suite 700  
Coral Gables, Florida 33134

VILLAGE MANAGER  
VILLAGE OF PALMATTO BAY  
9705 E. HIBISCUS ST.  
PALMATTO BAY, FL 33157

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Section 18. Amendments. It is further agreed that no modification, amendment or alteration in the terms or conditions herein shall be effective unless contained in a written document executed by the Parties hereto and the District.

Section 19. Filing. It is agreed that this Interlocal Agreement shall be filed with the Clerk of the Circuit Court of Miami-Dade County, as required by Section 163.01(11), Florida Statutes.

Section 20. Joint Effort. The preparation of this Interlocal Agreement has been a joint effort of the Parties hereto and the resulting document shall not, solely as a



IN WITNESS WHEREOF, the Parties hereto have made and executed this Interlocal Agreement on this 30 day of JULY, 2012.

ATTEST:

MIAMI SHORES VILLAGE, a municipal corporation of the State of Florida

BY:

Barbara A. Estep, MMC  
Village Clerk

BY:

T. W. [Signature]  
Village Manager

(Affix Village Seal)



Section 16. Indemnification. The Parties agree that the TPA for the District shall always indemnify and hold harmless the Parties and the District. The Parties understand and acknowledge that the indemnification provisions included in Section 11 "Indemnification" of the Agreement between the Town of Cutler Bay and Ygrene, dated August 16, 2011, which will be assigned to the District, extend to all of the members of the District.

Section 17. Notices. Any notices to be given hereunder shall be in writing and shall be deemed to have been given if sent by hand delivery, recognized overnight courier (such as Federal Express), or it must be given by written certified U.S. mail, with return receipt requested, addressed to the Party for whom it is intended, at the place specified. For the present, the Parties designate the following as the respective places for notice purposes:

If to Cutler Bay:                      Town Manager  
                                                 Town of Cutler Bay  
                                                 10720 Caribbean Boulevard, Suite 105  
                                                 Town of Cutler Bay, Florida 33189

With a Copy to:                      Weiss Serota Helfman  
                                                 Pastoriza Cole & Boniske, P.L.  
                                                 2525 Ponce de Leon Boulevard  
                                                 Suite 700  
                                                 Coral Gables, Florida 33134

If to Miami Shores Village:       Village Manager  
                                                 Miami Shores Village  
                                                 10050 N.E. 2<sup>nd</sup> Avenue  
                                                 Miami Shores, FL 33138

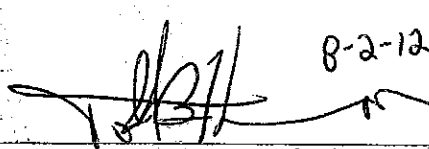
With a Copy to:                      Richard Sarafan, Esquire  
                                                 Genovese Joblove & Batista  
                                                 100 S.E. Second Street, 44<sup>th</sup> Floor  
                                                 Miami, FL 33131

Section 18. Amendments. It is further agreed that no modification, amendment or alteration in the terms or conditions herein shall be effective unless contained in a written document executed by the Parties hereto and the District.

IN WITNESS WHEREOF, the Parties hereto have made and executed this Interlocal Agreement on this 2 day of August, 2012.

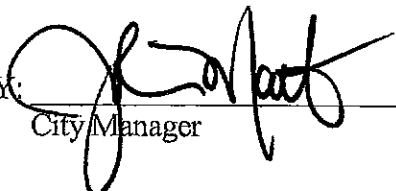
ATTEST:

CITY OF MIAMI, a municipal  
corporation of the State of Florida

BY:  8-2-12

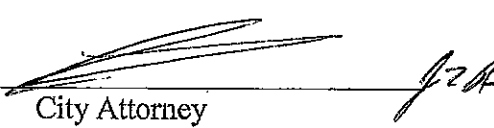
City Clerk - Priscilla A. Thompson

(Affix City Seal)

BY: 

City Manager

Approved by City Attorney  
as to form and legal sufficiency

  
City Attorney

Section 16. Indemnification. The Parties agree that the TPA for the District shall always indemnify and hold harmless the Parties and the District. The Parties understand and acknowledge that the indemnification provisions included in Section 11 "Indemnification" of the Agreement between the Town of Cutler Bay and Ygrene, dated August 16, 2011, which will be assigned to the District, extend to all of the members of the District.

Section 17. Notices. Any notices to be given hereunder shall be in writing and shall be deemed to have been given if sent by hand delivery, recognized overnight courier (such as Federal Express), or it must be given by written certified U.S. mail, with return receipt requested, addressed to the Party for whom it is intended, at the place specified. For the present, the Parties designate the following as the respective places for notice purposes:

If to City of Miami:

Johnny Martinez  
City Manager  
City of Miami  
3500 Pan American Dr. □  
Miami, Florida 33133

With a Copy to:

Julie O. Bru  
Office of the City Attorney  
444 SW 2nd Avenue, Suite 952  
Miami, Florida 33130

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\_\_\_\_\_  
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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Section 18. Amendments. It is further agreed that no modification, amendment or alteration in the terms or conditions herein shall be effective unless contained in a written document executed by the Parties hereto and the District.

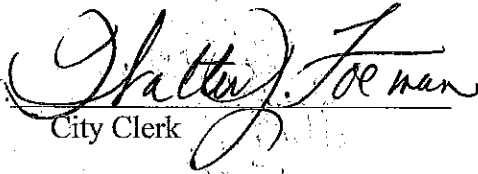
IN WITNESS WHEREOF, the Parties hereto have made and executed this Interlocal Agreement on this 26<sup>th</sup> day of July, 2012.

The City's execution of this Agreement is subject to Resolution 2012-05, which establishes the properties within Coral Gables that may participate in the District. A copy of the Resolution is attached hereto, and incorporated herein.

ATTEST:

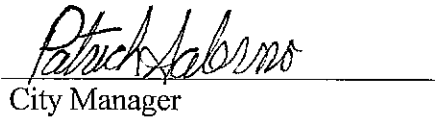
CITY OF CORAL GABLES, a municipal corporation of the State of Florida

BY:

  
City Clerk

(Affix Town Seal)

BY:

  
City Manager

Approved by City Attorney  
as to form and legal sufficiency

  
City Attorney

Section 16. Indemnification. The Parties agree that the TPA for the District shall always indemnify and hold harmless the Parties and the District. The Parties understand and acknowledge that the indemnification provisions included in Section 11 "Indemnification" of the Agreement between the Town of Cutler Bay and Ygrene, dated August 16, 2011, which will be assigned to the District, extend to all of the members of the District.

Section 17. Notices. Any notices to be given hereunder shall be in writing and shall be deemed to have been given if sent by hand delivery, recognized overnight courier (such as Federal Express), or it must be given by written certified U.S. mail, with return receipt requested, addressed to the Party for whom it is intended, at the place specified. For the present, the Parties designate the following as the respective places for notice purposes:

If to Cutler Bay:                      Town Manager  
                                                 Town of Cutler Bay  
                                                 10720 Caribbean Boulevard, Suite 105  
                                                 Town of Cutler Bay, Florida 33189

With a Copy to:                      Weiss Serota Helfman  
                                                 Pastoriza Cole & Boniske, P.L.  
                                                 2525 Ponce de Leon Boulevard  
                                                 Suite 700  
                                                 Coral Gables, Florida 33134

If to Coral Gables                      City Manager  
                                                 City of Coral Gables  
                                                 405 Biltmore Way  
                                                 Coral Gables, Florida 33134

With a Copy To:                      City Attorney  
                                                 City of Coral Gables  
                                                 405 Biltmore Way  
                                                 Coral Gables, Florida 33134

Section 18. Amendments. It is further agreed that no modification, amendment or alteration in the terms or conditions herein shall be effective unless contained in a written document executed by the Parties hereto and the District.



## Exhibit D-1

This instrument was prepared by or under the supervision of (and after recording should be returned to):

Joseph P. Stanton  
Broad & Cassel  
Bank of America Center  
390 North Orange Avenue  
Suite 1400  
Orlando, FL 32801-4961

(SPACE reserved for Clerk of Court)

### **INTERLOCAL AGREEMENT FOR LIMITED PURPOSE PARTY MEMBERSHIP AGREEMENT BETWEEN THE FLORIDA RESILIENCY AND ENERGY DISTRICT AND CITY OF PORT ORANGE**

This Limited Purpose Party Membership Agreement (the "Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_, 2020 by and between the **FLORIDA RESILIENCY AND ENERGY DISTRICT ("FRED")**, a public body corporate and politic created as a separate legal entity pursuant to Section 163.01(7), Florida Statutes, and City of Port Orange, a political subdivision of the State of Florida (the "**CITY**") (collectively, the "Parties") for the purpose of providing a Property Assessed Clean Energy ("PACE") program within the legal boundaries of the CITY.

### **W I T N E S S E T H**

**WHEREAS**, pursuant to Section 163.08(1), Florida Statutes, the legislature determined that access to financing for certain renewable energy, energy efficiency and conservation and wind resistance improvements ("Qualifying Improvements") through voluntary assessment programs such as the PACE program provides a special benefit to real property by alleviating the property's burden from energy consumption and/or reducing the property's burden from potential wind damage; and

**WHEREAS**, in order to make such Qualifying Improvements more affordable and assist property owners who wish to undertake such improvements, the legislature also determined that there is a compelling state interest in enabling property owners to voluntarily finance such Qualifying Improvements with the assistance of local governments, through the execution of financing agreements and the related imposition of voluntary, non-ad valorem special assessments; and

**WHEREAS**, an Interlocal Agreement, dated September 6, 2016, as amended and supplemented from time to time (the "Interlocal Agreement") was entered into between the Town of Lake Clarke Shores, the City of Fernandina Beach, and any subsequent parties thereto (the "Public Agencies") and, in the limited capacity described therein, the Florida Development Finance Corporation ("FDFC" and, together with the Public Agencies, the "Parties"), for the purpose of facilitating the financing of Qualifying Improvements for properties located within FRED's aggregate legal boundaries via the

levy and collection of voluntary non-ad valorem special assessments on improved property; and

**WHEREAS**, the CITY agrees with such legislative determinations and finds that the financing of Qualifying Improvements through the PACE program provides a special benefit to participating real property within legal boundaries of the CITY; and

**WHEREAS**, the Parties to this Agreement desire to supplement the Interlocal Agreement to include the CITY as a Limited Member, as such term is defined in the Interlocal Agreement, on the date last signed below.

**NOW, THEREFORE**, in consideration of the above recitals, terms and conditions, promises and covenants hereinafter set forth, the Parties agree as follows:

**SECTION 1. DEFINITIONS.** Any capitalized terms used in this Agreement, but not otherwise defined herein, shall have the meaning specified for such term in the Interlocal Agreement.

**SECTION 2. PURPOSE.** The purpose of this Agreement is to facilitate the financing of Qualifying Improvements through a PACE program, in accordance with Section 163.08, Florida Statutes, and provide an efficient process for real property owners within the legal boundaries of the CITY to access the PACE program and permit FRED to administer the PACE program within such legal boundaries.

**SECTION 3. RIGHTS OF PARTIES.** FRED, together with its member Parties, and the CITY, with the intent to be bound thereto, hereby agree that the CITY shall become a Party to the Interlocal Agreement together with only those rights and obligations of Parties to the Interlocal Agreement as are necessary to fulfill the purposes described in this Agreement, including access to financing and processing of non-ad valorem special assessments by FRED, within the legal boundaries of the CITY, as more specifically described below, and in accordance with federal, state, and local laws, rules, regulations, ordinances, and all operational program standards of the CITY.

**SECTION 4. INCORPORATION OF RECITALS AND LEVY OF SPECIAL ASSESSMENTS.** The Parties hereby acknowledge and agree with each recital to this Agreement and incorporate such findings herein as their own. The non-ad valorem special assessments arising from a property owner's voluntary participation in the PACE program shall be levied by FRED on properties within the legal boundaries the CITY and the receipt and distribution of any non-ad valorem special assessments imposed by FRED are purely ministerial acts.

**SECTION 5. QUALIFYING IMPROVEMENTS.** FRED may provide access to financing for Qualifying Improvements to real property within the legal

boundaries of the CITY, in accordance with Section 163.08, Florida Statutes, and subject to the terms of this Agreement, as well as applicable federal, state, and CITY law.

**SECTION 6. FINANCING AGREEMENT.** Before extending any financing or subjecting any participating real property within the legal boundaries of the CITY to the non-ad valorem special assessment authorized therein, FRED and FDFC, through their designees, shall, on a non-exclusive basis pursuant to the Section 163.08, Florida Statutes and this Agreement, enter into a financing agreement (the "Financing Agreement") with property owner(s) within the legal boundaries of the CITY who qualify for financing through FRED. The Financing Agreement shall include a thorough explanation of the PACE financing process and specify at what point in the process the special assessment will be added to the real property's owner's property tax bills (after completion of the project(s), permit approval, and approval by the property owner).

**SECTION 7. BOUNDARIES OF THE PACE PROGRAM.** For the limited purposes of administering the PACE program and imposing non-ad valorem special assessments as described in this Agreement, the legal boundaries of FRED shall include the legal boundaries of the CITY, which legal boundaries may be limited, expanded to reflect annexation, or more specifically designated from time to time by the CITY by providing written notice to FRED. Upon execution of this Agreement and written request thereafter, the CITY agrees to provide FRED the current legal description of the legal boundaries of the CITY.

**SECTION 8. ELIGIBLE PROPERTIES.** Within the legal boundaries of the CITY, improved real property, including any residential, commercial, agricultural and industrial use may be eligible for participation in the PACE program within the limits otherwise prescribed in Section 163.08, Florida Statutes.

**SECTION 9. SURVIVAL OF SPECIAL ASSESSMENTS.** During the term of this Agreement, FRED may levy voluntary non-ad valorem special assessments on participating properties within the legal boundaries of the CITY to help secure the financing of costs of Qualifying Improvements constructed or acquired on such properties based on the finding of special benefit by the CITY incorporated into Section 3 hereof. Those properties receiving financing for Qualifying Improvements shall be assessed by FRED until such time as the financing for such Qualified Improvement is repaid in full, in accordance with Section 163.08, Florida Statutes, and other applicable law. Notwithstanding termination of this Agreement or notice of a change in the legal boundaries of the CITY as provided for herein, those properties that have received financing for Qualifying Improvements shall continue to be a part of FRED, until such time that all outstanding debt has been satisfied.

**SECTION 10. TERM.** This Agreement shall remain in full force and effect from the date of its execution by both Parties. Any Party may terminate this Agreement for convenience upon ten (10) days' prior written notice ("Termination Notice") in

accordance with the terms of this Agreement. Beginning on the date FRED receives a Termination Notice from the CITY ("Termination Date"), FRED shall not approve any new applications affecting property within the legal boundaries of the CITY referenced in the Termination Notice. Notwithstanding termination of this Agreement, however, property owners whose applications were approved prior to the Termination Date, and who received funding through the PACE program, shall continue to be a part of FRED, for the sole purpose of FRED imposing assessments for the repayment of such property's outstanding debt, until such time that all outstanding debt has been satisfied.

**SECTION 11. CONSENT.** This Agreement, together with the resolution by the governing board of the CITY approving this Agreement, shall be considered the Parties' consent to authorize FRED to administer the PACE program within the legal boundaries of the CITY, as required by Section 163.08, Florida Statutes.

**SECTION 12. CITY COORDINATOR.** The City Manager or his designee within the CITY shall serve as the CITY's primary point of contact and coordinator. The CITY will advise FRED of any changes to the CITY's primary contact and coordinator within 30 days of such changes.

**SECTION 13. CARBON OR SIMILAR CREDITS.** To the extent permitted by law, in the event that the Financing Agreement or any other PACE agreement with the property owner provides for the transfer of any carbon or similar mitigation credits derived from Qualifying Improvements to FRED, any such carbon or similar mitigation credits derived from properties within the legal boundaries of the CITY, shall be shared in equal parts between FRED and the CITY.

**SECTION 14. LIMITED OBLIGATIONS.** Neither FRED nor FDFC is authorized to issue bonds, or any other form of debt, on behalf of the CITY without a separate interlocal agreement or other authority provided by State law. To the extent that FRED or FDFC issues PACE-related bonds under its own authority in connection with this Agreement, the security for such bonds may be secured by non-ad valorem special assessments imposed by FRED on participating properties within the legal boundaries of the CITY. The issuance of such bonds shall not directly or indirectly or contingently obligate the CITY to levy or to pledge any form of taxation whatever, or to levy ad valorem taxes on any property within their territorial limits to pay the bonds, and the bonds shall not constitute a lien upon any property owned by the CITY. For any such bonds, the bond disclosure document, if any, shall include references to the fact that the CITY is not an obligated party, and also adequately disclose material attendant risks with PACE programs.

**SECTION 15. LIABILITY, INDEMNIFICATION AND SOVEREIGN IMMUNITY.**

(A) CITY and FRED are and shall be subject to Sections 768.28 and 163.01(9)(c), Florida Statutes, and any other provisions of Florida law governing sovereign immunity. Pursuant to Section 163.01(5)(0), Florida Statutes, and this covenant of the parties hereto, the local governments who are either or both the founders or members of FRED shall not be held jointly liable for the torts of the officers or employees of the FRED, or any other tort attributable to FRED, and that FRED alone shall be liable for any torts attributable to it or for torts of its officers, employees or agents, and then only to the extent of the waiver of sovereign immunity or limitation of liability as specified in Section 768.28, Florida Statutes. CITY and FRED acknowledge and agree that FRED shall have all of the applicable privileges and immunities from liability and exemptions from laws, ordinances, rules and common law which apply to the municipalities and counties of the State. CITY is completely independent of FRED. To the extent provided by law, FRED shall indemnify, defend and hold harmless CITY from any and all damages, claims, and liability arising from the negligence or intentional misconduct of FRED relating to operation of the PACE program. Nothing in this Agreement is intended to inure to the benefit of any third-party for the purpose of allowing any claim, which would otherwise be barred under the doctrine of sovereign immunity or by operation of law.

(B) Neither CITY, nor the local governments who are either or both the founders or members of the Agency, nor any subsequently joining or participating local government as members of FRED shall in any manner be obligated to pay any debts, obligations or liabilities arising as a result of any actions of FRED, the governing board of FRED or any other agents, employees, officers or officials of FRED, except to the extent otherwise mutually and expressly agreed upon, and neither FRED, the governing board of FRED or any other agents, employees, officers or officials of FRED have any authority or power to otherwise obligate either CITY, the local governments who are either or both the founders or members of FRED, nor any subsequently subscribing or participating local government in the business of FRED in any manner.

(C) All of the privileges and immunities from liability and exemptions from laws, ordinances and rules which apply to the activity of officials, officers, agents or employees of the parties shall apply to the officials, officers, agents or employees thereof when performing their respective functions and duties under the provisions of this Agreement.

**SECTION 16. AGREEMENTS WITH TAX COLLECTOR AND PROPERTY APPRAISER.** This Agreement shall be subject to the express condition precedent that FRED enter into separate agreement(s) with the tax collector and the property appraiser having jurisdiction over the legal boundaries of the CITY, which shall provide for the collection of any non-ad valorem special assessments imposed by FRED within the legal boundaries of the CITY.

**SECTION 17. OPINION OF BOND COUNSEL.** FRED warrants, based on counsel's review of the bond validation judgment and the underlying bond documents that the FDFC PACE program's structure complies with the bond validation judgment and the underlying bond documents.

**SECTION 18. AGENTS OF FRED.** FRED shall ensure that its agents, administrators, subcontractors, successors and assigns are, at all times, in compliance with the terms of this Agreement and applicable CITY, state and federal laws.

**SECTION 19. NOTICES.** Any notices to be given hereunder shall be in writing and shall be deemed to have been given if sent by hand delivery, recognized overnight courier (such as Federal Express), or by written certified U.S. mail, with return receipt requested, or by electronic mail, addressed to the Party for whom it is intended, at the place specified. For the present, the Parties designate the following as the respective places for notice purposes:

**If to FRED:**

The Florida Resiliency and Energy District  
c/o Florida Development Finance Corporation  
Attention: Executive Director  
William "Bill" Spivey, Jr.  
156 Tuskawilla Road, Suite 2340  
Winter Springs, FL 32708  
(407) 712-6356  
bspivey@fdfebonds.com

and Issuer's Counsel

Joseph B. Stanton, Esq.  
Nelson Mullins Broad & Cassel  
390 N Orange Ave Ste 1400  
Orlando, FL 32801-1687  
(407) 839-4200  
joseph.stanton@nelsonmullins.com

**If to City of Port Orange:**

City of Port Orange  
Attention: City Manager  
1000 City Center Circle  
Port Orange, Florida 32129  
(386) 506-5501



mjohansson@port-orange.org

Copy to:  
City of Port Orange  
Attention: City Attorney  
1000 City Center Circle  
Port Orange, Florida 32129  
(386) 506-5525  
mjones@port-orange.org

**SECTION 20. AMENDMENTS.** No modification, amendment or alteration in the terms or conditions contained herein shall be effective unless contained in a written document prepared with the same or similar formality as this agreement and executed by the CITY and FRED or other delegated authority authorized to execute same on their behalf.

**SECTION 21. JOINT EFFORT.** The preparation of this Agreement has been a joint effort of the Parties hereto and the resulting document shall not, solely as a matter of judicial construction, be construed more severely against one of the Parties than the other.

**SECTION 22. MERGER.** This Agreement represents the final and complete understanding of the Parties regarding the subject matter hereof and supersedes all prior and contemporaneous negotiations, correspondence, agreements, or understandings applicable to the matters contained herein; and the Parties agree that there are no commitments, agreements, or understandings concerning the subject matter of this Agreement that are not contained in this document. Accordingly, the Parties agree that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written.

**SECTION 23. ASSIGNMENT.** The respective obligations of the Parties set forth in this Agreement shall not be assigned, in whole or in part, without the written consent of the other Party hereto.

**SECTION 24. THIRD PARTY BENEFICIARIES.** None of the Parties intend to directly or substantially benefit a third party by this Agreement. Therefore, the Parties acknowledge that there are no third party beneficiaries to this Agreement and that no third party shall be entitled to assert a right or claim against either of them based upon this Agreement; provided, however, that counsel to the Parties may rely on this Agreement for purposes of providing any legal opinions required by the issuance of debt to finance the Qualifying Improvements.

**SECTION 25. RECORDS.** The Parties shall each maintain their own respective records and documents associated with this Agreement in accordance with the requirements for records retention set forth in Chapter 119, Florida Statutes.

**SECTION 26. RECORDING.** This Interlocal Agreement for Limited Purpose Party Membership Agreement shall be filed by FRED with the Clerk of the Circuit Court in the Public Records of Volusia County, Florida and recorded in the public records of the Volusia County, Florida as an amendment to the Interlocal Agreement, in accordance with Section 163.01(11), Florida Statutes.

**SECTION 27. SEVERABILITY.** In the event a portion of this Agreement is found to be unenforceable by a court of competent jurisdiction, that part shall be deemed severed from this Agreement and the remaining provisions of this Agreement shall remain in full force and effect.

**SECTION 28. EFFECTIVE DATE.** This Agreement shall become effective upon the execution by both Parties hereto.

**SECTION 29. LAW, JURISDICTION, AND VENUE.** This Agreement shall be interpreted and construed in accordance with and governed by the laws of the state of Florida. The Parties agree that the exclusive venue for any lawsuit arising from, related to, or in connection with this Agreement shall be in the state courts of the Seventh Judicial Circuit in and for Volusia County, Florida, the United States District Court for the Middle District of Florida or United States Bankruptcy Court for the Middle District of Florida, as appropriate.

[SIGNATURE PAGES FOLLOW]

[SIGNATURE PAGE TO LIMITED PURPOSE PARTY MEMBERSHIP AGREEMENT]

**IN WITNESS WHEREOF**, the Parties hereto have made and executed this Agreement on this \_\_\_\_ day of \_\_\_\_\_, 2020.

City of Port Orange, FLORIDA

By: \_\_\_\_\_ Date \_\_\_\_\_  
Donald O. Burnette  
Mayor

Attest:

By: \_\_\_\_\_ Date \_\_\_\_\_  
Robin L. Fenwick, MMC  
City Clerk

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me by means of \_\_\_\_ physical presence or \_\_\_\_ online notarization, this \_\_\_\_ day of \_\_\_\_\_, 2020, by Donald O. Burnette, Mayor of the City of Port Orange Florida, who is personally known to me.

(SEAL)

\_\_\_\_\_  
Printed/Typed Name: \_\_\_\_\_  
Notary Public-State of Florida  
Commission Number: \_\_\_\_\_

[SIGNATURE PAGE TO LIMITED PURPOSE PARTY MEMBERSHIP AGREEMENT]

WITNESS:

\_\_\_\_\_

\_\_\_\_\_

WITNESS:

\_\_\_\_\_

\_\_\_\_\_

FLORIDA DEVELOPMENT FINANCE  
CORPORATION on behalf of FLORIDA  
RESILIENCY AND ENERGY DISTRICT

By: \_\_\_\_\_  
William "Bill" F. Spivey, Jr.  
Executive Director

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me by means of \_\_\_\_ physical presence or \_\_\_\_ online notarization, this \_\_\_\_ day of \_\_\_\_\_, 2020, by William "Bill" F. Spivey, Jr., Executive Director of the Florida Development Finance Corporation, who is personally known to me/has produced \_\_\_\_\_ as identification.

(SEAL)

\_\_\_\_\_  
Printed/Typed Name: \_\_\_\_\_  
Notary Public-State of Florida  
Commission Number: \_\_\_\_\_

## Exhibit D-2

This instrument was prepared by or under the supervision  
of (and after recording should be returned to):

BROAD AND CASSEL  
390 NORTH ORANGE AVENUE  
SUITE 1400  
ORLANDO, FL 32804  
ATTN: JOSEPH B. STANTON

(SPACE reserved for Clerk of Court)

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**SECOND AMENDED AND RESTATED INTERLOCAL  
AGREEMENT RELATING TO THE CREATION OF THE  
FLORIDA RESILIENCY AND ENERGY DISTRICT, A  
PROPERTY ASSESSED CLEAN ENERGY DISTRICT, AND  
AUTHORIZING FINANCING PURSUANT THERETO**

**BY AND AMONG**

**THE TOWN OF LAKE CLARKE SHORES, FLORIDA, AND**

**THE CITY OF FERNANDINA BEACH, FLORIDA, AND**

**THE FLORIDA DEVELOPMENT FINANCE CORPORATION, FLORIDA, IN ITS**

**LIMITED CAPACITY DESCRIBED HEREIN**

**AND ANY SUBSEQUENT PARTIES HERETO**

**DATED AS OF \_\_\_\_\_, 2017**

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**SECOND AMENDED AND RESTATED INTERLOCAL  
AGREEMENT RELATING TO THE CREATION OF THE FLORIDA  
RESILIENCY AND ENERGY DISTRICT, A PROPERTY ASSESSED CLEAN  
ENERGY DISTRICT, AND AUTHORIZING FINANCING THERETO**

**THIS SECOND AMENDED AND RESTATED INTERLOCAL AGREEMENT** (hereinafter the "Agreement") is made and entered into as of \_\_\_\_\_, 2017, by and among the government units executing the Agreement, each one constituting a public agency or legal entity under Part I, Chapter 163, Florida Statutes, comprising the Town of Lake Clarke Shores, a municipality and local government of the State of Florida and the City of Fernandina Beach, a municipality and local government of the State of Florida (the "Public Agency" or "Public Agencies") and, in the limited capacity described herein, the Florida Development Finance Corporation, a public body corporate and politic, a public instrumentality and a public agency organized and existing under the laws of the State of Florida ("FDFC") and, together collective referred to herein as the "Parties."

**W I T N E S S E T H:**

**WHEREAS**, pursuant to Section 163.08, Florida Statutes, as amended (the "Florida PACE Act"), the Florida Legislature found that in order to make qualifying renewable energy, energy efficiency and conservation and wind resistance improvements (collectively, the "Qualifying Improvements") more affordable and assist real property owners who wish to undertake such improvements, there is a compelling State of Florida ("State") interest in enabling property owners to voluntarily finance such improvements with local government assistance; and

**WHEREAS**, under the Florida PACE Act, the Florida Legislature determined that the actions authorized under the Florida PACE Act, including, but not limited to, the financing of Qualifying Improvements through the execution of financing agreements between property owners and local governments and the resulting imposition of voluntary non-ad valorem assessments are reasonable and necessary to serve and achieve a compelling state interest and are necessary for the prosperity and welfare of the State and its property owners and inhabitants; and

**WHEREAS**, the Town of Lake Clarke Shores, Florida, and the City of Fernandina Beach, Florida (collectively, the "Founding Members"), wish to create an entity to finance Qualifying Improvements for themselves and for other local governments pursuant to Section 163.08(2)(a); and

**WHEREAS**, effective September 6, 2016, the Founding Members and FDFC entered into that certain Agreement (the "Original Agreement"), pursuant to Section 163.01(7), Florida Statutes, creating a separate legal entity within the meaning of Section 163.01, Florida Statutes, also known as the Florida Interlocal Cooperation Act of 1969 (the

"Interlocal Act") and a "local government" within the meaning of the Florida PACE Act, in furtherance of the objectives of the Florida PACE Act; and

**WHEREAS**, the separate legal entity created under the Original Agreement has been designated as the Florida Resiliency and Energy District (the "District" or "FRED") which may, pursuant to section 163.08(2)(a), finance Qualifying Improvements through voluntary assessments; and

**WHEREAS**, FRED, as a separate legal entity created pursuant to section 163.01(7), meets the definition of a local government under section 163.08(2)(a), and may levy assessments to fund qualifying improvements pursuant to authority granted under 163.08(3); and

**WHEREAS**, subsequent to the execution of the Original Agreement, the parties determined that certain amendments were desired in order provide clarity with respect to the nature of the Qualifying Improvements, and the composition of the Governing Board and the designated principal place of business, among other terms and conditions as are more fully set forth herein; and

**WHEREAS**, upon agreement of the parties, an Amended and Restated Agreement was ratified by the parties and became effective on January 10, 2017; and

**WHEREAS**, subsequent to the execution of the Amended and Restated Agreement, the parties determined that certain amendments were desired to be responsive to interpretive concerns raised by some local governments as are more fully set forth herein; and

**WHEREAS**, the Act also permits FDFC and FRED, as public agencies under the Interlocal Act, to enter into Agreements with each other to provide for the performance of service functions to cooperate on a basis of mutual benefit in the best interest of the real property owners within the boundaries of FRED; and

**WHEREAS**, FDFC has determined that there is a substantial need within the State for a financing program which can provide funds to property owners to enable them to finance Qualifying Improvements under the Florida PACE Act on a cost-effective basis; and

**WHEREAS**, the Florida Legislature determined that FDFC has the authority to issue revenue bonds for the purpose of financing Qualifying Improvements pursuant to Section 288.9606(7), Florida Statutes; and

**WHEREAS**, FDFC acts as a special development financing authority that specializes in providing financing support to fund capital projects that support economic development and job creation on a state-wide basis; and

**WHEREAS**, the Florida PACE Act is an economic development tool that provides communities with an additional option for financing, stimulates production of qualifying products, promotes competition, seeks to increase property values, lower energy consumption, mitigate wind damage, and create jobs; and

**WHEREAS**, on December 4, 2015, the FDFC Board of Directors adopted Resolution No. 15-09, as amended and supplemented from time to time (the "Bond Resolution"), authorizing the issuance of revenue bonds ("Bonds") in order to finance Qualifying Improvements under the Florida PACE Act, which revenue bonds shall be secured by and payable from the proceeds of voluntary non-ad valorem assessments levied against the real properties that are benefitted by such Qualifying Improvements (the "Assessments"), all in accordance with the provisions of the Florida PACE Act and other applicable provisions of law and in accordance with FDFC's Property Assessed Clean Energy ("PACE") Program (the "FDFC PACE Program"); and

**WHEREAS**, on July 18, 2014, in accordance with Chapter 75, Florida Statutes, the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida issued an Amended Final Judgment validating the issuance of the Bonds by FDFC and on October 15, 2015, the Supreme Court of the State of Florida affirmed such Final Judgment; and

**WHEREAS**, on December 4, 2015, the FDFC Board of Directors adopted Resolution No. 15-10 setting forth its policies and procedures relating to the FDFC PACE Program; and

**WHEREAS**, on December 4, 2015, the FDFC Board of Directors adopted Resolution No. 15-11 approving Renovate America, Inc. ("Renovate America") as its first PACE administrator for the FDFC PACE Program; and

**WHEREAS**, FDFC anticipates adding other PACE providers as PACE residential and commercial administrators to provide a competitive marketplace in Florida for any potential residential and commercial property owners interested in the FDFC PACE Program; and

**WHEREAS**, FRED and FDFC agree, pursuant to Section 163.01(14), that FRED, as a separate legal entity authorized to facilitate PACE financing pursuant to Section 163.08, Florida Statutes, may contract with FDFC to serve the financing function of the District and therefore serve the property owners of within the District; and

**WHEREAS**, under this Agreement, the Parties agree to have the FDFC PACE Program serve as the administrator for the District's PACE program; and

**WHEREAS**, in order to provide the property owners within the boundaries of FRED an efficient process for accessing the FDFC PACE Program, FRED will designate FDFC as

its agent for purposes of executing Financing Agreements with property owners on behalf of FRED pursuant to Section 163.08(6), Florida Statutes, and for purposes of administering the FDFC PACE Program within the boundaries of FRED and ensuring compliance with the Florida PACE Act; and

**WHEREAS**, the District will utilize the FDFC PACE Program to implement PACE exclusively on behalf of the District and take on all costs and responsibilities for administering and operating the program; and

**WHEREAS**, FDFC will utilize its authority under law to provide, authorize, and issue revenue bonds to finance Qualifying Improvements within and on behalf of property owners within the District; and

**WHEREAS**, FRED will have immediate access to a turnkey FDFC PACE Program which includes \$2,000,000,000 in judicially validated bonding authority for PACE financing and a trained PACE program staff; and

**NOW THEREFORE, THE PARTIES TO THIS AGREEMENT AGREE AS FOLLOWS:**

**SECTION 1. AUTHORITY FOR AGREEMENT.** This Agreement is adopted pursuant to the provisions of the Interlocal Act, the Florida PACE Act, and other applicable provisions of law. At all times prior to and during the term of this Agreement, the Town of Lake Clarke Shores, Florida, and the City of Fernandina Beach, Florida, constitute local governments as that term is defined in the Florida PACE Act and the Interlocal Act and the Florida Development Finance Corporation constitutes a "public agency" as that term is defined in the Florida Interlocal Act. That portion of this Agreement creating the separate legal entity pursuant to Section 163.01(7), Florida Statutes, is among and between the Founding Members, and that portion of the Agreement allowing the FDFC PACE Program to provide the financing duties of the District is pursuant to Section 163.01(14), Florida Statutes.

**SECTION 2. DEFINITIONS.** The following definitions shall govern the interpretation of this Agreement:

**"Agreement"** means this Amended and Restated Interlocal Agreement, including any amendments or supplements hereto, executed and delivered in accordance with the terms hereof.

**"Assessment Resolution"** means a resolution or resolutions adopted by the District that (A) imposes new Assessments against those property owners entering into Financing Agreements since adoption of the last Assessment Resolution, and (B) approves an electronic assessment roll to be submitted to the Tax Collector for the next tax bill

containing the required collection information for all property owners with outstanding Assessments under the FDFC PACE Program, in each case limited to those property owners within the boundaries of the local governments that comprise the District.

**"Assessments"** means the non-ad valorem assessments levied by the District against the properties that are benefitted by the Qualifying Improvements in accordance with the Florida PACE Act and the FDFC PACE Program.

**"Bond Resolution"** means Resolution No. 15-09 of the FDFC adopted on December 4, 2015 relating to the Bonds and the FDFC PACE Program, as amended and supplemented from time to time.

**"Bonds"** means bonds that are issued by FDFC from time to time pursuant to the Bond Resolution.

**"Contracted FDFC Services"** means the services provided by FDFC pursuant to this Agreement.

**"District"** or **"FRED"** means the Florida Resiliency and Energy District (FRED), a separate legal entity formed pursuant to the Interlocal Act and this Agreement and a local government within the meaning of the Florida PACE Act.

**"FDFC"** means Florida Development Finance Corporation, a public body corporate and politic, a public instrumentality and a public agency organized and existing under the laws of the State of Florida.

**"FDFC PACE Program"** means the FDFC's Property Assessed Clean Energy (PACE) Program adopted pursuant to the Bond Resolution and its policies and procedures.

**"Financing Agreement"** means a contract among FRED, FDFC and the owner of a participating parcel in the FDFC PACE Program pursuant to which the owner voluntarily agrees to the levy of Assessments against the participating parcel and the payment thereof to finance the installation of Qualifying Improvements on the participating parcel.

**"Florida PACE Act"** means Section 163.08, Florida Statutes, as may be amended from time to time.

**"Founding Members"** means the Town of Lake Clarke Shores, Florida, and the City of Fernandina Beach, Florida. The term does not include FDFC.

**"Governing Board"** means the governing board of FRED as further described in Section 8 hereof.

**"Interlocal Act"** means Section 163.01, Florida Statutes, as amended.

**"Joinder Agreement"** means a document in which additional government units constituting Public Agencies under the Interlocal Act and local governments as defined under the Florida PACE Act join the District as a Subsequent Party.

**"Jurisdictional Boundaries"** has the meaning described in Section 7 hereof.

**"Limited Member"** means additional government units constituting Public Agencies under the Interlocal Act and local governments as defined under the Florida PACE Act which join the District upon application to the District and the affirmative vote of a majority of the Governing Board and upon execution of a Limited Purpose Party Membership Agreement between the District and a Limited Member.

**"Limited Purpose Party Membership Agreement"** means an agreement between additional government units constituting Public Agencies under the Interlocal Act and/or local governments as defined under the Florida PACE Act and the District defining the terms and conditions of membership within the District.

**"Party" or "Parties"** means the Town of Lake Clarke Shores, Florida, and the City of Fernandina Beach, and the Florida Development Finance Corporation Florida, and their respective assigns; provided, however, the FDFC is a party only for the contracted FDFC services

**"Property Appraiser"** means the county property appraiser for real property within the boundaries of each Founding Member, Subsequent Party or Limited Member.

**"Public Agency"** means cities or counties of the State of Florida, or any Subsequent Party or Limited Member.

**"Resolution of Intent"** means a resolution adopted by the District pursuant to the Uniform Assessment Collection Act providing notice to all owners of real property within the boundaries of District that non-ad valorem assessments may be imposed pursuant to the Florida PACE Act and will be collected pursuant to the Uniform Assessment Collection Act if the property owner chooses to utilize the FDFC PACE Program to finance Qualifying Improvements.

**"State"** means the State of Florida.

**"Subsequent Party" or "Subsequent Parties"** means additional governmental units constituting Public Agencies under the Interlocal Act and local governments as defined under the Florida PACE act which execute a Joinder Agreement and agree to serve



on the Governing Board.

**"Tax Collector"** means the county tax collector for real property within the boundaries of each Founding Member, Subsequent Party, or Limited Member.

**"Uniform Assessment Collection Act"** means Sections 197.3632 and 197.3635, Florida Statutes, as amended and supplemented from time to time.

**SECTION 3. INTERPRETATION.** Words importing the singular number shall include the plural in each case and vice versa, and words importing persons shall include firms and corporations. The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Agreement; the term "heretofore" shall mean before the effective date of this Agreement; and the term "hereafter" shall mean after the effective date of this Agreement. This Agreement shall not be construed more strongly against any party regardless that such party, or its counsel, drafted this Agreement.

**SECTION 4. PURPOSE.** The purpose of this Agreement is for the Founding Members to affirm the creation of the District, pursuant to the Interlocal Act and the Florida PACE Act, and, by also agreeing to contract with the Florida Development Finance Corporation and its FDFC PACE Program and the Florida PACE Act to facilitate the financing of Qualifying Improvements for property owners within the District. The District shall be a separate legal entity, pursuant to Section 163.01(7), Florida Statutes and a local government within the meaning of the Florida PACE Act.

**SECTION 5. QUALIFYING IMPROVEMENTS.** The District shall allow the financing of Qualifying Improvements by and through the FDFC PACE Program as defined in Section 163.08, Florida Statutes, under authority of Section 163.01(14), Florida Statutes.

**SECTION 6. ENABLING ORDINANCE OR RESOLUTION.** The Founding Members and Subsequent Parties to this Agreement agree to approve and keep in effect such resolutions and ordinances as may be necessary to approve, create and maintain the District. Said ordinances and resolutions shall include all of the provisions as may be required or desirable under the Interlocal Act and the Florida PACE Act for the creation and operation of FRED as a separate legal entity and a local government. The District shall be created upon the execution and delivery of this Agreement by the Parties.

**SECTION 7. DISTRICT BOUNDARIES; DISTRICT ADMISSION.**

(A) The boundaries of the District shall initially be the legal boundaries of the Founding Members, and shall be expanded to include all areas within the legal boundaries of, or service area designated by the Joinder Agreement or Limited Purpose Party Membership Agreement entered into by each local government (the "Jurisdictional

Boundaries") that becomes a Subsequent Party or Limited Member to this Agreement. As contemplated in this Amended and Restated Agreement, the District shall levy voluntary assessments on the benefitted properties within the Jurisdictional Boundaries of the District in order for the FDFC PACE Program to finance the costs of Qualifying Improvements for those benefitted properties. Upon petition by the landowners of individual residential or commercial properties desiring to be benefitted, those properties receiving financing for Qualifying Improvements shall be assessed from time to time, in accordance with the applicable law. Notwithstanding a Founding Member's termination of participation in this Agreement, or Subsequent Party's or Limited Member's termination of participation, those properties that have received financing for Qualifying Improvements shall continue to be a part of the District in accordance with Section 13(C) hereof.

(B) To the extent permitted by the Interlocal Act, the District may admit any public agency or local government (as such terms are defined in the Interlocal Act and the Florida PACE Act, respectively) as a Subsequent Party or Limited Member to the District upon application of each public agency or local government to the District and the affirmative vote of a majority of the Governing Board. This Agreement need not be amended to admit any such public agency or local government, and the approval of the respective governing boards of the existing Parties to the District shall not be required to admit a Subsequent Party or Limited Member. Each Subsequent Party or Limited Member shall execute, deliver, duly authorize, and record in the public records of each Subsequent Party or Limited Member a Joinder Agreement or Limited Purpose Party Membership Agreement as a precondition to membership in the District.

**SECTION 8. GOVERNING BOARD OF THE DISTRICT.** The District shall be governed by the Governing Board which shall at a minimum be comprised of three (3) individuals, two (2) of whom are elected officials, city managers, or their designees, of each of the Founding Members, and each representing an individual local government within the Jurisdictional Boundaries of the Parties to this Agreement. The next Subsequent Party to join the District shall be entitled to the third position as a member of the Governing Board, provided however, that prior to addition of a Subsequent Party, the Founding Members shall have the right to jointly appoint a third Governing Board member. Such third Governing Board member shall be unrelated to either Founding Member (e.g., shall not be an officer, or employee of the Founding Members), but shall have a background or experience in finance or economic development. Notwithstanding the foregoing, the maximum number of members on the Governing Board may be increased by a majority vote of the Governing Board to a maximum of 5 members, with the proviso that as much as possible the composition of the Governing Board membership reflects the geographic regions of the state of Florida. After the Governing Board is constituted, the Executive Director may recommend procedures for setting terms, Governing Board qualifications and responsibilities, and the means of appointment of members to the Governing Board. In the event a Governing Board member is no longer eligible or able to serve on the Governing Board, the Public Agency represented by the Governing Board member, so long as it

continues to be a Party to this Agreement, shall have the right to request appointment of a replacement to fulfill the remaining term of that member. FDFC shall have no right to appoint any member of the Governing Board.

**SECTION 9. DECISIONS OF THE GOVERNING BOARD.** Decisions of the Governing Board shall be made by majority vote of the Governing Board. The Governing Board, upon recommendation of the Executive Director, may adopt rules of procedure for the Governing Board. In the absence of the adoption of such rules of procedure, the most current version of Roberts Rules of Order shall apply to the extent it is not inconsistent with Florida law.

**SECTION 10. DISTRICT ADMINISTRATION; DISTRICT STAFF AND ATTORNEY; ADMINISTRATORS**

(A) Financing. As a condition of this Agreement, the Founding Members, and any Party joining the District consents to FDFC and FDFC PACE Program providing financing for the District, and FDFC agrees to provide a turnkey PACE program for each jurisdiction that is a Party, Subsequent Party, or Limited Member to this Agreement. Notwithstanding any other section of this Agreement, the Executive Director of FDFC or his or her appointee shall also be the Executive Director of FRED. The Executive Director shall have sole authority to appoint staff, counsel, professionals, consultants, and all other positions to fulfill the functions of the District per the PACE Act for the District, and all costs and expenses shall be borne by FDFC and the District.

(B) Additional Administrators. The PACE program development period, which serves as a soft launch period for the FDFC PACE Program, will end on July 1, 2017, whereby additional qualified administrators for residential PACE programs may be presented to the District. Within 30 days after execution of this Agreement, FDFC may present to the District qualified administrators for commercial PACE programs that will be available to serve jurisdictions that are a Party to this Agreement. All PACE administrators ("PACE Administrators" or "Administrators") must undergo a vetting process by the FDFC. Once vetted, the PACE Administrators must be presented to the FDFC Board and approved by resolution. In order for an approved PACE provider to provide administrator services through the FDFC PACE Program, it must execute a PACE administration agreement. Each member of the District shall receive notice of all approved PACE Administrators (except for residential PACE Providers during the "soft launch" period above). Notwithstanding any of the foregoing, the only authorized FDFC PACE residential Administrator for the District shall be Renovate America until July 1, 2017.

**SECTION 11. FINANCING AGREEMENT.** The Parties agree that FDFC and FRED, and their designees, may enter into Financing Agreements, pursuant to Section 163.08(8), Florida Statutes, with property owner(s) who obtain financing through the District. In accordance with the findings described in this Agreement, FRED hereby

designates FDFC as its agent for the limited purpose of executing Financing Agreements with property owners on behalf of FRED pursuant to Section 163.08(6), Florida Statutes, and for purposes of administering the FDFC PACE Program within the Jurisdictional Boundaries of FRED and ensuring compliance with the Florida PACE Act.

**SECTION 12. POWERS OF THE DISTRICT.** With the approval of a majority vote of the Governing Board, the District may exercise any or all of the powers granted to the District under the Interlocal Act and the Florida PACE Act, which include, without limitation, the following:

(A) To finance Qualifying Improvements through contracts with property owners in the District, and the District shall impose and levy assessments as a local government in accordance with Section 163.08 to repay the financing received; provided, however, (i) FDFC shall provide the form of the Financing Agreement and (ii) that FDFC shall, have independent discretionary authority to authorize and approve the issuance of revenue bonds to finance such improvements without further approval or authorization from the District, and subject to Section 10, to select and approve Program Administrators for the District;

(B) In its own name to make and enter into contracts on behalf of the District;

(C). Subject to Section 10(A) hereof, to employ agencies, employees, or consultants for the District;

(D) To acquire, construct, manage, maintain, or operate buildings, works, or improvements for the District;

(E) To acquire, hold, or dispose of property for the District;

(F) To incur debts, liabilities, or obligations, provided, however, that such debts, liabilities, or obligations shall not constitute debts, liabilities, or obligations of the State, FDFC, the Founding Members, or any Subsequent Party to this Agreement;

(G) To adopt resolutions and policies prescribing the powers, duties, and functions of the officers of the District, the conduct of the business of the District, and the maintenance of records and documents of the District;

(H) To maintain an office at such place or places as it may designate within the District or within the boundaries of a Party to this Agreement;

(I) To cooperate with or contract with other governmental agencies as may be necessary, convenient, incidental, or proper in connection with any of the powers, duties, or purposes authorized by the Florida PACE Act, and to accept funding from local, state and federal agencies;

(J) To exercise all powers necessary, convenient, incidental, or proper in connection with any of the powers, duties, or purposes authorized in the Florida PACE Act or Florida statutes governing the District; and

(K) To apply for, request, receive and accept gifts, grants, or assistance funds from any lawful source to support any activity authorized under Florida Statutes and this Agreement.

### **SECTION 13. TERM.**

(A) This Agreement shall remain in full force and effect from the date of its execution; provided, however, that any Party may terminate its involvement in the District and its participation in this Agreement upon 90 days' written notice to the other Parties. Should a Party terminate its participation in this Agreement, be dissolved, abolished, or otherwise cease to exist, the District and this Agreement shall continue until such time as all remaining Parties agree to terminate this Agreement.

(B) At its discretion, and with reasonable notice, FDFC may terminate its role as a PACE program administrator for the District.

(C) Notwithstanding a Party's termination of participation in this Agreement, to ensure continued collection of Assessments for Qualifying Improvements acquired within the service area of the terminating Party, such terminating Party shall enter into a written agreement with the District for such Party to consent to the levy of annual Assessments by the District or for such party to levy annual Assessments on those properties that have received financing for Qualifying Improvements within the legal boundaries of the terminating Party, until such time that all outstanding debt related to such Qualifying Improvements has been satisfied. The proceeds of the Assessments shall be paid to the designee of the District pursuant to such written agreement.

**SECTION 14. CONSENT.** This Agreement and any required resolution or ordinance of an individual Party shall be considered the Party's consent to the creation of the District as required by the Interlocal Act and the Florida PACE Act.

### **SECTION 15. NOTICE OF INTENT; IMPOSITION OF SPECIAL ASSESSMENTS; COORDINATION.**

(A) In accordance with the Uniform Assessment Collection Act and the Florida PACE Act, the District hereby agrees to impose Assessments within its Jurisdictional Boundaries and to utilize the Uniform Assessment Collection Act for collection of such Assessments from each property owner that voluntarily enters into a Financing Agreement pursuant to the Florida PACE Act and the FDFC PACE Program. Specifically, the District

shall:

(1) advertise a public hearing to consider adoption of a Resolution of Intent, thus providing notice to the owners of real property within the Jurisdictional Boundaries of the District that non-ad valorem assessments may be imposed pursuant to the Florida PACE Act and may be collected pursuant to the Uniform Assessment Collection Act;

(2) after holding the public hearing referred to in (1) above, adopt a Resolution of Intent and mail an executed copy to FDFC, the Tax Collector and the Property Appraiser;

(3) enter into a written agreement with the Tax Collector and the Property Appraiser regarding costs associated with use of the Uniform Assessment Collection Act, to the extent such agreement is not already in place;

(4) prior to September 15 of each calendar year, or as frequently as needed, adopt Assessment Resolutions which impose new Assessments against those property owners entering into Financing Agreements since adoption of the last Assessment Resolution, and certifies an electronic assessment roll to be submitted to the Tax Collector for the next tax bill, in each case based on information provided by FDFC;

(5) remit Assessment proceeds received on behalf of the District from the Tax Collector directly to the District, FDFC or its designee;

(6) take all actions necessary to enforce collection of the Assessments pursuant to the Uniform Assessment Collection Act; and

(7) on its own behalf and at the request of FDFC, re-impose the Assessments as necessary to the extent required by changes in State law or subsequent judicial decisions.

(B) Each approved Administrator shall be responsible for all other actions required by the Florida PACE Act and their administration agreement with FDFC under the FDFC PACE Program, including but not limited to:

(1) assisting each Party to the Agreement with preparing all documents required for the District to impose the Assessments pursuant to the Florida PACE Act and the Uniform Assessment Collection Act, including finalization of the documents attached as exhibits hereto and assistance with the written agreement with the Tax Collector and Property Appraiser, if requested by each Party;

(2) providing a copy of the Resolution of Intent, together with any other documents required by the Florida PACE Act or the Uniform Assessment Collection



Act, to the Florida Department of Revenue;

(3) ensuring that each property owner that voluntarily enters into a Financing Agreement has met all of the financial and other requirements provided for by the Florida PACE Act and the FDFC PACE Program;

(4) providing the requisite notifications to all real property owners participating in the District;

(5) recording a summary or memorandum of the Financing Agreement with the property owner in accordance with the Florida PACE Act;

(6) tracking payment information for each property owner participating in the FDFC PACE Program and maintaining the related assessment rolls for all such participating parcels within the boundaries of the District;

(7) working with the District to ensure the submission of the electronic assessment roll relating to the District each year to the Tax Collector; and

(8) administering all other aspects of the District including the payment of Bonds with proceeds derived from the Assessments,

(C) The District shall fully cooperate and coordinate with the Tax Collector and Property Appraiser with respect to the levying and collection of assessments and comply with all other requirements of the Florida PACE Act and the Uniform Assessment Collection Act.

## **SECTION 16. UNDERLYING POWERS; SEPARATE AGREEMENTS.**

(A) For purposes of this Agreement and the District, the Parties acknowledge that FDFC currently does not have the power to levy the Assessments. FDFC shall not be a member of the District. FDFC shall be a party to this Agreement solely for the purpose of providing turn-key financial and administrative services through the FDFC PACE Program.

(B) In order to maintain the integrity of the Assessments imposed by the District, the FDFC may, at its sole option, terminate its participation in this Agreement and enter into a separate Agreement or contract which provides the services described herein related to the FDFC PACE Program.

## **SECTION 17. FEES AND COSTS.**

(A) All fees and costs related to the recording of this Agreement, the Resolution of

Intent process and any other fees and costs incurred by any Party with respect to the Assessments and the FDFC PACE Program will be paid for solely by FDFC and reimbursed to FDFC through the FDFC PACE Program by the respective FDFC-approved PACE Administrator(s).

(B) To advance the purposes of the Florida PACE Act, to minimize participation costs, and because each property owner is voluntarily undertaking to achieve and underwrite the compelling State interests described in the Florida PACE Act, the District shall seek either (i) the waiver or reduction by the Tax Collector and Property Appraiser of their fees or (ii) a flat fee per year per tax parcel in an amount sufficient to reimburse the Tax Collector and Property Appraiser for their actual costs related to providing such services, which shall be paid by the District and reimbursed to the District through the FDFC PACE Program by the respective FDFC-approved PACE administrator.

**SECTION 18. FILING; PRINCIPAL PLACE OF BUSINESS.** A copy of this Agreement shall be filed by the District for record with the Clerk of the Circuit Court in and for such jurisdictions as may be required by Section 163.01(11), Florida Statutes. By agreement of the parties, the principal place of business for the District shall be located in Orange County, Florida at FDFC's principal place of business.

**SECTION 19. LIMITED LIABILITY.**

(A) To the extent permitted by Florida Law and subject to the limitations of Section 768.28, Florida Statutes, the Parties hereto shall each be individually and separately liable and responsible for the actions of its own officers, agents and employees in the performance of their respective obligations under this Interlocal Agreement. Except as specified herein, the Parties shall each individually defend any action or proceeding brought against their respective agency pursuant to this Interlocal Agreement and shall be individually responsible for all of their respective costs, attorneys' fees, expenses and liabilities Incurred as a result of any such claims, demands, suits, actions, damages and causes of action, including the investigation or the defense thereof, and from and against any orders, judgments or decrees which may be entered as a result thereof. The Parties shall each individually maintain throughout the term of this Interlocal Agreement any and all applicable insurance coverage required by Florida law for governmental entities. Nothing in this Agreement shall be construed to affect in any way the Parties' rights, privileges, and immunities, including the monetary limitations of liability set forth therein, under the doctrine of "sovereign immunity" and as set forth in Section 768.28 of the Florida Statutes.

(B) All Limited Member liabilities shall be governed by the Limited Purpose Party Membership Agreement.

(C) No Party or any agent, board member, officer, official, advisor or employee of such Party shall be liable for any action taken pursuant to this Agreement in good faith or for any omission, or for any act of omission or commission by any other Party hereto or its

agents, officers, officials or employees. The terms of this Section 19 shall survive termination or expiration of this Agreement.

(D) Neither this Agreement nor any Bonds issued by FDFC on behalf of the District under the FDFC PACE Program shall be deemed to constitute a general debt, liability, or obligation of or a pledge of the faith and credit of FRED, FDFC, or any Party or Subsequent Party, the State of Florida, or any political subdivision or agency thereof. The issuance of any Bonds by FDFC on behalf of the FDFC PACE Program shall not directly, indirectly, or contingently obligate any Party, FDFC, the State of Florida, or any political subdivision or agency thereof to levy or to pledge any form of taxation whatsoever therefor, or to make any appropriation for their payment.

(E) The District, FDFC, and each Party are and shall be subject to Sections 768.28 and 163.01(9), Florida Statutes, and any other provisions of Florida law governing sovereign immunity. Nothing in this Agreement is intended to inure to the benefit of any third-party for the purpose of allowing any claim, which would otherwise be barred under the doctrine of sovereign immunity or by operation of law.

**SECTION 20. ENTIRE AGREEMENT.** This Agreement sets forth all the promises, covenants, agreements, conditions and understandings between the parties hereto regarding the subject matter hereof, and supersedes all prior and contemporaneous agreements (including the Original Interlocal Agreement), understandings, inducements or conditions, expressed or implied, oral or written, regarding the subject matter hereof, except as herein contained.

**SECTION 21. AMENDMENTS.** This Agreement may be amended only by a writing approved by each Party.

**SECTION 22. ASSIGNMENT.** This Agreement may be assigned, in whole or in part, by any Party at any time with the prior written consent of each other Party hereto, which consent shall not unreasonably be withheld.

**SECTION 23. EXECUTION IN COUNTERPARTS.** This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

**SECTION 24. SEVERABILITY.** In the event that any provision of this Agreement shall, for any reason, be determined invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, the other provisions of this Agreement shall remain in full force and effect.

**SECTION 25. APPLICABLE LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

**SECTION 26. JOINT EFFORT.** The preparation of this Agreement has been a joint effort of the Parties hereto and the resulting document shall not, solely as a matter of judicial construction, be construed more severely against one of the Parties than the other.

**SECTION 27. EFFECTIVE DATE.** This Agreement shall become effective on the later of (A) the date hereof, or (B) the date the last Founding Member and FDFC executes this Agreement and the filing requirements of Section 18 hereof are satisfied.

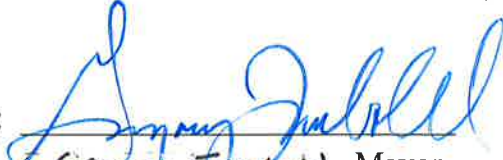
[SIGNATURE PAGES FOLLOW]

[SIGNATURE PAGE TO AGREEMENT]

**IN WITNESS WHEREOF**, this Agreement has been executed by and on behalf of the Town of Lake Clarke Shores, Florida by its Mayor, its seal affixed hereto, as attested by its Clerk as of the 11<sup>th</sup> day of April, 2017.

TOWN OF LAKE CLARKE SHORES, FLORIDA

By:

  
Gregory Freebold, Mayor

APPROVED AS TO FORM:

By:

  
Charles F. Schoech, Town Attorney

ATTEST:

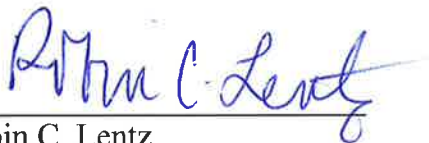
By:

  
Mary Pinkerman, Town Clerk

[SIGNATURE PAGE TO AGREEMENT]

IN WITNESS WHEREOF, this Agreement has been executed by and on behalf of the City of Fernandina Beach, Florida by its Mayor, its seal affixed hereto, as attested by its Clerk as of the \_\_\_\_\_ day of \_\_\_\_\_, 2017.

CITY OF FERNANDINA BEACH



Robin C. Lentz  
Commissioner-Mayor

APPROVED AS TO FORM AND LEGALITY:



Tammie E. Bach  
City Attorney

ATTEST:



Caroline Best  
City Clerk



[SIGNATURE PAGE TO AGREEMENT]

**IN WITNESS WHEREOF**, this Agreement has been executed by and on behalf of the FDFC by the authorized signatory identified below.

**FLORIDA DEVELOPMENT FINANCE  
CORPORATION**



By: \_\_\_\_\_  
Name: William "Bill" F. Spivey, Jr.  
Title: Executive Director





# CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 5/19/2020

Consent item: No

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**SUBJECT:** (B12) Approval of Membership Agreements for the PACE Program

**DEPARTMENT:** City Manager

**GOAL:** 4 - Economic Development

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**RECOMMENDED MOTION:** Move to approve membership agreements with Florida Green Finance Authority, Florida PACE Funding Agency and Florida Resiliency and Energy District, subject to approval of Resolution 20-21, authorizing Mayor and City Clerk to execute all necessary documents.

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**SUMMARY:** Staff is requesting Council approve agreements with the Florida Green Finance Authority, Florida PACE Funding Agency, Florida Resiliency and Energy District, and the Green Corridor PACE District. These agencies are the 3rd party administrators for the Property Assessed Clean Energy Program (PACE) Program.

This item came before Council and was passed in September 2018, however due to prolonged negotiation with the proposed vendors, staff wanted to start over and make the agreements simpler.

Since there is a substantial change, it was preferred to bring this item back to Council for approval. Staff recommends approving more than one 3rd party administrator as this will create competition for the PACE program within Port Orange.

The benefits of approving these agreements and the related resolution may help to increase the resiliency of the community by providing another avenue for property owners to harden and/or make their buildings more energy efficient.

Project No.:    Funding Account No.:

Presenter: Alan Rosen

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## ATTACHMENTS:

|    |                                                                                    |                                                  |
|----|------------------------------------------------------------------------------------|--------------------------------------------------|
| 1. | Florida Green Finance Authority ("FGFA")                                           | Exhibit A-1. Port Orange FGFA.pdf                |
| 2. | Florida Resiliency and Energy District ("FRED")                                    | Exhibit D-1 FRED -FINAL.pdf                      |
| 3. | Florida PACE Funding Agency ("FPFA")                                               | Exhibit B-1 FPFA-rev 5-12.pdf                    |
| 4. | Green Corridor Property Assessment Clean Energy (PACE) District ("Green Corridor") | Exhibit C-1. CITY OF Port Orange- final 5-13.pdf |

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Alan Rosen  
Shannon Balmer  
Jake Johansson  
Robin Fenwick

Created/Initiated - 3/6/2020  
Approved - 5/13/2020  
Approved - 5/13/2020  
Final Approval - 5/13/2020

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**Party Membership Agreement  
To The Florida Green Finance Authority**

**WHEREAS**, Section 163.01, F.S., the “Florida Interlocal Cooperation Act of 1969,” authorizes local government units to enter into interlocal agreements for their mutual benefit; and

**WHEREAS**, the Town of Lantana, Florida, a Florida municipal corporation ("Lantana") and the Town of Mangonia Park, Florida, a Florida municipal corporation, ("Mangonia Park") entered into an Interlocal Agreement, dated June 11, 2012, first amended on August 11, 2014 and second amended on April 7, 2016 with document execution May 9, 2016, establishing the Florida Green Finance Authority as a means of implementing and financing a qualifying improvements program for energy and water conservation and efficiency, renewable energy and wind-resistance improvements, and to provide additional services consistent with law; and

**WHEREAS**, the City of Port Orange on May 19, 2020 adopted Resolution No. 20-21 and established the terms for the City’s participation in the program of the Florida Green Finance Authority to facilitate the financing of qualifying improvements for properties located within the City of Port Orange.

**NOW, THEREFORE**, it is agreed as follows:

1. The Interlocal Agreement between the Florida Green Finance Authority, the Town of Lantana and the Town of Mangonia Park, entered into on June 11, 2012 and as amended on August 11, 2014 and April 7, 2016 with document execution May 9, 2016 (the “Interlocal Agreement”), for the purpose of facilitating the financing of qualifying improvements for properties located within the Authority’s jurisdiction via the levy and collection of voluntary non-ad valorem assessments on improved property, is hereby supplemented and amended on the date last signed below by this Party Membership Agreement, which is hereby fully incorporated into the Interlocal Agreement, to include the City of Port Orange.
2. The Florida Green Finance Authority, together with its member Parties, and the City of Port Orange, with the intent to be bound thereto, hereby agree that the City of Port Orange shall become a Party to the Interlocal Agreement together with all of the rights and obligations of Parties to the Interlocal Agreement and as set forth in Resolution No. 20-21, incorporated herein as if fully set forth in this Agreement.
3. The Service Area of the Florida Green Finance Authority shall include the legal boundaries of the City of Port Orange, as the same may be more specifically designated by the City of Port Orange or amended from time to time.
4. The City of Port Orange designates the following as the respective place for any notices to be given pursuant to the Interlocal Agreement Section 27:

City of Port Orange:

Attn: M.H. Johansson, City Manager  
1000 City Center Circle,

Port Orange, FL 32129

With a copy to:

Matthew J. Jones, City Attorney  
1000 City Center Circle,  
Port Orange, FL 32129

5. This Party Membership Agreement shall be recorded by the Authority with the Clerk of the Court in the Public Records of Palm Beach County and Volusia County as an amendment to the Interlocal Agreement and recorded in the public records of the City of Port Orange, in accordance with Section 163.01(11), Florida Statutes.

6. Termination of this Agreement may occur with 10 days' written notice, and at the end of the 10-day period, this Agreement shall be automatically terminated and the Authority will not accept any new applications. Any projects related to applications received before the end of the 10-day period shall be permitted to be completed.

**IN WITNESS WHEREOF**, the Parties hereto subscribe their names to this Interlocal Agreement by their duly authorized officers.

ATTEST:

**The Florida Green Finance Authority**, a separate legal entity established pursuant to Section 163.01(7), Florida Statutes

By: \_\_\_\_\_  
Secretary of the Authority

By: \_\_\_\_\_  
Chair of the Authority

Approved by Authority Attorney  
as to form and legal sufficiency

By: \_\_\_\_\_  
Authority Attorney

ATTEST:

CITY OF PORT ORANGE

\_\_\_\_\_  
Robin L. Fenwick, MMC, City Clerk

By: \_\_\_\_\_  
Donald O. Burnette, Mayor

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

{SEAL}

Approved as to form:

By: \_\_\_\_\_  
Shannon K. Balmer, Assistant City Attorney

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



This instrument was prepared by or under the supervision of (and after recording should be returned to):

Joseph P. Stanton  
Broad & Cassel  
Bank of America Center  
390 North Orange Avenue  
Suite 1400  
Orlando, FL 32801-4961

(SPACE reserved for Clerk of Court)

**INTERLOCAL AGREEMENT FOR LIMITED PURPOSE PARTY  
MEMBERSHIP AGREEMENT BETWEEN THE FLORIDA RESILIENCY AND  
ENERGY DISTRICT AND CITY OF PORT ORANGE**

This Limited Purpose Party Membership Agreement (the "Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_, 2020 by and between the **FLORIDA RESILIENCY AND ENERGY DISTRICT ("FRED")**, a public body corporate and politic created as a separate legal entity pursuant to Section 163.01(7), Florida Statutes, and City of Port Orange, a political subdivision of the State of Florida (the "**CITY**") (collectively, the "Parties") for the purpose of providing a Property Assessed Clean Energy ("PACE") program within the legal boundaries of the CITY.

**W I T N E S S E T H**

**WHEREAS**, pursuant to Section 163.08(1), Florida Statutes, the legislature determined that access to financing for certain renewable energy, energy efficiency and conservation and wind resistance improvements ("Qualifying Improvements") through voluntary assessment programs such as the PACE program provides a special benefit to real property by alleviating the property's burden from energy consumption and/or reducing the property's burden from potential wind damage; and

**WHEREAS**, in order to make such Qualifying Improvements more affordable and assist property owners who wish to undertake such improvements, the legislature also determined that there is a compelling state interest in enabling property owners to voluntarily finance such Qualifying Improvements with the assistance of local governments, through the execution of financing agreements and the related imposition of voluntary, non-ad valorem special assessments; and

**WHEREAS**, an Interlocal Agreement, dated September 6, 2016, as amended and supplemented from time to time (the "Interlocal Agreement") was entered into between the Town of Lake Clarke Shores, the City of Fernandina Beach, and any subsequent parties thereto (the "Public Agencies") and, in the limited capacity described therein, the Florida Development Finance Corporation ("FDFC" and, together with the Public Agencies, the "Parties"), for the purpose of facilitating the financing of Qualifying Improvements for properties located within FRED's aggregate legal boundaries via the

levy and collection of voluntary non-ad valorem special assessments on improved property; and

**WHEREAS**, the CITY agrees with such legislative determinations and finds that the financing of Qualifying Improvements through the PACE program provides a special benefit to participating real property within legal boundaries of the CITY; and

**WHEREAS**, the Parties to this Agreement desire to supplement the Interlocal Agreement to include the CITY as a Limited Member, as such term is defined in the Interlocal Agreement, on the date last signed below.

**NOW, THEREFORE**, in consideration of the above recitals, terms and conditions, promises and covenants hereinafter set forth, the Parties agree as follows:

**SECTION 1. DEFINITIONS.** Any capitalized terms used in this Agreement, but not otherwise defined herein, shall have the meaning specified for such term in the Interlocal Agreement.

**SECTION 2. PURPOSE.** The purpose of this Agreement is to facilitate the financing of Qualifying Improvements through a PACE program, in accordance with Section 163.08, Florida Statutes, and provide an efficient process for real property owners within the legal boundaries of the CITY to access the PACE program and permit FRED to administer the PACE program within such legal boundaries.

**SECTION 3. RIGHTS OF PARTIES.** FRED, together with its member Parties, and the CITY, with the intent to be bound thereto, hereby agree that the CITY shall become a Party to the Interlocal Agreement together with only those rights and obligations of Parties to the Interlocal Agreement as are necessary to fulfill the purposes described in this Agreement, including access to financing and processing of non-ad valorem special assessments by FRED, within the legal boundaries of the CITY, as more specifically described below, and in accordance with federal, state, and local laws, rules, regulations, ordinances, and all operational program standards of the CITY.

**SECTION 4. INCORPORATION OF RECITALS AND LEVY OF SPECIAL ASSESSMENTS.** The Parties hereby acknowledge and agree with each recital to this Agreement and incorporate such findings herein as their own. The non-ad valorem special assessments arising from a property owner's voluntary participation in the PACE program shall be levied by FRED on properties within the legal boundaries the CITY and the receipt and distribution of any non-ad valorem special assessments imposed by FRED are purely ministerial acts.

**SECTION 5. QUALIFYING IMPROVEMENTS.** FRED may provide access to financing for Qualifying Improvements to real property within the legal

boundaries of the CITY, in accordance with Section 163.08, Florida Statutes, and subject to the terms of this Agreement, as well as applicable federal, state, and CITY law.

**SECTION 6. FINANCING AGREEMENT.** Before extending any financing or subjecting any participating real property within the legal boundaries of the CITY to the non-ad valorem special assessment authorized therein, FRED and FDFC, through their designees, shall, on a non-exclusive basis pursuant to the Section 163.08, Florida Statutes and this Agreement, enter into a financing agreement (the "Financing Agreement") with property owner(s) within the legal boundaries of the CITY who qualify for financing through FRED. The Financing Agreement shall include a thorough explanation of the PACE financing process and specify at what point in the process the special assessment will be added to the real property's owner's property tax bills (after completion of the project(s), permit approval, and approval by the property owner).

**SECTION 7. BOUNDARIES OF THE PACE PROGRAM.** For the limited purposes of administering the PACE program and imposing non-ad valorem special assessments as described in this Agreement, the legal boundaries of FRED shall include the legal boundaries of the CITY, which legal boundaries may be limited, expanded to reflect annexation, or more specifically designated from time to time by the CITY by providing written notice to FRED. Upon execution of this Agreement and written request thereafter, the CITY agrees to provide FRED the current legal description of the legal boundaries of the CITY.

**SECTION 8. ELIGIBLE PROPERTIES.** Within the legal boundaries of the CITY, improved real property, including any residential, commercial, agricultural and industrial use may be eligible for participation in the PACE program within the limits otherwise prescribed in Section 163.08, Florida Statutes.

**SECTION 9. SURVIVAL OF SPECIAL ASSESSMENTS.** During the term of this Agreement, FRED may levy voluntary non-ad valorem special assessments on participating properties within the legal boundaries of the CITY to help secure the financing of costs of Qualifying Improvements constructed or acquired on such properties based on the finding of special benefit by the CITY incorporated into Section 3 hereof. Those properties receiving financing for Qualifying Improvements shall be assessed by FRED until such time as the financing for such Qualified Improvement is repaid in full, in accordance with Section 163.08, Florida Statutes, and other applicable law. Notwithstanding termination of this Agreement or notice of a change in the legal boundaries of the CITY as provided for herein, those properties that have received financing for Qualifying Improvements shall continue to be a part of FRED, until such time that all outstanding debt has been satisfied.

**SECTION 10. TERM.** This Agreement shall remain in full force and effect from the date of its execution by both Parties. Any Party may terminate this Agreement for convenience upon ten (10) days' prior written notice ("Termination Notice") in

accordance with the terms of this Agreement. Beginning on the date FRED receives a Termination Notice from the CITY ("Termination Date"), FRED shall not approve any new applications affecting property within the legal boundaries of the CITY referenced in the Termination Notice. Notwithstanding termination of this Agreement, however, property owners whose applications were approved prior to the Termination Date, and who received funding through the PACE program, shall continue to be a part of FRED, for the sole purpose of FRED imposing assessments for the repayment of such property's outstanding debt, until such time that all outstanding debt has been satisfied.

**SECTION 11. CONSENT.** This Agreement, together with the resolution by the governing board of the CITY approving this Agreement, shall be considered the Parties' consent to authorize FRED to administer the PACE program within the legal boundaries of the CITY, as required by Section 163.08, Florida Statutes.

**SECTION 12. CITY COORDINATOR.** The City Manager or his designee within the CITY shall serve as the CITY's primary point of contact and coordinator. The CITY will advise FRED of any changes to the CITY's primary contact and coordinator within 30 days of such changes.

**SECTION 13. CARBON OR SIMILAR CREDITS.** To the extent permitted by law, in the event that the Financing Agreement or any other PACE agreement with the property owner provides for the transfer of any carbon or similar mitigation credits derived from Qualifying Improvements to FRED, any such carbon or similar mitigation credits derived from properties within the legal boundaries of the CITY, shall be shared in equal parts between FRED and the CITY.

**SECTION 14. LIMITED OBLIGATIONS.** Neither FRED nor FDFC is authorized to issue bonds, or any other form of debt, on behalf of the CITY without a separate interlocal agreement or other authority provided by State law. To the extent that FRED or FDFC issues PACE-related bonds under its own authority in connection with this Agreement, the security for such bonds may be secured by non-ad valorem special assessments imposed by FRED on participating properties within the legal boundaries of the CITY. The issuance of such bonds shall not directly or indirectly or contingently obligate the CITY to levy or to pledge any form of taxation whatever, or to levy ad valorem taxes on any property within their territorial limits to pay the bonds, and the bonds shall not constitute a lien upon any property owned by the CITY. For any such bonds, the bond disclosure document, if any, shall include references to the fact that the CITY is not an obligated party, and also adequately disclose material attendant risks with PACE programs.

**SECTION 15. LIABILITY, INDEMNIFICATION AND SOVEREIGN IMMUNITY.**

(A) CITY and FRED are and shall be subject to Sections 768.28 and 163.01(9)(c), Florida Statutes, and any other provisions of Florida law governing sovereign immunity. Pursuant to Section 163.01(5)(0), Florida Statutes, and this covenant of the parties hereto, the local governments who are either or both the founders or members of FRED shall not be held jointly liable for the torts of the officers or employees of the FRED, or any other tort attributable to FRED, and that FRED alone shall be liable for any torts attributable to it or for torts of its officers, employees or agents, and then only to the extent of the waiver of sovereign immunity or limitation of liability as specified in Section 768.28, Florida Statutes. CITY and FRED acknowledge and agree that FRED shall have all of the applicable privileges and immunities from liability and exemptions from laws, ordinances, rules and common law which apply to the municipalities and counties of the State. CITY is completely independent of FRED. To the extent provided by law, FRED shall indemnify, defend and hold harmless CITY from any and all damages, claims, and liability arising from the negligence or intentional misconduct of FRED relating to operation of the PACE program. Nothing in this Agreement is intended to inure to the benefit of any third-party for the purpose of allowing any claim, which would otherwise be barred under the doctrine of sovereign immunity or by operation of law.

(B) Neither CITY, nor the local governments who are either or both the founders or members of the Agency, nor any subsequently joining or participating local government as members of FRED shall in any manner be obligated to pay any debts, obligations or liabilities arising as a result of any actions of FRED, the governing board of FRED or any other agents, employees, officers or officials of FRED, except to the extent otherwise mutually and expressly agreed upon, and neither FRED, the governing board of FRED or any other agents, employees, officers or officials of FRED have any authority or power to otherwise obligate either CITY, the local governments who are either or both the founders or members of FRED, nor any subsequently subscribing or participating local government in the business of FRED in any manner.

(C) All of the privileges and immunities from liability and exemptions from laws, ordinances and rules which apply to the activity of officials, officers, agents or employees of the parties shall apply to the officials, officers, agents or employees thereof when performing their respective functions and duties under the provisions of this Agreement.

**SECTION 16. AGREEMENTS WITH TAX COLLECTOR AND PROPERTY APPRAISER.** This Agreement shall be subject to the express condition precedent that FRED enter into separate agreement(s) with the tax collector and the property appraiser having jurisdiction over the legal boundaries of the CITY, which shall provide for the collection of any non-ad valorem special assessments imposed by FRED within the legal boundaries of the CITY.

**SECTION 17. OPINION OF BOND COUNSEL.** FRED warrants, based on counsel's review of the bond validation judgment and the underlying bond documents that the FDFC PACE program's structure complies with the bond validation judgment and the underlying bond documents.

**SECTION 18. AGENTS OF FRED.** FRED shall ensure that its agents, administrators, subcontractors, successors and assigns are, at all times, in compliance with the terms of this Agreement and applicable CITY, state and federal laws.

**SECTION 19. NOTICES.** Any notices to be given hereunder shall be in writing and shall be deemed to have been given if sent by hand delivery, recognized overnight courier (such as Federal Express), or by written certified U.S. mail, with return receipt requested, or by electronic mail, addressed to the Party for whom it is intended, at the place specified. For the present, the Parties designate the following as the respective places for notice purposes:

**If to FRED:**

The Florida Resiliency and Energy District  
c/o Florida Development Finance Corporation  
Attention: Executive Director  
William "Bill" Spivey, Jr.  
156 Tuskawilla Road, Suite 2340  
Winter Springs, FL 32708  
(407) 712-6356  
bspivey@fdfebonds.com

and Issuer's Counsel

Joseph B. Stanton, Esq.  
Nelson Mullins Broad & Cassel  
390 N Orange Ave Ste 1400  
Orlando, FL 32801-1687  
(407) 839-4200  
joseph.stanton@nelsonmullins.com

**If to City of Port Orange:**

City of Port Orange  
Attention: City Manager  
1000 City Center Circle  
Port Orange, Florida 32129  
(386) 506-5501



mjohansson@port-orange.org

Copy to:  
City of Port Orange  
Attention: City Attorney  
1000 City Center Circle  
Port Orange, Florida 32129  
(386) 506-5525  
mjones@port-orange.org

**SECTION 20. AMENDMENTS.** No modification, amendment or alteration in the terms or conditions contained herein shall be effective unless contained in a written document prepared with the same or similar formality as this agreement and executed by the CITY and FRED or other delegated authority authorized to execute same on their behalf.

**SECTION 21. JOINT EFFORT.** The preparation of this Agreement has been a joint effort of the Parties hereto and the resulting document shall not, solely as a matter of judicial construction, be construed more severely against one of the Parties than the other.

**SECTION 22. MERGER.** This Agreement represents the final and complete understanding of the Parties regarding the subject matter hereof and supersedes all prior and contemporaneous negotiations, correspondence, agreements, or understandings applicable to the matters contained herein; and the Parties agree that there are no commitments, agreements, or understandings concerning the subject matter of this Agreement that are not contained in this document. Accordingly, the Parties agree that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written.

**SECTION 23. ASSIGNMENT.** The respective obligations of the Parties set forth in this Agreement shall not be assigned, in whole or in part, without the written consent of the other Party hereto.

**SECTION 24. THIRD PARTY BENEFICIARIES.** None of the Parties intend to directly or substantially benefit a third party by this Agreement. Therefore, the Parties acknowledge that there are no third party beneficiaries to this Agreement and that no third party shall be entitled to assert a right or claim against either of them based upon this Agreement; provided, however, that counsel to the Parties may rely on this Agreement for purposes of providing any legal opinions required by the issuance of debt to finance the Qualifying Improvements.

**SECTION 25. RECORDS.** The Parties shall each maintain their own respective records and documents associated with this Agreement in accordance with the requirements for records retention set forth in Chapter 119, Florida Statutes.

**SECTION 26. RECORDING.** This Interlocal Agreement for Limited Purpose Party Membership Agreement shall be filed by FRED with the Clerk of the Circuit Court in the Public Records of Volusia County, Florida and recorded in the public records of the Volusia County, Florida as an amendment to the Interlocal Agreement, in accordance with Section 163.01(11), Florida Statutes.

**SECTION 27. SEVERABILITY.** In the event a portion of this Agreement is found to be unenforceable by a court of competent jurisdiction, that part shall be deemed severed from this Agreement and the remaining provisions of this Agreement shall remain in full force and effect.

**SECTION 28. EFFECTIVE DATE.** This Agreement shall become effective upon the execution by both Parties hereto.

**SECTION 29. LAW, JURISDICTION, AND VENUE.** This Agreement shall be interpreted and construed in accordance with and governed by the laws of the state of Florida. The Parties agree that the exclusive venue for any lawsuit arising from, related to, or in connection with this Agreement shall be in the state courts of the Seventh Judicial Circuit in and for Volusia County, Florida, the United States District Court for the Middle District of Florida or United States Bankruptcy Court for the Middle District of Florida, as appropriate.

[SIGNATURE PAGES FOLLOW]

[SIGNATURE PAGE TO LIMITED PURPOSE PARTY MEMBERSHIP AGREEMENT]

**IN WITNESS WHEREOF**, the Parties hereto have made and executed this Agreement on this \_\_\_\_ day of \_\_\_\_\_, 2020.

City of Port Orange, FLORIDA

By: \_\_\_\_\_ Date \_\_\_\_\_  
Donald O. Burnette  
Mayor

Attest:

By: \_\_\_\_\_ Date \_\_\_\_\_  
Robin L. Fenwick, MMC  
City Clerk

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me by means of \_\_\_\_ physical presence or \_\_\_\_ online notarization, this \_\_\_\_ day of \_\_\_\_\_, 2020, by Donald O. Burnette, Mayor of the City of Port Orange Florida, who is personally known to me.

(SEAL)

\_\_\_\_\_  
Printed/Typed Name: \_\_\_\_\_  
Notary Public-State of Florida  
Commission Number: \_\_\_\_\_

[SIGNATURE PAGE TO LIMITED PURPOSE PARTY MEMBERSHIP AGREEMENT]

WITNESS:

\_\_\_\_\_

\_\_\_\_\_

WITNESS:

\_\_\_\_\_

\_\_\_\_\_

FLORIDA DEVELOPMENT FINANCE  
CORPORATION on behalf of FLORIDA  
RESILIENCY AND ENERGY DISTRICT

By: \_\_\_\_\_  
William "Bill" F. Spivey, Jr.  
Executive Director

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me by means of \_\_\_\_ physical presence or \_\_\_\_ online notarization, this \_\_\_\_ day of \_\_\_\_\_, 2020, by William "Bill" F. Spivey, Jr., Executive Director of the Florida Development Finance Corporation, who is personally known to me/has produced \_\_\_\_\_ as identification.

(SEAL)

\_\_\_\_\_  
Printed/Typed Name: \_\_\_\_\_  
Notary Public-State of Florida  
Commission Number: \_\_\_\_\_

**NON-EXCLUSIVE INTERLOCAL SUBSCRIPTION AGREEMENT  
RELATING TO THE FUNDING AND FINANCING  
OF QUALIFYING IMPROVEMENTS BY THE  
FLORIDA PACE FUNDING AGENCY**

**THIS NON-EXCLUSIVE INTERLOCAL SUBSCRIPTION AGREEMENT** is made and entered into as of \_\_\_\_\_, 2020 (this "Subscription Agreement"), by and between the City of Port Orange, Florida (the "Subscriber"), and the Florida PACE Funding Agency, a separate legal entity and public body and unit of local government, established pursuant to Section 163.01(7), Florida Statutes, (the "Agency"), by and through their respective governing bodies. The purpose of the Subscription Agreement is to secure, in an efficient and uniform manner, for the Property Owners (as hereinafter defined) within the jurisdiction and boundaries of the Subscriber the privileges, benefits, powers and terms provided for herein and by law, and particularly by Section 163.08, Florida Statutes, as amended (the "Supplemental Act"), relating to the voluntary determination by affected property owners to obtain and finance certain improvements to property for energy efficiency, renewable energy or wind resistance.

**W I T N E S S E T H:**

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained and for other good and valuable consideration each to the other, receipt of which is hereby acknowledged by each party, the Subscriber and the Agency hereby agree, stipulate and covenant as follows:

**ARTICLE I  
DEFINITIONS AND CONSTRUCTION**

**SECTION 1.01. DEFINITIONS.** As used in this Agreement, the following terms shall have the meanings as defined unless the context requires otherwise:

**"Board of Directors"** means the governing body of the Agency.

**"Agency Charter Agreement"** or **"Charter"** means, unless the context otherwise requires, the separate interlocal agreement which created and established the Agency, including any amendments and supplements hereto executed and delivered in accordance with the terms thereof.

**"Financing Agreement"** means the agreement authorized hereunder and by the Act (specifically including section 163.08(4) thereof) between the Agency and a Property Owner providing for the funding to finance Qualifying Improvements and the imposition of a non-ad valorem Special Assessment against the Property Owner's assessed property.

**"Financing Documents"** shall mean the resolution or resolutions duly adopted by the Agency, as well as any indenture of trust, trust agreement, interlocal agreement or other instrument relating to the issuance or security of any bond or Obligations of the Agency and any

agreement between the Agency and the Subscriber, pursuant to which the Subscriber and Property Owners obtain access to funds provided by the Agency.

**"Obligations"** shall mean any lawful obligation committed to by the Agency or pursuant to an interlocal agreement with another governmental body or agency and/or warrants issued for services rendered or administrative expenses.

**"Program"** means the program operated by the Agency to provide financing for Qualifying Improvements undertaken within the jurisdiction of the Subscriber. Unless determined otherwise by the Subscriber, the Agency's Program will be non-exclusive; and, the Subscriber may embrace or authorize any similar program under the Act as the Subscriber sees fit and in the interest of the public.

**"Property Owner"** means, collectively, all of the record owners of real property subject to a Financing Agreement.

**"Qualifying Improvements"** means those improvements for energy efficiency, renewable energy, or wind resistance described in the Supplemental Act authorized to be affixed and/or installed by the record owner of an affected property. The term does not include similar improvements underwritten or financed by local, state or federal programs including, but not limited to State Housing Initiatives Partnership or SHIP Program, which are not secured by a special or non-ad valorem assessment.

**"Special Assessments"** means the non-ad valorem assessments authorized by the Supplemental Act and levied by the Agency on property owned by participating property owner who has entered into a Financing Agreement with the Agency to fund the costs of Qualifying Improvements.

## **SECTION 1.02 CONSTRUCTION.**

(A) Words importing the singular number shall include the plural in each case and vice versa, and words importing persons shall include firms and corporations. The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Subscription Agreement; the term "heretofore" shall mean before the date this Subscription Agreement is executed; and the term "hereafter" shall mean after the date this Subscription Agreement is executed.

(B) Each recital, covenant, agreement, representation and warranty made by a party herein shall be deemed to have been material and to have been relied on by the other party to this Subscription Agreement. Both parties have independently reviewed this Subscription Agreement with their own counsel and covenant that the provisions hereof shall not be construed for or against either the Subscriber or the Agency by reason of authorship.

**SECTION 1.03. SECTION HEADINGS.** Any headings preceding the texts of the several Articles and Sections of this Subscription Agreement and any table of contents or marginal notes appended to copies hereof shall be solely for convenience of reference and shall neither constitute a part of this Subscription Agreement nor affect its meaning, construction or effect.



**SECTION 1.04. FINDINGS.** It is hereby ascertained, determined and declared that:

(A) The State has declared it the public policy of the State to develop energy management programs aimed at promoting energy conservation and wind resistance or 'hardening' programs achieving hurricane and wind damage mitigation.

(B) The State Legislature has determined there is a compelling state interest in enabling property owners to voluntarily finance Qualifying Improvements with local government assistance. The actions authorized by the Supplemental Act, including the financing of Qualifying Improvements through the execution of Financing Agreements and the related imposition of a Special Assessment, are reasonable and are necessary for the prosperity and welfare of the State, the Subscriber and its property owners and inhabitants.

(C) The Agency has secured a binding final judgment, binding and only advantageous to the Agency, which has statewide effect. Such judgment carefully relieves the Subscriber from cost and liability associated with implementation of the Agency's Program.

(D) The Agency has provided evidence to the Subscriber that: (1) the Agency's Program has assembled, at the Agency's sole cost and expense, open public governance and oversight, staffing in the form of qualified third-party administration, active funding provider servicing oversight, dedicated Program counsel, and an independent institutional trustee, (2) that the Agency is immediately ready to commence origination of Special Assessments for Qualifying Improvements, and (3) that the Agency presently has large scale funding in place and available under an executed bond purchase agreement and trust indenture.

(E) The availability of the non-exclusive Program offered by the Agency (without cost to, assumption of liability by or demand upon the credit of the Subscriber) and the voluntary participation in the Program by Property Owners will provide an alternative financing option to finance and repay the costs to provide and install Qualifying Improvements.

(F) This Agreement provides an alternative, supplemental and non-exclusive means to achieve, *inter alia*, immediate and careful local economic development, commerce and job creation, as well as the compelling State interests and public purposes described in the Supplemental Act.

(G) The Subscriber on May 19, 2020 adopted Resolution No. 20-~~XX~~21, by reference incorporated herein as if fully set forth in this Agreement, and setting the terms for the City of Port Orange to participate in the Agency for the Agency financing of qualifying improvements in accordance with Section 163.08, Florida Statutes.

## **ARTICLE II SUBSCRIPTION**

### **SECTION 2.01. AUTHORITY.**

(A) The execution hereof has been duly authorized by the resolution of the governing bodies of each party hereto.

(B) The Agency by this Subscription Agreement is hereby authorized to act to provide its services, and conduct its affairs, within the boundaries of the Subscriber's jurisdiction.

(C) The execution of this Subscription Agreement evidences the express authority and concurrent transfer of all necessary powers to the Agency, and the covenant to reasonably cooperate by the Subscriber, so that the Agency may facilitate, administer, implement and provide Qualifying Improvements, facilitate Financing Agreements and non-ad valorem assessments only on properties subjected to same by the record owners thereof, develop markets, structures and procedures to finance same, and to take any actions associated therewith or necessarily resulting there from, as contemplated by the Supplemental Act as the same may be amended from time to time.

(D) By resolution of the governing bodies of each of the parties and as implemented pursuant by this Subscription Agreement, all power and authority available to the Agency under its Charter and general law, including without limitation, Chapters 163, 189 and 197, Florida Statutes, shall be deemed to be authorized and may be implemented by the Agency within the boundaries of the Subscriber.

(E) This Subscription Agreement may be amended only by written amendment hereto.

### **SECTION 2.02. CREATION OF STATE, COUNTY OR MUNICIPAL DEBTS PROHIBITED.**

The Agency shall not be empowered or authorized in any manner to create a debt as against the State, county, or any municipality, and may not pledge the full faith and credit of the State, any county, or any municipality. All revenue bonds or debt obligations of the Agency shall contain on the face thereof a statement to the effect that the State, county or any municipality shall not be obligated to pay the same or the interest and that they are only payable from Agency revenues or the portion thereof for which they are issued and that neither the full faith and credit nor the taxing power of the State or of any political subdivision thereof is pledged to the payment of the principal of or the interest on such bonds. The issuance of revenue or refunding bonds under the provisions of law, the Charter Agreement, or this Subscription Agreement shall not directly or indirectly or contingently obligate the State, or any county or municipality to levy or to pledge any form of ad valorem taxation whatever therefore or to make any appropriation for their payment.

### **SECTION 2.03. ADOPTION OF RATES, FEES AND CHARGES.**

(A) The Board of Directors may adopt from time to time by resolution such rates, fees or other charges for the provision of the services of the Agency to be paid by the record owner of any property, pursuant to a Financing Agreement described in the Supplemental Act.

(B) Such rates, fees and charges shall be adopted and revised so as to provide moneys, which, with other funds available for such purposes, shall be at least sufficient at all times to pay the expenses of administering, managing, and providing for the services and administration of the activities of the Agency, to pay costs and expenses provided for by law or the Charter Agreement and the Financing Documents, and to pay the principal and interest on the Obligations as the same shall become due and reserves therefore, and to provide for necessary administration and reasonable margin of safety over and above the total amount of such payments. Notwithstanding any other provision in the Charter Agreement or this Subscription Agreement, such rates, fees and charges shall always be sufficient to comply fully with any covenants contained in the Financing Documents.

(C) Such rates, fees and charges may vary from jurisdiction to jurisdiction, but shall be just and equitable and uniform at the time of imposition for the record owners in the same class of or within each subscribing local governmental jurisdiction electing to enter into any Financing Agreement described in the Supplemental Act and may be based upon or computed upon any factor (including, by way of example and not limitation, competitive or market conditions, distinguishing between residential and non-residential properties or uses, distinguishing between variable costs of administrative services over time) or combination of factors affecting the demand or cost of the services furnished or provided to administer the services and affairs of the Agency as may be determined by the Board of Directors from time to time.

(D) Notwithstanding anything in this Subscription Agreement to the contrary, the Agency may establish a general fund and/or performance assurance account into which moneys may be deposited from an annual surcharge upon the Special Assessments imposed, pledged to or collected by the Agency. Any moneys deposited to such general fund account from such a surcharge shall be considered legally available for any lawful purpose approved by the Board of Directors. Moneys in such general fund and/or performance assurance account may be used to pay for or reimburse initial costs and expenses advanced or associated with start-up costs, feasibility studies, economic analysis, financial advisory services, program development or implementation costs or enhancements, public education, energy audits, administration, quality control, vendor procurement, and any other purpose associated with the purpose or mission of the Agency approved by the Board of Directors.

### **SECTION 2.04. FINANCING AGREEMENTS.**

(A) The Agency shall prepare and provide to each participating property owner the form of the Financing Agreement which complies with the Supplemental Act and is in accordance with the Financing Documents as designated by the Board of Directors from time to time.

(B) The Agency, not the Subscriber, shall be solely responsible for all matters associated with origination, funding, financing, collection and administration of each of the Agency's authorized non-ad valorem assessments.

**SECTION 2.05. IMPOSITION OF SPECIAL ASSESSMENTS PURSUANT TO FINANCING AGREEMENTS.**

(A) Upon execution by the record owners and the Agency, the Financing Agreement or a summary or memorandum thereof shall be recorded by the Agency within five (5) days of execution as required by Section 163.08(8), Florida Statutes. The recorded Financing Agreement, or summary or memorandum thereof, provides constructive notice that the non-ad valorem assessment to be levied on the subject property constitutes a lien of equal dignity to ad valorem taxes and assessments from the date of recordation.

(B) In a reasonably cooperative and uniform manner the Agency is authorized to and shall provide a digital copy to the property appraiser or tax collector of the recorded Financing Agreement or summary thereof, the most recent property identification number and annual amount of the non-ad valorem assessment along with such other efficient and reasonable information necessary for the tax collector to collect such amounts on behalf of the Agency pursuant to Sections 197.3632 and 163.08, Florida Statutes, as a non-ad valorem assessment.

**SECTION 2.06. COLLECTION OF SPECIAL ASSESSMENTS.**

(A) The Agency shall be solely responsible for professionally coordinating all interface with the tax collector or property appraiser, and minimize to the greatest extent reasonably possible the time, effort and attention of these public officials to accomplish the public purposes and direction of the Supplemental Act subscribed to by the Subscriber. Subscriber hereby respectfully requests and encourages the tax collector or property appraiser to only impose, charge, or deduct the minimum amount allowed by general law for the collection or handling of the Special Assessments which are the subject of this Subscription Agreement.

(B) To advance Program acceptance and to minimize Program participation costs, and because each Property Owner is voluntarily undertaking to achieve and underwrite the unique and compelling State interests described in the Supplemental Act, the Subscriber urges either the waiver of such fees by the tax collector and property appraiser or a flat five dollar (\$5) fee per year per tax parcel for such purposes which shall be paid by the Agency via deduction, by the institutional trustee required by the Financing Documents, or as otherwise reasonably agreed to by the Agency and these parties.

**SECTION 2.07. PLEDGE OF PROCEEDS FROM NON AD VALOREM ASSESSMENTS.**

(A) The Agency will take such actions as are necessary for the lawful levy of the Special Assessments against all lands and properties specially benefitted by the acquisition, construction and financing of Qualifying Improvements. If any assessment made with respect to any property shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the Agency or Subscriber shall be satisfied that any such assessment is so irregular or defective

that the same cannot be enforced or collected, the Agency is authorized to take all necessary steps to cause a new assessment to be made for the whole or any part of any Qualifying Improvements or against any property specially benefitted by such improvement, to the extent and in the manner provided by law.

(B) Pursuant to the Financing Documents and this Subscription Agreement, the Agency shall irrevocably pledge and, to the fullest extent permitted by law, pledge and assign any and all revenues derived from Special Assessments to the repayment of any debt obligation issued by the Agency pursuant to the Financing Documents.

(C) The Subscriber shall not incur or ever be requested to authorize any obligations secured by Special Assessments associated with Qualifying Improvements imposed by the Agency.

(D) Each series of Financing Documents shall be secured forthwith equally and ratably by a pledge of and lien upon the Special Assessments. The obligations of the Agency under and pursuant to the Financing Documents shall not be or constitute general obligations or an indebtedness of the Subscriber as "bonds" within the meaning of the Constitution of Florida, but shall be payable from and secured solely by a lien upon and pledge of the Special Assessments as provided herein. Neither the Agency nor any holder of any debt obligation issued by the Agency pursuant to the Financing Documents shall ever have the right to compel the exercise of the ad valorem taxing power of the Subscriber or taxation in any form of property therein to pay any amount due under any Financing Documents or any Special Assessment. The Financing Documents shall not constitute a lien upon any property of or in the Subscriber except as to the respective Special Assessments in the manner provided herein and by law.

**SECTION 2.08. CARBON OR SIMILAR CREDITS.** The form of Financing Agreement in each instance shall provide for the transfer of any carbon or similar mitigation credits derived from Qualifying Improvements to the Agency, with such revenues therefrom, if any ever materialize, to be used by the Agency to underwrite generally its operation, mission and purpose. By execution hereof any such interest in mitigation credits shall be assigned by the Subscriber to the Agency without any future action by the parties. Provided, however, the Subscriber shall upon request from time to time execute and deliver all such documents as may be reasonably required to further evidence the assignment and transfer of such interests to the Agency. Such credits expressly exclude investment tax credits available under the Internal Revenue Code or monetary rebates available to the Property Owner.

### **ARTICLE III GENERAL PROVISIONS**

**SECTION 3.01. INTERLOCAL AGREEMENT PROVISIONS.** This Subscription Agreement constitutes a joint exercise of power, privilege or authority by and between the Subscriber and the Agency and shall be deemed to be an "interlocal agreement" within the meaning of the Florida Interlocal Cooperation Act of 1969, as amended. This Subscription

Agreement shall be filed by the Agency with the Clerk of the Circuit Court of the county in which the Subscriber is located.

### **SECTION 3.02. DISCLOSURE.**

(A) The Agency has provided a copy of (1) the Supplemental Act, (2) the Agency's Charter Agreement, (3) the Final Judgment in *Fla. PACE Funding Agency v. State*, No. 2011-CA-1824 (Fla. 2d Cir. Ct. 2011), and (4) other relevant disclosure information and background materials to the Subscriber prior to execution hereof. Subscriber, through its own staff and advisors, has independently reviewed and considered the foregoing and other relevant information of its choosing.

(B) The objective of the Agency's mission is to offer a uniform, standardized and scalable approach that provides efficiencies and economies of scale intended to attract voluntary financing of Qualifying Improvements and stimulate a substantial and meaningful flow of private sector economic activity and new job creation. In doing so, each subscribing local government by entering into a subscription agreement of this nature authorizes the availability of the Agency's uniform program to property owners in the subscribing jurisdiction. Accordingly, the Agency has engaged, and may engage in the future, various advisors, consultants, attorneys or other professionals or firms with recognized expertise necessary to accomplish the Agency's mission.

(C) Each of the various advisors, consultants, attorneys or other professionals engaged by the Agency has been, and shall in the future be, disclosed to the Subscriber. The Subscriber and Agency recognize, consider and acknowledge the fact or possibility that one or more of the various professionals or firms may serve as the advisor to the Agency in its mission, and to the Subscriber or another client in providing other similar professional services, outside of the provision, funding and financing of Qualifying Improvements. Such circumstance is acceptable and will not be construed as a conflict, be objected to unreasonably, nor be used as the basis for its disqualification of such professionals or firms from any continued or future representation of either party hereto which can otherwise be resolved by a reasonable waiver.

### **SECTION 3.03. TERM OF AGREEMENT; DURATION OF AGREEMENT; EXCLUSIVITY.**

(A) This Subscription Agreement shall commence as of the date first above written, and shall remain in effect until terminated as herein provided. Either party (the "non-breaching party") may terminate this Subscription Agreement by providing the other party (the "breaching party") 10 days prior written notice ("Termination Notice") in the event the breaching party breaches this Subscription Agreement and such breach is not cured to the reasonable satisfaction of the non-breaching party within a reasonable period of time following notice of such breach. Beginning on the date the Agency receives from, or gives to, the Subscriber a Termination Notice ("Termination Date"), the Agency shall not approve any new applications affecting property within the legal boundaries of the Subscriber. Provided, however either party may unilaterally terminate this Agreement prior to any Financing Agreements being executed or, if earlier, the

issuance of any Obligations of the Agency secured by pledged revenues derived from within the jurisdiction or boundaries of the Subscriber.

(B) Termination of this Agreement may occur with 30 days' written notice, and at the end of the 30-day period, this Agreement shall be automatically terminated and the Authority will not accept any new applications. Any projects related to applications received before the end of the 30-day period shall be permitted to be completed.

(C) In the event of any termination hereunder, and so long as the Agency has Obligations outstanding which are secured by pledged revenues derived from Financing Agreements relating to any properties within the jurisdiction or boundaries of the Subscriber, or the Agency has projects for Qualified Improvements underway therein, the applicable provisions, authority and responsibility under this Agreement reasonably necessary to carry out the remaining aspects of the Program and responsibilities of Agency then underway, shall remain in effect and survive such termination until such time as those obligations and all associated remaining Program responsibilities are fulfilled (including, but not limited to the collection of assessments in due course).

#### **SECTION 3.04. AMENDMENTS AND WAIVERS.**

(A) Except as otherwise provided herein, no amendment, supplement, modification or waiver of this Subscription Agreement shall be binding unless executed in writing by the Subscriber and Agency.

(B) To the extent the Agency has no outstanding bonds, Obligations or other evidence of indebtedness, this Subscription Agreement may be amended or modified or provisions hereto waived upon the written consent of all parties hereto.

(C) To the extent the Agency has outstanding bonds, Obligations or other evidence of indebtedness arising from Financing Agreements relating to properties within the jurisdiction or boundaries of the Subscriber, this Subscription Agreement may not be amended or modified in any way that is materially adverse to holders of such bonds, Obligations or other evidence of indebtedness without the consent in writing of the holders of at least two-thirds (2/3) or more in principal amount of such bonds, Obligations or other evidence of indebtedness (exclusive of any warrants issued by the Agency) then outstanding, or any insurer duly authorized to provide such consent on behalf of such holders.

#### **SECTION 3.05. NOTICES.**

(A) All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered (or confirmed electronic facsimile transmission) or mailed by registered or certified mail, postage prepaid, or sent by nationally recognized overnight courier (with delivery instructions for "next business day" service) to the parties at the following addresses:



Subscriber: **City of Port Orange**  
Attention: City Manager  
1000 City Center Circle  
Port Orange, Florida 32129  
(386) 506-5501  
[mjohansson@port-orange.org](mailto:mjohansson@port-orange.org)

Copy to: **City of Port Orange**  
Attention: City Attorney  
1000 City Center Circle  
Port Orange, Florida 32129  
(386) 506-5525  
[mjones@port-orange.org](mailto:mjones@port-orange.org)

Agency: Mike Moran  
Executive Director  
Florida PACE Funding Agency  
c/o Southern Sky Energy  
4411 Bee Ridge Rd., #134  
Sarasota, Florida 34233

With a copy to: Program Counsel for the Florida PACE Funding Agency  
P.O. Box 14043  
Tallahassee, Florida 32317-4043

(B) Any of the parties may, by notice in writing given to the other, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice shall be deemed given on the date such notice is delivered by hand (or confirmed electronic facsimile transmission) or three days after the date mailed.

**SECTION 3.06. QUALITY CONTROL AND COMMUNICATION.** For quality control purposes the Agency and Subscriber desire, and the Agency covenants to develop, implement and employ policies, systems and procedures which are within industry standards; with such standards being reasonably expected to change and evolve over time. An ongoing positive and informal line of communication between staff and agents for the parties is encouraged. At any time, notwithstanding lack of default or lack of material breach hereunder, the Subscriber is encouraged to objectively and specifically communicate to the Agency in writing as provided for herein any concerns, suggestions or disapproval with performance, policies, systems or procedures being employed by the Agency. The Agency through its administrator, Executive Director, or a duly authorized designee, will promptly respond in writing to all such communications (reasonably within fifteen (15) days of receipt of any such written communication, but sooner if necessary) and follow-up accordingly; and, also promptly

communicate any such response, follow-up, and all related communication to the Board of Directors for review.

**SECTION 3.07. IMMUNITY; LIMITED LIABILITY.**

(A) All of the privileges and immunities from liability and exemptions from laws, ordinances and rules which apply to the activity of officials, officers, agents or employees of the parties shall apply to the officials, officers, agents or employees thereof when performing their respective functions and duties under the provisions of this Subscription Agreement.

(B) The Subscriber and Agency are and shall be subject to Sections 768.28 and 163.01(9)(c), Florida Statutes, and any other provisions of Florida law governing sovereign immunity. Pursuant to Section 163.01(5)(o), Florida Statutes, and this covenant of the parties hereto, the local governments who are either or both the incorporators or members of the Agency shall not be held jointly liable for the torts of the officers or employees of the Agency, or any other tort attributable to the Agency, and that the Agency alone shall be liable for any torts attributable to it or for torts of its officers, employees or agents, and then only to the extent of the waiver of sovereign immunity or limitation of liability as specified in Section 768.28, Florida Statutes. The Subscriber and Agency acknowledge and agree that the Agency shall have all of the privileges and immunities from liability and exemptions from laws, ordinances, rules and common law which apply to the municipalities and counties of the State. Nothing in this Subscription Agreement is intended to inure to the benefit of any third-party for the purpose of allowing any claim, which would otherwise be barred under the doctrine of sovereign immunity or by operation of law.

(C) Neither the Subscriber, nor the local governments who are either or both the incorporators or members of the Agency, nor any subsequently subscribing or participating local government in the affairs of the Agency shall in any manner be obligated to pay any debts, obligations or liabilities arising as a result of any actions of the Agency, the Board of Directors or any other agents, employees, officers or officials of the Agency, except to the extent otherwise mutually and expressly agreed upon, and neither the Agency, the Board of Directors or any other agents, employees, officers or officials of the Agency have any authority or power to otherwise obligate either the Subscriber, the local governments who are either or both the incorporators or members of the Agency, nor any subsequently subscribing or participating local government in the affairs of the Agency in any manner.

**SECTION 3.08. BINDING EFFECT.** This Subscription Agreement shall be binding upon the parties, their respective successors and assigns and shall inure to the benefit of the parties, their respective successors and assigns.

**SECTION 3.09. SEVERABILITY** In the event any provision of this Subscription Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**SECTION 3.10. EXECUTION IN COUNTERPARTS.** This Subscription Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 3.11. APPLICABLE LAW.** The exclusive venue of any legal or equitable action that arises out of or relates to this Subscription Agreement shall be the appropriate state court in Volusia County. In any such action, Florida law shall apply and the parties waive any right to jury trial.

**SECTION 3.12. ENTIRE AGREEMENT.** This Subscription Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions of the parties, whether oral or written, and there are no warranties, representations or other agreements among the parties in connection with the subject matter hereof, except as specifically set forth herein.

[Remainder of page intentionally left blank.]

**IN WITNESS WHEREOF**, the undersigned have caused this Subscription Agreement to be duly executed and entered into as of the date first above written.

(SEAL)

**THE CITY OF PORT ORANGE**

By: \_\_\_\_\_  
Donald O. Burnette, Mayor

Attest:

Approved as to form:

\_\_\_\_\_  
Robin L. Fenwick, MMC, City Clerk

\_\_\_\_\_  
Shannon K. Balmer, Assistant City Attorney

**IN WITNESS WHEREOF**, the undersigned have caused this Subscription Agreement to be duly executed and entered into as of the date first above written.

**THE FLORIDA PACE FUNDING AGENCY**

(SEAL)

By: \_\_\_\_\_  
Michael A. Moran, Executive Director

ATTEST:

\_\_\_\_\_  
Jim Ley, Secretary

**INTERLOCAL AGREEMENT FOR MEMBERSHIP AGREEMENT  
BETWEEN THE  
GREEN CORRIDOR PROPERTY ASSESSMENT CLEAN ENERGY (PACE) DISTRICT  
AND CITY OF PORT ORANGE**

This Membership Agreement (the “Membership Agreement”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 2020 by and between the Green Corridor Property Assessment Clean Energy (PACE) District, a public body corporate and politic (the “Green Corridor”), and the City of Port Orange, Florida, a municipal corporation of the State of Florida (the “City”) (collectively, the “Parties”) for the purpose of providing a PACE program within the City.

**RECITALS**

**WHEREAS**, on August 6, 2012, the Green Corridor was created as a separate legal entity pursuant to Section 163.01(7), Florida Statutes, to finance qualifying improvements in accordance with Section 163.08, Florida Statutes; and

**WHEREAS**, on May 19, 2020, the City adopted Resolution No. 20-21 and established the terms for the City’s participation with the Green Corridor as a non-voting member in order to finance qualifying improvements in the City in accordance with Section 163.08, Florida Statutes; and

**WHEREAS**, the Parties have determined that entering into this Membership Agreement is in the best interest and welfare of the property owners within the Green Corridor and City.

**NOW, THEREFORE**, in consideration of the terms and conditions, promises and covenants hereinafter set forth, the Parties agree as follows:

**Section 1. Recitals Incorporated.** The above recitals are true and correct and incorporated herein.

**Section 2. Purpose.** The purpose of this Membership Agreement is to facilitate the financing of qualifying improvements for property owners within the City in accordance with Section 163.08, Florida Statutes, by virtue of the City’s joining the Green Corridor as a non-voting member and utilizing the Green Corridor’s existing program (the “Program”).

**Section 3. Qualifying Improvements.** The City shall allow the Green Corridor to provide financing of qualifying improvements, as defined in Section 163.08, Florida Statutes, on properties within the City.

**Section 4. Non-Exclusive.** The Green Corridor Program is non-exclusive, meaning the City specifically reserves the right to join any other entity providing a similar program under Section 163.08, Florida Statutes, or create its own program under Section 163.08, Florida Statutes.

**Section 5. Program Guidelines.** The Parties agree that, unless the City desires to implement its own local program guidelines as described below, the Program to be offered in the City will be wholly governed by the Green Corridor’s Program Guidelines. If the City desires to implement its own local program guidelines, it may do so upon sixty (60) day’s written notice to the Green Corridor. Any such local program guidelines can be amended and changed only by

the authorized designee of the City. These local program guidelines shall be consistent with the Green Corridor's guidelines. The City may adopt more restrictive guidelines than that of the Green Corridor. However, if there is a conflict between the Green Corridor's guidelines and the City's guidelines, the Green Corridor's guidelines shall control.

**Section 6. Boundaries.** Pursuant to this Membership Agreement, the boundaries of the Green Corridor shall include the legal boundaries of the City, which boundaries may be limited, expanded, or more specifically designated from time to time by the City by providing written notice to the Green Corridor. As contemplated in the Interlocal Agreement (as defined in Section 8) and as supplemented by this Membership Agreement, the Green Corridor will, on a non-exclusive basis, levy voluntary non ad valorem special assessments on the benefitted properties within the boundaries of the City to help finance the costs of qualifying improvements for those individual properties. Those properties receiving financing for qualifying improvements shall be assessed from time to time, in accordance with Section 163.08, Florida Statutes and other applicable law. Notwithstanding termination of this Membership Agreement or notice of a change in boundaries by the City as provided for above, those properties that have received financing for qualifying improvements shall continue to be a part of the Green Corridor, until such time that all outstanding debt has been satisfied.

**Section 7. Financing Agreement.** The Parties agree that the Green Corridor may enter into a financing agreement, pursuant to Section 163.08, Florida Statutes, with property owner(s) within the City who obtain financing through the Green Corridor.

**Section 8. Amended and Restated Interlocal Agreement.** The Parties agree that the City shall be subject to all terms, covenants, and conditions of the Amended and Restated Interlocal Agreement recorded in the Official Records of Miami-Dade County at Official Records Book 28217, Page 0312, which created the Green Corridor (the "Interlocal Agreement") and the terms established in Resolution No. 20-21 incorporated herein as if fully set forth in this Agreement.

**Section 9. Responsibilities of the Green Corridor; Indemnification.** The Green Corridor shall be solely responsible for all matters associated with origination, funding, financing and administration of each of the Green Corridor's authorized non-ad valorem assessments, including responding to any complaints or inquiries by participants, tax certificate holders, lenders or others relating to the Program's special assessments, the Program's financing agreements, the Program's qualifying improvements, or any other aspect of the Program. The Parties understand that indemnification of the Green Corridor members is provided for in Section 16 of the Interlocal Agreement, and that such provisions shall apply to the City. In addition to the indemnification provided pursuant to the Interlocal Agreement, the Green Corridor will directly indemnify and hold harmless the City, its respective officers, agents and employees, from and against any and all demands, claims, losses, suits, liabilities, causes of action, judgment or damages, arising out of, related to, or in any way connected with performance or nonperformance by the Green Corridor, its officers, contractors and agents for all matters associated with origination, funding, financing and administration of each of the Green Corridor's authorized non-ad valorem assessments, including responding to any complaints or inquiries by participants, tax certificate holders, lenders or others relating to the Program's special assessments, the Program's financing agreements, the Program's qualifying improvements, or any other aspect of the Program. This grant of indemnification shall not be deemed or treated as a waiver by the Green Corridor of any immunity to which it is entitled by



law, including but not limited to the District's sovereign immunity as set forth in Section 768.28, Florida Statutes. This Section shall survive termination of this Agreement.

**Section 10. Agreements with Tax Collector, Property Appraiser and Municipalities.** The Green Corridor acknowledges that the City has no authority to bind the County Tax Collector and the County Property Appraiser, and the Green Corridor will be required to enter into separate agreement(s) with the County Tax Collector and/or the County Property Appraiser, which shall establish the fees (if any) to be charged by the Tax Collector and Property Appraiser for the collection or handling of the Program's special assessments.

**Section 11. Resale or Refinancing of a Property.** The Green Corridor recognizes that some lenders may require full repayment of the Program's special assessments upon resale or refinancing of a property subject to the Program's special assessments. The Green Corridor agrees to provide written disclosure of this matter to all City property owners that may utilize the Program.

**Section 12. Term.** This Membership Agreement shall remain in full force and effect from the date of its execution by both Parties. Any Party may terminate this Membership Agreement upon ninety (90) days prior written notice.

**Section 13. Consent.** This Membership Agreement and any required resolution or ordinance of an individual Party shall be considered the City's consent to joining the Green Corridor and participation therein, as required by Section 163.08, Florida Statutes.

**Section 14. Voting Rights.** The Parties agree that the City shall be a non-voting member of the Green Corridor for the term of this Membership Agreement.

**Section 15. Notices.** Any notices to be given hereunder shall be in writing and shall be deemed to have been given if sent by hand delivery, recognized overnight courier (such as Federal Express), or by written certified U.S. mail, with return receipt requested, addressed to the Party for whom it is intended, at the place specified. For the present, the Parties designate the following as the respective places for notice purposes:

*If to Green Corridor:*

Paul Winkeljohn, Executive Director  
Green Corridor  
5385 Nob Hill Rd.  
Sunrise, FL 33351

*If to City:*

M.H. Johansson  
City Manager  
1000 City Center Circle  
Port Orange, FL 32129

*With a Copy to:*

Matthew J. Jones  
City Attorney  
1000 City Center Circle  
Port Orange, FL 32129

**Section 16. Amendments.** It is further agreed that no modification, amendment or alteration in the terms or conditions herein shall be effective unless contained in a written document executed by the Parties hereto.

**Section 17. Joint Effort.** The preparation of this Membership Agreement has been a joint effort of the Parties hereto and the resulting document shall not, solely as a matter of judicial construction, be construed more severely against one of the Parties than the other.

**Section 18. Merger.** This Membership Agreement incorporates and includes all prior negotiations, correspondence, agreements, or understandings applicable to the matters contained herein; and the Parties agree that there are no commitments, agreements, or understandings concerning the subject matter of this Membership Agreement that are not contained in this document. Accordingly, the Parties agree that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written. It is further agreed that no change, amendment, alteration, or modification in the terms and conditions contained herein shall be effective unless contained in a written document, executed with the same formality, and of equal dignity herewith by all Parties to this Membership Agreement.

**Section 19. Assignment.** The respective obligations of the Parties set forth in this Membership Agreement shall not be assigned, in whole or in part, without the written consent of the other Party hereto.

**Section 20. Records.** The Parties shall each maintain their own respective records and documents associated with this Membership Agreement in accordance with the requirements for records retention set forth in Chapter 119, Florida Statutes.

**Section 21. No Third Party Beneficiaries.** It is the intent and agreement of the Parties that this Agreement is solely for the benefit of the Parties and no person not a party hereto shall have any rights or privileges hereunder.

**Section 22. Severability.** In the event a portion of this Membership Agreement is found by a court of competent jurisdiction to be invalid, the remaining provisions shall continue to be effective.

**Section 23. Venue.** The exclusive venue of any legal or equitable action against the City that arises out of or relates to this Membership Agreement shall be the appropriate state court governing Volusia County, Florida.

**Section 24. Effective Date.** This Membership Agreement shall become effective upon the execution by the Parties hereto.

[This space intentionally left blank. Signature page follows.]

**IN WITNESS WHEREOF**, the Parties hereto have made and executed this Agreement on the day first written above.

ATTEST:

GREEN CORRIDOR PROPERTY  
ASSESSMENT CLEAN ENERGY (PACE)  
DISTRICT

By: \_\_\_\_\_  
District Secretary

By: \_\_\_\_\_  
Executive Director

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY:

By: \_\_\_\_\_  
Weiss Serota Helfman Cole & Bierman, P.L.  
District Attorney

ATTEST:

THE CITY OF PORT ORANGE

By: \_\_\_\_\_  
Robin L. Fenwick, MMC, City Clerk

By: \_\_\_\_\_  
Donald O. Burnette, Mayor

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY:

By: \_\_\_\_\_  
Shannon K. Balmer, Assistant City Attorney

[SIGNATURE PAGE TO MEMBERSHIP AGREEMENT]



# CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 5/19/2020

Consent item: No

---

**SUBJECT:** (C13) Update by the property owner on the Williamson/Madeline (former church) property

**DEPARTMENT:** Community Development

**GOAL:**

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**RECOMMENDED MOTION:**

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**SUMMARY:** The property owner will provide an update on the current redevelopment of this site.

Project No.:    Funding Account No.:

Presenter:

---

**ATTACHMENTS:**

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Robin Fenwick  
Jake Johansson  
Robin Fenwick

Created/Initiated - 5/8/2020  
Approved - 5/12/2020  
Final Approval - 5/12/2020

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# CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 5/19/2020

Consent item: No

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**SUBJECT:** (F15) Presentation of Fiscal Year 2019 Comprehensive Annual Financial Report (CAFR) by the City's audit firm, James Moore, & Co.. P.L.

**DEPARTMENT:** Finance

**GOAL:**

---

**RECOMMENDED MOTION:**

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**SUMMARY:** Presentation of Fiscal Year 2019 Comprehensive Annual Financial Report (CAFR) by the City's audit firm, James Moore, & Co.. P.L.

Project No.: Funding Account No.:

Presenter: Dr. Scott R. Neils

---

**ATTACHMENTS:**

|    |                    |                         |
|----|--------------------|-------------------------|
| 1. | Audit Presentation | Audit Presentation.pptx |
| 2. | 2019 CAFR Final    | 2019 CAFR Final.pdf     |

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Scott Neils

Created/Initiated - 2/20/2020

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# City of Port Orange, Florida

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**Annual Audit for the Year Ended September 30,  
2019**

**Presented by: Zach Chalifour, CPA  
May 19, 2020**



Providing Tax, Auditing, Accounting & Controllorship,  
Technology Solutions, Consulting, and Wealth  
Management Services Since 1964.

# Auditors' Reports

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- **Independent Auditors' Report** (pages 8-10)
  - Unmodified Opinion
- **Report on Internal Control and Compliance** (pages 133-134)
  - No material weaknesses
- **Management Letter Required by Ch. 10.550** (pages 135-137)
  - 1 other recommendation/comment
  - 2 prior year comments – both corrected
- **Independent Accountants' Examination Report** (page 138)
  - In compliance with specified investment statutes





# Other Separate Audits

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- **Golf Course Management Agreement**
  - 1 significant deficiency
- **Police Pension Plan**
  - No comments or deficiencies
- **General Pension Plan**
  - No comments or deficiencies
- **Fire Pension Plan**
  - No separate audit performed



# General Fund (Page 28)

| <u>Fund Balance</u> | <u>9/30/2019</u>             | <u>9/30/2018</u>             | <u>9/30/2017</u>             |
|---------------------|------------------------------|------------------------------|------------------------------|
| Nonspendable        | \$<br>1,612,768              | \$<br>61,337                 | \$<br>41,776                 |
| Restricted          | 1,075,716                    | 1,200,050                    | 1,271,868                    |
| Committed           | -0-                          | -0-                          | -0-                          |
| Assigned            | 717,581                      | 913,931                      | 3,725,398                    |
| Unassigned          | <u>13,685,5</u><br><u>16</u> | <u>14,079,3</u><br><u>03</u> | <u>12,269,1</u><br><u>07</u> |
| Total               | \$ <u>17,091,581</u>         | \$ <u>16,254,621</u>         | \$ <u>17,308,149</u>         |

# General Fund (Continued)

---

|                                                                                                |                        |
|------------------------------------------------------------------------------------------------|------------------------|
| Total Assigned/Unassigned Fund Bal.                                                            | \$14,403,097           |
| 2019 Expenditures and Transfers Out                                                            | \$38,360,780           |
| Percentage Assigned/Unassigned Fund Balance as a percentage of Expenditures and Transfers out: | 37.5%                  |
| GFOA Minimum Rec. = 2 Months                                                                   | At least 16.7%         |
| Internal Minimum Policy                                                                        | 30-35% of expenditures |

# Business-Type Funds (Page 35)

History of Unrestricted Net Position in Proprietary Funds:

| <u>Fund</u>      | <u>9/30/2019</u> | <u>9/30/2018</u> | <u>9/30/2017</u> |
|------------------|------------------|------------------|------------------|
| Water/Sewer      | \$23,452,636     | \$21,095,078     | \$20,288,862     |
| Solid Waste      | \$2,810,114      | \$3,244,118      | \$3,387,519      |
| Stormwater       | \$4,507,181      | \$4,203,258      | \$3,973,504      |
| Golf Course      | \$(1,711,825)    | \$(1,471,506)    | \$(3,212,019)    |
| Internal Service | \$9,799,671      | \$10,750,816     | \$12,837,835     |

# Pension Funds

- Net Pension Liability – recorded in financial statements
  - Governmental Activities: \$15.8 million deficit unrestricted net position  
Primarily due to \$32 million liability
  - Proprietary Funds: \$2 million allocation of General Employees Plan liability
- Net pension (unfunded) liability history (pages 85-87):

| <u>Year</u> | <u>General</u> | <u>Fire</u>   | <u>Police</u> | <u>Total</u>  |
|-------------|----------------|---------------|---------------|---------------|
| 2019        | \$ 5,044,473   | \$ 17,473,043 | \$ 13,870,320 | \$ 36,387,836 |
| 2018        | \$ 4,171,118   | \$ 16,459,487 | \$ 13,360,699 | \$ 33,991,304 |
| 2017        | \$ 3,955,882   | \$ 16,891,893 | \$ 14,390,127 | \$ 37,240,302 |

- Funded % with Net Pension Liability measurement:

| <u>Year</u> | <u>General</u> | <u>Fire</u> | <u>Police</u> |  |
|-------------|----------------|-------------|---------------|--|
| 2019        | 86.91%         | 64.88%      | 74.72%        |  |
| 2018        | 89.03%         | 64.75%      | 74.20%        |  |
| 2017        | 84.13%         | 62.30%      | 70.50%        |  |

# Questions?



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 **James Moore**  
Certified Public Accountants and Consultants

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**CITY OF PORT ORANGE, FLORIDA**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

Prepared by:  
Finance Department  
Dr. Scott Neils, Finance Director



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**City of Port Orange, Florida**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2019**



**Mayor**

Donald Burnette

**Council Members**

District 1—Marilyn Ford

District 2—Chase Tramont

District 3—Drew Bastian

District 4—Scott Stiltner

**City Manager**

Michael “Jake” Johansson

**City Attorney**

Matthew Jones

**Finance Director**

Dr. Scott Neils, CPA



## CITY OF PORT ORANGE

1000 CITY CENTER CIRCLE  
PORT ORANGE, FLORIDA 32129  
TELEPHONE 386-506-5500  
FAX 386-756-5290  
[www.Port-Orange.org](http://www.Port-Orange.org)

May 1, 2020

**To the Honorable Mayor, Members of the City Council, and  
Citizens of the City of Port Orange:**

State law requires that all general-purpose local governments publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. We hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Port Orange for the fiscal year ended September 30, 2019.

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

James Moore & Co., P.L., a firm of licensed certified public accountants has audited the City of Port Orange's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Port Orange for the fiscal year ended September 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Port Orange's financial statements for the fiscal year ended September 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

"Growing In Beauty and Opportunity"

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

### **Profile of Government**

The City of Port Orange, incorporated in 1925, is located in east central Florida. Central Florida ranks as one of the fastest growing areas in the United States, and the City of Port Orange has followed this pattern steadily, growing from a population of 3,700 people in 1973 to an estimated 61,617 in 2019. The City of Port Orange currently occupies a land area of 28.86 square miles.

The City of Port Orange operates under the council-manager form of government with a City Council consisting of the Mayor and four other members. The Mayor and Council members are non-partisan and elected to serve four-year staggered terms. The Council is the governing board and has legislative responsibilities including setting policy, adopting ordinances and resolutions, adopting an annual millage rate and budget, appointing committees, and appointing both the City Manager and Attorney. The City Manager is responsible for carrying out the policies and ordinances of the governing body, for overseeing the day-to-day operations of the City, and for appointing the heads of various departments.

Port Orange provides a full range of services, including police, fire and rescue, street construction and maintenance, planning and zoning, parks and recreation, cultural events and general administrative services. In addition, water and sewer service, solid waste collection, storm water, and a golf course are provided under an Enterprise Fund concept with user charges established by the City Council to ensure adequate coverage of operating expenses and payments on outstanding debt. Vehicle maintenance, building maintenance, data processing, lease and replacement, self-insurances, and loan pool activities are provided through Internal Service Funds. The City of Port Orange provides water and sewer service outside the city limits, including the City of Daytona Beach Shores, the Town of Ponce Inlet, and certain unincorporated parts of Volusia County. The City of Port Orange contracts with a private enterprise for solid waste collection.

The annual budget serves as the foundation for the City of Port Orange's financial planning and control. All departments of the City of Port Orange are required to submit requests for appropriation to the City Manager. The City Manager uses these requests as the starting point for developing a proposed budget that is presented to the City Council. The Council is required to hold two public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City of Port Orange's fiscal year. The appropriated budget is prepared by fund, function, and department. Subject to City Manager approval, department heads may make transfers of appropriations within a department, however transfers of appropriations between departments require approval of the City Council. Budget-to-actual comparisons are provided in this report. The general fund and a major capital project fund comparison are presented as part of the required supplemental information for the City. Other funds are presented in the combining and individual fund statements section.

## **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Port Orange operates.

**Local economy:** The City of Port Orange currently enjoys a favorable economic environment and local indicators point to continued stability. Recovering property values led to an increase of 7.7% in taxable value for the year ended September 30, 2019. The City's business district is expected to maintain its current occupancy rate with a variety of stores, specialty shops and commercial businesses. Residential growth is stable. Based upon permitting activity, development and construction of commercial retail space is expected to be steady during the foreseeable future, fueled by local and regional populations.

**Financial policies:** The City has adopted a fund balance and working capital policy of maintaining an unassigned fund balance of between 30% and 35% of operating expenditures (less transfers) in the General fund. When working capital drops below 30%, the City is required to develop a plan to restore working capital to at least 30% within three years. During the year ended September 30, 2017, the City was struck by two natural disasters: Hurricane Matthew on October 6, 2016 and, eleven months later, Hurricane Irma on September 9, 2017. Clearing debris and repairing damaged infrastructure was primarily funded by the General Fund and strained City resources. The City received FEMA reimbursements in FY2018 to largely replenish its reserves within the required timeframe.

Working capital of between 25% and 30% of operating expenses (less transfers) will be maintained for major enterprise funds, excluding the Golf Course Fund.

The City's investment policy's foremost objective is ensuring the safety of the portfolio's principal. The portfolio is to be managed in a manner to maintain liquidity for reasonable anticipated cash flow requirements and to attain a market rate of return throughout budgetary and economic cycles. Other than pension funds held by the government, the majority of investments, during the fiscal year ended September 30, 2019, are classified low risk as defined by the Governmental Accounting Standards Board.

**Risk Management:** The Risk Management Program includes coverage for exposure regarding Workers' Compensation, Property Damage, General Liability, Pollution, Errors and Omission, Crime, Boiler and Machinery, Accidental Death and Dismemberment, and Health Maintenance Options. Based on conservative projections, adequate reserves are in place to meet loss expectations.

**Pension Trust Fund Operations:** The Municipal Firefighter's, Police Officer's and General Employee's Pension Trust Funds are managed by contracted investment firms which are overseen by the respective pension boards. The pension plans' required funding levels are determined by an annual actuarial evaluation. The City funds these plans based on future benefit obligations. Please see Notes to these financial statements for more information.



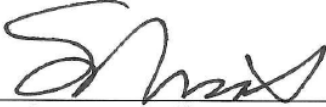
**Awards:** The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Port Orange for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2018. This was the thirty-fifth consecutive year that the City of Port Orange achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

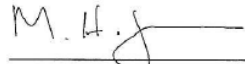
A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

**Acknowledgments:** The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated and efficient services of the entire staff of the Finance Department. We would like to express our sincere appreciation to each member of the Finance Department team for their contributions to the preparation of this report.

In closing, we wish to express our appreciation to the Mayor and Council for their dedication and leadership.

Respectfully submitted,

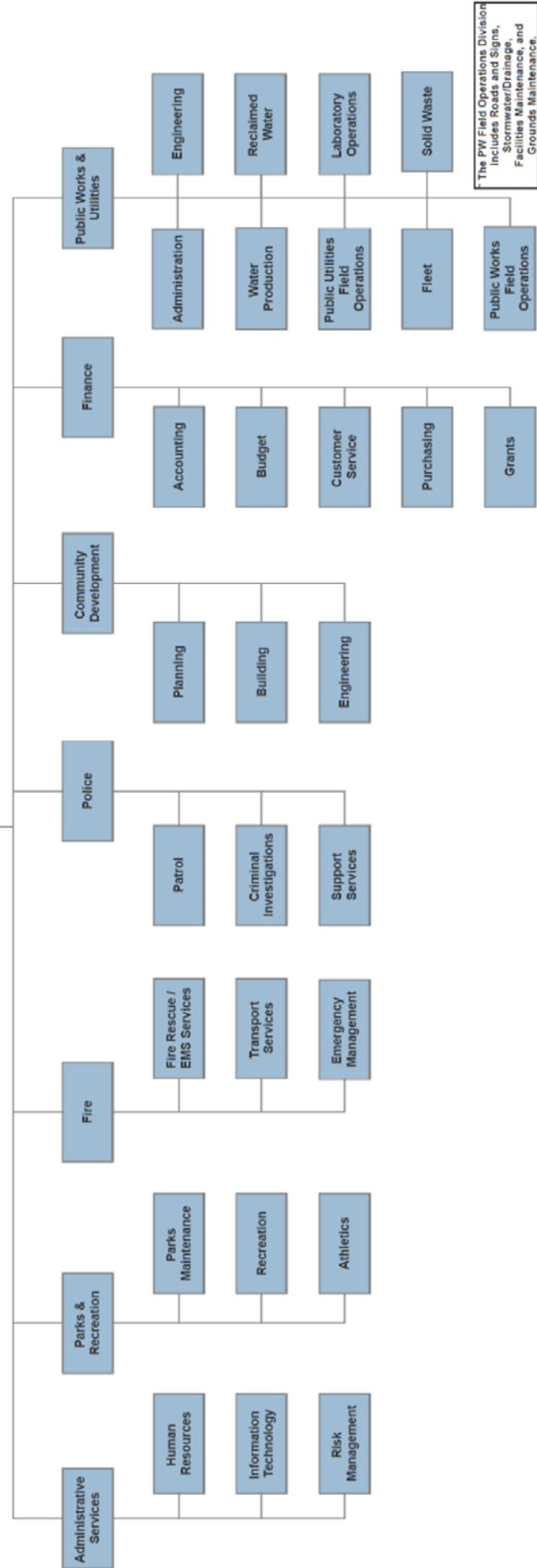
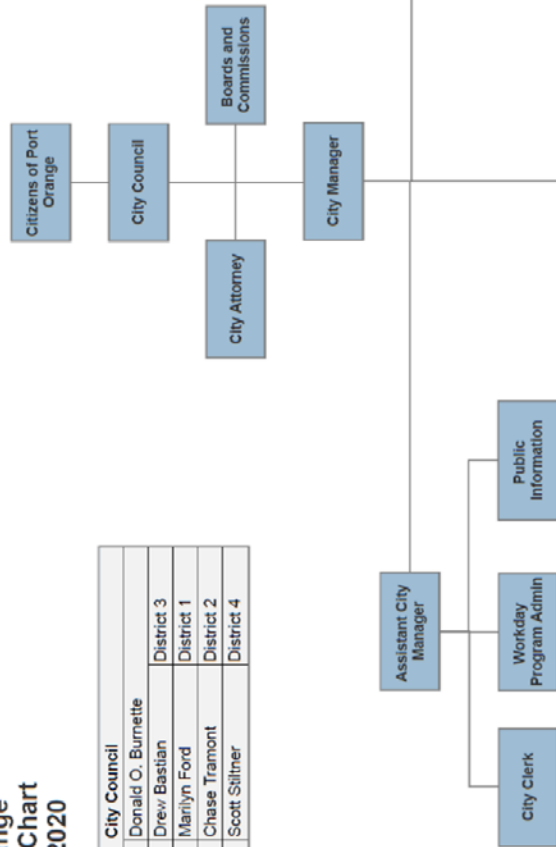
  
\_\_\_\_\_  
Dr. Scott R. Neils CPA CMA CGFO  
CFO and Finance Director

  
\_\_\_\_\_  
M.H. Johansson  
City Manager

**City of Port Orange  
Organizational Chart  
Updated: 4-23-2020**



| City Council   |                    |
|----------------|--------------------|
| Mayor          | Donald O. Burnette |
| Vice Mayor     | Drew Bastian       |
| Council Member | Marilyn Ford       |
| Council Member | Chase Tramont      |
| Council Member | Scott Stillner     |



The PW Field Operations Division  
Includes Roads and Signs,  
Stormwater Management,  
Facilities Maintenance and  
Grounds Maintenance.



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**City of Port Orange  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

## **INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor, City Council, and City Manager,  
City of Port Orange, 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 Port Orange, Florida (the City), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

The City'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.

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

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

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Website: [www.jmco.com](http://www.jmco.com) | Email: [info@jmco.com](mailto:info@jmco.com) | Member of AGN International with offices in principal cities worldwide

## ***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 the City, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General, Eastport Business Center CRA, and Town Center CRA funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Other Information***

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

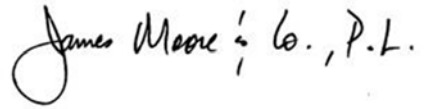
The combining nonmajor fund financial statements and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Daytona Beach, Florida  
May 1, 2020

James Moore & Co., P.L.

## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

As financial management of the City of Port Orange, Florida, (hereinafter referred to as the “City”), we offer the readers of these financial statements this narrative overview and analysis of the City’s financial activities for the fiscal year ended September 30, 2019.

We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 2-5 of this report.

### **Financial Highlights**

- The City’s net position at September 30, 2019 was \$361,777,384. Of this amount, \$16,413,409 was unrestricted and may be used to meet the government’s ongoing obligations to citizens and creditors. The City Council has adopted a policy that the General Fund balance should be approximately 30% - 35% of operating expenditures (less transfers). For the enterprise funds, excluding the Golf Course, the City will maintain working capital (defined as current assets minus current liabilities) between 25% and 30%. As of September 30, 2019, the City’s reserves exceeded these minimum thresholds.
- During the fiscal year, the City’s total net position increased by \$11,329,968. Of this amount, \$1,979,910 was from governmental sources. Business-type (Enterprise) funds produced the remainder of the increase of \$9,350,058, most of which is attributable to planned capital acquisitions, impact fees, and developer contributions.
- The City’s governmental funds reported combined ending fund balances of \$30,755,123, an increase of \$704,273. This compares to a decrease in fund balance of \$4,068,721 in FY2018. Approximately \$9,513,729, or 30.9% of the combined total fund balance, is unassigned, and available for spending at the City’s discretion. Non-spendable amounts representing investments in inventory and prepaid expenses totaled \$1,624,589, while amounts restricted by enabling legislation and for external purposes totaled \$16,434,682.
- The City’s proprietary funds reported combined ending net position of \$268,270,741 in FY2019. This is an increase of \$10,211,569, compared to an increase of \$9,532,404 in the prior year. Approximately 11% of the combined ending net position amount, or \$30,038,073, is unrestricted. The City continues to maintain a net equity reserve between 25% and 30% of working capital for proprietary funds as defined by City Council policy. Net investment in capital assets totaled \$209,635,234 at year end, compared to \$202,052,069, one year earlier. Other amounts restricted by enabling legislation and external covenants totaled \$19,777,730, compared to \$18,185,339 in the prior year.
- The City’s total debt principal decreased by \$8,895,349 due to the repayment of debt.

### **Overview of the Financial Statements**

The discussion and analysis provided herein are intended to serve as an introduction to the City’s basic financial statements. The City’s basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.



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

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

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

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, and culture and recreation. The business-type activities of the City include water and sewer, solid waste, stormwater and the golf course. The government-wide financial statements can be found in the "Financial Section", immediately after this Management Discussion and Analysis.

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

***Governmental funds*** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing the City'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 maintains seventeen individual governmental funds. Fourteen of these governmental funds are classified as non-major and are summarized under this heading in the governmental fund presentation. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the general fund, other major funds, and non-major governmental funds, all of which are combined into a single, aggregated presentation. Individual fund data for non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 28-34 of this report.

The City legally adopts an annual appropriated budget for its general fund and other governmental funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with this budget.

***Proprietary funds*** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, solid waste, stormwater, and golf course activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for data processing, vehicle maintenance, risk management, lease and replacement of vehicles and equipment, building maintenance, and loan pool activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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 of the water and sewer, solid waste, stormwater, and golf course activities, which are all considered to be major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found on pages 35-37 of this report.

***Fiduciary funds*** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 38 and 39 of this report.

**Notes to the financial statements** The notes provide additional information essential to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 40-83 of this report.

**Other information** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 84-91 of this report. The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 93-113 of this report.

**Government-wide financial analysis** As noted earlier, net position may serve over time as a useful indicator of a City's financial position. Assets and deferred outflows of resources exceeded liabilities by \$361,777,384 at the close of the most recent fiscal year. By far, the largest portion of the City's net position (85.6%) reflects its investment in capital assets (e.g. land, buildings, 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; accordingly, these assets are not available for future spending.

Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The table below summarizes the City's net position as of September 30, 2019 and 2018:

| Statement of Net Position<br>September 30, xxxx<br>(Amounts in \$000's) |                         |                   |                          |                   |                   |                   |
|-------------------------------------------------------------------------|-------------------------|-------------------|--------------------------|-------------------|-------------------|-------------------|
|                                                                         | Governmental Activities |                   | Business-Type Activities |                   | Total             |                   |
|                                                                         | 2019                    | 2018              | 2019                     | 2018              | 2019              | 2018              |
| Assets:                                                                 |                         |                   |                          |                   |                   |                   |
| Current and other assets.....                                           | \$ 41,542               | \$ 41,341         | \$ 63,086                | \$ 59,636         | \$ 104,628        | \$ 100,977        |
| Capital assets.....                                                     | <u>142,210</u>          | <u>141,303</u>    | <u>230,276</u>           | <u>231,908</u>    | <u>372,486</u>    | <u>373,211</u>    |
| Total assets.....                                                       | <u>106,864</u>          | <u>182,644</u>    | <u>293,362</u>           | <u>291,544</u>    | <u>477,114</u>    | <u>474,188</u>    |
| Deferred outflows of resources                                          | <u>6,341</u>            | <u>5,652</u>      | <u>911</u>               | <u>1,156</u>      | <u>7,252</u>      | <u>6,808</u>      |
| Liabilities:                                                            |                         |                   |                          |                   |                   |                   |
| Long-term liabilities.....                                              | 73,104                  | 72,464            | 28,517                   | 34,704            | 101,621           | 107,168           |
| Other liabilities.....                                                  | <u>6,800</u>            | <u>6,135</u>      | <u>12,562</u>            | <u>13,596</u>     | <u>19,362</u>     | <u>19,731</u>     |
| Total liabilities.....                                                  | <u>79,904</u>           | <u>78,599</u>     | <u>41,079</u>            | <u>48,300</u>     | <u>120,983</u>    | <u>126,899</u>    |
| Deferred inflows of resources                                           | <u>1,014</u>            | <u>2,504</u>      | <u>590</u>               | <u>1,146</u>      | <u>1,604</u>      | <u>3,650</u>      |
| Net Position:                                                           |                         |                   |                          |                   |                   |                   |
| Investment in Capital Assets.....                                       | 109,638                 | 107,214           | 200,127                  | 194,473           | 309,765           | 301,687           |
| Restricted.....                                                         | 15,822                  | 15,804            | 19,778                   | 18,185            | 35,600            | 33,989            |
| Unrestricted.....                                                       | <u>(16,286)</u>         | <u>(15,824)</u>   | <u>32,699</u>            | <u>30,596</u>     | <u>16,413</u>     | <u>14,772</u>     |
| Total net position.....                                                 | <u>\$ 109,174</u>       | <u>\$ 107,194</u> | <u>\$ 252,604</u>        | <u>\$ 243,254</u> | <u>\$ 361,778</u> | <u>\$ 350,448</u> |

An additional portion of the City's net position (9.8%) represents resources subject to external restrictions on how they may be used. Total restricted net position increased by approximately \$1.6 million, primarily due to capital improvements and other special revenue purposes. The remaining balance of unrestricted net position, or \$16,413,409, may be used to meet the government's ongoing obligations and increased due to current year revenues in excess of expenses.

At the end of the current fiscal year, the City can report positive balances in restricted categories of net position for both governmental activities and the government as a whole. The business-type activities report positive balances in all reported categories of net position. The same situation held true for the prior fiscal year.

The total net position for the City increased by \$11,329,968 for the period ending September 30, 2019. The reasons for the overall increase are discussed in the following sections for governmental activities and business-type activities.

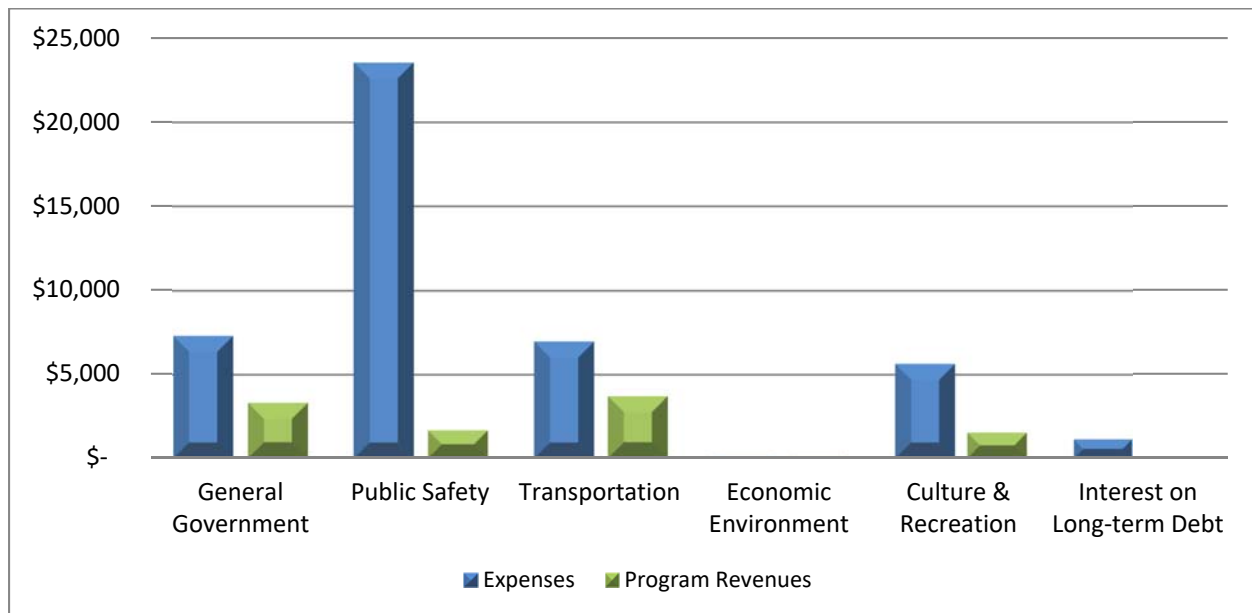
The following table summarizes changes in net position for governmental and business-type activities for the past two fiscal years.

| Statement of Change in Net Position<br>Year Ended September 30, xxxx<br>(Amounts in \$000's) |                         |                   |                          |                   |                   |                   |
|----------------------------------------------------------------------------------------------|-------------------------|-------------------|--------------------------|-------------------|-------------------|-------------------|
|                                                                                              | Governmental Activities |                   | Business-Type Activities |                   | Total             |                   |
|                                                                                              | <u>2019</u>             | <u>2018</u>       | <u>2019</u>              | <u>2018</u>       | <u>2019</u>       | <u>2018</u>       |
| Revenues:                                                                                    |                         |                   |                          |                   |                   |                   |
| Program Revenues:                                                                            |                         |                   |                          |                   |                   |                   |
| Charges for services.....                                                                    | \$ 4,992                | \$ 4,739          | \$ 40,355                | \$ 40,366         | \$ 45,347         | \$ 45,105         |
| Operating grants/contributions.....                                                          | 2,191                   | 1,605             | -                        | -                 | 2,191             | 1,605             |
| Capital grants/contributions.....                                                            | 3,061                   | 5,415             | 2,734                    | 3,812             | 5,795             | 9,227             |
| General Revenues:                                                                            |                         |                   |                          |                   |                   |                   |
| Property taxes.....                                                                          | 15,380                  | 14,016            | -                        | -                 | 15,380            | 14,016            |
| Franchise and utility taxes.....                                                             | 10,740                  | 10,647            | -                        | -                 | 10,740            | 10,647            |
| State sales taxes.....                                                                       | 3,472                   | 3,450             | -                        | -                 | 3,472             | 3,450             |
| Other intergovernmental.....                                                                 | 3,750                   | 3,629             | -                        | -                 | 3,750             | 3,629             |
| Investment earnings.....                                                                     | 1,069                   | 225               | 1,474                    | 194               | 2,543             | 419               |
| Miscellaneous.....                                                                           | 245                     | 196               | 211                      | 191               | 456               | 387               |
| Total revenues.....                                                                          | <u>44,900</u>           | <u>43,922</u>     | <u>44,774</u>            | <u>44,563</u>     | <u>89,674</u>     | <u>88,485</u>     |
| Expenses:                                                                                    |                         |                   |                          |                   |                   |                   |
| General government.....                                                                      | 7,320                   | 8,241             | -                        | -                 | 7,320             | 8,241             |
| Public safety.....                                                                           | 23,543                  | 22,030            | -                        | -                 | 23,543            | 22,030            |
| Transportation.....                                                                          | 6,989                   | 6,535             | -                        | -                 | 6,989             | 6,535             |
| Economic environment.....                                                                    | 40                      | 24                | -                        | -                 | 40                | 24                |
| Culture/recreation.....                                                                      | 5,654                   | 5,186             | -                        | -                 | 5,654             | 5,186             |
| Interest on long-term debt.....                                                              | 1,142                   | 1,199             | -                        | -                 | 1,142             | 1,199             |
| Water and sewer.....                                                                         | -                       | -                 | 20,575                   | 20,215            | 20,575            | 20,215            |
| Solid waste.....                                                                             | -                       | -                 | 7,709                    | 7,098             | 7,709             | 7,098             |
| Stormwater.....                                                                              | -                       | -                 | 3,834                    | 3,455             | 3,834             | 3,455             |
| Golf Course.....                                                                             | -                       | -                 | 1,538                    | 1,545             | 1,538             | 1,545             |
| Total expenses.....                                                                          | <u>44,688</u>           | <u>43,215</u>     | <u>33,656</u>            | <u>32,313</u>     | <u>78,344</u>     | <u>75,528</u>     |
| Change in net position                                                                       |                         |                   |                          |                   |                   |                   |
| before transfers.....                                                                        | 212                     | 707               | 11,118                   | 12,250            | 11,330            | 12,957            |
| Transfers.....                                                                               | <u>1,768</u>            | <u>-</u>          | <u>(1,768)</u>           | <u>-</u>          | <u>-</u>          | <u>-</u>          |
| Change in net position.....                                                                  | 1,980                   | 707               | 9,350                    | 12,250            | 11,330            | 12,957            |
| Net position-beginning, as restated....                                                      | <u>107,194</u>          | <u>106,487</u>    | <u>243,254</u>           | <u>231,004</u>    | <u>350,448</u>    | <u>337,490</u>    |
| Net position-ending.....                                                                     | <u>\$ 109,174</u>       | <u>\$ 107,194</u> | <u>\$ 252,604</u>        | <u>\$ 243,254</u> | <u>\$ 361,778</u> | <u>\$ 350,447</u> |

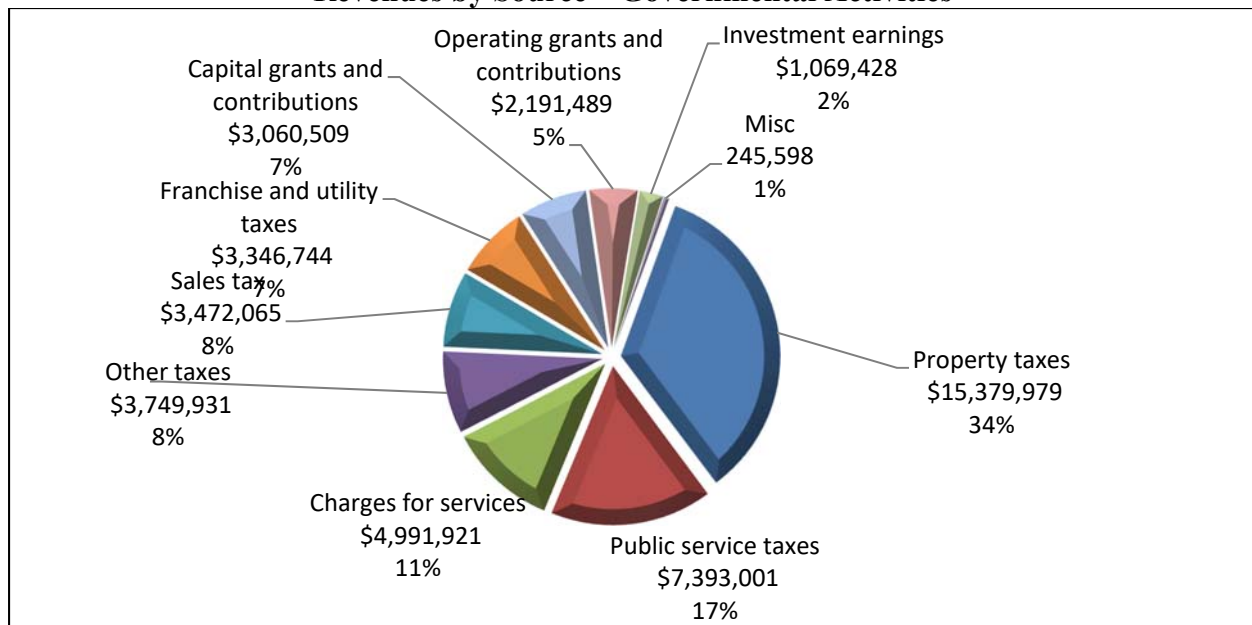
**Governmental activities** During the current fiscal year, governmental activities increased the City's net position by \$1,979,910, compared to \$707,324 in the prior year.

Total revenues from governmental activities increased by \$978,000, or 2.2%, while total expenditures increased \$1,473,000, or 3.4%, when compared to FY2018. The City experienced an 7.7% increase in taxable property values over the previous year and approved a property tax levy millage rate at 3.53% above the rolled-back rate for FY2019, generating an increase in property tax revenue in FY2019.

### Expenses and Program Revenues – Governmental Activities (Amounts in \$000's)

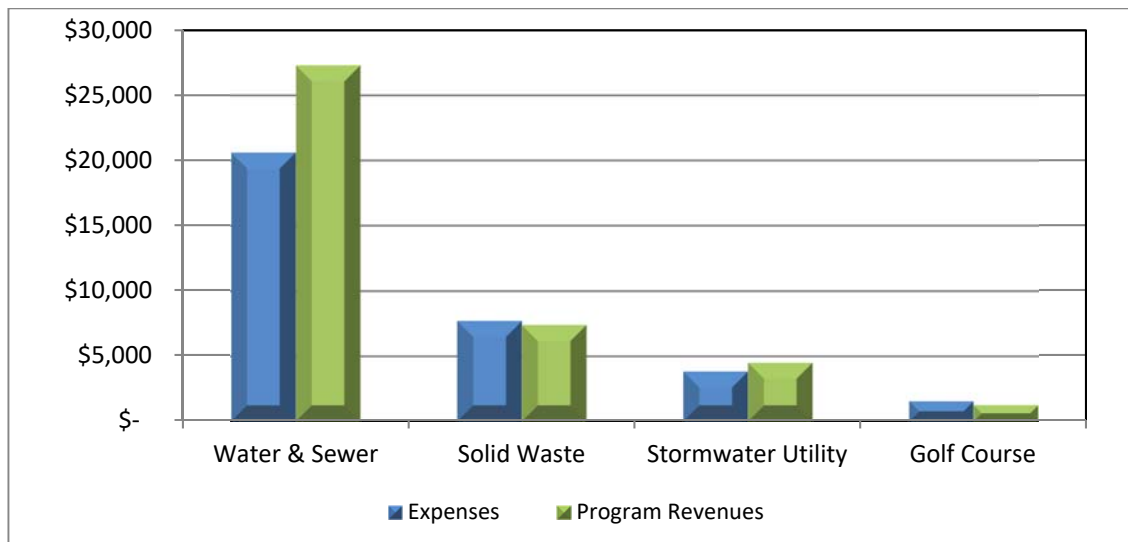


### Revenues by Source – Governmental Activities

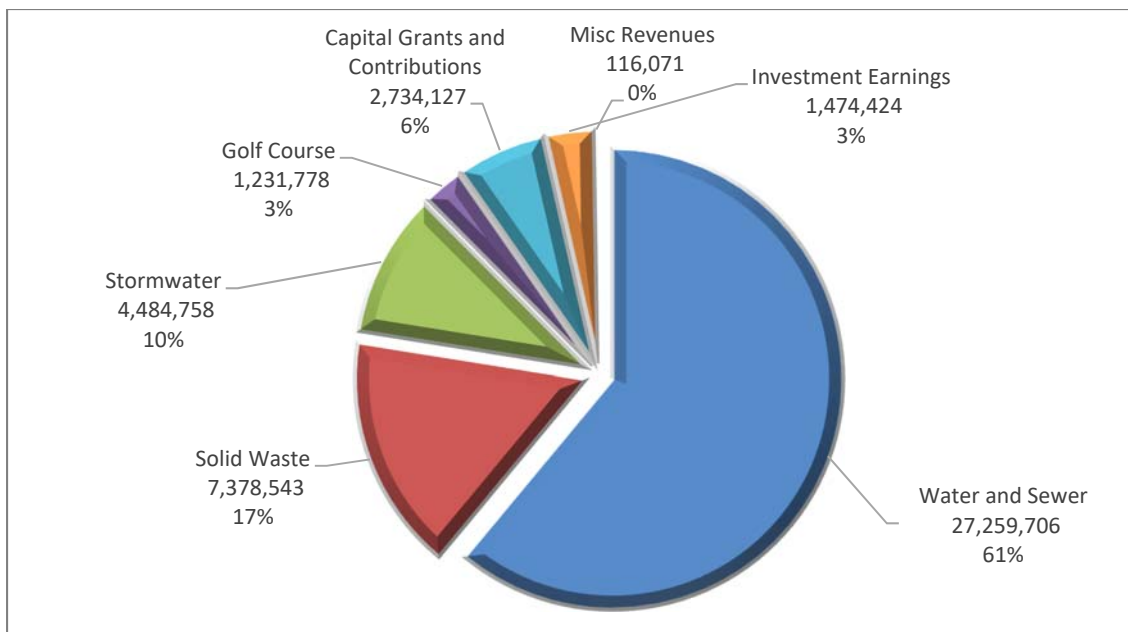


**Business-type activities** The results for the City's business-type activities were positive, with an ending Total Net Position of \$252,603,821, an increase of \$9,350,058.

### Expenses and Program Revenues – Business-type Activities (Amounts in \$000's)

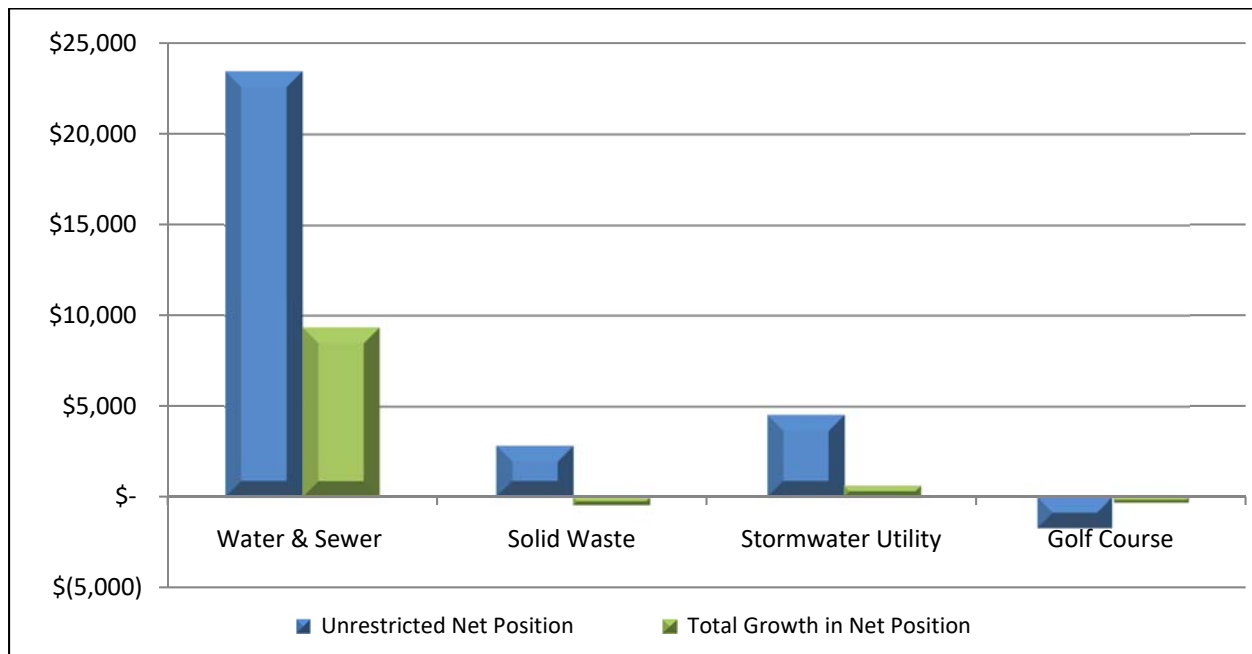


### Revenues by Source – Business-type Activities



The following item affected the change in net position from the prior year: Charges for services were basically unchanged with a decrease of \$11,213.

**Unrestricted and Total Growth in Net Position – Business-type Activities**  
(Amounts in \$000's)



**Financial analysis of the City's funds** As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a City's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a delegated authority to assign resources for use for particular purposes by the City Council.

At the end of the current fiscal year, the City's governmental funds reported a combined fund balance of \$30,755,123, an increase of \$704,273, as compared to the prior year decrease of \$4,068,721. Approximately 30.9% of the combined ending fund balance, or \$9,513,999 constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance of \$21,241,124 (69.1%) is not available because it has already been allocated to: 1) non-spendable items such as inventories and prepaid expenditures; 2) restricted by enabling legislation or other legal requirements; 3) committed by formal action of City Council; and/or 4) assigned through the City's intent for specific purposes.

The General Fund is the main operating fund of the City. Total fund balance was \$17,091,581, with an unassigned balance of \$13,685,516.

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 and transfers out. Unassigned fund balance less transfers represents approximately 37.5% of total general fund expenditures, while total fund balance represents approximately 44.6% of that same amount.

Total General Fund revenues increased by 7.3% and total expenditures decreased by 1.9% when compared to FY2018. The changes were due primarily to the impact of increased Ad Valorem receipts and Charges



for Services compared to FY2018. The net effect resulted in an increase in fund balance of \$836,960, or 5.1%, for the General Fund in FY2019.

The special revenue funds are all non-major, with exceptions for the Eastport Business Center and Town Center Community Redevelopment Agency (CRA) Funds. Both receive their primary funding through tax increments. These districts promote and provide economic incentives, infrastructure improvements, and an environment conducive for business within the district's boundaries.

Financial information for all other special revenue funds may be found in the Combining Statements – Non-major Governmental Funds, Special Revenue Category. Special Revenue funds have a fund balance of \$4,166,043. The funds closed the year with a net increase in fund balance of \$339,596, or 8.9%.

Other non-major governmental funds include the Debt Service fund and various Capital Project funds. The Debt Service fund has a balance of \$2,116,717, which is reserved for debt service. The net increase in fund balance was \$61,126.

The Transportation, General Obligation and Capital Replacement funds, as well as other non-major funds, may be found in the Combining Statements – Non-major Governmental Funds, Capital Project Funds Category. The capital project funds contain total fund balances of \$10,875,147. At fiscal year-end, most of the fund balances were appropriated for infrastructure and facility improvements.

Individual negative fund balances have continued because of financial resources loaned to the Transportation Capital Projects Fund for construction projects. It is expected that these deficit positions will be eliminated with future earnings.

Non-major governmental funds have a combined fund balance of \$17,157,907. The net increase in fund balance during the current year in these funds was \$143,744.

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

Unrestricted net position of the enterprise funds at the end of the year amounted to \$29,058,106. The total growth in net position was \$9,350,058, the majority of which is invested in capital assets. Unrestricted net position of the internal service funds at the end of the year was \$9,799,671. Internal service funds closed the year with a decrease in net position of \$951,145, or 9.7%. Other factors concerning the financial position of these funds are addressed in the discussion of the City's business-type activities.

### **General Fund budgetary highlights**

***Original budget compared to final budget.*** During the year, amendments were made to increase either the original estimated revenues or original budget appropriations. The significant variances between the original budget and the final amended budget are as follows:

| Amt                 | Description                                                                           | Budget<br>Reso # |
|---------------------|---------------------------------------------------------------------------------------|------------------|
| \$ 404,837          | Carryover (Project and Encumbrances) funding for Non-departmental                     | 18-54            |
| 11,092              | Carryover funding for City Manager                                                    | 18-54            |
| 24,641              | Carryover funding for Finance                                                         | 18-54            |
| 11,000              | Carryover funding for Human Resources                                                 | 18-54            |
| 38,535              | Carryover funding for Community Development                                           | 18-54            |
| 127,085             | Carryover funding for Fire                                                            | 18-54            |
| 90,486              | Carryover funding for Police                                                          | 18-54            |
| 22,493              | Carryover funding for Public Works                                                    | 18-54            |
| 116,077             | Carryover funding for Parks Maintenance                                               | 18-54            |
| 17,413              | Carryover funding for Recreation                                                      | 18-54            |
| 9,213               | Carryover funding for Athletics                                                       | 18-54            |
| 41,059              | Carryover funding for City Attorney                                                   | 18-55            |
| 989,080             | Transfer to Fund 505 for ERP Project                                                  | 18-60            |
| (250,000)           | Reallocate project carryforward - Prof Services to ERP                                | 18-60            |
| (56,184)            | Reduce appropriated equity for 2 vehicles prefunded in FY18                           | 18-60            |
| 138,000             | Fund Special Election - City Clerk                                                    | 19-06            |
| 1,760               | Budget for revenue received to sponsor State of the City                              | 19-14            |
| 784                 | Budget for revenue from Snack Machine sales                                           | 19-14            |
| 7,806               | Budget for Tree Mitigation revenue received                                           | 19-14            |
| 56,000              | Budget for Fire Service Fee Phase II                                                  | 19-14            |
| 1,346               | Transfer budget for Volusia League of Mayors from CM (1200) to Mayor & Council (1100) | 19-14            |
| (1,346)             | Transfer budget for Volusia League of Mayors from CM (1200) to Mayor & Council (1100) | 19-14            |
| 60,000              | Budget for Cell Tower Review Reimbursement - Misc. Rev (CD 1900)                      | 19-14            |
| 414,000             | Budget Transfer from GF to Capital Fund (317) HVAC Lakeside Community Ctr             | 19-27            |
| (10,000)            | Budget Transfer from CM to Non Dept for Land Purchase Option                          |                  |
| 10,000              | Budget Transfer from CM to Non Dept for Land Purchase Option                          |                  |
| 10,000              | Budget for Public Safety JAG Grant                                                    | 19-27            |
| 48,579              | Budget Grant from State of Florida - Victims of Crime (VOCA)                          | 19-33            |
| 5,000               | Budget for Donation from Coraci Family Trust - GF Athletics                           | 19-41            |
| 70,400              | Budget Execution Request (BER)                                                        | 19-72            |
| <b>\$ 2,409,156</b> | <b>Total</b>                                                                          |                  |

With Council authorization, \$1,745,225 was re-appropriated from unreserved equity or other sources during the year ended September 30, 2019. The balance was appropriated for carryover of open encumbrances and existing projects from the prior year and for various operating, debt, and project costs.

Revenues reported an overall positive variance in the General Fund with actual revenues higher than the final FY2019 Budget by \$266,561. Most of this variance was due primarily to collection of taxes, fees, and interest income.

Actual expenditures totaled \$36,302,565, a positive variance of \$3,906,497. This variance is attributed to a continued focus on cost containment efforts, salary attrition due to vacancies across departments, and timing delays for capital outlay projects.

### **Capital asset and debt administration**

**Capital assets** The City's investment in capital assets for its governmental and business-type activities as of September 30, 2019 is \$372,485,957 (net of accumulated depreciation). This investment in capital assets includes land, easements, works of art, buildings and improvements other than buildings, infrastructure,

equipment, and construction in progress. Additional information about the City's capital assets can be found in Note 7 on pages 61-62.

Major capital asset events during the current fiscal year included the following:

- The City acquired easements totaling \$1,477,373, the majority of which were for drainage projects. Buildings and Improvements increased by \$3,282,575. The major addition was the renovation of the old police headquarters building, creating office space for the Public Works/Public Utilities and Parks and Recreation departments' administration. The building is referred to as the Dorothy L. Hukill City Center Annex.
- Infrastructure improvements totaling \$4,984,303 were completed during the year. The City continues to enhance its roadways in order to increase traffic capacity and improve safety in highly traveled and traffic-congested areas. In addition, various improvements to Water and Sewer and Drainage infrastructure were made as the City continue to address aging infrastructure.
- The City added \$6,842,910 of Equipment in the current year. For Governmental Activities, most of the \$5,852,668 increase was for fully outfitted police vehicles and portable radios for the fire department. For Business-type Activities, \$990,242 was for acquisition of a Vaccon truck and an excavator.
- The Lease and Replacement Fund, an internal service fund that purchases all rolling stock, trucks, and vehicles for the City, acquired assets of \$5,024,157 during the year. This fund, through operating rentals collected from user departments, funds acquisitions by assigning a life cycle and matching schedule of payments. This type of planning ensures proper funding of replacement assets of these types.
- Construction in progress at the close of the fiscal year was \$3,591,308. Expansion of the water system, sewer collection and treatment, reclaimed water, and stormwater facilities continues. Construction in progress related to general government facilities includes a Public Safety Training Facility, City Building Improvements, and various road, sidewalk, and lighting projects.

| Statement of Capital Assets, Net of Depreciation<br>September 30, xxxx<br>(Amounts in \$000's) |                         |                   |                          |                   |                   |                   |
|------------------------------------------------------------------------------------------------|-------------------------|-------------------|--------------------------|-------------------|-------------------|-------------------|
|                                                                                                | Governmental Activities |                   | Business-Type Activities |                   | Total             |                   |
|                                                                                                | <u>2019</u>             | <u>2018</u>       | <u>2019</u>              | <u>2018</u>       | <u>2019</u>       | <u>2018</u>       |
| Land.....                                                                                      | \$ 23,817               | \$ 23,982         | 28,778                   | 28,778            | 52,595            | 52,760            |
| Easements.....                                                                                 | 9,482                   | 8,004             | -                        | -                 | 9,482             | 8,004             |
| Works of Art.....                                                                              | 12                      | 12                | -                        | -                 | 12                | 12                |
| Construction in progress.....                                                                  | 2,035                   | 2,495             | 1,556                    | 921               | 3,591             | 3,416             |
| Buildings and improvements<br>other than buildings.....                                        | 66,067                  | 63,851            | (95,221)                 | (89,727)          | (29,154)          | (25,876)          |
| Infrastructure.....                                                                            | 30,952                  | 35,483            | 293,740                  | 291,021           | 324,692           | 326,504           |
| Equipment.....                                                                                 | <u>9,845</u>            | <u>7,476</u>      | <u>1,423</u>             | <u>915</u>        | <u>11,268</u>     | <u>8,391</u>      |
| Total capital assets, net .....                                                                | <u>\$ 142,210</u>       | <u>\$ 141,303</u> | <u>\$ 230,276</u>        | <u>\$ 231,908</u> | <u>\$ 372,486</u> | <u>\$ 373,211</u> |

Additional information on the City's capital assets can be found in the notes to these financial statements on page 61 of this report.

**Long-term liabilities** At the end of the current fiscal year, the City had outstanding bonds and other debt of \$62,860,138. Total Long-term Liabilities are \$66,193,246, which includes \$3,333,108 of uncompensated absences. The general obligation debt backed by the full faith and credit of the government is \$11,375,000.

The remainder of the City's debt represents bonds secured solely by specified revenue sources and other obligations summarized as follows:

| Statement of Outstanding Debt<br>September 30, xxxx<br>(Amounts in \$000's) |                                |                  |                                 |                  |                  |                  |
|-----------------------------------------------------------------------------|--------------------------------|------------------|---------------------------------|------------------|------------------|------------------|
|                                                                             | <u>Governmental Activities</u> |                  | <u>Business-Type Activities</u> |                  | <u>Total</u>     |                  |
|                                                                             | <u>2019</u>                    | <u>2018</u>      | <u>2019</u>                     | <u>2018</u>      | <u>2019</u>      | <u>2018</u>      |
| General obligation bonds and notes.....                                     | 11,375                         | 11,870           | -                               | -                | 11,375           | 11,870           |
| Revenue bonds and notes.....                                                | 19,805                         | 20,690           | 17,155                          | 21,755           | 36,960           | 42,445           |
| Loans from other governments.....                                           | -                              | -                | 13,127                          | 15,898           | 13,127           | 15,898           |
| Less deferred amount:                                                       |                                |                  |                                 |                  |                  |                  |
| Original issue premium.....                                                 | 1,506                          | 1,662            | -                               | -                | 1,506            | 1,662            |
| Original issue discount.....                                                | <u>(67)</u>                    | <u>(74)</u>      | <u>(41)</u>                     | <u>(45)</u>      | <u>(108)</u>     | <u>(119)</u>     |
| Total bonds and notes payable.....                                          | 32,619                         | 34,148           | 30,241                          | 37,608           | 62,860           | 71,756           |
| Compensated absences.....                                                   | <u>2,762</u>                   | <u>2,588</u>     | <u>571</u>                      | <u>510</u>       | <u>3,333</u>     | <u>3,098</u>     |
| Total long-term liabilities.....                                            | <u>\$ 35,381</u>               | <u>\$ 36,736</u> | <u>\$ 30,812</u>                | <u>\$ 38,118</u> | <u>\$ 66,193</u> | <u>\$ 74,854</u> |

Excluding original issue discounts and premiums, the City's total debt principal decreased by \$8,750,207 during the current fiscal year.

A summary of the City's approved debt types, related security pledges and underlying ratings (without regard to credit support bond insurance) is as follows:

| Debt Obligation Type                                                             | Pledged Security                                                                                                     | Bond Rating as of September 2018                                 |
|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| General Obligation Bonds                                                         | Ad Valorem Taxes                                                                                                     | Moody's: Aa2<br>Standard & Poor's: Not rated<br>Fitch: Not rated |
| Water and Sewer Bonds                                                            | Water & Sewer Revenues                                                                                               | Moody's: Aa2<br>Standard & Poor's: AA-<br>Fitch: AA              |
| Capital Improvement Bonds                                                        | Excise Taxes                                                                                                         | Moody's: Aa3<br>Standard & Poor's: Not rated<br>Fitch: Not rated |
| Drainage Bonds                                                                   | Stormwater Drainage Revenues                                                                                         | Moody's: Aa3<br>Standard & Poor's: Not rated<br>Fitch: Not rated |
| Florida State Revolving Fund<br>(Intergovernmental)                              | Water & Sewer Revenues                                                                                               | Not rated                                                        |
| Bank Loans, Capital Leases,<br>Conduit Debt, and Special<br>Assessment Financing | Various, including Ad Valorem<br>Tax; Gas Tax; Excise Tax; and<br>unsecured, subject to Budgetary<br>Appropriations. | Not rated                                                        |

State Statutes limit the millage rate a governmental entity may levy at 10 mills per dollar of total assessed valuation. For the year ended September 30, 2019, the City's property millage rate was 4.6288 and its voter approved debt millage rate was 0.2923. Total combined millage was 4.9211.

Additional information on the City's long-term debt can be found in the notes to these financial statements on pages 63-67 of this report.

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

- The annual average unemployment rate for the City of Port Orange as of September 30, 2019 was 3.2%, an increase of 0.1% from the prior year. This rate is lower than the statewide average annual unemployment rate of 3.5%. The low unemployment rate indicates the economy was in a full-employment situation.
- An ad valorem tax rate of 4.5254 was adopted for FY2020 to fund operating expenditure obligations. This millage tax rate is 2.23% less than the previous FY2019 tax rate of 4.6288 and 3.53% above the "rolled-back rate" of 4.3710. The "rolled-back rate" is defined as the tax rate that would result in the same dollar-amount revenue as the prior year, for the same portfolio of taxable property.
- In addition to an approved a millage at 3.53% above the rolled back rate, the City experienced a post Value Adjustment Board (VAB) increase in taxable property values of 7.7% from the previous year. Growth in real estate values combined with anticipated new construction, should allow associated tax revenues to slightly increase for the next year.
- The FY2020 required millage rate levy to fund debt service on the City's general obligation bonds is 0.2725, a decrease of 6.8% from the prior year millage of 0.2923.
- Public safety pension costs continue at high levels. To maintain long term stability, the City and Unions agreed to bifurcated plans in FY2013 and introduced a defined contribution plan for new non-union employees. Since then, changing mortality tables and investment performance have muted the attempt

to control costs. To improve the funded status of the plans and control future costs, the City plans to continue the practice of making discretionary contributions at fiscal year-end.

- Consistent with state and national trends, taxable assessed property values continue to increase. Certified final taxable value for 2019 was \$3,235,438,328, increasing to \$3,445,831,649 for 2020, an increase of 7.7%.
- To address the need for funding major stormwater capital projects, Stormwater non-ad valorem rates increased by \$15.00 per equivalent residential unit in FY2018. There was no change in the non-ad valorem rates in FY2019.

All these factors were considered in preparing the City's budget for the upcoming fiscal year.

For fiscal year ended September 30, 2019, the fund balance in the general fund totaled \$17,091,581, including \$717,581 assigned to subsequent year's budget. This compares to \$16,254,621, including \$913,931 assigned to subsequent year's budget for the prior fiscal year. All appropriations lapse at year-end. The City made appropriations of fund balance in the FY2020 budget of \$156,307.

Water and sewer rates remained constant for FY2019. The City implemented a water/sewer rate consolidation and restructure during FY2015. The original study focused on simplifying the rate structure, improving equity throughout the system and resulted in a small overall revenue increase. A follow up Financial Feasibility Study was performed in FY2016 resulting in no additional rate increase for FY2019.

Solid waste rates remained constant for FY2019. The solid waste rates are anticipated to increase in coming years in relation to the Consumer Price Index (CPI).

### **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Port Orange, Finance Director, 1000 City Center Circle, Port Orange, FL 32129.

## **BASIC FINANCIAL STATEMENTS**

These basic financial statements contain Government-wide Financial Statements, Fund Financial Statements and Notes to the Financial Statements.



**CITY OF PORT ORANGE, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2019**

|                                           | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total</b>          |
|-------------------------------------------|------------------------------------|-------------------------------------|-----------------------|
| <b>ASSETS</b>                             |                                    |                                     |                       |
| Equity in pooled cash and investments     | \$ 31,734,814                      | \$ 34,471,741                       | \$ 66,206,555         |
| Receivables, net                          | 1,554,035                          | 3,691,182                           | 5,245,217             |
| Internal balances                         | (3,596,720)                        | 3,596,720                           | -                     |
| Due from other governments                | 1,424,772                          | 184,574                             | 1,609,346             |
| Inventories                               | 44,062                             | 1,022,494                           | 1,066,556             |
| Prepays                                   | 112,092                            | 47,403                              | 159,495               |
| Restricted assets:                        |                                    |                                     |                       |
| Equity in pooled cash                     | 9,395,474                          | 20,071,095                          | 29,466,569            |
| Investments                               | 873,620                            | -                                   | 873,620               |
| Capital assets:                           |                                    |                                     |                       |
| Capital assets, not being depreciated     | 35,345,672                         | 30,334,014                          | 65,679,686            |
| Other capital assets, net of depreciation | 106,863,862                        | 199,942,409                         | 306,806,271           |
| Total assets                              | <u>\$ 183,751,683</u>              | <u>\$ 293,361,632</u>               | <u>\$ 477,113,315</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>     |                                    |                                     |                       |
| Deferred loss on bond refunding           | \$ 47,219                          | \$ 91,549                           | \$ 138,768            |
| Deferred outflows related to pensions     | 5,923,776                          | 685,456                             | 6,609,232             |
| Deferred outflows related to OPEB         | 369,533                            | 134,079                             | 503,612               |
| Total deferred outflows                   | <u>\$ 6,340,528</u>                | <u>\$ 911,084</u>                   | <u>\$ 7,251,612</u>   |
| <b>LIABILITIES</b>                        |                                    |                                     |                       |
| Accounts payable and accrued liabilities  | \$ 3,686,235                       | \$ 1,284,815                        | \$ 4,971,050          |
| Customer deposits                         | 530,804                            | 3,833,446                           | 4,364,250             |
| Unearned revenue                          | 208,634                            | 429,604                             | 638,238               |
| Accrued interest payable                  | 613,024                            | 263,886                             | 876,910               |
| Noncurrent liabilities:                   |                                    |                                     |                       |
| Due within one year:                      |                                    |                                     |                       |
| Bonds and notes payable                   | 1,485,000                          | 6,693,847                           | 8,178,847             |
| Compensated absences                      | 276,190                            | 57,119                              | 333,309               |
| Due in more than one year:                |                                    |                                     |                       |
| Bonds and notes payable                   | 31,134,183                         | 23,547,108                          | 54,681,291            |
| Compensated absences                      | 2,485,722                          | 514,077                             | 2,999,799             |
| Total OPEB liability                      | 5,541,308                          | 2,010,563                           | 7,551,871             |
| Net pension liability                     | 33,943,285                         | 2,444,551                           | 36,387,836            |
| Total liabilities                         | <u>\$ 79,904,385</u>               | <u>\$ 41,079,016</u>                | <u>\$ 120,983,401</u> |
| <b>DEFERRED INFLOWS OF RESOURCES</b>      |                                    |                                     |                       |
| Deferred inflows related to pensions      | \$ 588,945                         | \$ 435,559                          | \$ 1,024,504          |
| Deferred inflows related to OPEB          | 425,318                            | 154,320                             | 579,638               |
| Total deferred inflows of resources       | <u>\$ 1,014,263</u>                | <u>\$ 589,879</u>                   | <u>\$ 1,604,142</u>   |
| <b>NET POSITION</b>                       |                                    |                                     |                       |
| Net investment in capital assets          | \$ 109,637,570                     | \$ 200,127,017                      | \$ 309,764,587        |
| Restricted for:                           |                                    |                                     |                       |
| Public safety                             | 2,069,128                          | -                                   | 2,069,128             |
| Community redevelopment projects          | 324,742                            | -                                   | 324,742               |
| Transportation                            | 6,586,892                          | -                                   | 6,586,892             |
| Debt service                              | 1,503,693                          | 5,632,401                           | 7,136,094             |
| Capital improvements                      | 1,464,751                          | 7,174,653                           | 8,639,404             |
| Other purposes                            | 3,872,452                          | 6,970,676                           | 10,843,128            |
| Unrestricted                              | (16,285,665)                       | 32,699,074                          | 16,413,409            |
| Total net position                        | <u>\$ 109,173,563</u>              | <u>\$ 252,603,821</u>               | <u>\$ 361,777,384</u> |

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF PORT ORANGE, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

| Functions/Programs                        | Expenses             | Program Revenues        |                                          |                                        | Net (Expense) Revenue and<br>Changes in Net Position |                             |                       |
|-------------------------------------------|----------------------|-------------------------|------------------------------------------|----------------------------------------|------------------------------------------------------|-----------------------------|-----------------------|
|                                           |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                           | Business-type<br>Activities | Total                 |
| Governmental activities:                  |                      |                         |                                          |                                        |                                                      |                             |                       |
| General government                        | \$ 7,320,189         | \$ 3,259,219            | \$ 38,438                                | \$ -                                   | \$ (4,022,532)                                       | \$ -                        | \$ (4,022,532)        |
| Public safety                             | 23,543,490           | 826,396                 | 659,783                                  | 177,198                                | (21,880,113)                                         | -                           | (21,880,113)          |
| Transportation                            | 6,988,749            | 169,690                 | 1,491,595                                | 2,036,160                              | (3,291,304)                                          | -                           | (3,291,304)           |
| Economic environment                      | 40,413               | 3,485                   | -                                        | 53,230                                 | 16,302                                               | -                           | 16,302                |
| Culture and recreation                    | 5,653,649            | 733,131                 | 1,673                                    | 793,921                                | (4,124,924)                                          | -                           | (4,124,924)           |
| Interest on long-term debt                | 1,142,139            | -                       | -                                        | -                                      | (1,142,139)                                          | -                           | (1,142,139)           |
| Total governmental activities             | 44,688,629           | 4,991,921               | 2,191,489                                | 3,060,509                              | (34,444,710)                                         | -                           | (34,444,710)          |
| Business-type activities:                 |                      |                         |                                          |                                        |                                                      |                             |                       |
| Water and sewer                           | 20,575,232           | 27,259,706              | -                                        | 2,734,127                              | -                                                    | 9,418,601                   | 9,418,601             |
| Solid waste                               | 7,708,701            | 7,378,543               | -                                        | -                                      | -                                                    | (330,158)                   | (330,158)             |
| Stormwater                                | 3,834,374            | 4,484,758               | -                                        | -                                      | -                                                    | 650,384                     | 650,384               |
| Golf course                               | 1,537,890            | 1,231,778               | -                                        | -                                      | -                                                    | (306,112)                   | (306,112)             |
| Total business-type activities            | 33,656,197           | 40,354,785              | -                                        | 2,734,127                              | -                                                    | 9,432,715                   | 9,432,715             |
| Total primary government                  | <u>\$ 78,344,826</u> | <u>\$ 45,346,706</u>    | <u>\$ 2,191,489</u>                      | <u>\$ 5,794,636</u>                    | <u>(34,444,710)</u>                                  | <u>9,432,715</u>            | <u>(25,011,995)</u>   |
| General revenues:                         |                      |                         |                                          |                                        |                                                      |                             |                       |
| Property taxes                            |                      |                         |                                          |                                        | 15,379,979                                           | -                           | 15,379,979            |
| Sales taxes                               |                      |                         |                                          |                                        | 3,472,065                                            | -                           | 3,472,065             |
| Casualty and fire insurance premium taxes |                      |                         |                                          |                                        | 880,138                                              | -                           | 880,138               |
| Public service taxes                      |                      |                         |                                          |                                        | 7,393,001                                            | -                           | 7,393,001             |
| Other taxes                               |                      |                         |                                          |                                        | 120,210                                              | -                           | 120,210               |
| Franchise and utility taxes               |                      |                         |                                          |                                        | 3,346,744                                            | -                           | 3,346,744             |
| State revenue sharing                     |                      |                         |                                          |                                        | 2,749,583                                            | -                           | 2,749,583             |
| Investment earnings                       |                      |                         |                                          |                                        | 1,069,428                                            | 1,474,424                   | 2,543,852             |
| Miscellaneous revenues                    |                      |                         |                                          |                                        | 245,598                                              | 210,793                     | 456,391               |
| Transfers                                 |                      |                         |                                          |                                        | 1,767,874                                            | (1,767,874)                 | -                     |
| Total general revenues and transfers      |                      |                         |                                          |                                        | 36,424,620                                           | (82,657)                    | 36,341,963            |
| Change in net position                    |                      |                         |                                          |                                        | 1,979,910                                            | 9,350,058                   | 11,329,968            |
| Net position - beginning of year          |                      |                         |                                          |                                        | 107,193,653                                          | 243,253,763                 | 350,447,416           |
| Net position - ending of year             |                      |                         |                                          |                                        | <u>\$ 109,173,563</u>                                | <u>\$ 252,603,821</u>       | <u>\$ 361,777,384</u> |

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF PORT ORANGE, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019**

|                                                                        | <u>General<br/>Fund</u> | <u>Eastport<br/>Business<br/>Center CRA<br/>Fund</u> | <u>Town<br/>Center<br/>CRA<br/>Fund</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|------------------------------------------------------------------------|-------------------------|------------------------------------------------------|-----------------------------------------|--------------------------------------------|-----------------------------------------|
| <b>ASSETS</b>                                                          |                         |                                                      |                                         |                                            |                                         |
| Equity in pooled cash and investments                                  | \$ 14,441,275           | \$ 324,742                                           | \$ 199,462                              | \$ 17,432,950                              | \$ 32,398,429                           |
| Investments                                                            | -                       | -                                                    | -                                       | 873,620                                    | 873,620                                 |
| Receivables, net                                                       | 1,505,772               | -                                                    | -                                       | 21,691                                     | 1,527,463                               |
| Due from other governments                                             | 1,031,131               | -                                                    | -                                       | 392,667                                    | 1,423,798                               |
| Due from other funds                                                   | -                       | -                                                    | -                                       | -                                          | -                                       |
| Inventories                                                            | 44,062                  | -                                                    | -                                       | -                                          | 44,062                                  |
| Prepaid items                                                          | 10,790                  | 5,855                                                | 5,966                                   | -                                          | 22,611                                  |
| Advances to other funds                                                | 1,557,916               | -                                                    | -                                       | -                                          | 1,557,916                               |
| Total assets                                                           | <u>\$ 18,590,946</u>    | <u>\$ 330,597</u>                                    | <u>\$ 205,428</u>                       | <u>\$ 18,720,928</u>                       | <u>\$ 37,847,899</u>                    |
| <b>LIABILITIES</b>                                                     |                         |                                                      |                                         |                                            |                                         |
| Accounts payable and accrued liabilities                               | \$ 1,230,165            | \$ -                                                 | \$ 5,544                                | \$ 1,053,160                               | \$ 2,288,869                            |
| Customer deposits                                                      | 22,731                  | -                                                    | 1,540                                   | 506,533                                    | 530,804                                 |
| Unearned revenue                                                       | 208,634                 | -                                                    | -                                       | -                                          | 208,634                                 |
| Due to other funds                                                     | -                       | -                                                    | 2,465,390                               | -                                          | 2,465,390                               |
| Advances from other funds                                              | -                       | -                                                    | 1,557,916                               | -                                          | 1,557,916                               |
| Total liabilities                                                      | <u>1,461,530</u>        | <u>-</u>                                             | <u>4,030,390</u>                        | <u>1,559,693</u>                           | <u>7,051,613</u>                        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                   |                         |                                                      |                                         |                                            |                                         |
| Unavailable revenue - property taxes                                   | <u>37,835</u>           | <u>-</u>                                             | <u>-</u>                                | <u>3,328</u>                               | <u>41,163</u>                           |
| <b>FUND BALANCES</b>                                                   |                         |                                                      |                                         |                                            |                                         |
| Nonspendable:                                                          |                         |                                                      |                                         |                                            |                                         |
| Inventories                                                            | 44,062                  | -                                                    | -                                       | -                                          | 44,062                                  |
| Prepaid items                                                          | 10,790                  | 5,855                                                | 5,966                                   | -                                          | 22,611                                  |
| Advances to other funds                                                | 1,557,916               | -                                                    | -                                       | -                                          | 1,557,916                               |
| Restricted for:                                                        |                         |                                                      |                                         |                                            |                                         |
| Public safety                                                          | 991,711                 | -                                                    | -                                       | 1,077,417                                  | 2,069,128                               |
| Inspections                                                            | -                       | -                                                    | -                                       | 3,788,447                                  | 3,788,447                               |
| Recreation                                                             | 84,005                  | -                                                    | -                                       | -                                          | 84,005                                  |
| Debt service                                                           | -                       | -                                                    | -                                       | 2,116,717                                  | 2,116,717                               |
| Capital improvements                                                   | -                       | -                                                    | -                                       | 1,464,751                                  | 1,464,751                               |
| Community redevelopment                                                | -                       | 324,742                                              | -                                       | -                                          | 324,742                                 |
| Transportation sales tax                                               | -                       | -                                                    | -                                       | 3,684,848                                  | 3,684,848                               |
| Transportation impact                                                  | -                       | -                                                    | -                                       | 2,902,044                                  | 2,902,044                               |
| Committed to:                                                          |                         |                                                      |                                         |                                            |                                         |
| Recreation facility improvements                                       | -                       | -                                                    | -                                       | 244,331                                    | 244,331                                 |
| Assigned to:                                                           |                         |                                                      |                                         |                                            |                                         |
| Subsequent year's budget                                               | 717,581                 | -                                                    | -                                       | -                                          | 717,581                                 |
| Capital improvements                                                   | -                       | -                                                    | -                                       | 2,086,676                                  | 2,086,676                               |
| Business development                                                   | -                       | -                                                    | -                                       | 116,793                                    | 116,793                                 |
| General government                                                     | -                       | -                                                    | -                                       | 16,472                                     | 16,472                                  |
| Unassigned                                                             | 13,685,516              | -                                                    | (3,830,928)                             | (340,589)                                  | 9,513,999                               |
| Total fund balances                                                    | <u>17,091,581</u>       | <u>330,597</u>                                       | <u>(3,824,962)</u>                      | <u>17,157,907</u>                          | <u>30,755,123</u>                       |
| Total liabilities, deferred inflows of<br>resources, and fund balances | <u>\$ 18,590,946</u>    | <u>\$ 330,597</u>                                    | <u>\$ 205,428</u>                       | <u>\$ 18,720,928</u>                       | <u>\$ 37,847,899</u>                    |

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF PORT ORANGE, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2019**

**Fund balances - total governmental funds** \$ 30,755,123

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds

|                                   |                     |             |
|-----------------------------------|---------------------|-------------|
| Total governmental capital assets | 203,202,999         |             |
| Less: accumulated depreciation    | <u>(70,501,682)</u> | 132,701,317 |

On the governmental fund statements, a net pension liability is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the statement of net position, the City's net pension liability of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.

|                                       |                  |              |
|---------------------------------------|------------------|--------------|
| Net pension liability                 | (33,943,285)     |              |
| Deferred outflows related to pensions | 5,923,776        |              |
| Deferred inflows related to pensions  | <u>(588,945)</u> | (28,608,454) |

On the governmental fund statements, a total OPEB liability is not recorded unless an amount is due and payable (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the City's total OPEB liability is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to OPEB are also reported.

|                                   |                  |             |
|-----------------------------------|------------------|-------------|
| Total OPEB liability              | (5,541,308)      |             |
| Deferred outflows related to OPEB | 369,533          |             |
| Deferred inflows related to OPEB  | <u>(425,318)</u> | (5,597,093) |

Internal service funds are used by management to charge the costs of data processing, insurance, fleet lease and maintenance, building maintenance, and internal loans to individual funds. These assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

|                                                        |                    |            |
|--------------------------------------------------------|--------------------|------------|
| Total net position                                     | 19,307,888         |            |
| Less: amounts attributable to business-type activities | <u>(3,640,968)</u> | 15,666,920 |

Because some property taxes and other revenues will not be collected for several months after the close of the City's fiscal year end, they are not considered as "available" revenues in the governmental funds, and therefore, reported as deferred inflows of unavailable revenues. In the statement of net position, which is presented on an accrual basis, no deferral is reported since the revenue is fully recognized in the statement of activities.

41,163

Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related deferred charges consist of the following:

|                                             |                    |              |
|---------------------------------------------|--------------------|--------------|
| Bonds and notes payable                     | (31,180,000)       |              |
| Accrued interest payable                    | (613,024)          |              |
| Unamortized bond discounts and premiums     | (1,439,183)        |              |
| Unamortized deferred loss on bond refunding | 47,219             |              |
| Compensated absences                        | <u>(2,600,425)</u> | (35,785,413) |

|                                                |                              |
|------------------------------------------------|------------------------------|
| <b>Net position of governmental activities</b> | <u><u>\$ 109,173,563</u></u> |
|------------------------------------------------|------------------------------|

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF PORT ORANGE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

|                                                          | <b>General</b>       | <b>Eastport<br/>Business<br/>Center CRA</b> | <b>Town<br/>Center<br/>CRA</b> | <b>Nonmajor<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|----------------------------------------------------------|----------------------|---------------------------------------------|--------------------------------|--------------------------------------------|-----------------------------------------|
| <b>Revenues</b>                                          |                      |                                             |                                |                                            |                                         |
| Taxes                                                    | \$ 22,730,937        | \$ 83,787                                   | \$ 61,734                      | \$ 2,247,194                               | \$ 25,123,652                           |
| Permits and fees                                         | 3,386,418            | -                                           | -                              | 3,010,190                                  | 6,396,608                               |
| Intergovernmental                                        | 6,172,633            | 121,162                                     | 88,319                         | 929,247                                    | 7,311,361                               |
| Charges for services                                     | 4,050,520            | -                                           | 5,285                          | 218,738                                    | 4,274,543                               |
| Fines and forfeitures                                    | 322,613              | -                                           | -                              | -                                          | 322,613                                 |
| Investment income                                        | 287,588              | 9,698                                       | 9,200                          | 525,375                                    | 831,861                                 |
| Miscellaneous                                            | 562,409              | 6                                           | 6                              | 99,363                                     | 661,784                                 |
| Total revenues                                           | <u>37,513,118</u>    | <u>214,653</u>                              | <u>164,544</u>                 | <u>7,030,107</u>                           | <u>44,922,422</u>                       |
| <b>Expenditures</b>                                      |                      |                                             |                                |                                            |                                         |
| Current:                                                 |                      |                                             |                                |                                            |                                         |
| General government                                       | 6,587,879            | -                                           | -                              | 1,606,298                                  | 8,194,177                               |
| Public safety                                            | 22,765,173           | -                                           | -                              | 284,198                                    | 23,049,371                              |
| Transportation                                           | 2,429,728            | -                                           | -                              | 801,423                                    | 3,231,151                               |
| Economic environment                                     | -                    | 6,072                                       | 24,861                         | 12,001                                     | 42,934                                  |
| Culture and recreation                                   | 3,999,561            | -                                           | -                              | 22,359                                     | 4,021,920                               |
| Capital outlay                                           | 520,224              | -                                           | -                              | 3,865,838                                  | 4,386,062                               |
| Debt service:                                            |                      |                                             |                                |                                            |                                         |
| Principal retirement                                     | -                    | -                                           | -                              | 1,380,000                                  | 1,380,000                               |
| Interest and fiscal charges                              | -                    | -                                           | 37,718                         | 1,269,251                                  | 1,306,969                               |
| Other charges                                            | -                    | -                                           | -                              | 2,249                                      | 2,249                                   |
| Total expenditures                                       | <u>36,302,565</u>    | <u>6,072</u>                                | <u>62,579</u>                  | <u>9,243,617</u>                           | <u>45,614,833</u>                       |
| <b>Excess (deficiency) of revenues over expenditures</b> | <u>1,210,553</u>     | <u>208,581</u>                              | <u>101,965</u>                 | <u>(2,213,510)</u>                         | <u>(692,411)</u>                        |
| <b>Other financing sources (uses)</b>                    |                      |                                             |                                |                                            |                                         |
| Transfers in                                             | 1,684,622            | -                                           | -                              | 2,357,254                                  | 4,041,876                               |
| Transfers out                                            | (2,058,215)          | (182,163)                                   | (404,814)                      | -                                          | (2,645,192)                             |
| Total other financing sources (uses)                     | <u>(373,593)</u>     | <u>(182,163)</u>                            | <u>(404,814)</u>               | <u>2,357,254</u>                           | <u>1,396,684</u>                        |
| <b>Net change in fund balances</b>                       | <u>836,960</u>       | <u>26,418</u>                               | <u>(302,849)</u>               | <u>143,744</u>                             | <u>704,273</u>                          |
| <b>Fund balances, beginning of year</b>                  | 16,254,621           | 304,179                                     | (3,522,113)                    | 17,014,163                                 | 30,050,850                              |
| <b>Fund balances, end of year</b>                        | <u>\$ 17,091,581</u> | <u>\$ 330,597</u>                           | <u>\$ (3,824,962)</u>          | <u>\$ 17,157,907</u>                       | <u>\$ 30,755,123</u>                    |

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF PORT ORANGE, 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, 2019**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| <b>Net change in fund balances - total governmental funds</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>\$ 704,273</b>          |
| Differences in amounts reported for governmental activities in the statement of activities are:                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                            |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.                                                                                                                                                                                                                                                                                                                                                                                           |                            |
| Capital outlay expenditures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 4,386,062                  |
| Depreciation expense                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | (6,653,370)                |
| Contributed capital assets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1,698,220                  |
| The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations, CIP project abandoned) is to decrease net position.                                                                                                                                                                                                                                                                                                                                                                                                     | (453,306)                  |
| Bond and loan proceeds are reported as financing sources in the governmental funds. However, the issuance of debt is reported as long-term debt payable in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment of debt principal reduces long-term liabilities in the statement of net position. These amounts are as follows:                                                                                                                                                            |                            |
| Principal repayment of general long-term debt                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1,380,000                  |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds (reduction in delinquent taxes).                                                                                                                                                                                                                                                                                                                                                                                              | (18,242)                   |
| Governmental funds report contributions to defined benefit pension plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit pension plans reduces future net pension liability. Also included in pension expense in the statement of activities are amounts required to be amortized.                                                                                                                                                                                                                                   |                            |
| Change in net pension liability and deferred inflows/outflows related to pensions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 317,220                    |
| Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows: |                            |
| Amortization of bond discounts and premiums                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 144,242                    |
| Change in accrued interest on long-term debt                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 22,837                     |
| Change in compensated absences liability                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | (156,837)                  |
| Change in total OPEB liability and deferred inflows/outflows related to OPEB                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (252,700)                  |
| Internal service funds are used by management to charge the costs of certain activities to individual funds. The portion of net revenue/expense of internal service funds reported within governmental activities for the year.                                                                                                                                                                                                                                                                                                                                          | 861,511                    |
| <b>Change in net position of governmental activities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b><u>\$ 1,979,910</u></b> |

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF PORT ORANGE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

|                                                   | <b>Budgeted Amounts</b> |                      |                      | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|---------------------------------------------------|-------------------------|----------------------|----------------------|---------------------------------------------------------------------|
|                                                   | <b>Original</b>         | <b>Final</b>         | <b>Actual</b>        |                                                                     |
| <b>REVENUES</b>                                   |                         |                      |                      |                                                                     |
| Taxes                                             | \$ 22,682,055           | \$ 22,682,055        | \$ 22,730,937        | \$ 48,882                                                           |
| Permits and fees                                  | 3,553,369               | 3,561,175            | 3,386,418            | (174,757)                                                           |
| Intergovernmental                                 | 6,372,357               | 6,430,936            | 6,172,633            | (258,303)                                                           |
| Charges for services                              | 4,010,585               | 4,031,670            | 4,050,520            | 18,850                                                              |
| Fines and forfeitures                             | 160,321                 | 160,321              | 322,613              | 162,292                                                             |
| Investment income                                 | 43,883                  | 43,883               | 287,588              | 243,705                                                             |
| Miscellaneous                                     | 211,658                 | 336,517              | 562,409              | 225,892                                                             |
| Total revenues                                    | <u>37,034,228</u>       | <u>37,246,557</u>    | <u>37,513,118</u>    | <u>266,561</u>                                                      |
| <b>EXPENDITURES</b>                               |                         |                      |                      |                                                                     |
| Current:                                          |                         |                      |                      |                                                                     |
| General government:                               |                         |                      |                      |                                                                     |
| Mayor and Council                                 | 195,111                 | 198,217              | 188,960              | 9,257                                                               |
| City Manager                                      | 591,160                 | 661,306              | 629,451              | 31,855                                                              |
| Finance and administration                        | 2,065,753               | 2,239,394            | 2,071,645            | 167,749                                                             |
| Legal                                             | 676,746                 | 717,805              | 605,448              | 112,357                                                             |
| Planning and community development                | 1,199,913               | 1,298,448            | 1,014,571            | 283,877                                                             |
| Nondepartmental                                   | 2,393,670               | 2,616,597            | 2,346,102            | 270,495                                                             |
| Total general government                          | <u>7,122,353</u>        | <u>7,731,767</u>     | <u>6,856,177</u>     | <u>875,590</u>                                                      |
| Public safety:                                    |                         |                      |                      |                                                                     |
| Law enforcement                                   | 14,581,481              | 15,329,433           | 13,159,449           | 2,169,984                                                           |
| Fire safety                                       | 9,441,375               | 9,568,460            | 9,413,042            | 155,418                                                             |
| Code enforcement                                  | 406,372                 | 406,372              | 360,775              | 45,597                                                              |
| Total public safety                               | <u>24,429,228</u>       | <u>25,304,265</u>    | <u>22,933,266</u>    | <u>2,370,999</u>                                                    |
| Transportation                                    | 2,821,781               | 2,844,274            | 2,470,725            | 373,549                                                             |
| Culture and recreation                            | 4,191,053               | 4,328,756            | 4,042,397            | 286,359                                                             |
| Total expenditures                                | <u>38,564,415</u>       | <u>40,209,062</u>    | <u>36,302,565</u>    | <u>3,906,497</u>                                                    |
| Excess (deficiency) of revenues over expenditures | <u>(1,530,187)</u>      | <u>(2,962,505)</u>   | <u>1,210,553</u>     | <u>4,173,058</u>                                                    |
| <b>Other financing sources (uses)</b>             |                         |                      |                      |                                                                     |
| Transfers in                                      | 1,684,622               | 1,684,622            | 1,684,622            | -                                                                   |
| Transfers out                                     | (648,635)               | (2,068,215)          | (2,058,215)          | 10,000                                                              |
| Total other financing sources (uses)              | <u>1,035,987</u>        | <u>(383,593)</u>     | <u>(373,593)</u>     | <u>10,000</u>                                                       |
| Net change in fund balances                       | <u>(494,200)</u>        | <u>(3,346,098)</u>   | <u>836,960</u>       | <u>4,183,058</u>                                                    |
| Fund balances, beginning of year                  | 16,254,621              | 16,254,621           | 16,254,621           | -                                                                   |
| Fund balances, end of year                        | <u>\$ 15,760,421</u>    | <u>\$ 12,908,523</u> | <u>\$ 17,091,581</u> | <u>\$ 4,183,058</u>                                                 |

The accompanying notes to financial statements are an integral part of this statement.



**CITY OF PORT ORANGE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - EASTPORT BUSINESS CENTER CRA**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

|                                                   | <b>Budgeted Amounts</b> |                   |                   | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|---------------------------------------------------|-------------------------|-------------------|-------------------|---------------------------------------------------------------------|
|                                                   | <b>Original</b>         | <b>Final</b>      | <b>Actual</b>     |                                                                     |
| <b>REVENUES</b>                                   |                         |                   |                   |                                                                     |
| Taxes                                             | \$ 84,423               | \$ 84,423         | \$ 83,787         | \$ (636)                                                            |
| Intergovernmental                                 | 120,910                 | 120,910           | 121,162           | 252                                                                 |
| Investment income                                 | 2,400                   | 2,400             | 9,698             | 7,298                                                               |
| Miscellaneous                                     | -                       | -                 | 6                 | 6                                                                   |
| Total revenues                                    | <u>207,733</u>          | <u>207,733</u>    | <u>214,653</u>    | <u>6,920</u>                                                        |
| <b>EXPENDITURES</b>                               |                         |                   |                   |                                                                     |
| Current:                                          |                         |                   |                   |                                                                     |
| Economic environment                              | 25,570                  | 25,570            | 6,072             | 19,498                                                              |
| Total expenditures                                | <u>25,570</u>           | <u>25,570</u>     | <u>6,072</u>      | <u>19,498</u>                                                       |
| Excess (deficiency) of revenues over expenditures | <u>182,163</u>          | <u>182,163</u>    | <u>208,581</u>    | <u>26,418</u>                                                       |
| <b>Other financing sources (uses)</b>             |                         |                   |                   |                                                                     |
| Transfers out                                     | (182,163)               | (182,163)         | (182,163)         | -                                                                   |
| Net change in fund balances                       | <u>-</u>                | <u>-</u>          | <u>26,418</u>     | <u>26,418</u>                                                       |
| Fund balances, beginning of year                  | 304,179                 | 304,179           | 304,179           | -                                                                   |
| Fund balances, end of year                        | <u>\$ 304,179</u>       | <u>\$ 304,179</u> | <u>\$ 330,597</u> | <u>\$ 26,418</u>                                                    |

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF PORT ORANGE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - TOWN CENTER CRA**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

|                                                   | <b>Budgeted Amounts</b> |                       |                       | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|---------------------------------------------------|-------------------------|-----------------------|-----------------------|---------------------------------------------------------------------|
|                                                   | <b>Original</b>         | <b>Final</b>          | <b>Actual</b>         |                                                                     |
| <b>REVENUES</b>                                   |                         |                       |                       |                                                                     |
| Taxes                                             | \$ 61,880               | \$ 61,880             | \$ 61,734             | \$ (146)                                                            |
| Intergovernmental                                 | 88,623                  | 88,623                | 88,319                | (304)                                                               |
| Charges for services                              | -                       | 4,200                 | 5,285                 | 1,085                                                               |
| Investment income                                 | 1,000                   | 1,000                 | 9,200                 | 8,200                                                               |
| Miscellaneous                                     | -                       | -                     | 6                     | 6                                                                   |
| Total revenues                                    | <u>151,503</u>          | <u>155,703</u>        | <u>164,544</u>        | <u>8,841</u>                                                        |
| <b>EXPENDITURES</b>                               |                         |                       |                       |                                                                     |
| Current:                                          |                         |                       |                       |                                                                     |
| Economic environment                              | 22,326                  | 26,526                | 24,861                | 1,665                                                               |
| Debt service:                                     |                         |                       |                       |                                                                     |
| Interest and fiscal charges                       | 49,363                  | 49,363                | 37,718                | 11,645                                                              |
| Total expenditures                                | <u>71,689</u>           | <u>75,889</u>         | <u>62,579</u>         | <u>13,310</u>                                                       |
| Excess (deficiency) of revenues over expenditures | <u>79,814</u>           | <u>79,814</u>         | <u>101,965</u>        | <u>22,151</u>                                                       |
| <b>Other financing sources (uses)</b>             |                         |                       |                       |                                                                     |
| Transfers in                                      | 325,000                 | 325,000               | -                     | (325,000)                                                           |
| Transfers out                                     | (404,814)               | (404,814)             | (404,814)             | -                                                                   |
| Total other financing sources (uses)              | <u>(79,814)</u>         | <u>(79,814)</u>       | <u>(404,814)</u>      | <u>(325,000)</u>                                                    |
| Net change in fund balances                       | <u>-</u>                | <u>-</u>              | <u>(302,849)</u>      | <u>(302,849)</u>                                                    |
| Fund balances, beginning of year                  | (3,522,113)             | (3,522,113)           | (3,522,113)           | -                                                                   |
| Fund balances, end of year                        | <u>\$ (3,522,113)</u>   | <u>\$ (3,522,113)</u> | <u>\$ (3,824,962)</u> | <u>\$ (302,849)</u>                                                 |

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF PORT ORANGE, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2019**

|                                                                                                                | <b>Business-type Activities - Enterprise Funds</b> |                        |                               |                        |                       | <b>Governmental<br/>Activities - Internal<br/>Service Funds</b> |
|----------------------------------------------------------------------------------------------------------------|----------------------------------------------------|------------------------|-------------------------------|------------------------|-----------------------|-----------------------------------------------------------------|
|                                                                                                                | <b>Water and<br/>Sewer</b>                         | <b>Solid<br/>Waste</b> | <b>Stormwater<br/>Utility</b> | <b>Golf<br/>Course</b> | <b>Total</b>          |                                                                 |
| <b>ASSETS</b>                                                                                                  |                                                    |                        |                               |                        |                       |                                                                 |
| Equity in pooled cash and investments                                                                          | \$ 26,438,868                                      | \$ 2,696,933           | \$ 5,121,146                  | \$ 214,794             | \$ 34,471,741         | \$ 8,731,859                                                    |
| Accounts receivable, net                                                                                       | 2,782,117                                          | 816,348                | 32,813                        | 59,904                 | 3,691,182             | 26,572                                                          |
| Due from other governments                                                                                     | 180,453                                            | 1,220                  | 2,901                         | -                      | 184,574               | 974                                                             |
| Inventories                                                                                                    | 1,004,954                                          | -                      | -                             | 17,540                 | 1,022,494             | -                                                               |
| Prepaid items                                                                                                  | 18,000                                             | -                      | -                             | 29,403                 | 47,403                | 89,481                                                          |
| Due from other funds                                                                                           | -                                                  | -                      | -                             | -                      | -                     | 2,465,390                                                       |
| Restricted current assets                                                                                      |                                                    |                        |                               |                        |                       |                                                                 |
| Equity in pooled cash                                                                                          | 157,755                                            | -                      | 135,610                       | -                      | 293,365               | -                                                               |
| Total current assets                                                                                           | 30,582,147                                         | 3,514,501              | 5,292,470                     | 321,641                | 39,710,759            | 11,314,276                                                      |
| Noncurrent assets:                                                                                             |                                                    |                        |                               |                        |                       |                                                                 |
| Restricted cash                                                                                                | 18,735,942                                         | -                      | 1,041,788                     | -                      | 19,777,730            | -                                                               |
| Capital assets:                                                                                                |                                                    |                        |                               |                        |                       |                                                                 |
| Land                                                                                                           | 15,449,129                                         | 42,800                 | 12,336,656                    | 949,209                | 28,777,794            | -                                                               |
| Building and improvements                                                                                      | 27,285,374                                         | 159,441                | -                             | 5,387,762              | 32,832,577            | 526,591                                                         |
| Infrastructure                                                                                                 | 264,516,398                                        | -                      | 35,561,603                    | -                      | 300,078,001           | -                                                               |
| Machinery and equipment                                                                                        | 4,084,303                                          | 30,500                 | 960,562                       | 92,796                 | 5,168,161             | 28,067,483                                                      |
| Construction in progress                                                                                       | 798,580                                            | -                      | 757,640                       | -                      | 1,556,220             | 25,852                                                          |
| Accumulated depreciation                                                                                       | (128,404,598)                                      | (164,737)              | (6,555,367)                   | (3,011,628)            | (138,136,330)         | (19,111,709)                                                    |
| Total capital assets, net                                                                                      | 183,729,186                                        | 68,004                 | 43,061,094                    | 3,418,139              | 230,276,423           | 9,508,217                                                       |
| Advances to other funds                                                                                        | 1,559,061                                          | -                      | -                             | -                      | 1,559,061             | 44,248                                                          |
| Total noncurrent assets                                                                                        | 204,024,189                                        | 68,004                 | 44,102,882                    | 3,418,139              | 251,613,214           | 9,552,465                                                       |
| Total assets                                                                                                   | <u>\$ 234,606,336</u>                              | <u>\$ 3,582,505</u>    | <u>\$ 49,395,352</u>          | <u>\$ 3,739,780</u>    | <u>\$ 291,323,973</u> | <u>\$ 20,866,741</u>                                            |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                                                          |                                                    |                        |                               |                        |                       |                                                                 |
| Deferred loss on bond refunding                                                                                | \$ 91,549                                          | \$ -                   | \$ -                          | \$ -                   | \$ 91,549             | \$ -                                                            |
| Deferred outflows related to pensions                                                                          | 583,566                                            | 17,264                 | 84,626                        | -                      | 685,456               | -                                                               |
| Deferred outflows related to OPEB                                                                              | 112,277                                            | 4,361                  | 17,441                        | -                      | 134,079               | -                                                               |
| Total deferred outflows of resources                                                                           | <u>\$ 787,392</u>                                  | <u>\$ 21,625</u>       | <u>\$ 102,067</u>             | <u>\$ -</u>            | <u>\$ 911,084</u>     | <u>\$ -</u>                                                     |
| <b>LIABILITIES</b>                                                                                             |                                                    |                        |                               |                        |                       |                                                                 |
| Current liabilities:                                                                                           |                                                    |                        |                               |                        |                       |                                                                 |
| Accounts payable and accrued liabilities                                                                       | \$ 540,616                                         | \$ 576,828             | \$ 58,288                     | \$ 79,604              | \$ 1,255,336          | \$ 993,366                                                      |
| Deposits                                                                                                       | 3,825,446                                          | -                      | -                             | 8,000                  | 3,833,446             | -                                                               |
| Unearned revenue                                                                                               | 87,051                                             | -                      | -                             | 342,553                | 429,604               | -                                                               |
| Estimated claims payable                                                                                       | -                                                  | -                      | -                             | -                      | -                     | 404,000                                                         |
| Compensated absences                                                                                           | 50,868                                             | 624                    | 5,627                         | -                      | 57,119                | 16,148                                                          |
| Payable from restricted assets:                                                                                |                                                    |                        |                               |                        |                       |                                                                 |
| Accounts payable and accrued liabilities                                                                       | 29,479                                             | -                      | -                             | -                      | 29,479                | -                                                               |
| Current maturities on long-term debt                                                                           | 6,191,580                                          | -                      | 502,267                       | -                      | 6,693,847             | -                                                               |
| Accrued interest payable                                                                                       | 128,276                                            | -                      | 135,610                       | -                      | 263,886               | -                                                               |
| Total current liabilities                                                                                      | <u>10,853,316</u>                                  | <u>577,452</u>         | <u>701,792</u>                | <u>430,157</u>         | <u>12,562,717</u>     | <u>1,413,514</u>                                                |
| Noncurrent liabilities:                                                                                        |                                                    |                        |                               |                        |                       |                                                                 |
| Bonds and notes payable, net                                                                                   | 15,672,336                                         | -                      | 7,874,772                     | -                      | 23,547,108            | -                                                               |
| Advances from other funds                                                                                      | -                                                  | -                      | -                             | 1,603,309              | 1,603,309             | -                                                               |
| Compensated absences                                                                                           | 457,815                                            | 5,617                  | 50,645                        | -                      | 514,077               | 145,339                                                         |
| Total OPEB liability                                                                                           | 1,683,642                                          | 65,384                 | 261,537                       | -                      | 2,010,563             | -                                                               |
| Net pension liability                                                                                          | 2,081,180                                          | 61,570                 | 301,801                       | -                      | 2,444,551             | -                                                               |
| Total noncurrent liabilities                                                                                   | <u>19,894,973</u>                                  | <u>132,571</u>         | <u>8,488,755</u>              | <u>1,603,309</u>       | <u>30,119,608</u>     | <u>145,339</u>                                                  |
| Total liabilities                                                                                              | <u>\$ 30,748,289</u>                               | <u>\$ 710,023</u>      | <u>\$ 9,190,547</u>           | <u>\$ 2,033,466</u>    | <u>\$ 42,682,325</u>  | <u>\$ 1,558,853</u>                                             |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                                                           |                                                    |                        |                               |                        |                       |                                                                 |
| Deferred inflows related to pensions                                                                           | \$ 370,815                                         | \$ 10,970              | \$ 53,774                     | \$ -                   | \$ 435,559            | \$ -                                                            |
| Deferred inflows related to OPEB                                                                               | 129,227                                            | 5,019                  | 20,074                        | -                      | 154,320               | -                                                               |
| Total deferred inflows of resources                                                                            | <u>\$ 500,042</u>                                  | <u>\$ 15,989</u>       | <u>\$ 73,848</u>              | <u>\$ -</u>            | <u>\$ 589,879</u>     | <u>\$ -</u>                                                     |
| <b>NET POSITION</b>                                                                                            |                                                    |                        |                               |                        |                       |                                                                 |
| Net investment in capital assets                                                                               | \$ 161,956,819                                     | \$ 68,004              | \$ 34,684,055                 | \$ 3,418,139           | \$ 200,127,017        | \$ 9,508,217                                                    |
| Restricted for debt service                                                                                    | 4,590,613                                          | -                      | 1,041,788                     | -                      | 5,632,401             | -                                                               |
| Restricted for Wetland Mitigation Credits                                                                      | 1,122,045                                          | -                      | -                             | -                      | 1,122,045             | -                                                               |
| Restricted for renewal and replacement                                                                         | 5,848,631                                          | -                      | -                             | -                      | 5,848,631             | -                                                               |
| Restricted for utility plant expansion                                                                         | 7,174,653                                          | -                      | -                             | -                      | 7,174,653             | -                                                               |
| Unrestricted                                                                                                   | 23,452,636                                         | 2,810,114              | 4,507,181                     | (1,711,825)            | 29,058,106            | 9,799,671                                                       |
| Total net position                                                                                             | <u>\$ 204,145,397</u>                              | <u>\$ 2,878,118</u>    | <u>\$ 40,233,024</u>          | <u>\$ 1,706,314</u>    | <u>248,962,853</u>    | <u>\$ 19,307,888</u>                                            |
| Cumulative adjustment to reflect consolidation of internal service fund activities related to enterprise funds |                                                    |                        |                               |                        | 3,640,968             |                                                                 |
| Net position, business-type activities                                                                         |                                                    |                        |                               |                        | <u>\$ 252,603,821</u> |                                                                 |

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF PORT ORANGE, FLORIDA**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

|                                                                                                     | Business-type Activities - Enterprise Funds |                     |                       |                     |                       | Governmental<br>Activities - Internal<br>Service Funds |
|-----------------------------------------------------------------------------------------------------|---------------------------------------------|---------------------|-----------------------|---------------------|-----------------------|--------------------------------------------------------|
|                                                                                                     | Water and<br>Sewer                          | Solid<br>Waste      | Stormwater<br>Utility | Golf<br>Course      | Total                 |                                                        |
| <b>Operating revenues</b>                                                                           |                                             |                     |                       |                     |                       |                                                        |
| Charges for services                                                                                | \$ 27,048,009                               | \$ 7,378,533        | \$ 4,484,365          | \$ 1,230,494        | \$ 40,141,401         | \$ 10,219,155                                          |
| Other revenues                                                                                      | 211,697                                     | 10                  | 393                   | 1,284               | 213,384               | 267,628                                                |
| Total operating revenues                                                                            | 27,259,706                                  | 7,378,543           | 4,484,758             | 1,231,778           | 40,354,785            | 10,486,783                                             |
| <b>Operating expenses</b>                                                                           |                                             |                     |                       |                     |                       |                                                        |
| Personal services                                                                                   | 5,945,295                                   | 265,970             | 933,151               | -                   | 7,144,416             | 2,046,321                                              |
| Contractual services                                                                                | 3,384,864                                   | 7,407,863           | 871,250               | 1,374,801           | 13,038,778            | 2,046,095                                              |
| Utilities                                                                                           | 1,284,361                                   | 1,399               | -                     | -                   | 1,285,760             | 553,589                                                |
| Maintenance and repairs                                                                             | 926,055                                     | 14,360              | 198,572               | 15,283              | 1,154,270             | 762,502                                                |
| Other supplies and expenses                                                                         | 2,551,449                                   | 7,985               | 89,366                | -                   | 2,648,800             | 764,385                                                |
| Insurance claims and expenses                                                                       | -                                           | -                   | -                     | -                   | -                     | 739,266                                                |
| Depreciation                                                                                        | 5,869,591                                   | 11,124              | 1,416,506             | 147,806             | 7,445,027             | 3,205,800                                              |
| Total operating expenses                                                                            | 19,961,615                                  | 7,708,701           | 3,508,845             | 1,537,890           | 32,717,051            | 10,117,958                                             |
| <b>Operating income (loss)</b>                                                                      | 7,298,091                                   | (330,158)           | 975,913               | (306,112)           | 7,637,734             | 368,825                                                |
| <b>Nonoperating revenues (expenses)</b>                                                             |                                             |                     |                       |                     |                       |                                                        |
| Interest earnings                                                                                   | 1,195,496                                   | 90,640              | 186,301               | 1,987               | 1,474,424             | 237,567                                                |
| Gain (loss) on disposition of capital assets                                                        | -                                           | -                   | 94,722                | -                   | 94,722                | -                                                      |
| Interest and amortization expense                                                                   | (613,617)                                   | -                   | (325,529)             | -                   | (939,146)             | -                                                      |
| Total nonoperating revenues (expenses)                                                              | 581,879                                     | 90,640              | (44,506)              | 1,987               | 630,000               | 237,567                                                |
| <b>Income (loss) before contributions<br/>and transfers</b>                                         | 7,879,970                                   | (239,518)           | 931,407               | (304,125)           | 8,267,734             | 606,392                                                |
| Capital contributions                                                                               | 2,734,127                                   | -                   | -                     | -                   | 2,734,127             | -                                                      |
| Transfers in                                                                                        | -                                           | -                   | -                     | -                   | -                     | 995,580                                                |
| Transfers out                                                                                       | (1,278,288)                                 | (205,610)           | (283,976)             | -                   | (1,767,874)           | (624,390)                                              |
| <b>Change in net position</b>                                                                       | 9,335,809                                   | (445,128)           | 647,431               | (304,125)           | 9,233,987             | 977,582                                                |
| <b>Net position, beginning of year</b>                                                              | 194,809,588                                 | 3,323,246           | 39,585,593            | 2,010,439           | 239,728,866           | 18,330,306                                             |
| <b>Net position, end of year</b>                                                                    | <u>\$ 204,145,397</u>                       | <u>\$ 2,878,118</u> | <u>\$ 40,233,024</u>  | <u>\$ 1,706,314</u> | <u>\$ 248,962,853</u> | <u>\$ 19,307,888</u>                                   |
| Change in proprietary funds net position                                                            |                                             |                     |                       |                     | \$ 9,233,987          |                                                        |
| Adjustment to reflect consolidation of internal service fund activities related to enterprise funds |                                             |                     |                       |                     | 116,071               |                                                        |
| Change in net position of business-type activities                                                  |                                             |                     |                       |                     | <u>\$ 9,350,058</u>   |                                                        |

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF PORT ORANGE, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

|                                                                                                                 | <b>Business-type Activities - Enterprise Funds</b> |                        |                               |                        | <b>Governmental<br/>Activities - Internal<br/>Service Funds</b> |
|-----------------------------------------------------------------------------------------------------------------|----------------------------------------------------|------------------------|-------------------------------|------------------------|-----------------------------------------------------------------|
|                                                                                                                 | <b>Water and<br/>Sewer</b>                         | <b>Solid<br/>Waste</b> | <b>Stormwater<br/>Utility</b> | <b>Golf<br/>Course</b> | <b>Total</b>                                                    |
| <b>Cash flows from operating activities</b>                                                                     |                                                    |                        |                               |                        |                                                                 |
| Cash received from customers                                                                                    | \$ 27,378,335                                      | \$ 7,382,561           | \$ 4,478,506                  | \$ 1,373,959           | \$ 40,613,361                                                   |
| Cash paid to employees                                                                                          | (5,834,024)                                        | (246,372)              | (947,669)                     | -                      | (7,028,065)                                                     |
| Cash paid to suppliers                                                                                          | (8,628,142)                                        | (7,395,452)            | (1,183,307)                   | (1,372,858)            | (18,579,759)                                                    |
| Net cash provided by (used in) operating activities                                                             | 12,916,169                                         | (259,263)              | 2,347,530                     | 1,101                  | 15,005,537                                                      |
| <b>Cash flows from noncapital<br/>financing activities</b>                                                      |                                                    |                        |                               |                        |                                                                 |
| Transfers from other funds                                                                                      | -                                                  | -                      | -                             | -                      | 995,580                                                         |
| Transfers to other funds                                                                                        | (1,278,288)                                        | (205,610)              | (283,976)                     | -                      | (1,767,874)                                                     |
| Interfund loans                                                                                                 | -                                                  | -                      | -                             | 44,248                 | 44,248                                                          |
| Net cash provided by (used in)<br>noncapital financing activities                                               | (1,278,288)                                        | (205,610)              | (283,976)                     | 44,248                 | 1,228,430                                                       |
| <b>Cash flows from capital and related financing activities</b>                                                 |                                                    |                        |                               |                        |                                                                 |
| Impact fees                                                                                                     | 1,003,301                                          | -                      | -                             | -                      | 1,003,301                                                       |
| Acquisition and construction of capital assets                                                                  | (3,422,061)                                        | -                      | (481,671)                     | (84,000)               | (3,987,732)                                                     |
| Principal payments of long-term debt                                                                            | (6,215,359)                                        | -                      | (1,154,848)                   | -                      | (7,370,207)                                                     |
| Interest paid                                                                                                   | (573,422)                                          | -                      | (324,407)                     | -                      | (897,829)                                                       |
| Net cash provided by (used in) capital<br>and related financing activities                                      | (9,207,541)                                        | -                      | (1,960,926)                   | (84,000)               | (11,252,467)                                                    |
| <b>Cash flows from investing activities</b>                                                                     |                                                    |                        |                               |                        |                                                                 |
| Interest received                                                                                               | 1,195,496                                          | 90,640                 | 186,301                       | 1,987                  | 1,474,424                                                       |
| <b>Net change in cash and cash equivalents</b>                                                                  | 3,625,836                                          | (374,233)              | 288,929                       | (36,664)               | 3,503,868                                                       |
| <b>Cash and cash equivalents, beginning of year</b>                                                             | 41,706,729                                         | 3,071,166              | 6,009,615                     | 251,458                | 51,038,968                                                      |
| <b>Cash and cash equivalents, end of year</b>                                                                   | \$ 45,332,565                                      | \$ 2,696,933           | \$ 6,298,544                  | \$ 214,794             | \$ 54,542,836                                                   |
| <b>Cash and cash equivalents classified as:</b>                                                                 |                                                    |                        |                               |                        |                                                                 |
| Unrestricted                                                                                                    | \$ 26,438,868                                      | \$ 2,696,933           | \$ 5,121,146                  | \$ 214,794             | \$ 34,471,741                                                   |
| Restricted                                                                                                      | 18,893,697                                         | -                      | 1,177,398                     | -                      | 20,071,095                                                      |
| Total cash and cash equivalents                                                                                 | \$ 45,332,565                                      | \$ 2,696,933           | \$ 6,298,544                  | \$ 214,794             | \$ 54,542,836                                                   |
| <b>Reconciliation of operating income to net<br/>cash provided by operating activities:</b>                     |                                                    |                        |                               |                        |                                                                 |
| Operating income (loss)                                                                                         | \$ 7,298,091                                       | \$ (330,158)           | \$ 975,913                    | \$ (306,112)           | \$ 7,637,734                                                    |
| Adjustments to reconcile net operating income (loss)<br>to net cash provided by (used in) operating activities: |                                                    |                        |                               |                        |                                                                 |
| Depreciation                                                                                                    | 5,869,591                                          | 11,124                 | 1,416,506                     | 147,806                | 7,445,027                                                       |
| Nonoperating revenues (expenses)                                                                                | -                                                  | -                      | -                             | -                      | -                                                               |
| Changes in assets and liabilities:                                                                              |                                                    |                        |                               |                        |                                                                 |
| Accounts receivable                                                                                             | 145,527                                            | 4,018                  | (4,441)                       | 50,690                 | 195,794                                                         |
| Due from other governments                                                                                      | (85,432)                                           | -                      | (1,811)                       | -                      | (87,243)                                                        |
| Inventories                                                                                                     | 16,512                                             | -                      | -                             | (973)                  | 15,539                                                          |
| Prepaid items                                                                                                   | -                                                  | -                      | -                             | 2,167                  | 2,167                                                           |
| Accounts payable and accrued liabilities                                                                        | (497,925)                                          | 36,155                 | (24,119)                      | 16,032                 | (469,857)                                                       |
| Deposits                                                                                                        | 63,233                                             | -                      | -                             | 4,000                  | 67,233                                                          |
| Unearned revenue                                                                                                | (4,699)                                            | -                      | -                             | 87,491                 | 82,792                                                          |
| Compensated absences                                                                                            | 58,747                                             | 2,647                  | (661)                         | -                      | 60,733                                                          |
| Claims liability                                                                                                | -                                                  | -                      | -                             | -                      | -                                                               |
| Net pension liability                                                                                           | (7,112)                                            | (210)                  | (1,031)                       | -                      | (8,353)                                                         |
| Total OPEB liability                                                                                            | 59,636                                             | 17,161                 | (12,826)                      | -                      | 63,971                                                          |
| Net cash provided by (used in) operating activities                                                             | \$ 12,916,169                                      | \$ (259,263)           | \$ 2,347,530                  | \$ 1,101               | \$ 15,005,537                                                   |
| <b>Non-cash investing, capital, and<br/>financing activities:</b>                                               |                                                    |                        |                               |                        |                                                                 |
| Capital assets contributed from other sources                                                                   | \$ 1,730,826                                       | \$ -                   | \$ -                          | \$ -                   | \$ 1,730,826                                                    |

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF PORT ORANGE, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2019**

|                                          | <b>Pension<br/>Trust<br/>Funds</b> |
|------------------------------------------|------------------------------------|
| <b>ASSETS</b>                            |                                    |
| Cash and cash equivalents with trustee   | \$ 2,307,350                       |
| Prepaid benefit payments                 | 433,518                            |
| Receivables                              |                                    |
| Interest and dividends receivable        | 209,911                            |
| Investments, at fair value               |                                    |
| U.S. Treasury and agency obligations     | 5,739,819                          |
| Corporate and municipal debt obligations | 9,730,021                          |
| Corporate equity securities              | 26,525,253                         |
| Mutual funds                             | 47,217,391                         |
| Real estate funds                        | 11,974,805                         |
| Partnerships                             | 4,224,560                          |
| Total investments                        | 105,411,849                        |
| Total assets                             | \$ 108,362,628                     |
| <b>LIABILITIES</b>                       |                                    |
| Accounts payable                         | \$ 54,376                          |
| <b>NET POSITION</b>                      |                                    |
| Restricted for pensions                  | \$ 108,308,252                     |

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF PORT ORANGE, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

|                                                                | <b>Pension<br/>Trust<br/>Funds</b> |
|----------------------------------------------------------------|------------------------------------|
| <b>Additions</b>                                               |                                    |
| Contributions:                                                 |                                    |
| Employer                                                       | \$ 6,427,878                       |
| Plan members                                                   | 910,082                            |
| State - insurance premium taxes                                | 880,138                            |
| Total contributions                                            | <u>8,218,098</u>                   |
| Investment earnings                                            |                                    |
| Net appreciation (depreciation) in fair value of investments   | 1,735,604                          |
| Interest and dividends                                         | 2,697,934                          |
| Total investment earnings                                      | <u>4,433,538</u>                   |
| Less: investment expense                                       | (314,721)                          |
| Net investment income (loss)                                   | <u>4,118,817</u>                   |
| Total additions                                                | <u>12,336,915</u>                  |
| <b>Deductions</b>                                              |                                    |
| Benefit payments and refunds                                   | 7,757,703                          |
| Administrative expenses                                        | 296,562                            |
| Total deductions                                               | <u>8,054,265</u>                   |
| <b>Change in net position</b>                                  | <u>4,282,650</u>                   |
| <b>Net position restricted for pensions, beginning of year</b> | 104,025,602                        |
| <b>Net position restricted for pensions, end of year</b>       | <u><u>\$ 108,308,252</u></u>       |

The accompanying notes to financial statements are an integral part of this statement.



**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(1) Summary of Significant Accounting Policies:**

The financial statements of the City of Port Orange, Florida (the City), have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles and the City has adopted the GASB Codification. The following is a summary of the City's significant accounting policies:

(a) **Reporting entity**—The City is a municipal corporation created by the laws of Florida, Chapter 67-1274, located in Volusia County. The legislative branch of the City is comprised of a five member elected Council. The City Council is governed by the City Charter and by state and local laws and regulations. The City Council is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Council-appointed City Manager.

In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may be financially accountable and, as such, should be included within the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units. Because of the closeness of their relationship with the primary government (the City), the current component units are blended as though they are part of the primary government.

(b) **Blended component units**—The City has two blended component units, as follows:

The City of Port Orange, Florida, Eastport Business Center Community Redevelopment Agency (the "Eastport Business Center CRA") was created by Ordinance No. 1995-42 to account for the receipt and expenditure of property tax revenues from the tax increment financing district to support City redevelopment in the designated community redevelopment area. Although legally separate, pursuant to Resolution No. 95-23, the City Council declared itself to be the Eastport Business Center CRA and provided for the appointment of two additional members. Since the City is financially accountable for the activities of the Eastport Business Center CRA, its governing board is the same, and its relationship to the City is significant, its financial activities are reported on a blended basis as if it were part of the primary government as a major special revenue fund.

The City of Port Orange, Florida, Town Center Community Redevelopment Agency (the "Town Center CRA") was created by Ordinance No. 1998-79 to account for the receipt and expenditure of property tax revenues from the tax increment financing district to support City redevelopment in the designated community redevelopment area. Although legally separate, pursuant to Resolution No. 98-20, the City Council declared itself to be the Town Center CRA and provided for the appointment of two additional members. Since the City is financially accountable for the activities of the Town Center CRA, its governing board is the same, and its relationship to the City is significant, its financial activities are reported on a blended basis as if it were part of the primary government as a major special revenue fund.

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

(c) **Related organizations**—Organizations for which a primary government is accountable because the City appoints a voting majority of the board, but is not financially accountable, are considered to be related organizations. The City Council temporarily appoints a voting majority of the members of the governing board of The Port Orange Business Park Property Owners' Association, Inc. (the Property Owners' Association). The City is not financially accountable for the organization, nor does the City's accountability for this organization extend significantly beyond making the appointments. Accordingly, financial information for this entity is excluded from the City's financial statements.

The Property Owners' Association was incorporated as a Florida not-for-profit corporation on May 29, 2009, to administer and enforce the Port Orange Business Park (the Business Park) covenants and restrictions affecting certain lands located within the business park. The board of directors of the Property Owners' Association will be elected exclusively by the owners of property within the Business Park. The representation and voting rights assigned to the board members of the Property Owners' Association will be based on each owner's pro-rata share of ownership of all non-Association property within the Business Park. During the year ended September 30, 2019, the City sold its ownership in the Association.

Cypress Head Golf Club (the Golf Course) is an 18-hole championship course, with lighted practice facility, driving range, maintenance barn, cart barn, clubhouse, pro shop, restaurant, banquet room, and other related facilities wholly owned and operated by the City. Golf Club at Cypress Head, Inc. was incorporated on August 31, 2001, under the laws of the State of Florida and is the successor of Cypress Head Golf Course, Inc. which was incorporated on October 10, 1991. Golf Club at Cypress Head, Inc. is engaged primarily in holding the license authorizing the sale of alcoholic beverages at the Golf Course and is wholly owned by the City. The Golf Course is managed by an independent sports management company, which provides separate financial statements and accounting for the revenues and expenses generated from player fees, pro-shop sales, restaurant sales, and other related financial activities of the Golf Course. The accompanying financial statements combine the financial activities of the Golf Course which is managed pursuant to the Agreement for Golf Course Management at Cypress Head and the City's Golf Course Enterprise fund. All real and other personal property associated with golf course operations are combined with the financial reporting of the operational activities of the Golf Course in the City's Golf Course Enterprise Fund.

(d) **Government-wide and fund financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report aggregated information for the overall government for all of the activities of the primary government. These statements do not report fiduciary funds or fiduciary component units such as retirement trust funds. Those activities are reported only in fund financial statements. The effect of interfund activity has been removed from these statements.

Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange revenues, are reported separately from business-type activities, which are financed wholly or partially by fees charged to external parties for goods or services and are reported in enterprise funds.

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect costs are included in the program expense reported for individual functions and activities. 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.

(e) **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 60 days of the end of the current fiscal period except for grant revenues which are considered earned when expenditures are incurred. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, intergovernmental revenues, licenses and permits, charges for services, 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 the government receives cash.

Nonexchange transactions are grouped into four classes, based on their principal characteristics. The accounting treatment for each type of transaction is as follows:

- **Derived Tax Revenues** are defined as assessments imposed on exchange transactions. Examples include: sales taxes, franchise tax, utility taxes, etc. Assets from derived tax revenue are recognized in the period when the exchange transaction on which the tax is imposed or when resources are received, whichever occurs first. Revenues are recognized, net of estimated uncollectible amounts, in the same period that the assets are recognized. Resources received in advance are recorded as deferred revenue until the period of the exchange.

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

- Imposed Nonexchange Revenues result from assessments on nongovernmental entities, other than assessments on exchange transactions. Examples include: ad valorem (property) taxes, fines and penalties, and property forfeitures. Assets from imposed nonexchange revenues are recognized in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Property taxes are recognized in the period for which the taxes are levied. All other imposed nonexchange revenues are recognized in the same period that the assets are recognized.
- Government-mandated Nonexchange Transactions establish eligibility requirements before a transaction can occur. Examples include federal awards and state financial assistance. Until the requirements are met, the recipient does not have a receivable and recognition of revenue received in advance is deferred. The providers (usually federal, state, and county governments) often offer resources on a reimbursement (“expenditure-driven”) basis at the time the recipient has incurred allowable costs under the applicable program.
- Voluntary Nonexchange Transactions result from legislative or contractual agreements other than exchanges, entered into willingly by two or more parties. Examples include certain grants, entitlements, and donations by nongovernmental entities. Principal characteristics of these types of transactions are (1) they are not imposed on the provider or recipient, and (2) fulfillment of eligibility requirements is essential for a transaction to occur. Assets and revenues are recognized when all applicable eligibility requirements, including time requirements, are met. Resources received in advance are reported as deferred revenue.

The City’s accounts are organized on the basis of funds each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of the governmental and proprietary fund financial statements is on major funds.

The City reports the following major governmental funds:

**General Fund**—The General Fund is the principal fund of the City which accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the City other than proprietary fund activities are financed through revenues received by the General Fund.

**Eastport Business Center Community Redevelopment Area (CRA) Fund**—The Eastport CRA Fund accounts for the receipt and expenditure of property tax revenues from the tax increment financing district to support redevelopment in the Eastport Business Center community redevelopment area.

**Town Center Community Redevelopment Area (CRA) Fund**—The Town Center CRA Fund accounts for the receipt and expenditure of property tax revenues from the tax increment financing district to support redevelopment in the Town Center community redevelopment area.

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

The City reports the following major proprietary funds:

**Water and Sewer System Fund**—The Water and Sewer System Fund accounts for the costs and recovery of costs in the form of user charges related to the production, treatment and distribution of potable water, along with the collection, treatment and disposal of sewage waste with the City. The maintenance and improvement of utility plant required to provide these goods and services are financed primarily from user charges. Physical plant expansion is financed primarily from revenue bond obligations and other long-term debt borrowings.

**Solid Waste Fund**—The Solid Waste Fund provides the community with refuse and recycling services provided by third-party contracted vendors, the costs of which are primarily recovered by user charges.

**Stormwater Utility Fund**—The Stormwater Utility Fund accounts for the collection of drainage fees utilized for the expansion and maintenance of drainage facilities.

**Golf Course Fund**—The Golf Course Fund accounts for the costs and recovery of costs in the form of user charges related to the use of the 18-hole golf course owned and operated by the City. The maintenance and improvement of the golf course required to provide these goods and services are financed primarily from user charges, existing cash resources, and other City funds.

Additionally, the City reports the following fund types:

**Special Revenue Funds**—These funds account for financial sources and uses that are legally restricted for specific purposes. The City has the following non-major Special Revenue Funds which consist of: the Business Development; Recreation Facilities; Community Development-Building; and Community Development Block Grant funds. These financial activities are reported separately in the Combining and Individual Fund Statements and Schedules section of this report.

**Debt Service Funds**—These funds are used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs. This fund type is used to provide for the debt service requirements of the City's governmental long-term debt.

**Capital Projects Funds**—These funds are used to account for financial resources to be used for equipment replacement or the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The City has the following non-major capital projects funds: General Construction, Transportation Capital Projects, Fire Impact, Transportation Impact, General Obligation Capital Projects, Capital Replacement Funds, Economic Development Capital, 2014 Capital Improvement Bond Projects, and Recreation Impact. These financial activities are reported separately in the Combining and Individual Fund Statements and Schedules section of this report.

**Internal Service Funds**—The City's Internal Service Funds account for the financial activities of its internal data processing, vehicle maintenance, self-insurance, lease and replacement, building maintenance, and loan pool activities. These type funds provide services to departments of the City on a cost-reimbursement basis.

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

**Pension Trust Funds**—Accounts for the net position held in trust for defined pension benefits and the related financial activities of the employees' retirement system, which accumulates resources for defined pension benefit payments to the Municipal Police Officers' Retirement Trust Fund, the Municipal Firefighters' Pension Trust Fund, and the General Employee's Pension Trust Fund. Assets accumulated and held in trust in defined contribution pension plans (deferred compensation and money purchase retirement plans) are not included in the financial statements, since such amounts immediately vest with the employees.

As a general rule, the effect of the City's interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and sewer function and various other functions. 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 for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments (when applicable). 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 enterprise funds and internal service funds are charges to customers for sales and services. The City recognizes as operating revenue the portion of impact fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(f) **Budgets and budgetary accounting**—Annual budgets for all governmental and proprietary funds were adopted in compliance with Florida law. The basis on which the budgets are prepared is consistent with the basis of accounting utilized by the various fund types. The governmental funds' budgets are prepared on the modified accrual basis of accounting. The proprietary funds' budgets are prepared on a full accrual basis of accounting. The City uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

- i. On or before July 1st, the City Manager submits a preliminary budget to the City Council for the ensuing fiscal year.
- ii. Budget workshop sessions are scheduled by the City Council, as needed.
- iii. A general summary of the budget and notice of public hearing is published in a local newspaper.
- iv. Prior to October 1st, the budget is legally enacted through passage of an ordinance.
- v. The City Council, by resolution, may make supplemental appropriations in excess of those estimated for the year up to the amount of available revenue in accordance with Section 3.08 of the City Charter. Prior to the end of the fiscal year, supplemental appropriations are made for unanticipated spending requirements by the Council.

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

- vi. The City Council must approve all inter-departmental budget amendments and/or appropriations transfers. Budgetary control is exercised at the department level.
- vii. Every appropriation lapses at the close of the fiscal year.

The budgets for governmental funds that were either adopted or amended during the year by the City Council were prepared using the modified accrual basis of accounting in accordance with generally accepted accounting principles. The general, special revenue, debt service, and capital project funds have legally adopted budgets.

The individual accounts that comprise the water and sewer fund, consisting of the water and sewer revenue account, water and sewer renewal and replacement account, and water and sewer impact fee account, have legally adopted annual budgets. The solid waste, golf course, and stormwater funds also have legally adopted annual budgets.

(g) **Deposits and investments**—The City's cash and cash equivalents include cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents.

The City's investment policies are governed by state statutes and local resolution. These policies authorize the City to invest in bonds, notes, and certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America, interest bearing savings accounts, interest bearing certificates of deposit and interest bearing time deposits.

(h) **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 fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of historical trends. Utility operating sales are generally recognized on the basis of cycle billings rendered quarterly. Unbilled accounts receivable are accrued by the City at September 30th, to recognize the sales revenues earned between the last meter reading dates made in mid-September through the end of the fiscal year.

(i) **Inventories and prepaid items**—The cost of inventory is accounted for on the consumption basis wherein inventories are charged as expenditures when used, rather than when purchased. All inventories are valued at cost, which approximates market, by using the weighted average valuation method. The effect of this method is to flow the costs of the materials and supplies in the order in which they are purchased and to assign a balance sheet inventory valuation more nearly at current replacement value. No required minimum levels of inventory are maintained.

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.



**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

(j) **Restricted assets**—Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayments, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Restricted funds are comprised of the following:

*Sinking funds* – segregated resources generated from operations that are accumulated for making debt service payments over the next twelve months.

*Construction funds* – segregated resources consisting of net bond proceeds from the issuance of revenue bonds and other long-term debt obligations that are restricted to use in construction.

*Renewal and replacement funds* – segregated resources that are set aside to meet unexpected repairs or to fund asset renewal and replacement.

*Impact fee funds* – segregated resources, contributions and development fees paid on new constructions that are restricted for utility system expansion.

(k) **Capital assets**—Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, drainage improvements, 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 government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Infrastructure assets are being accounted for using different methods. For governmental activities, the cost or estimated cost of roads and sidewalks are presented. The City has compiled this information and has recorded all roads and sidewalks acquired after June 30, 1980. For business-type activities, infrastructure assets have been capitalized at cost. Water and sewer utility and stormwater utility improvements are being depreciated over their useful lives.

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, but charged to operating expense as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

| <u>Assets</u>                     | <u>Years</u>  |
|-----------------------------------|---------------|
| Buildings                         | 20 – 50 years |
| Infrastructure                    | 15 – 30 years |
| Improvements other than buildings | 20 – 50 years |
| Machinery and equipment           | 5 – 35 years  |

The City has historically recorded all easements and rights of way that are determined to have limited useful lives at estimated fair market value on the date received. The City has elected to not retroactively report intangible assets that are determined to have indefinite useful lives. The City does not have any intangible assets previously subjected to amortization that have now been determined to have indefinite useful lives.

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

(l) **Compensated absences**—The City reports compensated absences in the applicable governmental or business-type activity columns in the governmental-wide financial statements. The portion of employee payroll costs paid subsequent to year-end attributable to services performed prior to year-end and accumulated unpaid vacation, sick-leave, and personal leave is recorded and recognized as a current liability. The remainder of the liability for compensated absences payable beyond the current period is recorded as a long-term liability. The City utilizes the General Fund to liquidate the liability for compensated absences from previous years.

It is the City's policy to grant employees vacation leave (annual leave) and sick leave based upon the number of years of employment with the City. Annual leave accrues at a maximum of 22 days per year with a cumulative maximum of 40 days that can be accrued in total as of the beginning of the fiscal year. Upon termination, without cause, all accrued annual leave is paid. Sick leave accrues at 12 days per year.

Employees can receive payment for unused sick time from their fiscal year-end balance, less amount equivalent to 40 hours leave.

(m) **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. Original issue 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 premiums and discounts, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(n) **Fund equity**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

*Nonspendable* – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

*Restricted* – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation (i.e., when the government assesses, levies, charges, or otherwise mandates payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

*Committed* – Fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by ordinance of the City Council are reported as committed fund balance. Those committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

*Assigned* – Fund balance amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balance, except for stabilization arrangements. The City Council expressly delegates to the City Manager authority under this policy to assign funds for particular purposes. Such balances must be assigned (encumbered) through a contract or purchase order as provided under Chapter 2, Section 2-294 of the Port Orange Code of Ordinances and Generally Accepted Accounting Principles.

*Unassigned* – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

The desired net equity reserve maintained by specified funds shall be held at a particular level. This optimal level has been determined to be at least 30-35% of the respective operating expenditures less transfers in the General Fund. The major enterprise funds (excluding the Golf Course Fund) should retain working capital of between 25% and 30% of operating expenses (less transfers).

(o) **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 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 three items, deferred loss on bond refunding in the proprietary funds and government-wide statement of net position, and deferred outflows related to pensions and OPEB, which qualify for reporting in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows related to pensions are discussed further in Note (15) and deferred outflows related to OPEB are discussed further in Note (14).

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has three items, unavailable property tax revenues in the governmental fund balance sheets, and deferred inflows related to pensions and OPEB in the proprietary funds and government-wide statement of net position, which qualify for reporting in this category. Unavailable property tax revenues are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows related to pensions are discussed further in Note (15) and deferred inflows related to OPEB are discussed further in Note (14).

(p) **Net position flow assumption**—Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the City's policy to consider restricted net position to have been used before unrestricted net position is applied.

(q) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

(2) **Reconciliation of Government-Wide and Fund Financial Statement:**

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

(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**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(3) Property Tax Calendar:**

Under Florida law, the assessment of all properties and the collection of all county, municipal and school district property taxes are consolidated in the offices of the County Property Appraiser and County Finance Director. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. For the year ended September 30, 2019, the operating and combined debt service millage rates (2019 levy) assessed by the City were 4.62880 and 0.29230 mills, respectively.

The property tax calendar is as follows:

|                |                 |
|----------------|-----------------|
| Valuation Date | January 1, 2018 |
|----------------|-----------------|

|                                                                                                                                                                                                               |              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Property Appraiser prepares the assessment roll with values as of January 1, 2018, submits this preliminary roll for approval by the State and notifies each taxing authority of their respective valuations. | July 1, 2018 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|

|                                                                                                                                 |                |
|---------------------------------------------------------------------------------------------------------------------------------|----------------|
| City Council holds two required public hearings and adopts a budget and ad valorem tax millage rate for the coming fiscal year. | September 2018 |
|---------------------------------------------------------------------------------------------------------------------------------|----------------|

|                                                                                                                                     |                  |
|-------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Property Appraiser certifies the assessment roll and all real and tangible personal property taxes are due and payable (Levy date). | November 1, 2018 |
|-------------------------------------------------------------------------------------------------------------------------------------|------------------|

|                                                                                                                                                                         |                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| A Notice of Taxes is mailed to each property owner on the assessment roll. Taxes may be paid November 2018 through March 2019, with the following applicable discounts: | November 1, 2018 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|

| <u>Month Paid</u> | <u>Discount Percent</u> |                                               |
|-------------------|-------------------------|-----------------------------------------------|
| November          | 4 %                     | November 1, 2018<br>through<br>March 31, 2019 |
| December          | 3                       |                                               |
| January           | 2                       |                                               |
| February          | 1                       |                                               |
| March             | 0                       |                                               |

|                                                                            |               |
|----------------------------------------------------------------------------|---------------|
| All unpaid taxes on real and tangible personal property become delinquent. | April 1, 2019 |
|----------------------------------------------------------------------------|---------------|

|                                                                                                            |                       |
|------------------------------------------------------------------------------------------------------------|-----------------------|
| A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised. | April and May<br>2019 |
|------------------------------------------------------------------------------------------------------------|-----------------------|

|                                                                                                   |              |
|---------------------------------------------------------------------------------------------------|--------------|
| Tax certificates are sold on all real estate parcels with unpaid real property taxes (Lien date). | June 1, 2019 |
|---------------------------------------------------------------------------------------------------|--------------|

|                                                                                                                                                      |              |
|------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| A court order is obtained authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent personal property taxes. | June 1, 2019 |
|------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|

At September 30, 2019, the City has recorded property taxes receivable of \$41,163.

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(4) Cash Deposits and Investments:**

**(a) City of Port Orange, Florida:**

The City's investment policies are governed by Chapter 280 and 218, Florida Statutes, City Code of Ordinances, and the adopted investment policy. For all investments authorized by statute or policy, the City applies the "Prudent Person" standard when developing investment strategies. The basic allowable investment instruments are as follows:

*The Florida PRIME* – includes the Florida PRIME and shall be rated "AAAm" by Standard & Poor's or the equivalent by another NRSRO.

*United States Government Securities* – includes direct negotiable obligations, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government.

*United States Government Agencies (full faith and credit of the United States Government)* – includes bonds, debentures or notes issued or guaranteed by the United States Government agencies, provided such obligations are back by the full faith and credit of the United States Government.

*Federal Instrumentalities (United States Government Sponsored Enterprises ("GSE")) which are non-full faith and credit* – includes bonds, debentures or notes issued or guaranteed by the United States Government Sponsored Enterprises which are non-full faith and credit.

*Non-Negotiable Interest Bearing Time Certificates of Deposit* – includes non-negotiable interest bearing time certificates of deposit or savings accounts in banks organized under the laws of Florida and/or in national banks organized under the laws of the United States and doing business and situated in Florida, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Section 280, Florida Statutes.

*Repurchase Agreements* – includes repurchase agreements composed of only those investments based on the requirements set by the City's Master Repurchase Agreement.

*Commercial Paper* – includes commercial paper of any United States company that is rates, at the time of purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's (prime commercial paper).

*Corporate Notes* – includes corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long term debt rating, at the time of purchase, at a minimum "Aa" by Moody's and a minimum long term debt rating of "AA" by Standard & Poor's.

*Bankers' Acceptances* – includes bankers' acceptances which are issued by a domestic bank or a federally chartered domestic office of a foreign bank, which is eligible for purchase by the Federal Reserve System, at the time of purchase, the short-term paper is rated, at a minimum, "P-1" by Moody's or "A-1" by Standard & Poor's.

*State and/or Local Government Taxable and/or Tax-Exempt Debt* – includes state and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds, rated at least "Aa" by Moody's and "AA" by Standard & Poor's for long-term debt, or rate at least "MIG-2" by Moody's and "SP-2" by Standard & Poor's for short-term debt.

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(4) Cash Deposits and Investments:** (Continued)

*Registered Investment Companies (Money Market Mutual Funds)* – includes shares in open-end and no-load fixed-income securities mutual funds provided such funds are registered under the Federal Investment Company Act of 1940 and invest in securities permitted by this policy.

*Intergovernmental Investment Pool* – includes intergovernmental investment pools that are authorized pursuant to the Florida Interlocal Corporation Act, as provided in Section 163.01, Florida Statutes, and provided that said funds contain no derivatives.

Deposits include cash on hand and amounts held in the City's demand accounts. At September 30, 2019, the carrying amount of the City's deposits was \$38,741,973. Each demand account is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Any balance in excess of FDIC insurance is covered by collateral held by the City's custodial bank, which is pledged to a state trust fund that provides security in accordance with Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.

The Florida Security for Public Deposits Act (the Act) established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified public depository must pledge at least 50 percent of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to a maximum of 125 percent, may be required, if deemed necessary under the conditions set forth in the Act.

Obligations pledged to secure deposits must be delivered to the State Treasurer or, with the approval of the State Treasurer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Treasurer. Under the Act, the pool may assess participating financial institutions on a pro rata basis to fund any shortfall in the event of the failure of a member institution.

The City has funds invested in a money market mutual fund. The fund's portfolio is structured within the confines of Rule 2a-7 under the Investment Company Act of 1940, as amended. SEC Rule 2a-7 is the rule that permits money market funds to use amortized cost to maintain a constant NAV (net asset value) of \$1.00 per share, provided that such funds meet certain criteria. Therefore, the fair value of the City's position in the fund is the same as the value of the fund's shares. The fund invests primarily in short-term, high-quality, fixed-income securities issued by banks, corporations and the U.S. government, rated in the highest short-term category or of comparable quality. As of September 30, 2019, the total invested in the fund was \$11,307,201.

The City measures and records its investments, assets whose use is limited, and restricted assets using fair value measurement guidelines. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices – Values determined based on quoted market prices for similar assets in active or inactive markets; and,
- *Level 3:* Unobservable inputs – Values determined based on the underlying real estate and other holdings within the noted investments.

The City's investment measured via Level 2 inputs are valued based on the price/yield of similar bonds or other investments.



**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(4) Cash Deposits and Investments:** (Continued)

As of September 30, 2019, the City's governmental and business-type investment portfolio was composed of the following investments:

| Investment Type                                | Credit<br>Quality<br>Rating<br>(S&P) | Carrying<br>Value    | Weighted Average Investment<br>Maturities<br>(in Years) |                      | Fair Value<br>Hierarchy |
|------------------------------------------------|--------------------------------------|----------------------|---------------------------------------------------------|----------------------|-------------------------|
|                                                |                                      |                      | Less Than 1                                             | 1 – 5                | Classification          |
| Cash                                           | NR                                   | \$ 38,741,973        | \$ 38,741,973                                           | \$ -                 | N/A                     |
| Money Market Funds                             | NR                                   | 11,307,201           | 11,307,201                                              | -                    | Level 2                 |
| Municipal Bonds                                | AA+ to AA-                           | 860,000              | -                                                       | 860,000              | Level 2                 |
| Corporate Bonds                                | AAA to AA-                           | 12,916,649           | 245,000                                                 | 12,671,649           | Level 2                 |
| US Government Treasury Notes                   | AA+                                  | 15,735,000           | 205,000                                                 | 15,530,000           | Level 2                 |
| Federal Instrumentalities                      | AA+                                  | 975,000              | -                                                       | 975,000              | Level 2                 |
| Federal Agency Collat. Mortgage<br>Obligations | AA+                                  | 2,945,314            | 252,636                                                 | 2,692,678            | Level 2                 |
| Asset-Backed Securities                        | AA+                                  | 9,375,321            | 4,791                                                   | 9,370,530            | Level 2                 |
| Supra-national agency bond                     | AAA                                  | 2,835,000            | -                                                       | 2,835,000            | Level 2                 |
| Bank note                                      | A+                                   | 555,000              | -                                                       | 555,000              | Level 2                 |
| Certificates of deposit                        | NR                                   | 300,286              | 300,286                                                 | -                    | N/A                     |
| Total Portfolio                                |                                      | <u>\$ 96,546,744</u> | <u>\$ 51,056,887</u>                                    | <u>\$ 45,489,857</u> |                         |

*Interest Rate Risk:* The City's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. The investment of current operating funds will have maturities of no longer than twenty-four (24) months. Investments of bond reserves, construction funds, and other non-operating funds ("core funds") shall have a term appropriate to the need for funds and in accordance with debt covenants, but should not exceed ten years. From time to time the above parameters may require modification in order to meet specific construction draw schedules or other predetermined operating, capital needs or to satisfy debt obligations but in no event shall exceed thirty (30) years.

*Credit Risk:* Credit risk is the risk that a debt issuer or other counter-party to an investment will not fulfill its obligations. The City's investment policy utilizes portfolio diversification in order to limit investments to the highest rated securities as rated by nationally recognized rating agencies. The ratings of the investments held at year end are shown above. All are rated within the investment policy guidelines at September 30, 2019.

*Concentration of Credit Risk:* The City's investment policy has established asset allocation and issuer limits on its investments which are designed to reduce concentration of credit risk of the City's investment portfolio. A maximum of 25% of available funds may be invested in the Florida PRIME, 100% of available funds may be invested in the United States Government Securities, 75% of available funds may be invested in United States Government agencies with a 50% limit on individual issuers, 80% of available funds may be invested in Federal Instrumentalities with a 40% limit on individual issuers, 25% of available funds may be invested in non-negotiable interest bearing time certificates of deposit with a 15% limit on individual issuers, 50% of available funds may be invested in repurchase agreements excluding one (1) business day agreements and overnight sweep agreements with a 25% limit on individual issuers, 30% of available funds may be directly invested in prime commercial paper with a 10% limit on individual issuers, 15% of available funds may be directly invested in corporate notes with a 5% limit on individual issuers, 30% of available funds may be directly invested in Bankers' acceptances with a 10% limit on individual issuers, 20% of available funds may be invested in taxable and tax-exempt debts, 50% of available funds may be invested in mutual funds excluding one (1) business day overnight sweep agreements with a 25% limit on individual issuers, 25% of available funds may be invested in intergovernmental investment pools.

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(4) Cash Deposits and Investments:** (Continued)

*Custodial Credit Risk—Deposits:* In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Pursuant to the applicable provisions of Chapter 280, Florida Statutes, *The Florida Security for Public Deposits Act*, the State of Florida, Department of Financial Services, Division of Treasury, Bureau of Collateral Management have established specific requirements relative to the security and collateralization for public deposits. Accordingly, banks qualifying as a public depository in the State of Florida must adopt the necessary procedures outlined in these statutes and meet all of the requirements of this chapter to be designated by the State Chief Financial Officer (CFO) as eligible to receive deposits from municipal depositors. Collateral having a market value equal to 50% of the average daily balance for each month of all public deposits in excess of any applicable depository insurance is required to be pledged or deposited with the State CFO to secure such deposits. Additional collateral, up to a maximum of 125% may be required if deemed necessary under the conditions set forth in the Act. Securities eligible to be pledged as collateral are generally limited to obligations of the United States government and any state thereof and are held in the name of the State CFO's office. Compliance with the provisions of Chapter 280, Florida Statutes, is monitored by a Qualified Public Depository Oversight Board with members appointed by the State CFO.

*Custodial Credit Risk—Investments:* In the case of investments, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of September 30, 2019, the City's investments in U.S. Treasury obligations and federal instrumentalities/agency obligations are backed by the full faith and credit of the United States, or explicitly guaranteed by the United States. The City's investment in corporate debt obligations are held in the form of corporate bonds through a financial brokerage firm. The corporate debt obligations are uninsured, unregistered and held by the City's brokerage firm which is also the counterparty for these particular securities.

*Foreign Currency Risk:* Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The investment policy does not permit general obligations issued by a foreign government and is, therefore, not exposed to foreign currency risk.

**(b) Pensions Plans:**

The City's Pension Plans are authorized to invest in the following investments:

Investment products and funds provided through insurance companies, including, but not limited to, annuity and life insurance contracts of life insurance companies in amounts sufficient to provide, in whole or in part, the benefits to which all of the members in the fund shall be entitled under the provisions of this system and pay the initial and subsequent premium thereon.

Time or savings accounts of a national bank, a state bank or a savings/building and loan association insured by the Federal Deposit Insurance Corporation.

Obligations of the United States or obligations guaranteed as to principal and interest by the government of the United States.

Open-end non-commission bank or insurance company real estate funds with ability to liquidate every three (3) months.

Foreign securities.

Bonds, stocks, commingled or mutual funds.

State Board of Administration and the investment vehicles it utilizes.

Any other investment which the pension board deems to be prudent.

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(4) Cash Deposits and Investments:** (Continued)

The pension plan investments measured via Level 2 inputs are valued based on the price/yield of similar bonds or other investments.

The following chart shows the General Employees' Pension fund cash and investment accounts by investment portfolios and their respective maturities (in years):

|                                     | <u>Fair Value</u>    | <u>Weighted<br/>Average<br/>Maturity<br/>(years)</u> | <u>Credit Rating<br/>Range (S&amp;P)</u> | <u>Fair Value<br/>Hierarchy<br/>Classification</u> |
|-------------------------------------|----------------------|------------------------------------------------------|------------------------------------------|----------------------------------------------------|
| Money Market Funds                  | \$ 618,482           | N/A                                                  | NR                                       | Level 1                                            |
| U.S. Treasury Obligations           | 1,202,803            | 1.6                                                  | NR                                       | Level 2                                            |
| U.S. Government Obligations         | 1,831,281            | 18.74                                                | NR                                       | Level 2                                            |
| Corporate Debt                      | 3,939,240            | 17.47                                                | BBB to AA                                | Level 2                                            |
| Common Stock                        | 16,032,241           | N/A                                                  | NR                                       | Level 1                                            |
| Florida Municipal Trust             | 4,224,560            | N/A                                                  | NR                                       | Level 2                                            |
| Real Estate Pooled Separate Account | 6,904,045            | N/A                                                  | NR                                       | Level 3                                            |
| Total Portfolio                     | <u>\$ 34,752,652</u> |                                                      |                                          |                                                    |

The following chart shows the Fire Pension fund cash and investment accounts by investment portfolios and their respective maturities (in years):

|                                   | <u>Fair Value</u>    | <u>Weighted<br/>Average<br/>Maturity<br/>(years)</u> | <u>Credit Rating<br/>Range<br/>(Moody's)</u> | <u>Fair Value<br/>Hierarchy<br/>Classification</u> |
|-----------------------------------|----------------------|------------------------------------------------------|----------------------------------------------|----------------------------------------------------|
| Money Market Funds                | \$ 1,525,938         | N/A                                                  | NR                                           | N/A                                                |
| U.S. General & Agency Obligations | 2,705,735            | 4.5                                                  | AAA                                          | Level 2                                            |
| Corporate Bonds                   | 5,790,782            | 9.4                                                  | Baa3, Aaa                                    | Level 2                                            |
| Common Stock                      | 10,493,011           | N/A                                                  | NR                                           | Level 1                                            |
| Mutual Funds                      | 10,215,618           | N/A                                                  | NR                                           | Level 1                                            |
| Real Estate Partnership           | 1,461,343            | N/A                                                  | NR                                           | Level 3                                            |
| Total Portfolio                   | <u>\$ 32,192,427</u> |                                                      |                                              |                                                    |

The following chart shows the Police Pension fund cash and investment accounts by investment portfolios and their respective maturities (in years):

|                             | <u>Fair Value</u>    | <u>Weighted<br/>Average<br/>Maturity<br/>(years)</u> | <u>Credit Rating<br/>Range (S&amp;P)</u> | <u>Fair Value<br/>Hierarchy<br/>Classification</u> |
|-----------------------------|----------------------|------------------------------------------------------|------------------------------------------|----------------------------------------------------|
| Money Market Funds          | \$ 162,930           | N/A                                                  | NR                                       | N/A                                                |
| Mutual Funds – equity       | 26,505,919           | N/A                                                  | NR                                       | Level 1                                            |
| Mutual Funds – fixed income | 10,495,854           | N/A                                                  | NR                                       | Level 2                                            |
| Real Estate Partnership     | 3,609,417            | N/A                                                  | NR                                       | Level 3                                            |
| Total Portfolio             | <u>\$ 40,774,120</u> |                                                      |                                          |                                                    |

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(4) Cash Deposits and Investments:** (Continued)

*Interest Rate Risk:* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. The established performance objectives of the Pension Plans require investment maturities to provide sufficient liquidity to pay obligations as they become due. At September 30, 2019, the weighted average maturity in years for each investment type is included in the preceding table.

*Credit Risk:* Credit risk is the risk that a debt issuer or other counter-party to an investment will not fulfill its obligations. The Pension Plans utilize portfolio diversification in order to limit investments to the highest rated securities as rated by nationally recognized rating agencies. The ratings of the investments held at year end are shown above. All are rated within the investment policy guidelines at September 30, 2019.

*Concentration of Credit Risk:* Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Fire Pension trust funds policy does not allow more than five (5) percent of its assets in the common stock, capital stock, or convertible securities of any one issuing company, nor shall the aggregate investment in any one issuing company, exceed five (5) percent of the outstanding stock of that company, nor shall the aggregate of its investments at market in common stock, capital stock and convertible securities exceed seventy (70) percent of the fund's total assets. The Police Pension trust funds policy does not allow more than five (5) percent of its assets in the common stock, capital stock, or convertible securities of any one issuing company, nor shall the aggregate investment in any one issuing company, exceed twelve and one-half (12.5) percent of the outstanding stock of that company. The General Employee Pension trust funds policy does not allow more than five (5) percent of its assets in the common stock, capital stock, or convertible securities of any one issuing company, nor shall the aggregate investment in any one issuing company, exceed fifteen (15) percent of the outstanding stock of that company, nor shall the aggregate of its investments at market in common stock, capital stock and convertible securities exceed seventy-five (75) percent of the fund's total assets. At September 30, 2019, the investment portfolios met the single issuer limitations.

*Custodial Credit Risk:* Custodial credit risk is the risk that the City may not recover cash and investments held by another party in the event of financial failure. Custodial credit risk is limited since investments are held in independent custodial safekeeping accounts or mutual funds.

*Foreign Currency Risk:* Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Pension trust funds policies allow for up to twenty-five (25) percent of its investments in common stock, capital stock and convertible securities at market value in foreign securities. At September 30, 2019, the investment portfolios met the foreign securities limitations.

A reconciliation of cash and investments as shown in the accompanying financial statements follows:

|                                                     |                      |
|-----------------------------------------------------|----------------------|
| <b>Fair Value/Carrying Value</b>                    |                      |
| Governmental and Business-type Investment Portfolio | \$ 96,546,744        |
| Pension Investment Portfolio                        | 107,719,199          |
| Total                                               | <u>\$204,265,943</u> |
| <b>Government-Wide Statement of Net Position:</b>   |                      |
| Equity in pooled cash                               | \$ 66,206,555        |
| Restricted equity in pooled cash                    | 29,466,569           |
| Restricted investments                              | 873,620              |
| <b>Statement of Fiduciary Net Position:</b>         |                      |
| Cash and cash equivalents with trustee              | 2,307,350            |
| Investments                                         | 105,411,849          |
| Total                                               | <u>\$204,265,943</u> |

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(5) Accounts Receivable:**

The City's receivables consisted of the following at September 30, 2019:

|                                   | <u>Gross<br/>Receivable</u> | <u>Allowance for<br/>Doubtful<br/>Accounts</u> | <u>Net<br/>Receivable</u> |
|-----------------------------------|-----------------------------|------------------------------------------------|---------------------------|
| Governmental Activities:          |                             |                                                |                           |
| General Fund                      |                             |                                                |                           |
| Delinquent taxes receivable       | \$ 37,835                   | \$ -                                           | \$ 37,835                 |
| Accounts receivable               | 2,925,049                   | (1,457,112)                                    | 1,467,937                 |
| Nonmajor Governmental Funds       |                             |                                                |                           |
| Delinquent taxes receivable       | 3,328                       | -                                              | 3,328                     |
| Accounts receivable               | 18,363                      | -                                              | 18,363                    |
|                                   | <u>2,984,575</u>            | <u>(1,457,112)</u>                             | <u>1,527,463</u>          |
| Internal Service:                 |                             |                                                |                           |
| Internal Service Funds            |                             |                                                |                           |
| Accounts receivable               | 27,966                      | (1,394)                                        | 26,572                    |
| Total – Governmental Activities   | <u>3,012,541</u>            | <u>(1,458,506)</u>                             | <u>1,554,035</u>          |
| Business-Type Activities:         |                             |                                                |                           |
| Water and Sewer Fund              |                             |                                                |                           |
| Accounts receivable               | 3,070,387                   | (288,270)                                      | 2,782,117                 |
| Solid Waste Fund                  |                             |                                                |                           |
| Accounts receivable               | 861,709                     | (45,361)                                       | 816,348                   |
| Stormwater Utility Fund           |                             |                                                |                           |
| Accounts receivable               | 33,336                      | (523)                                          | 32,813                    |
| Golf Course Fund                  |                             |                                                |                           |
| Accounts receivable               | 59,904                      | -                                              | 59,904                    |
| Totals – Business-Type Activities | <u>4,025,336</u>            | <u>(334,154)</u>                               | <u>3,691,182</u>          |
| Totals                            | <u>\$ 7,037,877</u>         | <u>\$ (1,792,660)</u>                          | <u>\$ 5,245,217</u>       |

**(6) Interfund Loans, Advances, Fees, and Transfers:**

At September 30, 2019, individual fund advances to and from other funds for the primary government were comprised of the following:

|                           | <u>Advance To</u>   | <u>Advance From</u> |
|---------------------------|---------------------|---------------------|
| Governmental Activities:  |                     |                     |
| General Fund:             |                     |                     |
| Town Center CRA Fund      | \$ 1,557,916        | \$ -                |
| Town Center CRA Fund:     |                     |                     |
| General Fund              | -                   | 1,557,916           |
| Business-Type Activities: |                     |                     |
| Water and Sewer Fund:     |                     |                     |
| Golf Course Fund          | 1,559,061           | -                   |
| Golf Course Fund:         |                     |                     |
| Water and Sewer Fund      | -                   | 1,559,061           |
| Internal Service Funds    | -                   | 44,248              |
| Internal Service Funds:   |                     |                     |
| Golf Course Fund          | 44,248              | -                   |
| Totals – All Funds        | <u>\$ 3,161,225</u> | <u>\$ 3,161,225</u> |

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(6) Interfund Loans, Advances, Fees, and Transfers:** (Continued)

The outstanding balances between funds result mainly from the time lag between the dates reimbursable expenditures occur, when transactions are recorded in the accounting system, and when payments between funds are made. At September 30, 2019, individual fund interfund receivables and payables for the primary government were comprised of the following:

|                                  | <u><b>Due From<br/>Other Funds</b></u>    | <u><b>Due to Other<br/>Funds</b></u>      |
|----------------------------------|-------------------------------------------|-------------------------------------------|
| Governmental Activities:         |                                           |                                           |
| Town Center CRA Fund:            |                                           |                                           |
| Loan Pool Internal Service Fund  | \$           -                            | \$   2,465,390                            |
|                                  | <u>                  -</u>                | <u>          2,465,390</u>                |
| Internal Service:                |                                           |                                           |
| Loan Pool Internal Service Fund: |                                           |                                           |
| Town Center CRA Fund             | <u>         2,465,390</u>                 | <u>                  -</u>                |
|                                  | <u>         2,465,390</u>                 | <u>                  -</u>                |
| <br>Total – All Funds            | <br><u><u>         \$   2,465,390</u></u> | <br><u><u>         \$   2,465,390</u></u> |

Transfers are used to (1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, (2) move restricted amounts from borrowings to the debt service funds to establish and maintain mandatory reserve and sinking fund accounts, (3) move revenues from proprietary fund operations to the general fund for payments in lieu of taxes, and (4) move unrestricted revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for various grant programs.

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(6) Interfund Loans, Advances, Fees, and Transfers:** (Continued)

For the year ended September 30, 2019, individual fund transfers to and from other funds for the primary government were comprised of the following:

|                                    | <u>Transfer From</u> | <u>Transfer To</u>  |
|------------------------------------|----------------------|---------------------|
| Governmental Activities:           |                      |                     |
| General Fund:                      |                      |                     |
| Debt Service Fund                  | \$ -                 | \$ 448,635          |
| Capital Replacement Fund           | -                    | 614,000             |
| Water and Sewer Fund               | 1,278,288            | -                   |
| Solid Waste Fund                   | 205,610              | -                   |
| Stormwater Utility Fund            | 200,724              | -                   |
| Internal Service Funds             | -                    | 995,580             |
| Eastport Business Center CRA Fund: |                      |                     |
| Debt Service Fund                  | -                    | 182,163             |
| Town Center CRA Fund:              |                      |                     |
| Debt Service Fund                  | -                    | 404,814             |
| Nonmajor Governmental Funds:       |                      |                     |
| Debt Service Fund:                 |                      |                     |
| General Fund                       | 448,635              |                     |
| Eastport Business Center CRA Fund  | 182,163              | -                   |
| Town Center CRA Fund               | 404,814              | -                   |
| Stormwater Utility Fund            | 83,252               | -                   |
| Internal Service Funds             | 624,390              | -                   |
| Capital Replacement Fund:          |                      |                     |
| General Fund                       | 614,000              | -                   |
|                                    | <u>4,041,876</u>     | <u>2,645,192</u>    |
| Business-type Activities:          |                      |                     |
| Water and Sewer Fund:              |                      |                     |
| General Fund                       | -                    | 1,278,288           |
| Solid Waste Fund:                  |                      |                     |
| General Fund                       | -                    | 205,610             |
| Stormwater Utility Fund:           |                      |                     |
| General Fund                       | -                    | 200,724             |
| Debt Service Fund                  | -                    | 83,252              |
|                                    | <u>-</u>             | <u>1,767,874</u>    |
| Internal Service Funds:            |                      |                     |
| General Fund                       | 995,580              | -                   |
| Debt Service Fund                  | -                    | 624,390             |
|                                    | <u>995,580</u>       | <u>624,390</u>      |
| Totals – All Funds                 | <u>\$ 5,037,456</u>  | <u>\$ 5,037,456</u> |



**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(7) Capital Assets:**

Capital asset activity for the fiscal year ended September 30, 2019, is as follows:

|                                              | <b>Beginning<br/>Balance</b> | <b>Increases</b>      | <b>Decreases</b>      | <b>Ending<br/>Balance</b> |
|----------------------------------------------|------------------------------|-----------------------|-----------------------|---------------------------|
| Governmental activities:                     |                              |                       |                       |                           |
| Capital assets, not being depreciated –      |                              |                       |                       |                           |
| Land                                         | \$ 23,982,032                | \$ 220,847            | \$ (386,012)          | \$ 23,816,867             |
| Easements                                    | 8,004,344                    | 1,477,373             | -                     | 9,481,717                 |
| Works of art                                 | 12,000                       | -                     | -                     | 12,000                    |
| Construction in progress                     | 2,494,901                    | 5,468,901             | (5,928,714)           | 2,035,088                 |
| Total capital assets, not being depreciated  | 34,493,277                   | 7,167,121             | (6,314,726)           | 35,345,672                |
| Capital assets, being depreciated –          |                              |                       |                       |                           |
| Buildings and improvements                   | 81,275,346                   | 3,184,075             | (21,629)              | 84,437,792                |
| Infrastructure                               | 78,928,651                   | 894,793               | -                     | 79,823,444                |
| Equipment                                    | 27,909,416                   | 5,852,668             | (1,546,067)           | 32,216,017                |
| Total capital assets, being depreciated      | 188,113,413                  | 9,931,536             | (1,567,696)           | 196,477,253               |
| Less accumulated depreciation for–           |                              |                       |                       |                           |
| Buildings, improvements                      | (17,424,124)                 | (947,569)             | -                     | (18,371,693)              |
| Infrastructure                               | (43,445,879)                 | (5,428,418)           | 3,201                 | (48,871,096)              |
| Equipment                                    | (20,433,486)                 | (3,483,183)           | 1,546,067             | (22,370,602)              |
| Total accumulated depreciation               | (81,303,489)                 | (9,859,170)           | 1,549,268             | (89,613,391)              |
| Total capital assets, being depreciated, net | 106,809,924                  | 72,366                | (18,428)              | 106,863,862               |
| Governmental activities capital assets, net  | <u>\$ 141,303,201</u>        | <u>\$ 7,239,487</u>   | <u>\$ (6,333,154)</u> | <u>\$ 142,209,534</u>     |
| Business-type activities:                    |                              |                       |                       |                           |
| Capital assets, not being depreciated –      |                              |                       |                       |                           |
| Land                                         | \$ 28,777,794                | \$ -                  | \$ -                  | \$ 28,777,794             |
| Construction in progress                     | 921,192                      | 635,028               | -                     | 1,556,220                 |
| Total capital assets, not being depreciated  | 29,698,986                   | 635,028               | -                     | 30,334,014                |
| Capital assets, being depreciated –          |                              |                       |                       |                           |
| Buildings and improvements                   | 32,734,077                   | 98,500                | -                     | 32,832,577                |
| Infrastructure                               | 295,988,491                  | 4,089,510             | -                     | 300,078,001               |
| Equipment                                    | 4,195,719                    | 990,242               | (17,800)              | 5,168,161                 |
| Total capital assets, being depreciated      | 332,918,287                  | 5,178,252             | (17,800)              | 338,078,739               |
| Less accumulated depreciation for –          |                              |                       |                       |                           |
| Buildings and improvements                   | (122,460,912)                | (5,591,969)           | -                     | (128,052,871)             |
| Infrastructure                               | (4,967,121)                  | (1,371,342)           | -                     | (6,338,463)               |
| Equipment                                    | (3,281,070)                  | (481,726)             | 17,800                | (3,744,996)               |
| Total accumulated depreciation               | (130,709,103)                | (7,445,027)           | 17,800                | (138,136,330)             |
| Total capital assets, being depreciated, net | 202,209,184                  | (2,266,775)           | -                     | 199,942,409               |
| Business-type activities capital assets, net | <u>\$ 231,908,170</u>        | <u>\$ (1,631,747)</u> | <u>\$ -</u>           | <u>\$ 230,276,423</u>     |

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(7) Capital Assets:** (Continued)

Depreciation expense was charged to functions/programs as follows:

|                                                       |                     |
|-------------------------------------------------------|---------------------|
| Governmental activities:                              |                     |
| General governmental                                  | \$ 3,498,315        |
| Public safety                                         | 902,402             |
| Transportation                                        | 3,811,598           |
| Culture and recreation                                | 1,646,855           |
| Total depreciation expense - governmental activities  | <u>\$ 9,859,170</u> |
| Business-type activities:                             |                     |
| Water and sewer                                       | \$ 5,869,591        |
| Solid Waste                                           | 11,124              |
| Stormwater Utility                                    | 1,416,506           |
| Golf Course                                           | 147,806             |
| Total depreciation expense - business-type activities | <u>\$ 7,445,027</u> |

**(8) Commitments:**

The City had active construction projects as of September 30, 2019. The projects included construction of utility improvements, road and right-of-way improvements, recreational facilities, and stormwater drainage improvements. At September 30, 2019, the City's commitments with contractors were as follows:

| <u>Project</u>                             | <u>Total<br/>Adjusted<br/>Contract<br/>Amounts</u> | <u>Remaining<br/>Commitment</u> |
|--------------------------------------------|----------------------------------------------------|---------------------------------|
| Water and Sewer Utility Improvements       | \$ 684,134                                         | \$ 467,009                      |
| Transportation Infrastructure Improvements | 1,730,888                                          | 1,257,513                       |
| Facility Improvements                      | 1,887,477                                          | 1,128,611                       |
| Recreational Improvements                  | 287,709                                            | 265,236                         |
| Stormwater Drainage Improvements           | 152,620                                            | 167,009                         |
|                                            | <u>\$ 4,742,825</u>                                | <u>\$ 3,138,697</u>             |

The commitment for utility improvements is being funded from water and sewer equity, State Revolving Loan proceeds, and water and sewer revenue. Construction of transportation infrastructure improvements is being funded from gas tax revenues, and capital project funds. The facility improvements are funded from general fund equity, lease and replacement funds and bond proceeds. Recreational improvements are being funded from Golf Course fund equity. The commitment for stormwater drainage improvements is being funded from stormwater drainage revenues.

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(9) Operating Leases:**

The City has entered into leases with various tenants for the rentals of: real property and buildings contiguous to City Hall which houses the Palmer Chiropractic campus; land and buildings which house the Port Orange branch of Volusia/Flagler YMCA; the restaurant located within the clubhouse at Cypress Head Golf Course; and certain real property used for outdoor activities and billboard placement.

At September 30, 2019, future minimum lease payments to be received under these operating leases are as follows:

| <u>Year Ending<br/>September 30,</u> | <u>Total</u>        |
|--------------------------------------|---------------------|
| 2020                                 | \$ 898,559          |
| 2021                                 | 912,628             |
| 2022                                 | 926,455             |
| 2023                                 | 940,908             |
| 2024                                 | 955,560             |
| 2025-2029                            | <u>1,416,399</u>    |
| Total                                | <u>\$ 6,050,509</u> |

The following is a summary of the City's investments in property held for lease at September 30, 2019:

|                                |                     |
|--------------------------------|---------------------|
| Land                           | \$ 6,730,938        |
| Buildings                      | 291,046             |
| Improvements                   | 7,352,324           |
| Equipment                      | <u>237,495</u>      |
|                                | 14,611,803          |
| Less: accumulated depreciation | <u>6,540,227</u>    |
| Total                          | <u>\$ 8,071,576</u> |

**(10) Long-Term Liabilities:**

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

|                                    | <u>Beginning<br/>Balance</u> | <u>Additions</u>    | <u>Deletions</u>      | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|------------------------------------|------------------------------|---------------------|-----------------------|---------------------------|--------------------------------|
| <b>Governmental activities:</b>    |                              |                     |                       |                           |                                |
| Bonds and notes payable:           |                              |                     |                       |                           |                                |
| General obligation bonds and notes | \$ 11,870,000                | \$ -                | \$ (495,000)          | \$ 11,375,000             | \$ 505,000                     |
| Revenue bonds and notes            | 20,690,000                   | -                   | (885,000)             | 19,805,000                | 980,000                        |
| Less deferred amount:              |                              |                     |                       |                           |                                |
| Original issue premium             | 1,661,723                    | -                   | (155,953)             | 1,505,770                 | -                              |
| Original issue (discount)          | <u>(73,953)</u>              | <u>-</u>            | <u>7,366</u>          | <u>(66,587)</u>           | <u>-</u>                       |
| Total bonds and notes payable      | 34,147,770                   | -                   | (1,528,587)           | 32,619,183                | 1,485,000                      |
| Compensated absences               | <u>2,588,132</u>             | <u>1,939,185</u>    | <u>(1,765,405)</u>    | <u>2,761,912</u>          | <u>276,190</u>                 |
| Governmental activities –          |                              |                     |                       |                           |                                |
| Total long-term liabilities        | <u>\$ 36,735,902</u>         | <u>\$ 1,939,185</u> | <u>\$ (3,293,992)</u> | <u>\$35,381,095</u>       | <u>\$ 1,761,190</u>            |

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(10) **Long-Term Liabilities:** (Continued)

|                                  | <u>Beginning<br/>Balance</u> | <u>Additions</u>  | <u>Deletions</u>      | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|----------------------------------|------------------------------|-------------------|-----------------------|---------------------------|--------------------------------|
| <b>Business-type activities:</b> |                              |                   |                       |                           |                                |
| Bonds payable:                   |                              |                   |                       |                           |                                |
| Revenue bonds and notes          | \$ 21,755,000                | \$ -              | \$ (4,600,000)        | \$ 17,155,000             | \$ 3,990,000                   |
| Loans from other governments     | 15,897,521                   | -                 | (2,770,207)           | 13,127,314                | 2,703,847                      |
| Less deferred amount:            |                              |                   |                       |                           |                                |
| Original issue (discount)        | (44,804)                     | -                 | 3,445                 | (41,359)                  | -                              |
| Total bonds and notes payable    | <u>37,607,717</u>            | <u>-</u>          | <u>(7,366,762)</u>    | <u>30,240,955</u>         | <u>6,693,847</u>               |
| Compensated absences             | <u>510,463</u>               | <u>583,822</u>    | <u>(523,089)</u>      | <u>571,196</u>            | <u>57,119</u>                  |
| Business-type activities –       |                              |                   |                       |                           |                                |
| Total long-term liabilities      | <u>\$ 38,118,180</u>         | <u>\$ 583,822</u> | <u>\$ (7,889,851)</u> | <u>\$ 30,812,151</u>      | <u>\$ 6,750,966</u>            |

Bonds and notes payable in the City's governmental activities at September 30, 2019, were comprised of the following obligations:

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Series 2006 Eastport Community Redevelopment Agency Tax Increment Note, was issued to fund the construction of infrastructure improvements in the Eastport Community Redevelopment Area, due in payments of principal plus interest at 3.922% semi-annually on April 1 and October 1 of each year until final maturity on October 1, 2024. Pledged by Eastport CRA tax increment revenues.                                                                                                                                                                                                                                                        | \$ 1,265,000         |
| Series 2007 Town Center Community Redevelopment Agency Tax Increment Note, was issued to fund the construction of infrastructure improvements in the Town Center Community Redevelopment Area, due in payments of principal plus interest ranging from 4.00% to 4.625% semi-annually on April 1 and October 1 of each year until final maturity on April 1, 2036. Pledged by Town Center tax increment revenues.                                                                                                                                                                                                                                  | 4,520,000            |
| Series 2014 Capital Improvement Refunding Revenue Bonds were issued in the amount of \$16,350,000 to refund the City's Capital Improvement Revenue Bonds, Series 2004, and to construct certain capital improvements in the Town Center area of the City. Bond is due in payments of principal plus interest ranging from 2.00% to 5.00% in semi-annual installments due on April 1 and October 1 through October 1, 2035. Secured by a lien upon and pledge of public service taxes imposed on certain purchases of electricity and metered or bottled gas, and communication service taxes originating within the corporate limits of the City. | 14,020,000           |
| Total revenue bonds                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <u>19,805,000</u>    |
| Series 2016 General Obligation Bonds were issued in the amount of \$12,895,000 to refund the City's General Obligation Bonds, Series 2006; payments are due serially with interest rates ranging from 2.00% to 4.00%, payable in semi-annual installments due on April 1 and October 1 through April 1, 2036.                                                                                                                                                                                                                                                                                                                                     | 11,375,000           |
| Total revenue and general obligation bonds                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <u>31,180,000</u>    |
| Net unamortized premiums/(discounts)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 1,439,183            |
| Total bonds and notes payable, governmental activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <u>\$ 32,619,183</u> |

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(10) **Long-Term Liabilities:** (Continued)

Annual debt service requirements to maturity for the City's governmental activities bonds and notes payable are as follows:

| <b>Year Ending<br/>September 30,</b> | <b>General Obligation Bonds</b> |                     | <b>Revenue Bonds</b> |                     | <b>Total</b>         |
|--------------------------------------|---------------------------------|---------------------|----------------------|---------------------|----------------------|
|                                      | <b>Principal</b>                | <b>Interest</b>     | <b>Principal</b>     | <b>Interest</b>     |                      |
| 2020                                 | \$ 505,000                      | \$ 396,269          | \$ 980,000           | \$ 825,952          | \$ 2,707,221         |
| 2021                                 | 520,000                         | 381,119             | 1,015,000            | 786,106             | 2,702,225            |
| 2022                                 | 535,000                         | 365,519             | 1,055,000            | 744,795             | 2,700,314            |
| 2023                                 | 550,000                         | 349,119             | 1,100,000            | 701,699             | 2,700,818            |
| 2024                                 | 570,000                         | 333,619             | 1,140,000            | 656,869             | 2,700,488            |
| 2025-2029                            | 3,160,000                       | 1,344,488           | 5,405,000            | 2,524,499           | 12,433,987           |
| 2030-2034                            | 3,815,000                       | 686,750             | 6,265,000            | 1,428,588           | 12,195,338           |
| 2035-2036                            | 1,720,000                       | 77,850              | 2,845,000            | 229,469             | 4,872,319            |
| <b>Total</b>                         | <b>\$ 11,375,000</b>            | <b>\$ 3,934,773</b> | <b>\$19,805,000</b>  | <b>\$ 7,897,977</b> | <b>\$ 43,012,710</b> |

Bonds and notes payable in the City's business-type activities at September 30, 2019, were comprised of the following obligations:

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| Series 2005 Stormwater Utility Revenue Bonds were issued in the amount of \$7,470,000 to provide for the expansion of the City's stormwater drainage system and infrastructure. Due serially with interest rates ranging from 3.00% to 4.30%, payable in semi-annual installments due on April 1 and October 1 through October 1, 2035. Pledged by non-ad valorem stormwater drainage assessments.                                                                                                     | \$ 4,965,000                |
| Series 2012 Water and Sewer Refunding Revenue Bonds were issued in the amount of \$26,390,000 in July 2012 to provide for the advance refunding of the Series 2003 Bonds, which were refunded in full on October 1, 2012, and to finance the expansion of the City's water and sewer utility system. Due serially with interest rates ranging from 3.00% to 5.00%, payable in semi-annual installments due on April 1 and October 1 through October 1, 2021. Pledged by water and sewer fund revenues. | 12,190,000                  |
| <b>Total revenue bonds and notes payable, business-type activities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b><u>\$ 17,155,000</u></b> |

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(10) Long-Term Liabilities:** (Continued)

The following is a summary of the City's State Revolving Fund (SRF) loans granted by the State to fund various water, sewer, and drainage projects:

| <b>Project Loan Number</b> | <b>Original Amounts</b> | <b>Interest Rate</b> | <b>Payment Dates</b> | <b>Final Maturity</b> | <b>Balance 9/30/19</b> |
|----------------------------|-------------------------|----------------------|----------------------|-----------------------|------------------------|
| Water and Sewer Fund:      |                         |                      |                      |                       |                        |
| WWW72514S                  | \$ 7,230,813            | 1.425%               | 2/15; 8/15           | 2026                  | \$ 3,426,697           |
| CS12072513P                | 13,727,360              | 1.525-1.635%         | 3/15; 9/15           | 2023                  | 3,085,692              |
| CS120725080                | 8,996,824               | 1.495-1.560%         | 2/15; 8/15           | 2021                  | 894,535                |
| CS120725090                | 4,272,000               | 1.535%               | 2/15; 8/15           | 2020                  | 143,474                |
| DW6413030                  | 4,365,810               | 2.580%               | 3/15; 9/15           | 2027                  | 2,123,518              |
| Stormwater Utility Fund:   |                         |                      |                      |                       |                        |
| SW725150                   | 5,116,928               | 1.195%               | 1/15; 7/15           | 2027                  | 3,245,978              |
| SW120725100                | 1,556,976               | 1.515%               | 2/15; 8/15           | 2021                  | 207,420                |
| Total                      |                         |                      |                      |                       | <u>\$ 13,127,314</u>   |

Annual debt service requirements to maturity for the City's business-type activities bonds, notes, and SRF loans payable are as follows:

| <b>Year Ending<br/>September 30,</b> | <b>Revenue Bonds &amp; Notes</b> |                     | <b>SRF Loans</b>     |                     | <b>Total</b>         |
|--------------------------------------|----------------------------------|---------------------|----------------------|---------------------|----------------------|
|                                      | <b>Principal</b>                 | <b>Interest</b>     | <b>Principal</b>     | <b>Interest</b>     |                      |
| 2020                                 | \$ 3,990,000                     | \$ 402,367          | \$ 2,703,848         | \$ 338,071          | \$ 7,434,286         |
| 2021                                 | 4,065,000                        | 331,483             | 2,325,896            | 263,208             | 6,985,586            |
| 2022                                 | 4,135,000                        | 259,323             | 1,971,169            | 203,131             | 6,568,623            |
| 2023                                 | -                                | 222,935             | 2,025,813            | 148,488             | 2,397,236            |
| 2024                                 | -                                | 222,935             | 1,161,148            | 99,018              | 1,483,101            |
| 2025-2029                            | 750,000                          | 1,104,140           | 2,939,441            | 114,024             | 4,907,605            |
| 2030-2034                            | 2,875,000                        | 700,875             | -                    | -                   | 3,575,875            |
| 2035-2036                            | 1,340,000                        | 91,125              | -                    | -                   | 1,431,125            |
| Total                                | <u>\$ 17,155,000</u>             | <u>\$ 3,335,183</u> | <u>\$ 13,127,314</u> | <u>\$ 1,165,940</u> | <u>\$ 34,783,437</u> |

**Conduit Debt Obligation**

Pursuant to the provisions of Ordinance No. 2010-31, the City authorized issuance of conduit debt in the total amount not to exceed \$28,300,000 for Palmer Chiropractic University Foundation, an Iowa not-for-profit corporation, doing business as Palmer College of Chiropractic Florida (the Borrower).

On December 1, 2010, the Borrower issued a \$27,750,000 Palmer Chiropractic Florida Project, Series 2010 Tax Exempt Revenue Note. The proceeds of the note were utilized for acquisition, construction and equipping of certain additional improvements to the Borrower's Florida campus and to provide for the early redemption and refunding of \$14,640,000 outstanding principal amount of the Issuer's Variable Rate Demand Revenue Bonds (Palmer College of Chiropractic Florida Project), Series 2002. The Series 2010 Note is secured with a mortgage, assignment of rents and security agreement signed by the borrower granting a first mortgage lien on the mortgaged campus property. Principal payments are due in quarterly installments including interest at the effective rate of 1.58% per annum through 2030. At September 30, 2019, the balance of this conduit debt outstanding is \$18,324,047.

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(10) **Long-Term Liabilities:** (Continued)

Under the financing agreements, the City is not obligated to pay the Series 2010 Note except from the proceeds derived from the repayment of the loan to the Palmer College Foundation, or from the other security pledged thereof by Palmer College Foundation, and neither the faith and credit nor the taxing power of the City, the State or any political subdivision thereof is pledged to the payment of the principal or, premium, if any, or the interest on the obligation.

(11) **Commitments and Contingencies:**

The City is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2019. The outcomes of established claims are included in these financial statements. In the opinion of the City's legal counsel, no legal proceedings are pending or threatened against the City which are not covered by applicable insurance which would inhibit its ability to perform its operations or materially affect its financial condition.

(12) **Risk Management:**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, all of which is satisfactorily insured by limited risk, high deductible commercial general liability insurance. Commercial insurance policies are also obtained for other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

The City's risk management program is achieved through the optimal combination of the purchase of commercial insurance, loss control and safety programs. The City transfers catastrophic risks of property and casualty losses through insurance policies with deductibles. The limits of these policies are \$100 million for property and \$2 million combined single limit for general and automobile liability. The City also established a limited risk management program for workers' compensation in 1999. Premiums are paid in the Self-Insurance Internal Service Fund by all other funds and are available to pay claims, claim reserves, and the administrative costs of the program. These interfund premiums are used to reduce the amount of claims expenditures reported in the various funds. As of September 30, 2019, such interfund premiums did not exceed reimbursable expenditures.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR) based upon a valuation performed by an independent actuary. The result of the process to estimate claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other social and economic factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries from salvage or subrogation are another component of the claims liability estimate. Excess coverage insurance policies cover individual claims in excess of \$0- for general liability, and \$25,000 for workers' compensation and property, respectively. Settlements have not exceeded coverage limits (e.g., there have been no significant insurance proceeds received) for each of the past three years.



**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(12) **Risk Management:** (Continued)

Changes in the balances of general liability and workers' compensation claims liabilities during the past two years are as follows:

|                                            | <u>Year ended<br/>9/30/2019</u> | <u>Year ended<br/>9/30/2018</u> |
|--------------------------------------------|---------------------------------|---------------------------------|
| Unpaid claims, beginning of fiscal year    | \$ 396,000                      | \$ 414,000                      |
| Incurred (closed) claims (including IBNRs) | 300,615                         | 179,987                         |
| Claim payments                             | <u>(292,615)</u>                | <u>(197,987)</u>                |
| Unpaid claims, end of fiscal year          | <u>\$ 404,000</u>               | <u>\$ 396,000</u>               |

(13) **Jointly Owned Property:**

**County of Volusia, Florida.** The City and County of Volusia, Florida, jointly purchased additional wellfield and water recharge property during 1995. This jointly owned land, which is approximately 3,709 acres, is contiguous to the City limits.

In September 2006, the City and County of Volusia, Florida, subsequently purchased additional real property, which is approximately 17 acres of environmentally sensitive, water resource protection, and outdoor recreation lands. Interest in the property has been divided on the pro-rata basis of 75% ownership to the City and 25% ownership to the County.

No joint operating expenses were incurred during fiscal year 2019 on the above properties. These type expenses, if incurred, would have been allocated pro-rata to each joint venture party based on their respective ownership percentages.

(14) **Other Postemployment Benefits (OPEB):**

**Plan Description**—City of Port Orange, Florida, Post-Retirement Benefits Plan (the Plan) is a single-employer healthcare plan administered by the City. Pursuant to Section 112.0801, Florida Statutes, the City is required to permit participation in the Plan to retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Eligible individuals include all regular employees of the City who retire from active service under one of the pension plans sponsored by the City. Under certain conditions, eligible individuals also include spouses and dependent children. The Plan does not issue a publicly available financial report.

**Funding Policy**—The contribution requirements of plan members and the City are established by state statutes and may be amended by the state legislature. The required contribution is based on projected pay-as-you-go financing requirements and is subject to constant revision. The City has opted to not fund the total OPEB obligation or the resulting unfunded actuarial accrued liability on an annual basis. The City utilizes the General Fund to liquidate the liability for the OPEB obligation from previous years

**Benefits Provided**—The Other Post Employment Benefit Plan is a single-employer benefit plan administered by the City. Retirees are charged whatever the insurance company charges for the type of coverage elected, however, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. The older retirees actually have a higher cost which means the City is actually subsidizing the cost of the retiree coverage because it pays all or a significant portion of the premium on behalf of the active employee, known as the "implicit rate subsidy."

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(14) Other Postemployment Benefits (OPEB):** (Continued)

**Plan Membership**—At October 1, 2017, the date of the latest actuarial valuation, plan participation consisted of the following:

|                    |            |
|--------------------|------------|
| Active Employees   | 393        |
| Inactive Employees | 43         |
|                    | <u>436</u> |

**Total OPEB Liability**—The City's total OPEB liability of \$7,551,871 was measured as of September 30, 2018, one year prior to the current reporting period, and was determined by an actuarial valuation as of the date noted in the above Plan Membership section.

**Actuarial Assumptions and Other Inputs**—The total OPEB liability recorded at September 30, 2019, was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

|                                          |                                     |
|------------------------------------------|-------------------------------------|
| Inflation                                | 2.60%                               |
| Salary increases                         | 4.00%-7.50%                         |
| Discount rate                            | 3.83%                               |
| Healthcare cost trend rate               | Gretzen Model 6.00%                 |
|                                          | Ultimate rate reached in 2040 4.40% |
| Retirees' share of benefit-related costs | 100.00%                             |

The City does not have a dedicated Trust to pay retiree healthcare benefits. The discount rate was based on the Fidelity 20-Year Municipal GO AA Index.

Mortality rates were based on the RP-2000 Combined Mortality Table for males and females with mortality improvement projected to 2021 using Scale AA.

For the fiscal year ended September 30, 2019, changes in the total OPEB liability were as follows:

|                                                    |                     |
|----------------------------------------------------|---------------------|
| Balance at September 30, 2018                      | \$ 7,383,287        |
| Changes for a year:                                |                     |
| Service cost                                       | 447,656             |
| Interest                                           | 269,510             |
| Changes of assumptions                             | (284,994)           |
| Differences between expected and actual experience | -                   |
| Benefit payments – implicit rate subsidy           | (263,588)           |
| Net changes                                        | <u>168,584</u>      |
| Balance at September 30, 2019                      | <u>\$ 7,551,871</u> |

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(14) Other Postemployment Benefits (OPEB):** (Continued)

*Sensitivity of the total OPEB liability to changes in the discount rate:*

The following presents the total OPEB liability of the City calculated using the discount rate of 3.83%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

|                      | <u>1% Decrease</u> | <u>Current<br/>Discount Rate</u> | <u>1% Increase</u> |
|----------------------|--------------------|----------------------------------|--------------------|
| Total OPEB Liability | \$ 8,446,276       | \$ 7,551,871                     | \$ 6,776,234       |

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate:*

The following presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.00%-3.40%) or 1% higher (7.00%-5.40%) than the current healthcare cost trend rates (6.00%-4.40%):

|                      | <u>1% Decrease</u> | <u>Current<br/>Trend Rates</u> | <u>1% Increase</u> |
|----------------------|--------------------|--------------------------------|--------------------|
| Total OPEB Liability | \$ 6,609,222       | \$ 7,551,871                   | \$ 8,700,211       |

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

For the year ended September 30, 2019; the City recognized OPEB expense of \$653,322. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                    | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows of<br/>Resources</u> |
|----------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experience | \$ -                                      | \$ 335,357                               |
| Changes of assumptions                             | 166,961                                   | 244,281                                  |
| Contributions subsequent to the measurement date   | 336,651                                   | -                                        |
| Total                                              | <u>\$ 503,612</u>                         | <u>\$ 579,638</u>                        |

With the exception of deferred outflows for contributions subsequent to the measurement date, which will be entirely recognized in fiscal year 2020, amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Year ended September<br/>30:</u> |            |
|-------------------------------------|------------|
| 2020                                | \$(72,486) |
| 2021                                | (72,486)   |
| 2022                                | (72,486)   |
| 2023                                | (72,486)   |
| 2024                                | (72,486)   |
| Thereafter                          | (50,247)   |

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(15) Employee Retirement Systems and Pension Funds:**

**A. Defined Contribution Plans**

1. The City Council has adopted the International City Management Association Retirement Corporation Deferred Compensation (ICMA-RC457) Plan. This plan is available to the Mayor, City Council members, City Manager, Assistant City Manager, City Attorney, Assistant City Attorney, department heads, assistant department heads, division heads, and supervisors designated by the City Manager and approved by the City Council, who waive participation in the City of Port Orange General Employees Defined Benefit Retirement Plan as amended and restated effective October 1, 2003, hereinafter the "Plan" and other existing city or state retirement plans to which the city makes contributions, and who enroll in the ICMA-RC457 Plan. The ICMA-RC457 Plan shall also be available to general employees who on or before September 30, 2003, waive participation in the City of Port Orange General Employees Defined Benefit Plan as amended and restated effective October 1, 2003, and other existing city or state retirement plans to which the city makes contributions, and who enroll in the ICMA-RC457 Plan. If the city is not making a contribution to another retirement plan on behalf of an individual, then contributions by the city to the ICMA-RC457 plan shall be the same percentage or amount as established for the City of Port Orange General Employees Defined Benefit Retirement Plan as amended and restated effective October 1, 2003, or such higher percentage or amount as authorized by the City Council, which is half of employee contribution up to a maximum of 3%. Contributions by the city shall commence immediately upon the person waiving participation in the plan or other existing retirement plan, if any, and enrolling in the ICMA-RC457 Plan. All city employees shall be eligible to enroll in the ICMA-RC457 Plan for the purpose of making voluntary employee contributions to such plan. For the year ended September 30, 2019, actual employer and employee contributions to this plan totaled \$113,532 and \$506,621, respectively.
2. The City Council has adopted the International City Management Association Retirement Corporation (ICMA-RC) Money Purchase Plan and Trust for management employees. The plan is available to the management employees as follows: City Manager, Assistant City Manager, City Attorney, Assistant City Attorney, and department heads, who waive participation in the City of Port Orange General Employees Defined Benefit Retirement Plan as amended and restated effective October 1, 2003 and other existing city or state retirement plans to which the city makes contributions, and who enroll in the ICMA-RC Money Purchase Plan and Trust. Contributions by the city to the ICMA-RC Money Purchase Plan and Trust for management employees shall be the same percentage or amount as established for the City of Port Orange General Employees Defined Benefit Retirement Plan as amended and restated effective October 1, 2003 or such higher percentage or amount as authorized by the City Council which currently ranges from 10% to 12.5%. Contributions by the city shall commence immediately upon the person waiving participation in the plan or other existing retirement plan and enroll in the ICMA-RC Money Purchase Plan and Trust for management employees. For the year ended September 30, 2019, actual employer and employee contributions to this plan totaled \$92,483 and \$134,440, respectively.
3. The City Council has adopted the International City Management Association Retirement Corporation (ICMA-RC) Money Purchase Plan and Trust effective October 1, 2003, for contract employees. The plan is available to contract employees of the city, including the assistant department heads, division heads, and supervisors designated by the city manager and approved by the City Council, who waive participation in the City of Port Orange General Employees' Defined Benefit Retirement Plan as amended and restated effective October 1, 2003, and other city or state retirement plans to which the city makes contributions, and who enroll in the ICMA-RC Money Purchase Plan and Trust for contract employees. For purposes of this paragraph contract employees shall exclude the mayor, City Council members, city manager, assistant city manager, city attorney, assistant city attorney, and department heads.

**CITY OF PORT ORANGE, FLORIDA  
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**(15) Employee Retirement Systems and Pension Funds:** (Continued)

City contributions to the ICMARC Money Purchase Plan and Trust for contract employees shall be in such percentages or amounts as are specified in the adoption agreement for such plan, or as otherwise authorized by the City Council which is currently 10%. For the year ended September 30, 2019, actual employer contributions to this plan totaled \$63,599.

4. The City Council has adopted the International City Management Association Retirement Corporation (ICMA-RC) Money Purchase Plan and Trust effective October 1, 2003, for general employees as defined in this article. The plan is available to the general employees of the city who on or before September 30, 2003, waive participation in the City of Port Orange General Employees' Defined Benefit Retirement Plan as amended and restated effective October 1, 2003, and other city or state retirement plans to which the city makes contributions, and who enroll in the ICMA-RC Money Purchase Plan and Trust for general employees. The ICMA-RC Money Purchase Plan for general employees shall also be available to general employees who are not eligible to participate in the City of Port Orange General Employees' Defined Benefit Retirement Plan (effective October 1, 2010) as amended and restated effective October 1, 2003, or any other city or state retirement plans to which the city makes contributions. City contributions to the ICMARC Money Purchase Plan and Trust for general employees shall be in such percentages or amounts as are specified in the adoption agreement for such plan, or as otherwise authorized by the City Council (currently 10%). General employees who are eligible to participate in the City of Port Orange General Employees' Defined Benefit Retirement Plan as amended and restated effective October 1, 2003, and do not waive participation in such plan on or before September 30, 2003, shall not be entitled to waive participation at any time in the future. For the year ended September 30, 2019, actual employer contributions to this plan totaled \$584,067.

Members of the pension plan who have achieved ten years of service with the city shall have the option to continue city contributions on their behalf contributed to the General Employee Retirement System, or waive participation in the General Employee Retirement System and enroll in the ICMA-RC Deferred Compensation Plan and have city contributions made on their behalf contributed to the ICMA-RC Deferred Compensation Plan. Such decisions are irrevocable and employees may not switch back to the General Employee Retirement System if the employee elects to waive participation.

These defined contribution plans were established and authorized by the City however they are monitored and maintained by employees. Benefits are paid directly to employees from ICMA-RC with no contingent liability belonging to the City. As such these assets are not presented in these financial statements.

**B. Defined Benefit Plans**

**Plan Description and Administration**

The City maintains three separate single-employer, defined benefit pension plans: The City of Port Orange Fire and Rescue Pension Fund (the Fire Plan) covers all of the City's fire and rescue personnel; the City of Port Orange Police Pension Fund (the Police Plan) covers all of the City's police officers; the City of Port Orange General Employees' Defined Benefit Pension Fund (the General Employees Plan) covers other general employees of the City. These plans contain the assets, liabilities and net position of each respective plan. Each plan is administered by an independent administrator as hired by each of the respective Pension Plan boards.

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(15) Employee Retirement Systems and Pension Funds:** (Continued)

Stand-alone financial reports exist for the General Employees and Police Officers pension plans. All financial activity is reported within the accompanying financial statements. Investments are reported at fair value and are managed by third party money managers. The City's independent custodian and the individual money managers price each instrument (using various third party pricing sources) and reconcile material differences. Investments that do not have an established market are reported at estimated fair value. Performance reporting, manager fees, and the City's asset valuation are based on the custodian's determination of value.

The City also has a Deferred Retirement Option Program for eligible Police and Fire Plan participants. The DROP Plan allows members who have met the eligibility requirement for normal retirement to have their retirement benefits deposited monthly into a DROP account, earning interest, while simultaneously continuing to work (but not earning additional credit for retirement) for up to sixty months (5 years). Employees who enter the DROP Program have an option of either receiving their earned compensated absences when they enter the program in one lump sum, or to receive the lump sum at the end of their employment with the City. The purpose of this program is to provide a way for retirees to accumulate additional savings while continuing employment.

Costs incurred by each of the plans for administration of the plans, which includes legal and actuarial fees, trustee fees and investment advisory fees, are borne by the respective retirement plans and are included in the actuarial analysis of the required funding amounts.

**Benefits Provided and Employees Covered**

Each Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. Cost of living adjustments are provided to retirees and beneficiaries in accordance with the respective plan provisions. Each of the Plans has contracted with an actuary to provide an actuarial valuation of each plan as of October 1 of each year. Current membership in the employee retirement plans was composed of the following at October 1, 2019:

|                                                                                      | <b>General<br/>Employees<br/>Plan</b> | <b>Police Plan</b> | <b>Fire Plan</b> |
|--------------------------------------------------------------------------------------|---------------------------------------|--------------------|------------------|
| Retirees and beneficiaries currently receiving benefits, including DROP participants | 103                                   | 61                 | 54               |
| Vested terminated employees                                                          | 19                                    | 4                  | 4                |
| Active participants                                                                  | 88                                    | 83                 | 56               |
| Total current membership                                                             | <u>210</u>                            | <u>148</u>         | <u>114</u>       |

*General Employees Plan*

The General Employees Plan originated as a defined contribution plan on April 1, 1979. However, on October 1, 2003, pursuant to Ordinance No. 2003-27, the defined contribution plan was terminated and converted into a defined benefit plan. On September 28, 2010, continued access to this plan by new employees was limited. Under the provisions of Ordinance No. 2010-29, the General Employee Plan was closed to new members effective September 30, 2010. General employees hired on or after October 1, 2010, may participate in the ICMA-RC Money Purchase Plan and Trust for general employees (401A Defined Contribution Plan). Members participating in a bargaining unit will continue to have access to the General Employee Plan unless this option is removed through future collective bargaining processes.

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(15) Employee Retirement Systems and Pension Funds:** (Continued)

All general employees of the City hired prior to October 1, 2010 must participate in the General Employee Plan unless they are included in the following group of exceptions; 1) general employees that previously opted out of the plan prior to October 1, 2003; 2) police officers in the Police Plan; 3) fire and rescue personnel in the Fire Plan; 4) members of City Council; 5) temporary employees; or 6) contract employees who have opted for the defined contribution plans mentioned later in this note. New non-union (civil service) employees hired on or after October 1, 2010, are not eligible for participation in the plan.

Employees have a stepped vesting program that requires a minimum of 5 years of service to earn a 25% vested benefit. Vesting percentages are increased at a rate of 15% per year for each successive year and are not achieved in full (100%) until after ten years of credited service. Upon retirement, participants are entitled to a Normal Retirement Benefit equal to 2.00% (2.12% for years up to 9/30/09) of their average monthly compensation for each year of credited service at their normal retirement date. The normal form of benefit is Life Only. Upon retirement at Normal Retirement date or later, or Early Retirement with 25 years of service, participants will be eligible for a supplemental benefit equal to \$16 per year of service completed prior to September 30, 2009. Early Retirement benefits are available, but are reduced 0.25 of 1% for each month by which their commencement of benefits precedes the normal retirement date. However, participants with 25 or 30 years of service at their early retirement are guaranteed a monthly benefit equal to at least 50% or 60%, respectively, of their final average compensation. The General Employees Plan has no provision for cost-of-living (COLA) adjustments.

Pursuant to Section 54-148, the General Employees Plan also contains a voluntary defined contribution component. Under this plan, employees may contribute up to 10% of their base salary. Accumulated contributions plus related earnings under this plan may be accessed by employees one time per fiscal year, or as needed under certain emergency situations. At September 30, 2019, the total voluntary account balance is \$1,445,670 and is contained in the assets as presented in the General Employees Plan.

*Police Plan*

For the Police Plan, all sworn full-time law enforcement officers are eligible to participate. Credited Service is computed in completed months from date of employment to actual retirement or termination date. Upon retirement, Police Plan participants are entitled to an annual pension benefit equal to 3.0% of their average final compensation (equivalent to the average of the three highest years of service for participants hired prior to January 31, 2011, and average of the five highest years of service for participants hired after January 31, 2011) for each year of credited service at their Normal Retirement Date. For members hired on or before January 31, 2011, the Normal Retirement Date is the first day of the month coincident with or next following the earlier of (i) age 48 and ten years of Credited Service, or (ii) age 45 and 25 years of Credited Service. For members hired after January 31, 2011, the Normal Retirement Date is the first day of the month coincident with or next following the date the member attains age 48 and ten years of Credited Service. Certain eligible participants are also eligible for supplemental benefits of up to \$600 per month based on years of service and age at retirement. Additional benefit election options are available for early retirement, and disability and death benefits are also provided.

Members hired on or before January 31, 2011, are eligible to enter the deferred retirement option program (DROP) upon earning 25 years of Credited Service. The accrued benefit is frozen and no further Employee Contributions are payable at DROP entry. The accrued benefit accumulates with interest at the fund's assumed rate of investment return in the DROP account (credited quarterly) and is payable as a single-lump sum within 60 days following DROP exit. The maximum DROP participation duration is 60 months. DROP participants are not eligible for pre-retirement death or disability benefits. No DROP is available to members hired after January 31, 2011.



**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(15) Employee Retirement Systems and Pension Funds:** (Continued)

Effective October 1, 2001, Members who retired prior to October 1, 2002 (including disability retirees) are granted a 1% cost-of-living adjustment annually commencing the January 1 following the first anniversary of retirement annuity commencement (1% COLA). For a DROP retiree, the 1% COLA is granted commencing on the January 1 following the first anniversary of actual annuity commencement after the end of the DROP period. The 1% COLA is not payable to any participant eligible to receive the 3% COLA, as described in the following. Effective October 1, 2002, retirees are granted a deferred annual 3% cost-of-living adjustment (3% COLA) as follows: (i) Members who are retired on October 1, 2002, and had earned at least 20 years of Credited Service, (ii) Members who are actively employed on October 1, 2002, and had attained age 50 with ten years of Credited Service at that date, (iii) Members who are actively employed on October 1, 2002, with 20 years of Credited Service at that date, (iv) Members who attain 20 years of Credited Service after October 1, 2002, and who retire or enter the DROP by January 31, 2011, and (v) Members who attain 25 years of Credited Service after January 31, 2011. The deferred 3% COLA is payable annually once eligibility criteria have been met based upon a series of age and years-of-service requirements.

*Fire Plan*

All firefighters must participate in the Fire Plan immediately upon employment by the City. Fire Plan participants hired before September 25, 2012, are entitled to an annual pension benefit equal to 3.0% of their average final compensation (equivalent to the average of the three highest years of the last ten years of credited service) for each year of credited service at their normal retirement date. Fire Plan participants hired on or after September 25, 2012, are entitled to an annual pension benefit equal to 2.5% of their average final compensation (equivalent to the average of the five highest years of the last ten years of credited service) for each year of credited service at their normal retirement date. Normal retirement date is achieved at the earlier of age 50 and 10 years of credited service or 20 years of credited service for employees hired prior to September 25, 2012. For employees hired on or after September 25, 2012, eligibility for normal retirement occurs at the earlier of age 55 and 10 years of credited services of the completion of 25 years of service (age 52 is also required for employees hired after December 4, 2012). Maximum benefits may not exceed the lesser of 80% (90% for employees hired before December 4, 2012) of average final compensation or \$95,000, unless the benefit calculated based upon 2.0% times credited years of service equates to a greater amount. Early retirement benefits are available, but are actuarially reduced to reflect early payment when the commencement of benefits precedes the normal retirement date. The plan provides supplemental health subsidy benefits that range from \$20 to \$500 per month, based on credited service.

Members hired on or before December 4, 2012, are eligible to enter the deferred retirement option program (DROP) upon meeting the eligibility requirement for normal retirement. The accrued benefit is frozen and no further Employee Contributions are payable at DROP entry. The accrued benefit accumulates with interest at the fund's actual net rate of investment return in the DROP account (credited quarterly). The maximum DROP participation duration is 60 months. DROP participants are not eligible for pre-retirement death or disability benefits. No DROP is available to members hired after December 4, 2012.

Cost-of-living adjustments (COLA's) are provided for with an annual increase of 3.0% commencing upon the 61<sup>st</sup> month following retirement for members who retired before October 1, 2003. For those who retired after October 1, 2003, with at least 20 years of credited service and who accrued benefits prior to January 1, 2013, the 3.0% annual increase will commence upon the 61<sup>st</sup> month following retirement. For all other retirees with benefits accrued prior to January 1, 2013, the annual COLA increase is 1.0% and begins on January 1 following one full year of retirement. For members with benefits accrued after January 1, 2013, and at least 25 years of credited service (or 20 years of credited services if first eligible for normal retirement at age 55 and 10 years of service), the annual COLA increase begins at the later of 8 years after retirement or age 59.5 and is equal to the lesser of 3.0% or the amount granted for Social

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(15) Employee Retirement Systems and Pension Funds:** (Continued)

Security benefits, and will only adjusted in years the Fire Plan meets or exceeds the actuarial assumptions, and only when the Fire Plan's plan fiduciary net position as a percentage of total pension liability exceeds 80.0%. No COLA is available to members hired after December 4, 2012.

**Financial Statements**

The financial statements of the plans are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value. The Police and General Employees' plans also issue stand-alone financial reports.

**Contributions**

Local Ordinance No. 1999-40, No. 2002-59 and No. 2003-27 for the Municipal Firemen's, Municipal Police Officers' and General Employees' Pension Plans, respectively provide the authority under which the City establishes or amends pension policies, procedures and/or benefits. The participant contribution rates are established by and may be amended by the City Council. Participant contribution rates for the General Employees Plan, Police Plan, and Fire Plan are 7.50%, 8.00% (7.50% for employees hired prior to January 31, 2011), and 8.00% (7.50% for employees hired prior to December 4, 2012), respectively, of covered payroll. The City's annual required contribution for the current year was determined as part of the October 1, 2017, actuarial valuations. The City is required under the Florida Protection of Public Employee Retirement Benefits Act to meet required contribution amounts. The City's contributions (and if applicable, any liquidations of a net pension obligation) to the Police and Fire Plans are funded by the General Fund, while the General Employees' Plan contributions are funded by the General Fund and various enterprise funds.

The State of Florida also makes contributions to the Firefighters' and Police Officers' Retirement Plans in accordance with Chapter 175 and Chapter 185 of the Florida Statutes as amended by the State Legislature. This contribution by the State of Florida is first recognized as revenue in the General Fund before being transferred to the Pension Fund. The City's actual annual contribution for each plan is determined by subtracting estimated employee contributions and actual State of Florida contributions from the total annual required contribution as determined by the actuary.

For the year ended September 30, 2019, contributions to the City's pension plans were as follows:

|                        | <b>General<br/>Employees<br/>Plan</b> | <b>Police Plan</b>  | <b>Fire Plan</b>    | <b>Total</b>        |
|------------------------|---------------------------------------|---------------------|---------------------|---------------------|
| Employee contributions | \$ 305,057                            | \$ 378,935          | \$ 226,090          | \$ 910,082          |
| City contributions     | 866,364                               | 3,051,552           | 2,509,962           | 6,427,878           |
| State contributions    | -                                     | 485,030             | 395,108             | 880,138             |
| Total contributions    | <u>\$ 1,171,421</u>                   | <u>\$ 3,915,517</u> | <u>\$ 3,131,160</u> | <u>\$ 8,218,098</u> |

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(15) Employee Retirement Systems and Pension Funds:** (Continued)

**Investment Policy**

See Note (4) for additional discussion of the investment policies for each of the Plans. The following was the asset allocation policy for each of the plans at September 30, 2019:

| <u>Asset Class</u>     | <u>Target Asset Allocation</u> |                    |                  |
|------------------------|--------------------------------|--------------------|------------------|
|                        | <u>General Employees Plan</u>  | <u>Police Plan</u> | <u>Fire Plan</u> |
| Domestic equity        | 45.00%                         | 50.00%             | 35.00%           |
| International equity   | 10.00%                         | 15.00%             | 15.00%           |
| Convertible securities | 0.00%                          | 0.00%              | 10.00%           |
| Domestic bonds         | 25.00%                         | 22.50%             | 30.00%           |
| International bonds    | 0.00%                          | 2.50%              | 0.00%            |
| Real estate            | 20.00%                         | 10.00%             | 5.00%            |
| Hedge funds            | 0.00%                          | 0.00%              | 5.00%            |

**Net Pension Liability**

The components of the net pension liability of the pension plans at September 30, 2019, were as follows:

|                             | <u>General Employees Plan</u> | <u>Police Plan</u>   | <u>Fire Plan</u>     | <u>Total</u>         |
|-----------------------------|-------------------------------|----------------------|----------------------|----------------------|
| Total pension liability     | \$ 38,524,193                 | \$ 54,870,495        | \$ 49,758,067        | \$143,152,755        |
| Plan fiduciary net position | (33,479,720)                  | (41,000,175)         | (32,285,024)         | (106,764,919)        |
| Net pension liability       | <u>\$ 5,044,473</u>           | <u>\$ 13,870,320</u> | <u>\$ 17,473,043</u> | <u>\$ 36,387,836</u> |

|                                                                      |        |        |        |        |
|----------------------------------------------------------------------|--------|--------|--------|--------|
| Plan fiduciary net position as percentage of total pension liability | 86.91% | 74.72% | 64.88% | 74.58% |
|----------------------------------------------------------------------|--------|--------|--------|--------|

The total pension liability was determined by an actuarial valuation as of October 1, 2019, and measurement date of September 30, 2019, using the following actuarial assumptions to all measurement periods.

|                           | <u>General Employees Plan</u> | <u>Police Plan</u> | <u>Fire Plan</u>  |
|---------------------------|-------------------------------|--------------------|-------------------|
| Inflation                 | 3.00%                         | 2.00%              | 2.70%             |
| Salary increases          | 4.00%                         | 7.25%              | 4.00-7.00%        |
| Investment rate of return | 7.00%                         | 7.25%              | 7.35%             |
| Mortality table           | RP-2000, Scale BB             | RP-2000, Scale AA  | RP-2000, Scale BB |

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates.

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(15) Employee Retirement Systems and Pension Funds:** (Continued)

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

| <u>Asset Class</u>   | <u>Long Term Expected Real Rate of Return</u> |                    |                  |
|----------------------|-----------------------------------------------|--------------------|------------------|
|                      | <u>General Employees Plan</u>                 | <u>Police Plan</u> | <u>Fire Plan</u> |
| Domestic Equity      | 4.50%                                         | 7.50%              | 7.30%            |
| International Equity | 5.20%                                         | 8.50%              | 2.70%            |
| Domestic Bonds       | 1.50%                                         | 2.50%              | 3.60%            |
| International Bonds  | n/a                                           | 3.50%              | n/a              |
| Convertibles         | n/a                                           | n/a                | 6.30%            |
| Private Real Estate  | 4.50%                                         | 4.50%              | 4.90%            |
| Hedge Funds          | n/a                                           | n/a                | 7.20%            |

Note: While the weighted composite average for the General Employee Plan return does not add up to the return used as the discount rate, recent history of the trust in exceeding the assumed rate, along with prevailing practice among similar public pension systems, has lead management to continue to assume the current rate. The long-term expected rates shown above were provided by the Plan's financial advisor using JP Morgan's 2020 capital markets assumptions. They are presented net of expected inflation.

*Discount rate:*

The discount rate used to measure the total pension liability for each pension plan varied as discussed on the following pages. The projection of cash flows used to determine the discount rate assumed the plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Changes in net pension liability:*

Changes in each plan's net pension liability were as follows:

|                                                | <u>General Employees Plan</u>      |                                        |                                      |
|------------------------------------------------|------------------------------------|----------------------------------------|--------------------------------------|
|                                                | <u>Total Pension Liability (a)</u> | <u>Plan Fiduciary Net Position (b)</u> | <u>Net Pension Liability (a - b)</u> |
| Beginning Balance                              | \$ 38,022,126                      | \$ 33,851,008                          | \$ 4,171,118                         |
| Changes for year:                              |                                    |                                        |                                      |
| Service cost                                   | 482,939                            | -                                      | 482,939                              |
| Interest                                       | 2,784,226                          | -                                      | 2,784,226                            |
| Differences between expected/actual experience | (164,290)                          | -                                      | (164,290)                            |
| Contributions – employer                       | -                                  | 866,364                                | (866,364)                            |
| Contributions – employee                       | -                                  | 305,057                                | (305,057)                            |
| Net investment income                          | -                                  | 1,138,227                              | (1,138,227)                          |
| Benefit payments, including refunds            | (2,600,808)                        | (2,600,808)                            | -                                    |
| Administrative expenses                        | -                                  | (80,128)                               | 80,128                               |
| Net changes                                    | <u>502,067</u>                     | <u>(371,288)</u>                       | <u>873,355</u>                       |
| Ending Balance                                 | <u>\$ 38,524,193</u>               | <u>\$ 33,479,720</u>                   | <u>\$ 5,044,473</u>                  |

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(15) Employee Retirement Systems and Pension Funds: (Continued)**

|                                                | <b>Police Plan</b>                 |                                        |                                      |
|------------------------------------------------|------------------------------------|----------------------------------------|--------------------------------------|
|                                                | <b>Total Pension Liability (a)</b> | <b>Plan Fiduciary Net Position (b)</b> | <b>Net Pension Liability (a - b)</b> |
| Beginning Balance                              | \$ 51,784,659                      | \$ 38,423,960                          | \$ 13,360,699                        |
| Changes for year:                              |                                    |                                        |                                      |
| Service cost                                   | 1,046,453                          | -                                      | 1,046,453                            |
| Interest                                       | 3,777,855                          | -                                      | 3,777,855                            |
| Differences between expected/actual experience | 228,731                            | -                                      | 228,731                              |
| Changes of assumptions                         | 646,883                            | -                                      | 646,883                              |
| Contributions – employer                       | -                                  | 3,051,552                              | (3,051,552)                          |
| Contributions – state                          | -                                  | 485,030                                | (485,030)                            |
| Contributions – employee                       | -                                  | 378,935                                | (378,935)                            |
| Net investment income                          | -                                  | 1,404,369                              | (1,404,369)                          |
| Benefit payments, including refunds            | (2,614,086)                        | (2,614,086)                            | -                                    |
| Administrative expenses                        | -                                  | (129,585)                              | 129,585                              |
| Net changes                                    | 3,085,836                          | 2,576,215                              | 509,621                              |
| Ending Balance                                 | \$ 54,870,495                      | \$ 41,000,175                          | \$ 13,870,320                        |

|                                                | <b>Fire Plan</b>                   |                                        |                                      |
|------------------------------------------------|------------------------------------|----------------------------------------|--------------------------------------|
|                                                | <b>Total Pension Liability (a)</b> | <b>Plan Fiduciary Net Position (b)</b> | <b>Net Pension Liability (a - b)</b> |
| Beginning Balance                              | \$ 46,695,815                      | \$ 30,236,328                          | \$ 16,459,487                        |
| Changes for year:                              |                                    |                                        |                                      |
| Service cost                                   | 511,607                            | -                                      | 511,607                              |
| Interest                                       | 3,443,468                          | -                                      | 3,443,468                            |
| Differences between expected/actual experience | 337,913                            | -                                      | 337,913                              |
| Changes of assumptions                         | 1,349,692                          | -                                      | 1,349,692                            |
| Changes of benefit terms                       | (8,591)                            | -                                      | (8,591)                              |
| Contributions – employer                       | -                                  | 2,509,962                              | (2,509,962)                          |
| Contributions – state                          | -                                  | 395,108                                | (395,108)                            |
| Contributions – employee                       | -                                  | 226,090                                | (226,090)                            |
| Net investment income                          | -                                  | 1,576,221                              | (1,576,221)                          |
| Benefit payments, including refunds            | (2,571,837)                        | (2,571,837)                            | -                                    |
| Administrative expenses                        | -                                  | (86,848)                               | 86,848                               |
| Net changes                                    | 3,062,252                          | 2,048,696                              | 1,013,556                            |
| Ending Balance                                 | \$ 49,758,067                      | \$ 32,285,024                          | \$ 17,473,043                        |

*Sensitivity of the net pension liability to changes in the discount rate:*

The following presents the net pension liability of the City calculated using the selected discount rates, as well as what the City's net pension liability (NPL) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

| <b>Plan</b>       | <b>Current Discount Rate</b> | <b>NPL with 1% Decrease</b> | <b>NPL at Current Discount Rate</b> | <b>NPL with 1% Increase</b> |
|-------------------|------------------------------|-----------------------------|-------------------------------------|-----------------------------|
| General Employees | 7.00%                        | \$ 8,049,549                | \$ 5,044,473                        | \$ 553,162                  |
| Police            | 7.25%                        | 21,034,788                  | 13,870,320                          | 7,976,264                   |
| Fire              | 7.35%                        | 23,746,486                  | 17,473,043                          | 12,309,129                  |
| Total             |                              | \$ 52,830,823               | \$ 36,387,836                       | \$ 20,838,555               |

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(15) Employee Retirement Systems and Pension Funds:** (Continued)

For the year ended September 30, 2019, the annual-money weighted rate of return on each pension plan investments, net of pension plan investment expense was as follows:

|                                      | <b>General<br/>Employees<br/>Plan</b> | <b>Police Plan</b> | <b>Fire Plan</b> |
|--------------------------------------|---------------------------------------|--------------------|------------------|
| Annual money-weighted rate of return | 3.44%                                 | 3.24%              | 5.22%            |

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions**

For the year ended September 30, 2019, the City recognized pension expense of \$645,018, \$3,052,920, and \$3,080,398 in the General Employees, Police, and Fire pension plans, respectively, for a total of \$6,778,336.

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                | <b>General Employees<br/>Plan</b>             |                                              | <b>Police Plan</b>                            |                                              | <b>Fire Plan</b>                              |                                              |
|----------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|-----------------------------------------------|----------------------------------------------|-----------------------------------------------|----------------------------------------------|
|                                                                | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
| Differences between expected and actual experience             | \$ -                                          | \$ (216,399)                                 | \$ 487,729                                    | \$ (105,632)                                 | \$ 427,806                                    | \$ (20,070)                                  |
| Changes of assumptions                                         | 1,414,479                                     | -                                            | 980,858                                       | -                                            | 2,035,775                                     | -                                            |
| Net different between projected and actual investment earnings | -                                             | (682,403)                                    | 726,650                                       | -                                            | 535,935                                       | -                                            |
|                                                                | <u>\$ 1,414,479</u>                           | <u>\$ (898,803)</u>                          | <u>\$ 2,195,237</u>                           | <u>\$ (105,632)</u>                          | <u>\$ 2,999,516</u>                           | <u>\$ (20,070)</u>                           |

Amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

|            | <b>General<br/>Employees<br/>Plan</b> | <b>Police Plan</b> | <b>Fire Plan</b> |
|------------|---------------------------------------|--------------------|------------------|
| 2020       | \$ (120,032)                          | \$ 800,908         | \$ 1,166,432     |
| 2021       | (52,037)                              | 482,744            | 769,053          |
| 2022       | 219,163                               | 437,346            | 564,596          |
| 2023       | 459,382                               | 368,607            | 479,365          |
| 2024       | 9,201                                 | -                  | -                |
| Thereafter | -                                     | -                  | -                |

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(15) **Employee Retirement Systems and Pension Funds:** (Continued)

**C. Pension Fund Financial Statements**

The City does not issue separate financial statements for the Fire Plan; separate audits and financial statements have been issued for the Police Plan and the General Employee Plan. The basic financial statements of the City include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position that presents a single column presented by fund type for all pension trust funds. Presented below are the financial statements for each pension trust fund as of and for the year ended September 30, 2019:

**COMBINING SCHEDULE OF NET POSITION – FIDUCIARY FUNDS**

|                                          | <b>Fire<br/>Plan</b> | <b>Police<br/>Plan</b> | <b>General<br/>Plan</b> | <b>Total</b>          |
|------------------------------------------|----------------------|------------------------|-------------------------|-----------------------|
| <b>ASSETS</b>                            |                      |                        |                         |                       |
| Cash and cash equivalents with trustee   | \$ 1,525,938         | \$ 162,930             | \$ 618,482              | \$ 2,307,350          |
| Prepaid benefit payments                 | -                    | 219,114                | 214,404                 | 433,518               |
| Receivables                              |                      |                        |                         |                       |
| Interest and dividends receivable        | 138,222              | 15,691                 | 55,998                  | 209,911               |
| Investments, at fair value               |                      |                        |                         |                       |
| U.S. Treasury and agency obligations     | 2,705,735            | -                      | 3,034,084               | 5,739,819             |
| Corporate and municipal debt obligations | 5,790,781            | -                      | 3,939,240               | 9,730,021             |
| Corporate equity securities              | 10,493,012           | -                      | 16,032,241              | 26,525,253            |
| Mutual funds                             | 10,215,618           | 37,001,773             | -                       | 47,217,391            |
| Real estate funds                        | 1,461,343            | 3,609,417              | 6,904,045               | 11,974,805            |
| Partnerships                             | -                    | -                      | 4,224,560               | 4,224,560             |
| Total investments                        | 30,666,489           | 40,611,190             | 34,134,170              | 105,411,849           |
| Total assets                             | <u>\$ 32,330,649</u> | <u>\$ 41,008,925</u>   | <u>\$ 35,023,054</u>    | <u>\$ 108,362,628</u> |
| <b>LIABILITIES</b>                       |                      |                        |                         |                       |
| Accounts payable                         | <u>\$ 45,626</u>     | <u>\$ 8,750</u>        | <u>\$ -</u>             | <u>\$ 54,376</u>      |
| <b>NET POSITION</b>                      |                      |                        |                         |                       |
| Restricted for pensions                  | <u>\$ 32,285,023</u> | <u>\$ 41,000,175</u>   | <u>\$ 35,023,054</u>    | <u>\$ 108,308,252</u> |



**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(15) Employee Retirement Systems and Pension Funds:** (Continued)

**COMBINING SCHEDULE OF CHANGES IN NET POSITION – FIDUCIARY FUNDS**

|                                                                | <u>Fire<br/>Plan</u> | <u>Police<br/>Plan</u> | <u>General<br/>Plan</u> | <u>Total</u>          |
|----------------------------------------------------------------|----------------------|------------------------|-------------------------|-----------------------|
| <b>Additions</b>                                               |                      |                        |                         |                       |
| Contributions:                                                 |                      |                        |                         |                       |
| Employer                                                       | \$ 2,509,962         | \$ 3,051,552           | \$ 866,364              | \$ 6,427,878          |
| Plan members                                                   | 226,090              | 378,935                | 305,057                 | 910,082               |
| State - insurance premium taxes                                | 395,108              | 485,030                | -                       | 880,138               |
| Total contributions                                            | <u>3,131,160</u>     | <u>3,915,517</u>       | <u>1,171,421</u>        | <u>8,218,098</u>      |
| Investment earnings                                            |                      |                        |                         |                       |
| Net appreciation (depreciation) in fair value of investments   | 795,001              | 422,870                | 517,733                 | 1,735,604             |
| Interest and dividends                                         | 924,404              | 1,035,416              | 738,114                 | 2,697,934             |
| Total investment earnings                                      | <u>1,719,405</u>     | <u>1,458,286</u>       | <u>1,255,847</u>        | <u>4,433,538</u>      |
| Less: investment expense                                       | <u>(143,184)</u>     | <u>(53,917)</u>        | <u>(117,620)</u>        | <u>(314,721)</u>      |
| Net investment income (loss)                                   | <u>1,576,221</u>     | <u>1,404,369</u>       | <u>1,138,227</u>        | <u>4,118,817</u>      |
| Total additions                                                | <u>4,707,381</u>     | <u>5,319,886</u>       | <u>2,309,648</u>        | <u>12,336,915</u>     |
| <b>Deductions</b>                                              |                      |                        |                         |                       |
| Benefit payments and refunds                                   | 2,571,837            | 2,614,086              | 2,571,780               | 7,757,703             |
| Administrative expenses                                        | 86,849               | 129,585                | 80,128                  | 296,562               |
| Total deductions                                               | <u>2,658,686</u>     | <u>2,743,671</u>       | <u>2,651,908</u>        | <u>8,054,265</u>      |
| <b>Change in net position</b>                                  | <u>2,048,695</u>     | <u>2,576,215</u>       | <u>(342,260)</u>        | <u>4,282,650</u>      |
| <b>Net position restricted for pensions, beginning of year</b> | 30,236,328           | 38,423,960             | 35,365,314              | 104,025,602           |
| <b>Net position restricted for pensions, end of year</b>       | <u>\$32,285,023</u>  | <u>\$41,000,175</u>    | <u>\$35,023,054</u>     | <u>\$ 108,308,252</u> |

**(16) Tax Abatements:**

The City entered into an agreement with a local corporation to abate certain ad valorem taxes in exchange for economic incentives. Article VII, Section 3 of the Florida Constitution and Section 16.1995, Florida Statutes, and the electorate of the City, have granted City Council the authority to grant property tax exemptions for new business and expansions of existing businesses. The City Council approved Resolution 17-14, granting the corporation an ad valorem tax rebate over the life of the agreement. During the year ended September 30, 2019, no taxes were abated.

**CITY OF PORT ORANGE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(17) Deficit Fund Balances:**

**Major Fund.** At September 30, 2019, the Town Center Community Redevelopment Agency Special Revenue Fund reported a fund balance deficit of \$3,824,962. This cumulative deficit was the result of making excess capital expenditures that are expected to be recovered from subsequent periods' tax increment revenues.

**Nonmajor Funds.** At September 30, 2019, the Transportation Capital Projects Fund reported a fund balance deficit of \$340,589. This continuing deficit was created through the transferring of funds to other governmental activities for projects that were expected to be financed with the proceeds of concurrency agreements with external parties.

**(18) Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for fiscal years subsequent to September 30, 2019, that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the City's financial statements:

- (a) GASB issued Statement No. 84, *Fiduciary Activities*, in January 2017. GASB 84 improves guidance regarding the identification and reporting of fiduciary activities. The provisions in GASB 84 are effective for periods beginning after December 15, 2018.
- (b) GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in GASB 87 are effective for periods beginning after December 15, 2019.
- (c) GASB issued Statement No. 90, *Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61*, in August 2018. GASB 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The provisions in GASB 90 are effective for periods beginning after December 15, 2018.
- (d) GASB issued Statement No. 91, *Conduit Debt Obligations*, in May 2019. GASB 91 provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions in GASB 91 are effective for the periods beginning after December 15, 2020.

**(19) Subsequent Events:**

Subsequent to September 30, 2019, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending and investment markets have been substantially impacted. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the Plan as of May 1, 2020, management believes that a material impact on Plan's financial position and results of future operations is reasonably possible.

**CITY OF PORT ORANGE, FLORIDA**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY**  
**AND RELATED RATIOS**  
**LAST 10 FISCAL YEARS**  
**(UNAUDITED)**

|                                                         | <u>2019</u>                | <u>2018</u>                |
|---------------------------------------------------------|----------------------------|----------------------------|
| <b>Total OPEB Liability</b>                             |                            |                            |
| Service cost                                            | \$ 447,656                 | \$ 463,725                 |
| Interest                                                | 269,510                    | 232,930                    |
| Difference between expected and actual experience       | -                          | (461,907)                  |
| Changes of assumptions                                  | (284,994)                  | 229,965                    |
| Benefit payments - implicit rate subsidy                | (263,588)                  | (261,178)                  |
| Net change in total OPEB liability                      | <u>168,584</u>             | <u>203,535</u>             |
| Total OPEB liability - beginning of year                | <u>7,383,287</u>           | <u>7,179,752</u>           |
| <b>Total OPEB liability - end of year</b>               | <u><u>\$ 7,551,871</u></u> | <u><u>\$ 7,383,287</u></u> |
| <br>Covered payroll                                     | <br>\$ 19,225,613          | <br>\$ 18,572,129          |
| Total OPEB liability as a percentage of covered payroll | 39.28%                     | 39.75%                     |

Notes to Schedule:

|                  |           |           |
|------------------|-----------|-----------|
| Measurement Date | 10/1/2018 | 10/1/2017 |
| Valuation date:  | 10/1/2017 | 10/1/2017 |

Changes of assumptions. Changes of assumptions and other changes reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

|       |       |
|-------|-------|
| 3.83% | 3.50% |
|-------|-------|

\*10 years of data will be presented as it becomes available.

**CITY OF PORT ORANGE, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**GENERAL EMPLOYEES PLAN**  
**SEPTEMBER 30, 2019**  
**(UNAUDITED)**

| <b>Fiscal Year Ending September 30,</b>                                                                                       | <b>2019</b>          | <b>2018</b>          | <b>2017</b>          | <b>2016</b>          | <b>2015</b>          | <b>2014</b>          |
|-------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Total Pension Liability</b>                                                                                                |                      |                      |                      |                      |                      |                      |
| Service cost                                                                                                                  | \$ 482,939           | \$ 495,961           | \$ 573,319           | \$ 575,977           | \$ 616,351           | \$ 632,402           |
| Interest                                                                                                                      | 2,784,226            | 2,586,918            | 2,478,603            | 2,470,374            | 2,378,040            | 2,258,110            |
| Difference between actual and expected experience                                                                             | (164,290)            | (39,970)             | 796,937              | (903,297)            | (63,305)             | (20,332)             |
| Assumption changes                                                                                                            | -                    | -                    | (69,325)             | 2,428,892            | 544,414              | 390,940              |
| Benefit payments including refunds of contributions                                                                           | (2,600,808)          | (2,558,198)          | (2,154,821)          | (2,043,177)          | (1,798,774)          | (1,662,044)          |
| Net change in total pension liability                                                                                         | 502,067              | 484,711              | 1,624,713            | 2,528,769            | 1,676,726            | 1,599,076            |
| Total pension liability - beginning                                                                                           | 38,022,126           | 37,537,415           | 35,912,702           | 33,383,933           | 31,707,207           | 30,108,131           |
| <b>Total pension liability - ending (a)</b>                                                                                   | <b>\$ 38,524,193</b> | <b>\$ 38,022,126</b> | <b>\$ 37,537,415</b> | <b>\$ 35,912,702</b> | <b>\$ 33,383,933</b> | <b>\$ 31,707,207</b> |
| <b>Total Fiduciary Net Position</b>                                                                                           |                      |                      |                      |                      |                      |                      |
| Contributions - employer                                                                                                      | \$ 866,364           | \$ 735,559           | \$ 794,333           | \$ 880,209           | \$ 673,300           | \$ 702,741           |
| Contributions - employee                                                                                                      | 305,057              | 318,883              | 360,185              | 396,597              | 397,523              | 405,427              |
| Net investment income                                                                                                         | 1,138,227            | 3,846,860            | 3,368,574            | 2,811,791            | 657,572              | 2,694,117            |
| Benefit payments, including refunds of contributions                                                                          | (2,600,808)          | (2,558,198)          | (2,154,821)          | (2,043,177)          | (1,798,774)          | (1,662,044)          |
| Administrative expense                                                                                                        | (80,128)             | (73,629)             | (75,902)             | (86,458)             | (73,962)             | (78,229)             |
| Net change in plan fiduciary net position                                                                                     | (371,288)            | 2,269,475            | 2,292,369            | 1,958,962            | (144,341)            | 2,062,012            |
| Plan fiduciary net position - beginning                                                                                       | 33,851,008           | 31,581,533           | 29,289,164           | 27,330,202           | 27,474,543           | 25,412,531           |
| <b>Plan fiduciary net position - ending (b)</b>                                                                               | <b>\$ 33,479,720</b> | <b>\$ 33,851,008</b> | <b>\$ 31,581,533</b> | <b>\$ 29,289,164</b> | <b>\$ 27,330,202</b> | <b>\$ 27,474,543</b> |
| <b>Net pension liability - ending (a) - (b)</b>                                                                               | <b>\$ 5,044,473</b>  | <b>\$ 4,171,118</b>  | <b>\$ 5,955,882</b>  | <b>\$ 6,623,538</b>  | <b>\$ 6,053,731</b>  | <b>\$ 4,232,664</b>  |
| Plan fiduciary net position as a percentage of the total pension liability                                                    | 86.91%               | 89.03%               | 84.13%               | 81.56%               | 81.87%               | 86.65%               |
| Covered payroll                                                                                                               | \$ 4,067,567         | \$ 4,251,780         | \$ 4,802,452         | \$ 5,287,951         | \$ 5,300,301         | \$ 5,170,450         |
| Net pension liability as a percentage of covered payroll                                                                      | 124.02%              | 98.10%               | 124.02%              | 125.26%              | 114.21%              | 81.86%               |
| Plan fiduciary net position for financial statement purposes also includes the following amounts for voluntary contributions: | \$ 1,543,336         | \$ 1,514,307         | \$ 1,445,671         | \$ 1,341,946         | \$ 1,475,816         | \$ 1,508,671         |

\*10 years of data will be presented as it becomes available.

**CITY OF PORT ORANGE, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**POLICE PLAN**  
**SEPTEMBER 30, 2019**  
**(UNAUDITED)**

| <b>Fiscal Year Ending September 30,</b>                                    | <b>2019</b>          | <b>2018</b>          | <b>2017</b>          | <b>2016</b>          | <b>2015</b>          | <b>2014</b>          |
|----------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Total Pension Liability</b>                                             |                      |                      |                      |                      |                      |                      |
| Service cost                                                               | \$ 1,046,453         | \$ 933,544           | \$ 820,072           | \$ 885,450           | \$ 801,785           | \$ 753,000           |
| Interest                                                                   | 3,777,855            | 3,603,240            | 3,425,372            | 3,371,771            | 3,257,812            | 3,123,215            |
| Changes in benefit terms                                                   | -                    | -                    | (7,192)              | -                    | -                    | -                    |
| Difference between actual and expected experience                          | 228,731              | 413,041              | 397,703              | (950,704)            | 609,774              | 557,616              |
| Assumption changes                                                         | 646,883              | 485,735              | 585,900              | 771,544              | 568,624              | 56,887               |
| Benefit payments including refunds of contributions                        | (2,614,086)          | (2,425,157)          | (2,256,996)          | (3,144,461)          | (3,415,712)          | (2,165,565)          |
| Net change in total pension liability                                      | 3,085,836            | 3,010,403            | 2,964,859            | 933,600              | 1,822,283            | 2,325,153            |
| Total pension liability - beginning                                        | 51,784,659           | 48,774,256           | 45,809,397           | 44,875,797           | 43,053,514           | 40,728,361           |
| <b>Total pension liability - ending (a)</b>                                | <b>\$ 54,870,495</b> | <b>\$ 51,784,659</b> | <b>\$ 48,774,256</b> | <b>\$ 45,809,397</b> | <b>\$ 44,875,797</b> | <b>\$ 43,053,514</b> |
| <b>Total Fiduciary Net Position</b>                                        |                      |                      |                      |                      |                      |                      |
| Contributions - employer                                                   | \$ 3,051,552         | \$ 2,813,517         | \$ 2,824,801         | \$ 2,817,806         | \$ 2,731,326         | \$ 2,670,260         |
| Contributions - state                                                      | 485,030              | 444,090              | 397,680              | 373,343              | 345,822              | 331,402              |
| Contributions - employee                                                   | 378,935              | 375,306              | 355,777              | 336,731              | 326,566              | 301,375              |
| Net investment income                                                      | 1,404,369            | 2,948,620            | 3,063,317            | 1,688,832            | (21,228)             | 1,812,759            |
| Benefit payments, including refunds of contributions                       | (2,614,086)          | (2,425,157)          | (2,256,996)          | (3,151,653)          | (3,415,712)          | (2,165,565)          |
| Administrative expense                                                     | (129,585)            | (116,145)            | (106,538)            | (116,769)            | (104,276)            | (103,311)            |
| Net change in plan fiduciary net position                                  | 2,576,215            | 4,040,231            | 4,278,041            | 1,948,290            | (137,502)            | 2,846,920            |
| Plan fiduciary net position - beginning                                    | 38,423,960           | 34,383,729           | 30,105,688           | 28,157,398           | 28,294,900           | 25,447,980           |
| <b>Plan fiduciary net position - ending (b)</b>                            | <b>\$ 41,000,175</b> | <b>\$ 38,423,960</b> | <b>\$ 34,383,729</b> | <b>\$ 30,105,688</b> | <b>\$ 28,157,398</b> | <b>\$ 28,294,900</b> |
| <b>Net pension liability - ending (a) - (b)</b>                            | <b>\$ 13,870,320</b> | <b>\$ 13,360,699</b> | <b>\$ 14,390,527</b> | <b>\$ 15,703,709</b> | <b>\$ 16,718,399</b> | <b>\$ 14,758,614</b> |
| Plan fiduciary net position as a percentage of the total pension liability | 74.72%               | 74.20%               | 70.50%               | 65.72%               | 62.75%               | 65.72%               |
| Covered payroll                                                            | \$ 4,893,948         | \$ 4,855,965         | \$ 4,622,671         | \$ 4,275,349         | \$ 4,293,316         | \$ 3,944,464         |
| Net pension liability as a percentage of covered payroll                   | 283.42%              | 275.14%              | 311.30%              | 367.31%              | 389.41%              | 374.16%              |

\*10 years of data will be presented as it becomes available.

**CITY OF PORT ORANGE, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**FIRE PLAN**  
**SEPTEMBER 30, 2019**  
**(UNAUDITED)**

| <b>Fiscal Year Ending September 30,</b>                                    | <b>2019</b>          | <b>2018</b>          | <b>2017</b>          | <b>2016</b>          | <b>2015</b>          | <b>2014</b>          |
|----------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Total Pension Liability</b>                                             |                      |                      |                      |                      |                      |                      |
| Service cost                                                               | \$ 511,607           | \$ 506,131           | \$ 468,739           | \$ 424,216           | \$ 411,997           | \$ 379,866           |
| Interest                                                                   | 3,443,468            | 3,348,084            | 3,225,607            | 3,037,757            | 2,987,593            | 2,934,569            |
| Changes in benefit terms                                                   | (8,591)              | -                    | -                    | (1,577)              | -                    | -                    |
| Difference between actual and expected experience                          | 337,913              | 21,178               | 367,210              | (100,351)            | (20,660)             | -                    |
| Contributions - buy back                                                   | -                    | 12,086               | -                    | -                    | -                    | -                    |
| Assumption changes                                                         | 1,349,692            | 528,047              | 549,204              | 2,361,584            | 420,007              | -                    |
| Benefit payments including refunds of contributions                        | (2,571,837)          | (2,534,625)          | (2,436,218)          | (3,208,450)          | (2,154,771)          | (3,195,972)          |
| Net change in total pension liability                                      | 3,062,252            | 1,880,901            | 2,174,542            | 2,513,179            | 1,644,166            | 118,463              |
| Total pension liability - beginning                                        | 46,695,815           | 44,814,914           | 42,640,372           | 40,127,193           | 38,483,027           | 38,364,564           |
| <b>Total pension liability - ending (a)</b>                                | <b>\$ 49,758,067</b> | <b>\$ 46,695,815</b> | <b>\$ 44,814,914</b> | <b>\$ 42,640,372</b> | <b>\$ 40,127,193</b> | <b>\$ 38,483,027</b> |
| <b>Total Fiduciary Net Position</b>                                        |                      |                      |                      |                      |                      |                      |
| Contributions - employer                                                   | \$ 2,509,962         | \$ 2,582,544         | \$ 2,449,781         | \$ 2,459,983         | \$ 2,321,223         | \$ 2,911,058         |
| Contributions - state                                                      | 395,108              | 388,246              | 351,038              | 367,918              | 391,117              | 386,195              |
| Contributions - employee                                                   | 226,090              | 217,736              | 209,651              | 200,780              | 182,394              | 176,907              |
| Contributions - buy back                                                   | -                    | 12,086               | -                    | -                    | -                    | -                    |
| Net investment income                                                      | 1,576,221            | 1,718,519            | 2,516,903            | 2,064,410            | 218,115              | 1,715,914            |
| Benefit payments, including refunds of contributions                       | (2,571,837)          | (2,534,625)          | (2,436,218)          | (3,208,450)          | (2,154,771)          | (3,195,972)          |
| Administrative expense                                                     | (86,848)             | (69,199)             | (57,973)             | (72,625)             | (77,530)             | (53,503)             |
| Net change in plan fiduciary net position                                  | 2,048,696            | 2,315,307            | 3,033,182            | 1,812,016            | 880,548              | 1,940,599            |
| Plan fiduciary net position - beginning                                    | 30,236,328           | 27,921,021           | 24,887,839           | 23,075,823           | 22,195,275           | 20,254,676           |
| <b>Plan fiduciary net position - ending (b)</b>                            | <b>\$ 32,285,024</b> | <b>\$ 30,236,328</b> | <b>\$ 27,921,021</b> | <b>\$ 24,887,839</b> | <b>\$ 23,075,823</b> | <b>\$ 22,195,275</b> |
| <b>Net pension liability - ending (a) - (b)</b>                            | <b>\$ 17,473,043</b> | <b>\$ 16,459,487</b> | <b>\$ 16,893,893</b> | <b>\$ 17,752,533</b> | <b>\$ 17,051,370</b> | <b>\$ 16,287,752</b> |
| Plan fiduciary net position as a percentage of the total pension liability | 64.88%               | 64.75%               | 62.30%               | 58.37%               | 57.51%               | 57.68%               |
| Covered payroll                                                            | \$ 2,936,534         | \$ 2,837,507         | \$ 2,735,484         | \$ 2,629,023         | \$ 2,571,913         | \$ 2,247,991         |
| Net pension liability as a percentage of covered payroll                   | 595.02%              | 580.07%              | 617.58%              | 675.25%              | 662.98%              | 724.55%              |

\*10 years of data will be presented as it becomes available.

**CITY OF PORT ORANGE, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CONTRIBUTIONS**  
**GENERAL EMPLOYEES PLAN**  
**SEPTEMBER 30, 2019**  
**(UNAUDITED)**

| <b>Fiscal Year</b> | <b>Actuarially<br/>Determined<br/>Contribution<br/>(ADC)</b> | <b>Contributions<br/>in Relation to<br/>ADC</b> | <b>Contribution<br/>Deficiency<br/>(Excess)</b> | <b>Covered<br/>Payroll</b> | <b>Contributions<br/>as Percentage<br/>of Employee<br/>Payroll</b> |
|--------------------|--------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|----------------------------|--------------------------------------------------------------------|
| 2019               | \$ 866,392                                                   | \$ 866,364                                      | \$ 28                                           | \$ 4,067,567               | 21.30%                                                             |
| 2018               | 735,558                                                      | 735,559                                         | (1)                                             | 4,251,780                  | 17.30%                                                             |
| 2017               | 744,380                                                      | 794,333                                         | (49,953)                                        | 4,622,671                  | 17.18%                                                             |
| 2016               | 739,845                                                      | 880,209                                         | (140,364)                                       | 4,275,349                  | 20.59%                                                             |
| 2015               | 673,138                                                      | 673,300                                         | (162)                                           | 4,293,316                  | 15.68%                                                             |
| 2014               | 702,741                                                      | 702,741                                         | -                                               | 3,944,464                  | 17.82%                                                             |

Notes to Schedule:

Valuation Date: 10/1/2019

Methods and assumptions used to determine contribution rates:

|                            |                                                                                                                                                                   |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial Cost Method:     | Aggregate                                                                                                                                                         |
| Amortization Method:       | N/A based on funding method. Gains and losses are included in the Normal Cost and amortized over the weighted expected future working lifetime of active members. |
| Asset Valuation Method:    | 5-year smoothed market                                                                                                                                            |
| Inflation:                 | 3.00%                                                                                                                                                             |
| Salary Increases:          | 4.00%, including inflation                                                                                                                                        |
| Investment Rate of Return: | 7.50%, net of pension plan investment expense including inflation                                                                                                 |
|                            | Contributions beginning 2018 based on 7.0% rate phased in over 3 years                                                                                            |
| Mortality:                 | RP-2000 Combined Mortality Table using Scale BB projected generationally                                                                                          |
| Retirement Age:            | Normal retirement date (NRD) or on valuation date if past NRD                                                                                                     |

\*10 years of data will be presented as it becomes available



**CITY OF PORT ORANGE, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CONTRIBUTIONS**  
**POLICE PLAN**  
**SEPTEMBER 30, 2019**  
**(UNAUDITED)**

| <b>Fiscal Year</b> | <b>Actuarially<br/>Determined<br/>Contribution<br/>(ADC)</b> | <b>Contributions<br/>in Relation to<br/>ADC</b> | <b>Contribution<br/>Deficiency<br/>(Excess)</b> | <b>Covered<br/>Payroll</b> | <b>Contributions<br/>as Percentage<br/>of Employee<br/>Payroll</b> |
|--------------------|--------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|----------------------------|--------------------------------------------------------------------|
| 2019               | \$ 3,240,623                                                 | \$ 3,536,582                                    | \$ (295,959)                                    | \$ 4,893,948               | 72.26%                                                             |
| 2018               | 3,197,607                                                    | 3,257,607                                       | (60,000)                                        | 4,855,965                  | 67.08%                                                             |
| 2017               | 3,214,965                                                    | 3,222,481                                       | (7,516)                                         | 4,622,671                  | 69.71%                                                             |
| 2016               | 3,054,694                                                    | 3,191,149                                       | (136,455)                                       | 4,275,349                  | 74.64%                                                             |
| 2015               | 2,916,745                                                    | 3,077,148                                       | (160,403)                                       | 4,293,316                  | 71.67%                                                             |
| 2014               | 2,826,275                                                    | 3,001,662                                       | (175,387)                                       | 3,944,464                  | 76.10%                                                             |
| 2013               | 2,515,286                                                    | 2,814,596                                       | (299,310)                                       | 3,575,109                  | 78.73%                                                             |
| 2012               | 2,304,028                                                    | 2,393,122                                       | (89,094)                                        | 3,460,703                  | 69.15%                                                             |
| 2011               | 2,071,957                                                    | 2,841,994                                       | (770,037)                                       | 3,212,337                  | 88.47%                                                             |
| 2010               | 2,597,318                                                    | 2,601,217                                       | (3,899)                                         | 4,211,533                  | 61.76%                                                             |

Notes to Schedule:

Valuation Date: 10/1/2019

Methods and assumptions used to determine contribution rates:

|                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial Cost Method:         | Entry Age                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Amortization Method:           | Level percent of pay, closed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Remaining Amortization Period: | 25 years for change in Plan provisions, assumptions, and methods. (2015 and later)<br>30 years for plan provisions; 15 years for actuarial gains and losses (prior to 2015)                                                                                                                                                                                                                                                                                                                                                                 |
| Asset Valuation Method:        | 5-year smoothed market                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Inflation:                     | 2.00%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Salary Increases:              | 7.5% (7.25% beginning October 1, 2018)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Investment Rate of Return:     | 7.75%, net of pension plan investment expense including inflation, as of 10/1/14<br>(7.65% beginning with 2016 contributions; 7.55% with 2017 contributions)<br>(7.45% beginning with 2018 contributions, 7.35% with 2019 contributions)                                                                                                                                                                                                                                                                                                    |
| Mortality:                     | The mortality table was revised with the October 1, 2017 actuarial valuation to be that used for special risk employees in the valuation of the Florida Retirement System (FRS) as of July 1, 2016 and 2017, as required by state statute. The mortality table was revised with the October 1, 2016 to be that used for special risk employees in the valuation of FRS as of July 1, 2015, as required by state statute. Prior to this change the RP-2000 Combined Mortality Table using Scale AA projected to the valuation year was used. |
| Retirement Age:                | Members hired after January 31, 2011 – 100% at age 48 and 10 years of service<br>Members hired before January 31, 2011 – 100% at age 45 with 25 years of service or at age 48 with 10 years of service                                                                                                                                                                                                                                                                                                                                      |

**CITY OF PORT ORANGE, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CONTRIBUTIONS**  
**FIRE PLAN**  
**SEPTEMBER 30, 2019**  
**(UNAUDITED)**

| <b>Fiscal Year</b> | <b>Actuarially<br/>Determined<br/>Contribution<br/>(ADC)</b> | <b>Contributions<br/>in Relation to<br/>ADC</b> | <b>Contribution<br/>Deficiency<br/>(Excess)</b> | <b>Covered<br/>Payroll</b> | <b>Contributions<br/>as Percentage<br/>of Employee<br/>Payroll</b> |
|--------------------|--------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|----------------------------|--------------------------------------------------------------------|
| 2019               | \$ 2,739,786                                                 | \$ 2,905,070                                    | \$ (165,284)                                    | \$ 2,936,534               | 98.93%                                                             |
| 2018               | 2,897,095                                                    | 2,970,790                                       | (73,695)                                        | 2,837,507                  | 104.70%                                                            |
| 2017               | 2,776,516                                                    | 2,800,819                                       | (24,303)                                        | 2,735,484                  | 102.39%                                                            |
| 2016               | 2,689,491                                                    | 2,827,901                                       | (138,410)                                       | 2,629,023                  | 107.56%                                                            |
| 2015               | 2,691,757                                                    | 2,712,340                                       | (20,583)                                        | 2,571,913                  | 105.46%                                                            |
| 2014               | 2,888,498                                                    | 3,190,654                                       | (302,156)                                       | 2,247,991                  | 141.93%                                                            |
| 2013               | 2,303,358                                                    | 2,303,358                                       | -                                               | 2,092,775                  | 110.06%                                                            |

Notes to Schedule:

Valuation Date: 10/1/2017

Methods and assumptions used to determine contribution rates:

|                                       |                                                                                                                                                                                                                                                      |
|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial Cost Method:                | Entry Age Normal                                                                                                                                                                                                                                     |
| Amortization Method                   | Level Percentage of Pay, Closed                                                                                                                                                                                                                      |
| Remaining Amortization Period         | 28 Years (as of 10/1/2017)                                                                                                                                                                                                                           |
| Asset Valuation Method:               | Each year, the prior Actuarial Value of Assets is brought forward utilizing geometric 4-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value. |
| Salary Increases:                     | 4.00% to 7.00% based on years of service                                                                                                                                                                                                             |
| Interest Rate:                        | 7.60% per year, compounded annually, net of investment-related expenses.                                                                                                                                                                             |
| Payroll Growth:                       | None.                                                                                                                                                                                                                                                |
| Cost-of-Living Adjustment:            |                                                                                                                                                                                                                                                      |
| "Frozen Benefit"                      | At least 20 years at retirement: 3% per year beginning 5 years after retirement. Otherwise, 1% per year beginning 1 year after retirement.                                                                                                           |
| "Future Service Piece"                | At least 25 years at retirement: 2.5% per year beginning in 2026 and the later of 8 years after retirement and age 59.5                                                                                                                              |
| Retirement Rates:                     |                                                                                                                                                                                                                                                      |
| "Frozen Benefit"                      | Old Normal Retirement Date (30%); Old Normal Retirement Date + 1 (15%); Old Normal Retirement Date + 2 (15%); Old Normal Retirement Date + 3 (15%); Old Normal Retirement Date + 4 (15%); Old Normal Retirement Date + 5 (100%)                      |
| "Future Service Piece"                | New Normal Retirement Date (100%)                                                                                                                                                                                                                    |
| Termination Rates:                    | See table below.                                                                                                                                                                                                                                     |
| Disability Rates:                     | See table below. 75% of disability occurrences are assumed to be service-connected.                                                                                                                                                                  |
| Mortality:                            | RP-2000 Table with no projection – based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. Disability mortality is set                                                                 |
| Termination and Disability Rate Table |                                                                                                                                                                                                                                                      |

| <u>Age</u> | <u>% Terminating<br/>During the Year</u> | <u>% Becoming<br/>Disabled<br/>During the Year</u> |
|------------|------------------------------------------|----------------------------------------------------|
| 20         | 9.30%                                    | 0.07%                                              |
| 30         | 7.88%                                    | 0.11%                                              |
| 40         | 4.28%                                    | 0.19%                                              |
| 50         | 1.13%                                    | 0.51%                                              |

\*10 years of data will be presented as it becomes available.

**CITY OF PORT ORANGE, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF INVESTMENT RETURNS  
SEPTEMBER 30, 2019**

| <b>For the Year Ending<br/>September 30,</b> | <b>General<br/>Employees<br/>Plan</b> | <b>Police Plan</b> | <b>Fire Plan</b> |
|----------------------------------------------|---------------------------------------|--------------------|------------------|
| 2019                                         | 3.44%                                 | 3.24%              | 5.22%            |
| 2018                                         | 12.47%                                | 8.45%              | 6.13%            |
| 2017                                         | 11.72%                                | 10.34%             | 10.11%           |
| 2016                                         | 11.50%                                | 6.18%              | 9.01%            |
| 2015                                         | 2.43%                                 | -0.49%             | 0.98%            |
| 2014                                         | 10.87%                                | 7.48%              | 8.54%            |

\*10 years of data will be presented as it becomes available.

## **SUPPORTING SCHEDULES**

Financial schedules are presented to provide greater detailed information than reported in the preceding financial statements. This information, in many cases, has been spread throughout the report and is brought together here for greater clarity. Financial schedules are not necessary for fair presentation in conformity with generally accepted accounting principles.

**CITY OF PORT ORANGE, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019**

|                                                                        | <b>Special Revenue Funds</b>    |                                  |                                               |                                                  |                     |                         |
|------------------------------------------------------------------------|---------------------------------|----------------------------------|-----------------------------------------------|--------------------------------------------------|---------------------|-------------------------|
|                                                                        | <b>Business<br/>Development</b> | <b>Recreation<br/>Facilities</b> | <b>Community<br/>Development<br/>Building</b> | <b>Community<br/>Development<br/>Block Grant</b> | <b>Total</b>        | <b>Debt<br/>Service</b> |
| <b>ASSETS</b>                                                          |                                 |                                  |                                               |                                                  |                     |                         |
| Equity in pooled cash and cash equivalents                             | \$ 116,793                      | \$ 252,203                       | \$ 3,836,603                                  | \$ 17,563                                        | \$ 4,223,162        | \$ 1,967,276            |
| Investments                                                            | -                               | -                                | -                                             | -                                                | -                   | 148,937                 |
| Receivables, net                                                       | -                               | 18,363                           | -                                             | -                                                | 18,363              | 3,328                   |
| Due from other governments                                             | -                               | -                                | -                                             | -                                                | -                   | 504                     |
| Total assets                                                           | <u>\$ 116,793</u>               | <u>\$ 270,566</u>                | <u>\$ 3,836,603</u>                           | <u>\$ 17,563</u>                                 | <u>\$ 4,241,525</u> | <u>\$ 2,120,045</u>     |
| <b>LIABILITIES</b>                                                     |                                 |                                  |                                               |                                                  |                     |                         |
| Accounts payable and accrued liabilities                               | \$ -                            | \$ 26,235                        | \$ 48,096                                     | \$ 1,091                                         | \$ 75,422           | \$ -                    |
| Customer deposits                                                      | -                               | -                                | 60                                            | -                                                | 60                  | -                       |
| Total liabilities                                                      | <u>-</u>                        | <u>26,235</u>                    | <u>48,156</u>                                 | <u>1,091</u>                                     | <u>75,482</u>       | <u>-</u>                |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                   |                                 |                                  |                                               |                                                  |                     |                         |
| Unavailable revenue - property taxes                                   | -                               | -                                | -                                             | -                                                | -                   | 3,328                   |
| <b>FUND BALANCES</b>                                                   |                                 |                                  |                                               |                                                  |                     |                         |
| Restricted for:                                                        |                                 |                                  |                                               |                                                  |                     |                         |
| Public safety                                                          | -                               | -                                | -                                             | -                                                | -                   | -                       |
| Inspections                                                            | -                               | -                                | 3,788,447                                     | -                                                | 3,788,447           | -                       |
| Debt service                                                           | -                               | -                                | -                                             | -                                                | -                   | 2,116,717               |
| Capital improvements                                                   | -                               | -                                | -                                             | -                                                | -                   | -                       |
| Transportation sales tax                                               | -                               | -                                | -                                             | -                                                | -                   | -                       |
| Transportation impact                                                  | -                               | -                                | -                                             | -                                                | -                   | -                       |
| Committed to:                                                          |                                 |                                  |                                               |                                                  |                     |                         |
| Recreation facility improvements                                       | -                               | 244,331                          | -                                             | -                                                | 244,331             | -                       |
| Assigned to:                                                           |                                 |                                  |                                               |                                                  |                     |                         |
| Capital improvements                                                   | -                               | -                                | -                                             | -                                                | -                   | -                       |
| Business development                                                   | 116,793                         | -                                | -                                             | -                                                | 116,793             | -                       |
| General government                                                     | -                               | -                                | -                                             | 16,472                                           | 16,472              | -                       |
| Unassigned                                                             | -                               | -                                | -                                             | -                                                | -                   | -                       |
| Total fund balances                                                    | <u>116,793</u>                  | <u>244,331</u>                   | <u>3,788,447</u>                              | <u>16,472</u>                                    | <u>4,166,043</u>    | <u>2,116,717</u>        |
| Total liabilities, deferred inflows of<br>resources, and fund balances | <u>\$ 116,793</u>               | <u>\$ 270,566</u>                | <u>\$ 3,836,603</u>                           | <u>\$ 17,563</u>                                 | <u>\$ 4,241,525</u> | <u>\$ 2,120,045</u>     |

**CITY OF PORT ORANGE, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019**

| Capital Project Funds   |                                       |                   |                          |                                              |                        |                                    |                                             |                      |                      | Total<br>Nonmajor<br>Governmental<br>Funds |
|-------------------------|---------------------------------------|-------------------|--------------------------|----------------------------------------------|------------------------|------------------------------------|---------------------------------------------|----------------------|----------------------|--------------------------------------------|
| General<br>Construction | Transportation<br>Capital<br>Projects | Fire<br>Impact    | Transportation<br>Impact | General<br>Obligation<br>Capital<br>Projects | Capital<br>Replacement | Economic<br>Development<br>Capital | 2014 Capital<br>Improvement<br>Bond Project | Recreation<br>Impact | Total                |                                            |
| \$ 3,806,900            | \$ 174,893                            | \$ 749,568        | \$ 2,902,405             | \$ 11,808                                    | \$ 2,132,187           | \$ 14,719                          | \$ 7,414                                    | \$ 1,442,618         | \$ 11,242,512        | \$ 17,432,950                              |
| -                       | -                                     | -                 | -                        | 724,683                                      | -                      | -                                  | -                                           | -                    | 724,683              | 873,620                                    |
| -                       | -                                     | -                 | -                        | -                                            | -                      | -                                  | -                                           | -                    | -                    | 21,691                                     |
| 258,638                 | -                                     | -                 | -                        | -                                            | 133,525                | -                                  | -                                           | -                    | 392,163              | 392,667                                    |
| <u>\$ 4,065,538</u>     | <u>\$ 174,893</u>                     | <u>\$ 749,568</u> | <u>\$ 2,902,405</u>      | <u>\$ 736,491</u>                            | <u>\$ 2,265,712</u>    | <u>\$ 14,719</u>                   | <u>\$ 7,414</u>                             | <u>\$ 1,442,618</u>  | <u>\$ 12,359,358</u> | <u>\$ 18,720,928</u>                       |
| <br>                    |                                       |                   |                          |                                              |                        |                                    |                                             |                      |                      |                                            |
| \$ 380,690              | \$ 9,009                              | \$ -              | \$ 361                   | \$ 408,642                                   | \$ 179,036             | \$ -                               | \$ -                                        | \$ -                 | \$ 977,738           | \$ 1,053,160                               |
| -                       | 506,473                               | -                 | -                        | -                                            | -                      | -                                  | -                                           | -                    | 506,473              | 506,533                                    |
| <u>380,690</u>          | <u>515,482</u>                        | <u>-</u>          | <u>361</u>               | <u>408,642</u>                               | <u>179,036</u>         | <u>-</u>                           | <u>-</u>                                    | <u>-</u>             | <u>1,484,211</u>     | <u>1,559,693</u>                           |
| <br>                    |                                       |                   |                          |                                              |                        |                                    |                                             |                      |                      |                                            |
| -                       | -                                     | -                 | -                        | -                                            | -                      | -                                  | -                                           | -                    | -                    | 3,328                                      |
| <br>                    |                                       |                   |                          |                                              |                        |                                    |                                             |                      |                      |                                            |
| -                       | -                                     | 749,568           | -                        | 327,849                                      | -                      | -                                  | -                                           | -                    | 1,077,417            | 1,077,417                                  |
| -                       | -                                     | -                 | -                        | -                                            | -                      | -                                  | -                                           | -                    | -                    | 3,788,447                                  |
| -                       | -                                     | -                 | -                        | -                                            | -                      | -                                  | -                                           | -                    | -                    | 2,116,717                                  |
| -                       | -                                     | -                 | -                        | -                                            | -                      | 14,719                             | 7,414                                       | 1,442,618            | 1,464,751            | 1,464,751                                  |
| 3,684,848               | -                                     | -                 | -                        | -                                            | -                      | -                                  | -                                           | -                    | 3,684,848            | 3,684,848                                  |
| -                       | -                                     | -                 | 2,902,044                | -                                            | -                      | -                                  | -                                           | -                    | 2,902,044            | 2,902,044                                  |
| <br>                    |                                       |                   |                          |                                              |                        |                                    |                                             |                      |                      |                                            |
| -                       | -                                     | -                 | -                        | -                                            | -                      | -                                  | -                                           | -                    | -                    | 244,331                                    |
| <br>                    |                                       |                   |                          |                                              |                        |                                    |                                             |                      |                      |                                            |
| -                       | -                                     | -                 | -                        | -                                            | 2,086,676              | -                                  | -                                           | -                    | 2,086,676            | 2,086,676                                  |
| -                       | -                                     | -                 | -                        | -                                            | -                      | -                                  | -                                           | -                    | -                    | 116,793                                    |
| -                       | -                                     | -                 | -                        | -                                            | -                      | -                                  | -                                           | -                    | -                    | 16,472                                     |
| -                       | (340,589)                             | -                 | -                        | -                                            | -                      | -                                  | -                                           | -                    | (340,589)            | (340,589)                                  |
| <u>3,684,848</u>        | <u>(340,589)</u>                      | <u>749,568</u>    | <u>2,902,044</u>         | <u>327,849</u>                               | <u>2,086,676</u>       | <u>14,719</u>                      | <u>7,414</u>                                | <u>1,442,618</u>     | <u>10,875,147</u>    | <u>17,157,907</u>                          |
| <br>                    |                                       |                   |                          |                                              |                        |                                    |                                             |                      |                      |                                            |
| <u>\$ 4,065,538</u>     | <u>\$ 174,893</u>                     | <u>\$ 749,568</u> | <u>\$ 2,902,405</u>      | <u>\$ 736,491</u>                            | <u>\$ 2,265,712</u>    | <u>\$ 14,719</u>                   | <u>\$ 7,414</u>                             | <u>\$ 1,442,618</u>  | <u>\$ 12,359,358</u> | <u>\$ 18,720,928</u>                       |

**CITY OF PORT ORANGE, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

|                                                   | Special Revenue Funds   |                          |                                      |                                         |              |                 |
|---------------------------------------------------|-------------------------|--------------------------|--------------------------------------|-----------------------------------------|--------------|-----------------|
|                                                   | Business<br>Development | Recreation<br>Facilities | Community<br>Development<br>Building | Community<br>Development<br>Block Grant | Total        | Debt<br>Service |
| <b>REVENUES</b>                                   |                         |                          |                                      |                                         |              |                 |
| Taxes                                             | \$ -                    | \$ -                     | \$ -                                 | \$ -                                    | \$ -         | \$ 915,112      |
| Permits and fees                                  | -                       | -                        | 1,877,655                            | -                                       | 1,877,655    | -               |
| Intergovernmental                                 | -                       | -                        | -                                    | 53,230                                  | 53,230       | -               |
| Charges for services                              | -                       | 218,738                  | -                                    | -                                       | 218,738      | -               |
| Investment income                                 | -                       | 9,967                    | 106,769                              | 5,908                                   | 122,644      | 42,879          |
| Miscellaneous                                     | -                       | -                        | 186                                  | -                                       | 186          | -               |
| Total revenues                                    | -                       | 228,705                  | 1,984,610                            | 59,138                                  | 2,272,453    | 957,991         |
| <b>EXPENDITURES</b>                               |                         |                          |                                      |                                         |              |                 |
| Current:                                          |                         |                          |                                      |                                         |              |                 |
| General government                                | -                       | -                        | 1,579,710                            | -                                       | 1,579,710    | -               |
| Public safety                                     | -                       | -                        | -                                    | -                                       | -            | -               |
| Transportation                                    | -                       | -                        | -                                    | -                                       | -            | -               |
| Economic environment                              | -                       | -                        | -                                    | 12,001                                  | 12,001       | -               |
| Culture and recreation                            | -                       | 9,074                    | -                                    | -                                       | 9,074        | -               |
| Capital outlay                                    | -                       | 284,487                  | -                                    | 47,585                                  | 332,072      | -               |
| Debt service:                                     |                         |                          |                                      |                                         |              |                 |
| Principal retirement                              | -                       | -                        | -                                    | -                                       | -            | 1,380,000       |
| Interest and fiscal charges                       | -                       | -                        | -                                    | -                                       | -            | 1,257,870       |
| Other charges                                     | -                       | -                        | -                                    | -                                       | -            | 2,249           |
| Total expenditures                                | -                       | 293,561                  | 1,579,710                            | 59,586                                  | 1,932,857    | 2,640,119       |
| Excess (deficiency) of revenues over expenditures | -                       | (64,856)                 | 404,900                              | (448)                                   | 339,596      | (1,682,128)     |
| <b>Other financing sources (uses)</b>             |                         |                          |                                      |                                         |              |                 |
| Transfers in                                      | -                       | -                        | -                                    | -                                       | -            | 1,743,254       |
| Net change in fund balances                       | -                       | (64,856)                 | 404,900                              | (448)                                   | 339,596      | 61,126          |
| Fund balances, beginning of year                  | 116,793                 | 309,187                  | 3,383,547                            | 16,920                                  | 3,826,447    | 2,055,591       |
| Fund balances, end of year                        | \$ 116,793              | \$ 244,331               | \$ 3,788,447                         | \$ 16,472                               | \$ 4,166,043 | \$ 2,116,717    |



**CITY OF PORT ORANGE, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

| Capital Project Funds   |                                       |                |                          |                                              |                        |                                    |                                             |                      |               | Total<br>Nonmajor<br>Governmental<br>Funds |
|-------------------------|---------------------------------------|----------------|--------------------------|----------------------------------------------|------------------------|------------------------------------|---------------------------------------------|----------------------|---------------|--------------------------------------------|
| General<br>Construction | Transportation<br>Capital<br>Projects | Fire<br>Impact | Transportation<br>Impact | General<br>Obligation<br>Capital<br>Projects | Capital<br>Replacement | Economic<br>Development<br>Capital | 2014 Capital<br>Improvement<br>Bond Project | Recreation<br>Impact | Total         |                                            |
| \$ 1,332,082            | \$ -                                  | \$ -           | \$ -                     | \$ -                                         | \$ -                   | \$ -                               | \$ -                                        | \$ -                 | \$ 1,332,082  | \$ 2,247,194                               |
| -                       | 157,647                               | 141,418        | 169,179                  | -                                            | -                      | -                                  | -                                           | 664,291              | 1,132,535     | 3,010,190                                  |
| 159,513                 | -                                     | -              | 11,114                   | -                                            | 705,390                | -                                  | -                                           | -                    | 876,017       | 929,247                                    |
| -                       | -                                     | -              | -                        | -                                            | -                      | -                                  | -                                           | -                    | -             | 218,738                                    |
| 115,790                 | 47,631                                | 20,814         | 63,924                   | 22,667                                       | 49,611                 | 420                                | 211                                         | 38,784               | 359,852       | 525,375                                    |
| -                       | 99,177                                | -              | -                        | -                                            | -                      | -                                  | -                                           | -                    | 99,177        | 99,363                                     |
| 1,607,385               | 304,455                               | 162,232        | 244,217                  | 22,667                                       | 755,001                | 420                                | 211                                         | 703,075              | 3,799,663     | 7,030,107                                  |
| -                       | -                                     | -              | -                        | -                                            | 26,588                 | -                                  | -                                           | -                    | 26,588        | 1,606,298                                  |
| -                       | -                                     | 121,438        | -                        | 162,760                                      | -                      | -                                  | -                                           | -                    | 284,198       | 284,198                                    |
| 796,153                 | -                                     | -              | 5,270                    | -                                            | -                      | -                                  | -                                           | -                    | 801,423       | 801,423                                    |
| -                       | -                                     | -              | -                        | -                                            | -                      | -                                  | -                                           | -                    | -             | 12,001                                     |
| -                       | -                                     | -              | -                        | -                                            | -                      | -                                  | -                                           | 13,285               | 13,285        | 22,359                                     |
| 1,432,980               | -                                     | 1,466          | 22,748                   | 560,493                                      | 1,515,829              | -                                  | -                                           | 250                  | 3,533,766     | 3,865,838                                  |
| -                       | -                                     | -              | -                        | -                                            | -                      | -                                  | -                                           | -                    | -             | 1,380,000                                  |
| -                       | 1,020                                 | -              | -                        | -                                            | -                      | -                                  | -                                           | 10,361               | 11,381        | 1,269,251                                  |
| -                       | -                                     | -              | -                        | -                                            | -                      | -                                  | -                                           | -                    | -             | 2,249                                      |
| 2,229,133               | 1,020                                 | 122,904        | 28,018                   | 723,253                                      | 1,542,417              | -                                  | -                                           | 23,896               | 4,670,641     | 9,243,617                                  |
| (621,748)               | 303,435                               | 39,328         | 216,199                  | (700,586)                                    | (787,416)              | 420                                | 211                                         | 679,179              | (870,978)     | (2,213,510)                                |
| -                       | -                                     | -              | -                        | -                                            | 614,000                | -                                  | -                                           | -                    | 614,000       | 2,357,254                                  |
| (621,748)               | 303,435                               | 39,328         | 216,199                  | (700,586)                                    | (173,416)              | 420                                | 211                                         | 679,179              | (256,978)     | 143,744                                    |
| 4,306,596               | (644,024)                             | 710,240        | 2,685,845                | 1,028,435                                    | 2,260,092              | 14,299                             | 7,203                                       | 763,439              | 11,132,125    | 17,014,163                                 |
| \$ 3,684,848            | \$ (340,589)                          | \$ 749,568     | \$ 2,902,044             | \$ 327,849                                   | \$ 2,086,676           | \$ 14,719                          | \$ 7,414                                    | \$ 1,442,618         | \$ 10,875,147 | \$ 17,157,907                              |

**CITY OF PORT ORANGE, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - BUSINESS DEVELOPMENT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

|                                  | <u>Budgeted Amounts</u>  |                          |                          | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|----------------------------------|--------------------------|--------------------------|--------------------------|---------------------------------------------------------------------|
|                                  | <u>Original</u>          | <u>Final</u>             | <u>Actual</u>            |                                                                     |
| <b>REVENUES</b>                  |                          |                          |                          |                                                                     |
| Total revenues                   | <u>\$ -</u>              | <u>\$ -</u>              | <u>\$ -</u>              | <u>\$ -</u>                                                         |
| <b>EXPENDITURES</b>              |                          |                          |                          |                                                                     |
| Total expenditures               | <u>-</u>                 | <u>-</u>                 | <u>-</u>                 | <u>-</u>                                                            |
| Net change in fund balances      | -                        | -                        | -                        | -                                                                   |
| Fund balances, beginning of year | 116,793                  | 116,793                  | 116,793                  | -                                                                   |
| Fund balances, end of year       | <u><u>\$ 116,793</u></u> | <u><u>\$ 116,793</u></u> | <u><u>\$ 116,793</u></u> | <u><u>\$ -</u></u>                                                  |

**CITY OF PORT ORANGE, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - RECREATION FACILITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

|                                  | <u>Budgeted Amounts</u> |                   |                   | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|----------------------------------|-------------------------|-------------------|-------------------|---------------------------------------------------------------------|
|                                  | <u>Original</u>         | <u>Final</u>      | <u>Actual</u>     |                                                                     |
| <b>REVENUES</b>                  |                         |                   |                   |                                                                     |
| Charges for services             | \$ 218,738              | \$ 218,738        | \$ 218,738        | \$ -                                                                |
| Investment income                | 3,000                   | 3,000             | 9,967             | 6,967                                                               |
| Total revenues                   | <u>221,738</u>          | <u>221,738</u>    | <u>228,705</u>    | <u>6,967</u>                                                        |
| <b>EXPENDITURES</b>              |                         |                   |                   |                                                                     |
| Current:                         |                         |                   |                   |                                                                     |
| Culture and recreation           | 104,738                 | 56,665            | 9,074             | 47,591                                                              |
| Capital outlay                   | <u>117,000</u>          | <u>365,917</u>    | <u>284,487</u>    | <u>81,430</u>                                                       |
| Total expenditures               | <u>221,738</u>          | <u>422,582</u>    | <u>293,561</u>    | <u>129,021</u>                                                      |
| Net change in fund balances      | <u>-</u>                | <u>(200,844)</u>  | <u>(64,856)</u>   | <u>135,988</u>                                                      |
| Fund balances, beginning of year | 309,187                 | 309,187           | 309,187           | -                                                                   |
| Fund balances, end of year       | <u>\$ 309,187</u>       | <u>\$ 108,343</u> | <u>\$ 244,331</u> | <u>\$ 135,988</u>                                                   |

**CITY OF PORT ORANGE, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT BUILDING**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

|                                    | <u>Budgeted Amounts</u> |                     |                     | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|------------------------------------|-------------------------|---------------------|---------------------|---------------------------------------------------------------------|
|                                    | <u>Original</u>         | <u>Final</u>        | <u>Actual</u>       |                                                                     |
| <b>REVENUES</b>                    |                         |                     |                     |                                                                     |
| Permits and fees                   | \$ 1,559,500            | \$ 1,559,500        | \$ 1,877,655        | \$ 318,155                                                          |
| Investment income                  | 9,000                   | 9,000               | 106,769             | 97,769                                                              |
| Miscellaneous                      | -                       | -                   | 186                 | 186                                                                 |
| Total revenues                     | <u>1,568,500</u>        | <u>1,568,500</u>    | <u>1,984,610</u>    | <u>416,110</u>                                                      |
| <b>EXPENDITURES</b>                |                         |                     |                     |                                                                     |
| Current:                           |                         |                     |                     |                                                                     |
| General government:                |                         |                     |                     |                                                                     |
| Planning and community development | <u>1,588,613</u>        | <u>2,040,220</u>    | <u>1,579,710</u>    | <u>460,510</u>                                                      |
| Total expenditures                 | <u>1,588,613</u>        | <u>2,040,220</u>    | <u>1,579,710</u>    | <u>460,510</u>                                                      |
| Net change in fund balances        | <u>(20,113)</u>         | <u>(471,720)</u>    | <u>404,900</u>      | <u>876,620</u>                                                      |
| Fund balances, beginning of year   | 3,383,547               | 3,383,547           | 3,383,547           | -                                                                   |
| Fund balances, end of year         | <u>\$ 3,363,434</u>     | <u>\$ 2,911,827</u> | <u>\$ 3,788,447</u> | <u>\$ 876,620</u>                                                   |

**CITY OF PORT ORANGE, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT BLOCK GRANT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

|                                  | <u>Budgeted Amounts</u> |                  |                  | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|----------------------------------|-------------------------|------------------|------------------|---------------------------------------------------------------------|
|                                  | <u>Original</u>         | <u>Final</u>     | <u>Actual</u>    |                                                                     |
| <b>REVENUES</b>                  |                         |                  |                  |                                                                     |
| Intergovernmental                | \$ 327,971              | \$ 615,525       | \$ 53,230        | \$ (562,295)                                                        |
| Investment income                | -                       | -                | 5,908            | 5,908                                                               |
| Total revenues                   | <u>327,971</u>          | <u>615,525</u>   | <u>59,138</u>    | <u>(556,387)</u>                                                    |
| <b>EXPENDITURES</b>              |                         |                  |                  |                                                                     |
| Current:                         |                         |                  |                  |                                                                     |
| Economic environment             | <u>327,971</u>          | <u>615,525</u>   | <u>59,586</u>    | <u>555,939</u>                                                      |
| Total expenditures               | <u>327,971</u>          | <u>615,525</u>   | <u>59,586</u>    | <u>555,939</u>                                                      |
| Net change in fund balances      | <u>-</u>                | <u>-</u>         | <u>(448)</u>     | <u>(448)</u>                                                        |
| Fund balances, beginning of year | 16,920                  | 16,920           | 16,920           | -                                                                   |
| Fund balances, end of year       | <u>\$ 16,920</u>        | <u>\$ 16,920</u> | <u>\$ 16,472</u> | <u>\$ (448)</u>                                                     |

**CITY OF PORT ORANGE, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

|                                                      | <b>Budgeted Amounts</b> |                     |                     | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|------------------------------------------------------|-------------------------|---------------------|---------------------|---------------------------------------------------------------------|
|                                                      | <b>Original</b>         | <b>Final</b>        | <b>Actual</b>       |                                                                     |
| <b>REVENUES</b>                                      |                         |                     |                     |                                                                     |
| Taxes                                                | \$ 901,022              | \$ 901,022          | \$ 915,112          | \$ 14,090                                                           |
| Investment income                                    | 4,000                   | 4,000               | 42,879              | 38,879                                                              |
| Total revenues                                       | 905,022                 | 905,022             | 957,991             | 52,969                                                              |
| <b>EXPENDITURES</b>                                  |                         |                     |                     |                                                                     |
| Debt service:                                        |                         |                     |                     |                                                                     |
| Principal retirement                                 | 1,380,000               | 1,380,000           | 1,380,000           | -                                                                   |
| Interest and fiscal charges                          | 1,268,276               | 1,268,276           | 1,260,119           | 8,157                                                               |
| Total expenditures                                   | 2,648,276               | 2,648,276           | 2,640,119           | 8,157                                                               |
| Excess (deficiency) of revenues over<br>expenditures | (1,743,254)             | (1,743,254)         | (1,682,128)         | 61,126                                                              |
| <b>Other financing sources (uses)</b>                |                         |                     |                     |                                                                     |
| Transfers in                                         | 1,743,254               | 1,743,254           | 1,743,254           | -                                                                   |
| Net change in fund balances                          | -                       | -                   | 61,126              | 61,126                                                              |
| Fund balances, beginning of year                     | 2,055,591               | 2,055,591           | 2,055,591           | -                                                                   |
| Fund balances, end of year                           | <u>\$ 2,055,591</u>     | <u>\$ 2,055,591</u> | <u>\$ 2,116,717</u> | <u>\$ 61,126</u>                                                    |

**CITY OF PORT ORANGE, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL CONSTRUCTION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

|                                  | <u>Budgeted Amounts</u> |                     |                     | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|----------------------------------|-------------------------|---------------------|---------------------|---------------------------------------------------------------------|
|                                  | <u>Original</u>         | <u>Final</u>        | <u>Actual</u>       |                                                                     |
| <b>REVENUES</b>                  |                         |                     |                     |                                                                     |
| Taxes                            | \$ 1,303,332            | \$ 1,303,332        | \$ 1,332,082        | \$ 28,750                                                           |
| Intergovernmental                | -                       | 559,000             | 159,513             | (399,487)                                                           |
| Investment income                | 7,000                   | 7,000               | 115,790             | 108,790                                                             |
| Miscellaneous                    | -                       | -                   | -                   | -                                                                   |
| Total revenues                   | <u>1,310,332</u>        | <u>1,869,332</u>    | <u>1,607,385</u>    | <u>(261,947)</u>                                                    |
| <b>EXPENDITURES</b>              |                         |                     |                     |                                                                     |
| Current:                         |                         |                     |                     |                                                                     |
| Transportation                   | 1,587,665               | 4,818,737           | 2,229,133           | 2,589,604                                                           |
| Total expenditures               | <u>1,587,665</u>        | <u>4,818,737</u>    | <u>2,229,133</u>    | <u>2,589,604</u>                                                    |
| Net change in fund balances      | <u>(277,333)</u>        | <u>(2,949,405)</u>  | <u>(621,748)</u>    | <u>2,327,657</u>                                                    |
| Fund balances, beginning of year | 4,306,596               | 4,306,596           | 4,306,596           | -                                                                   |
| Fund balances, end of year       | <u>\$ 4,029,263</u>     | <u>\$ 1,357,191</u> | <u>\$ 3,684,848</u> | <u>\$ 2,327,657</u>                                                 |



**CITY OF PORT ORANGE, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - TRANSPORTATION CAPITAL PROJECTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

|                                  | <b>Budgeted Amounts</b> |                     |                     | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|----------------------------------|-------------------------|---------------------|---------------------|---------------------------------------------------------------------|
|                                  | <b>Original</b>         | <b>Final</b>        | <b>Actual</b>       |                                                                     |
| <b>REVENUES</b>                  |                         |                     |                     |                                                                     |
| Permits and fees                 | \$ -                    | \$ -                | \$ 157,647          | \$ 157,647                                                          |
| Investment income                | -                       | -                   | 47,631              | 47,631                                                              |
| Miscellaneous                    | -                       | -                   | 99,177              | 99,177                                                              |
| Total revenues                   | -                       | -                   | 304,455             | 304,455                                                             |
| <b>EXPENDITURES</b>              |                         |                     |                     |                                                                     |
| Current:                         |                         |                     |                     |                                                                     |
| Transportation                   | -                       | 213,495             | -                   | 213,495                                                             |
| Debt service:                    |                         |                     |                     |                                                                     |
| Interest and fiscal charges      | -                       | -                   | 1,020               | (1,020)                                                             |
| Total expenditures               | -                       | 213,495             | 1,020               | 212,475                                                             |
| Net change in fund balances      | -                       | (213,495)           | 303,435             | 516,930                                                             |
| Fund balances, beginning of year | (644,024)               | (644,024)           | (644,024)           | -                                                                   |
| Fund balances, end of year       | <u>\$ (644,024)</u>     | <u>\$ (857,519)</u> | <u>\$ (340,589)</u> | <u>\$ 516,930</u>                                                   |

**CITY OF PORT ORANGE, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - FIRE IMPACT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

|                                  | <u>Budgeted Amounts</u> |                   |                   | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|----------------------------------|-------------------------|-------------------|-------------------|---------------------------------------------------------------------|
|                                  | <u>Original</u>         | <u>Final</u>      | <u>Actual</u>     |                                                                     |
| <b>REVENUES</b>                  |                         |                   |                   |                                                                     |
| Permits and fees                 | \$ 246,188              | \$ 246,188        | \$ 141,418        | \$ (104,770)                                                        |
| Investment income                | 3,000                   | 3,000             | 20,814            | 17,814                                                              |
| Total revenues                   | <u>249,188</u>          | <u>249,188</u>    | <u>162,232</u>    | <u>(86,956)</u>                                                     |
| <b>EXPENDITURES</b>              |                         |                   |                   |                                                                     |
| Current:                         |                         |                   |                   |                                                                     |
| Public safety:                   |                         |                   |                   |                                                                     |
| Fire safety                      | 249,188                 | 251,046           | 122,904           | 128,142                                                             |
| Net change in fund balances      | <u>-</u>                | <u>(1,858)</u>    | <u>39,328</u>     | <u>41,186</u>                                                       |
| Fund balances, beginning of year | 710,240                 | 710,240           | 710,240           | -                                                                   |
| Fund balances, end of year       | <u>\$ 710,240</u>       | <u>\$ 708,382</u> | <u>\$ 749,568</u> | <u>\$ 41,186</u>                                                    |

**CITY OF PORT ORANGE, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - TRANSPORTATION IMPACT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

|                                  | <b>Budgeted Amounts</b> |                     |                     | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|----------------------------------|-------------------------|---------------------|---------------------|---------------------------------------------------------------------|
|                                  | <b>Original</b>         | <b>Final</b>        | <b>Actual</b>       |                                                                     |
| <b>REVENUES</b>                  |                         |                     |                     |                                                                     |
| Permits and fees                 | \$ 140,000              | \$ 140,000          | \$ 169,179          | \$ 29,179                                                           |
| Intergovernmental                | -                       | 4,177               | 11,114              | 6,937                                                               |
| Investment income                | 5,000                   | 5,000               | 63,924              | 58,924                                                              |
| Total revenues                   | 145,000                 | 149,177             | 244,217             | 95,040                                                              |
| <b>EXPENDITURES</b>              |                         |                     |                     |                                                                     |
| Current:                         |                         |                     |                     |                                                                     |
| Transportation                   | 145,000                 | 570,569             | 28,018              | 542,551                                                             |
| Total expenditures               | 145,000                 | 570,569             | 28,018              | 542,551                                                             |
| Net change in fund balances      | -                       | (421,392)           | 216,199             | 637,591                                                             |
| Fund balances, beginning of year | 2,685,845               | 2,685,845           | 2,685,845           | -                                                                   |
| Fund balances, end of year       | <u>\$ 2,685,845</u>     | <u>\$ 2,264,453</u> | <u>\$ 2,902,044</u> | <u>\$ 637,591</u>                                                   |

**CITY OF PORT ORANGE, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL OBLIGATION CAPITAL PROJECTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

|                                  | <b>Budgeted Amounts</b> |              |               | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|----------------------------------|-------------------------|--------------|---------------|---------------------------------------------------------------------|
|                                  | <b>Original</b>         | <b>Final</b> | <b>Actual</b> |                                                                     |
| <b>REVENUES</b>                  |                         |              |               |                                                                     |
| Investment income                | \$ -                    | \$ -         | \$ 22,667     | \$ 22,667                                                           |
| Total revenues                   | -                       | -            | 22,667        | 22,667                                                              |
| <b>EXPENDITURES</b>              |                         |              |               |                                                                     |
| Current:                         |                         |              |               |                                                                     |
| General government:              |                         |              |               |                                                                     |
| Nondepartmental                  | -                       | 994,042      | 560,493       | 433,549                                                             |
| Total expenditures               | -                       | 994,042      | 723,253       | 270,789                                                             |
| Net change in fund balances      | -                       | (994,042)    | (700,586)     | 293,456                                                             |
| Fund balances, beginning of year | 1,028,435               | 1,028,435    | 1,028,435     | -                                                                   |
| Fund balances, end of year       | \$ 1,028,435            | \$ 34,393    | \$ 327,849    | \$ 293,456                                                          |

**CITY OF PORT ORANGE, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - CAPITAL REPLACEMENT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

|                                                   | <b>Budgeted Amounts</b> |                   |                     | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|---------------------------------------------------|-------------------------|-------------------|---------------------|---------------------------------------------------------------------|
|                                                   | <b>Original</b>         | <b>Final</b>      | <b>Actual</b>       |                                                                     |
| <b>REVENUES</b>                                   |                         |                   |                     |                                                                     |
| Intergovernmental                                 | \$ -                    | \$ 1,850,000      | \$ 705,390          | \$ (1,144,610)                                                      |
| Investment income                                 | 2,500                   | 2,500             | 49,611              | 47,111                                                              |
| Total revenues                                    | 2,500                   | 1,852,500         | 755,001             | (1,097,499)                                                         |
| <b>EXPENDITURES</b>                               |                         |                   |                     |                                                                     |
| Current:                                          |                         |                   |                     |                                                                     |
| General government:                               |                         |                   |                     |                                                                     |
| Nondepartmental                                   | 202,500                 | 4,597,105         | 1,542,417           | 3,054,688                                                           |
| Total expenditures                                | 202,500                 | 4,597,105         | 1,542,417           | 3,054,688                                                           |
| Excess (deficiency) of revenues over expenditures | (200,000)               | (2,744,605)       | (787,416)           | 1,957,189                                                           |
| <b>Other financing sources (uses)</b>             |                         |                   |                     |                                                                     |
| Transfers in                                      | 200,000                 | 614,000           | 614,000             | -                                                                   |
| Net change in fund balances                       | -                       | (2,130,605)       | (173,416)           | 1,957,189                                                           |
| Fund balances, beginning of year                  | 2,260,092               | 2,260,092         | 2,260,092           | -                                                                   |
| Fund balances, end of year                        | <u>\$ 2,260,092</u>     | <u>\$ 129,487</u> | <u>\$ 2,086,676</u> | <u>\$ 1,957,189</u>                                                 |

**CITY OF PORT ORANGE, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - ECONOMIC DEVELOPMENT CAPITAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

|                                  | <u>Budgeted Amounts</u> |                 |                  | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|----------------------------------|-------------------------|-----------------|------------------|---------------------------------------------------------------------|
|                                  | <u>Original</u>         | <u>Final</u>    | <u>Actual</u>    |                                                                     |
| <b>REVENUES</b>                  |                         |                 |                  |                                                                     |
| Investment income                | \$ -                    | \$ -            | \$ 420           | \$ 420                                                              |
| Total revenues                   | -                       | -               | 420              | 420                                                                 |
| <b>EXPENDITURES</b>              |                         |                 |                  |                                                                     |
| Current:                         |                         |                 |                  |                                                                     |
| General government:              |                         |                 |                  |                                                                     |
| Nondepartmental                  | -                       | 13,219          | -                | 13,219                                                              |
| Total expenditures               | -                       | 13,219          | -                | 13,219                                                              |
| Net change in fund balances      | -                       | (13,219)        | 420              | 13,639                                                              |
| Fund balances, beginning of year | 14,299                  | 14,299          | 14,299           | -                                                                   |
| Fund balances, end of year       | <u>\$ 14,299</u>        | <u>\$ 1,080</u> | <u>\$ 14,719</u> | <u>\$ 13,639</u>                                                    |

**CITY OF PORT ORANGE, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - 2014 CAPITAL IMPROVEMENT BOND PROJECT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

|                                  | <u>Budgeted Amounts</u> |                 |                 | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|----------------------------------|-------------------------|-----------------|-----------------|---------------------------------------------------------------------|
|                                  | <u>Original</u>         | <u>Final</u>    | <u>Actual</u>   |                                                                     |
| <b>REVENUES</b>                  |                         |                 |                 |                                                                     |
| Investment income                | \$ -                    | \$ -            | \$ 211          | \$ 211                                                              |
| Total revenues                   | -                       | -               | 211             | 211                                                                 |
| <b>EXPENDITURES</b>              |                         |                 |                 |                                                                     |
| Current:                         |                         |                 |                 |                                                                     |
| General government:              |                         |                 |                 |                                                                     |
| Nondepartmental                  | -                       | -               | -               | -                                                                   |
| Total expenditures               | -                       | -               | -               | -                                                                   |
| Net change in fund balances      | -                       | -               | 211             | 211                                                                 |
| Fund balances, beginning of year | 7,203                   | 7,203           | 7,203           | -                                                                   |
| Fund balances, end of year       | <u>\$ 7,203</u>         | <u>\$ 7,203</u> | <u>\$ 7,414</u> | <u>\$ 211</u>                                                       |

**CITY OF PORT ORANGE, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - RECREATION IMPACT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

|                                  | <u>Budgeted Amounts</u> |                     |                     | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|----------------------------------|-------------------------|---------------------|---------------------|---------------------------------------------------------------------|
|                                  | <u>Original</u>         | <u>Final</u>        | <u>Actual</u>       |                                                                     |
| <b>REVENUES</b>                  |                         |                     |                     |                                                                     |
| Permits and fees                 | \$ 1,174,500            | \$ 1,174,500        | \$ 664,291          | \$ (510,209)                                                        |
| Intergovernmental                | -                       | 400,000             | -                   | (400,000)                                                           |
| Investment income                | 2,000                   | 2,000               | 38,784              | 36,784                                                              |
| Total revenues                   | <u>1,176,500</u>        | <u>1,576,500</u>    | <u>703,075</u>      | <u>(873,425)</u>                                                    |
| <b>EXPENDITURES</b>              |                         |                     |                     |                                                                     |
| Current:                         |                         |                     |                     |                                                                     |
| Culture and recreation           | 512,500                 | 973,286             | 13,535              | 959,751                                                             |
| Debt service:                    |                         |                     |                     |                                                                     |
| Principal retirement             | 207,208                 | 207,208             | -                   | 207,208                                                             |
| Interest and fiscal charges      | 10,361                  | 10,361              | 10,361              | -                                                                   |
| Total expenditures               | <u>730,069</u>          | <u>1,190,855</u>    | <u>23,896</u>       | <u>1,166,959</u>                                                    |
| Net change in fund balances      | <u>446,431</u>          | <u>385,645</u>      | <u>679,179</u>      | <u>293,534</u>                                                      |
| Fund balances, beginning of year | 763,439                 | 763,439             | 763,439             | -                                                                   |
| Fund balances, end of year       | <u>\$ 1,209,870</u>     | <u>\$ 1,149,084</u> | <u>\$ 1,442,618</u> | <u>\$ 293,534</u>                                                   |



**CITY OF PORT ORANGE, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**SEPTEMBER 30, 2019**

|                                          | <u>Data<br/>Processing</u> | <u>Vehicle<br/>Maintenance</u> | <u>Self-<br/>Insurance</u> | <u>Lease &amp;<br/>Replacement</u> | <u>Building<br/>Maintenance</u> | <u>Loan<br/>Pool</u> | <u>Total</u>         |
|------------------------------------------|----------------------------|--------------------------------|----------------------------|------------------------------------|---------------------------------|----------------------|----------------------|
| <b>ASSETS</b>                            |                            |                                |                            |                                    |                                 |                      |                      |
| Equity in pooled cash                    | \$ 317,581                 | \$ 139,120                     | \$ 1,284,803               | \$ 2,610,461                       | \$ 794,476                      | \$ 3,585,418         | \$ 8,731,859         |
| Accounts receivable, net                 | -                          | -                              | 26,572                     | -                                  | -                               | -                    | 26,572               |
| Due from other governments               | -                          | 202                            | 41                         | -                                  | 731                             | -                    | 974                  |
| Prepaid items                            | -                          | -                              | 89,481                     | -                                  | -                               | -                    | 89,481               |
| Due from other funds                     | -                          | -                              | -                          | -                                  | -                               | 2,465,390            | 2,465,390            |
| Total current assets                     | <u>317,581</u>             | <u>139,322</u>                 | <u>1,400,897</u>           | <u>2,610,461</u>                   | <u>795,207</u>                  | <u>6,050,808</u>     | <u>11,314,276</u>    |
| Noncurrent assets:                       |                            |                                |                            |                                    |                                 |                      |                      |
| Capital assets:                          |                            |                                |                            |                                    |                                 |                      |                      |
| Building and improvements                | -                          | 234,752                        | -                          | -                                  | 291,839                         | -                    | 526,591              |
| Machinery and equipment                  | 829,650                    | 142,026                        | 172,962                    | 26,308,985                         | 613,860                         | -                    | 28,067,483           |
| Construction in progress                 | -                          | -                              | -                          | 24,552                             | 1,300                           | -                    | 25,852               |
| Accumulated depreciation                 | (827,095)                  | (240,230)                      | (130,852)                  | (17,285,681)                       | (627,851)                       | -                    | (19,111,709)         |
| Total capital assets, net                | <u>2,555</u>               | <u>136,548</u>                 | <u>42,110</u>              | <u>9,047,856</u>                   | <u>279,148</u>                  | <u>-</u>             | <u>9,508,217</u>     |
| Advances to other funds                  | -                          | -                              | -                          | -                                  | -                               | 44,248               | 44,248               |
| Total noncurrent assets                  | <u>2,555</u>               | <u>136,548</u>                 | <u>42,110</u>              | <u>9,047,856</u>                   | <u>279,148</u>                  | <u>44,248</u>        | <u>9,552,465</u>     |
| Total assets                             | <u>\$ 320,136</u>          | <u>\$ 275,870</u>              | <u>\$ 1,443,007</u>        | <u>\$ 11,658,317</u>               | <u>\$ 1,074,355</u>             | <u>\$ 6,095,056</u>  | <u>\$ 20,866,741</u> |
| <b>LIABILITIES</b>                       |                            |                                |                            |                                    |                                 |                      |                      |
| Current liabilities:                     |                            |                                |                            |                                    |                                 |                      |                      |
| Accounts payable and accrued liabilities | \$ 34,404                  | \$ 10,924                      | \$ 380,922                 | \$ 402,796                         | \$ 164,320                      | \$ -                 | \$ 993,366           |
| Estimated claims payable                 | -                          | -                              | 404,000                    | -                                  | -                               | -                    | 404,000              |
| Compensated absences                     | 10,493                     | 2,422                          | 394                        | -                                  | 2,839                           | -                    | 16,148               |
| Total current liabilities                | <u>44,897</u>              | <u>13,346</u>                  | <u>785,316</u>             | <u>402,796</u>                     | <u>167,159</u>                  | <u>-</u>             | <u>1,413,514</u>     |
| Noncurrent liabilities:                  |                            |                                |                            |                                    |                                 |                      |                      |
| Compensated absences                     | 94,438                     | 21,801                         | 3,545                      | -                                  | 25,555                          | -                    | 145,339              |
| Total noncurrent liabilities             | <u>94,438</u>              | <u>21,801</u>                  | <u>3,545</u>               | <u>-</u>                           | <u>25,555</u>                   | <u>-</u>             | <u>145,339</u>       |
| Total liabilities                        | <u>\$ 139,335</u>          | <u>\$ 35,147</u>               | <u>\$ 788,861</u>          | <u>\$ 402,796</u>                  | <u>\$ 192,714</u>               | <u>\$ -</u>          | <u>\$ 1,558,853</u>  |
| <b>NET POSITION</b>                      |                            |                                |                            |                                    |                                 |                      |                      |
| Net investment in capital assets         | \$ 2,555                   | \$ 136,548                     | \$ 42,110                  | \$ 9,047,856                       | \$ 279,148                      | \$ -                 | \$ 9,508,217         |
| Unrestricted                             | 178,246                    | 104,175                        | 612,036                    | 2,207,665                          | 602,493                         | 6,095,056            | 9,799,671            |
| Total net position                       | <u>\$ 180,801</u>          | <u>\$ 240,723</u>              | <u>\$ 654,146</u>          | <u>\$ 11,255,521</u>               | <u>\$ 881,641</u>               | <u>\$ 6,095,056</u>  | <u>\$ 19,307,888</u> |

**CITY OF PORT ORANGE, FLORIDA**  
**COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

|                                                         | <u>Data<br/>Processing</u> | <u>Vehicle<br/>Maintenance</u> | <u>Self-<br/>Insurance</u> | <u>Lease &amp;<br/>Replacement</u> | <u>Building<br/>Maintenance</u> | <u>Loan<br/>Pool</u> | <u>Total</u>         |
|---------------------------------------------------------|----------------------------|--------------------------------|----------------------------|------------------------------------|---------------------------------|----------------------|----------------------|
| <b>Operating revenues</b>                               |                            |                                |                            |                                    |                                 |                      |                      |
| Charges for services                                    | \$ 2,141,275               | \$ 1,133,528                   | \$ 1,918,610               | \$ 2,608,958                       | \$ 2,416,784                    | \$ -                 | \$ 10,219,155        |
| Other revenues                                          | 965                        | 1,865                          | 90,144                     | 174,404                            | 250                             | -                    | 267,628              |
| Total operating revenues                                | <u>2,142,240</u>           | <u>1,135,393</u>               | <u>2,008,754</u>           | <u>2,783,362</u>                   | <u>2,417,034</u>                | <u>-</u>             | <u>10,486,783</u>    |
| <b>Operating expenses</b>                               |                            |                                |                            |                                    |                                 |                      |                      |
| Personal services                                       | 910,581                    | 331,784                        | 290,686                    | -                                  | 513,270                         | -                    | 2,046,321            |
| Contractual services                                    | 736,762                    | 178,475                        | 841,276                    | 13,500                             | 276,082                         | -                    | 2,046,095            |
| Utilities                                               | -                          | -                              | 916                        | -                                  | 552,673                         | -                    | 553,589              |
| Maintenance and repairs                                 | 271,069                    | 218,091                        | 14,514                     | -                                  | 258,828                         | -                    | 762,502              |
| Other supplies and expenses                             | 196,166                    | 302,620                        | 3,051                      | 212,105                            | 50,443                          | -                    | 764,385              |
| Insurance claims and expenses                           | -                          | -                              | 739,266                    | -                                  | -                               | -                    | 739,266              |
| Depreciation                                            | 1,215                      | 33,490                         | 7,365                      | 3,120,676                          | 43,054                          | -                    | 3,205,800            |
| Total operating expenses                                | <u>2,115,793</u>           | <u>1,064,460</u>               | <u>1,897,074</u>           | <u>3,346,281</u>                   | <u>1,694,350</u>                | <u>-</u>             | <u>10,117,958</u>    |
| <b>Operating income (loss)</b>                          | <u>26,447</u>              | <u>70,933</u>                  | <u>111,680</u>             | <u>(562,919)</u>                   | <u>722,684</u>                  | <u>-</u>             | <u>368,825</u>       |
| <b>Nonoperating revenues (expenses)</b>                 |                            |                                |                            |                                    |                                 |                      |                      |
| Interest earnings                                       | 5,905                      | 3,477                          | 25,591                     | 68,000                             | 16,312                          | 118,282              | 237,567              |
| <b>Income (loss) before contributions and transfers</b> | <u>32,352</u>              | <u>74,410</u>                  | <u>137,271</u>             | <u>(494,919)</u>                   | <u>738,996</u>                  | <u>118,282</u>       | <u>606,392</u>       |
| Transfers in                                            | -                          | -                              | -                          | 995,580                            | -                               | -                    | 995,580              |
| Transfers out                                           | -                          | -                              | -                          | -                                  | (624,390)                       | -                    | (624,390)            |
| <b>Change in net position</b>                           | <u>32,352</u>              | <u>74,410</u>                  | <u>137,271</u>             | <u>500,661</u>                     | <u>114,606</u>                  | <u>118,282</u>       | <u>977,582</u>       |
| <b>Net position, beginning of year</b>                  | 148,449                    | 166,313                        | 516,875                    | 10,754,860                         | 767,035                         | 5,976,774            | 18,330,306           |
| <b>Net position, end of year</b>                        | <u>\$ 180,801</u>          | <u>\$ 240,723</u>              | <u>\$ 654,146</u>          | <u>\$ 11,255,521</u>               | <u>\$ 881,641</u>               | <u>\$ 6,095,056</u>  | <u>\$ 19,307,888</u> |

**CITY OF PORT ORANGE, FLORIDA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
SEPTEMBER 30, 2019**

|                                                                                                             | <b>Data<br/>Processing</b> | <b>Vehicle<br/>Maintenance</b> | <b>Self-<br/>Insurance</b> | <b>Lease &amp;<br/>Replacement</b> | <b>Building<br/>Maintenance</b> | <b>Loan<br/>Pool</b>       | <b>Total</b>               |
|-------------------------------------------------------------------------------------------------------------|----------------------------|--------------------------------|----------------------------|------------------------------------|---------------------------------|----------------------------|----------------------------|
| <b>Cash flows from operating activities</b>                                                                 |                            |                                |                            |                                    |                                 |                            |                            |
| Cash received from customers                                                                                | \$ 2,142,240               | \$ 1,135,393                   | \$ 2,010,677               | \$ 2,783,362                       | \$ 2,417,034                    | \$ -                       | \$ 10,488,706              |
| Cash paid to employees                                                                                      | (905,506)                  | (324,701)                      | (282,198)                  | -                                  | (508,973)                       | -                          | (2,021,378)                |
| Cash paid to suppliers                                                                                      | (1,227,925)                | (711,325)                      | (1,616,066)                | 120,531                            | (1,039,006)                     | -                          | (4,473,791)                |
| Net cash provided by (used in)<br>operating activities                                                      | <u>8,809</u>               | <u>99,367</u>                  | <u>112,413</u>             | <u>2,903,893</u>                   | <u>869,055</u>                  | <u>-</u>                   | <u>3,993,537</u>           |
| <b>Cash flows from noncapital financing activities</b>                                                      |                            |                                |                            |                                    |                                 |                            |                            |
| Transfers from other funds                                                                                  | -                          | -                              | -                          | 995,580                            | -                               | -                          | 995,580                    |
| Transfers to other funds                                                                                    | -                          | -                              | -                          | -                                  | (624,390)                       | -                          | (624,390)                  |
| Interfund loans                                                                                             | -                          | -                              | -                          | -                                  | -                               | 857,240                    | 857,240                    |
| Net cash provided by (used in)<br>noncapital financing activities                                           | <u>-</u>                   | <u>-</u>                       | <u>-</u>                   | <u>995,580</u>                     | <u>(624,390)</u>                | <u>857,240</u>             | <u>1,228,430</u>           |
| <b>Cash flows from capital and related<br/>financing activities</b>                                         |                            |                                |                            |                                    |                                 |                            |                            |
| Acquisition and construction of capital assets                                                              | -                          | -                              | -                          | (5,024,157)                        | (110,370)                       | -                          | (5,134,527)                |
| <b>Cash flows from investing activities</b>                                                                 |                            |                                |                            |                                    |                                 |                            |                            |
| Interest received                                                                                           | 5,905                      | 3,477                          | 25,591                     | 68,000                             | 16,312                          | 118,282                    | 237,567                    |
| Net cash provided by (used in)<br>investment activities                                                     | <u>5,905</u>               | <u>3,477</u>                   | <u>25,591</u>              | <u>68,000</u>                      | <u>16,312</u>                   | <u>118,282</u>             | <u>237,567</u>             |
| <b>Net change in cash and cash equivalents</b>                                                              | <u>14,714</u>              | <u>102,844</u>                 | <u>138,004</u>             | <u>(1,056,684)</u>                 | <u>150,607</u>                  | <u>975,522</u>             | <u>325,007</u>             |
| <b>Cash and cash equivalents, beginning of year</b>                                                         | <u>302,867</u>             | <u>36,276</u>                  | <u>1,146,799</u>           | <u>3,667,145</u>                   | <u>643,869</u>                  | <u>2,609,896</u>           | <u>8,406,852</u>           |
| <b>Cash and cash equivalents, end of year</b>                                                               | <u><u>\$ 317,581</u></u>   | <u><u>\$ 139,120</u></u>       | <u><u>\$ 1,284,803</u></u> | <u><u>\$ 2,610,461</u></u>         | <u><u>\$ 794,476</u></u>        | <u><u>\$ 3,585,418</u></u> | <u><u>\$ 8,731,859</u></u> |
| <b>Cash and cash equivalents classified as:</b>                                                             |                            |                                |                            |                                    |                                 |                            |                            |
| Unrestricted                                                                                                | <u><u>\$ 317,581</u></u>   | <u><u>\$ 139,120</u></u>       | <u><u>\$ 1,284,803</u></u> | <u><u>\$ 2,610,461</u></u>         | <u><u>\$ 794,476</u></u>        | <u><u>\$ 3,585,418</u></u> | <u><u>\$ 8,731,859</u></u> |
| <b>Reconciliation of operating income to net<br/>cash provided by (used in) operating activities:</b>       |                            |                                |                            |                                    |                                 |                            |                            |
| Operating income (loss)                                                                                     | \$ 26,447                  | \$ 70,933                      | \$ 111,680                 | \$ (562,919)                       | \$ 722,684                      | \$ -                       | \$ 368,825                 |
| Adjustments to reconcile net operating<br>income to net cash provided by (used in)<br>operating activities: |                            |                                |                            |                                    |                                 |                            |                            |
| Depreciation                                                                                                | 1,215                      | 33,490                         | 7,365                      | 3,120,676                          | 43,054                          | -                          | 3,205,800                  |
| Changes in assets and liabilities:                                                                          |                            |                                |                            |                                    |                                 |                            |                            |
| Accounts receivable                                                                                         | -                          | -                              | 1,923                      | -                                  | -                               | -                          | 1,923                      |
| Prepaid items                                                                                               | -                          | -                              | (44,921)                   | -                                  | -                               | -                          | (44,921)                   |
| Accounts payable and accrued liabilities                                                                    | (23,928)                   | (12,139)                       | 27,878                     | 346,136                            | 99,020                          | -                          | 436,967                    |
| Compensated absences                                                                                        | 5,075                      | 7,083                          | 488                        | -                                  | 4,297                           | -                          | 16,943                     |
| Claims liability                                                                                            | -                          | -                              | 8,000                      | -                                  | -                               | -                          | 8,000                      |
| Net cash provided by (used in)<br>operating activities                                                      | <u><u>\$ 8,809</u></u>     | <u><u>\$ 99,367</u></u>        | <u><u>\$ 112,413</u></u>   | <u><u>\$ 2,903,893</u></u>         | <u><u>\$ 869,055</u></u>        | <u><u>\$ -</u></u>         | <u><u>\$ 3,993,537</u></u> |

## **Statistical Section**

This part of the City of Port Orange's, Florida's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

### **Contents**

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

#### **Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and help make comparisons over time and with other governments.

#### **Operating Information**

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
September 30, 2019  
CITY OF PORT ORANGE, FLORIDA  
*(Accrual basis of accounting)*  
*(Shown in thousands)*

**Table I**

|                                                  | Fiscal Year       |                   |                   |                   |                   |                   |                   |                   |                   |                   |
|--------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                                  | 2019              | 2018              | 2017              | 2016              | 2015              | 2014              | 2013              | 2012              | 2011              | 2010              |
| Governmental Activities:                         |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Net investment in capital assets.....            | \$ 109,638        | \$ 107,192        | \$ 100,978        | \$ 99,823         | \$ 96,276         | \$ 95,288         | \$ 90,770         | \$ 87,750         | \$ 85,065         | \$ 85,762         |
| Restricted.....                                  | 15,822            | 15,804            | 14,912            | 11,769            | 15,597            | 18,164            | 17,480            | 15,730            | 13,831            | 13,491            |
| Unrestricted.....                                | <u>(16,286)</u>   | <u>(15,824)</u>   | <u>(5,988)</u>    | <u>(5,457)</u>    | <u>(8,215)</u>    | <u>24,170</u>     | <u>24,317</u>     | <u>23,972</u>     | <u>22,911</u>     | <u>19,901</u>     |
| Total governmental activities net position.....  | <u>\$ 109,174</u> | <u>\$ 107,172</u> | <u>\$ 109,902</u> | <u>\$ 106,135</u> | <u>\$ 103,658</u> | <u>\$ 137,622</u> | <u>\$ 132,567</u> | <u>\$ 127,452</u> | <u>\$ 121,807</u> | <u>\$ 119,154</u> |
| Business-type Activities:                        |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Net investment in capital assets.....            | \$ 200,127        | \$ 194,473        | \$ 189,582        | \$ 191,186        | \$ 180,198        | \$ 174,390        | \$ 167,342        | \$ 162,682        | \$ 151,064        | \$ 139,554        |
| Restricted.....                                  | 19,778            | 18,185            | 15,090            | 8,764             | 14,299            | 15,142            | 14,549            | 14,541            | 20,344            | 22,149            |
| Unrestricted.....                                | <u>32,699</u>     | <u>30,596</u>     | <u>27,682</u>     | <u>22,687</u>     | <u>19,633</u>     | <u>19,379</u>     | <u>19,082</u>     | <u>16,023</u>     | <u>16,311</u>     | <u>17,213</u>     |
| Total business-type activities net position..... | <u>\$ 252,604</u> | <u>\$ 243,254</u> | <u>\$ 232,354</u> | <u>\$ 222,637</u> | <u>\$ 214,130</u> | <u>\$ 208,911</u> | <u>\$ 200,973</u> | <u>\$ 193,246</u> | <u>\$ 187,719</u> | <u>\$ 178,916</u> |
| Primary Government:                              |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Net investment in capital assets.....            | \$ 309,765        | \$ 301,665        | \$ 290,560        | \$ 291,009        | \$ 276,474        | \$ 269,678        | \$ 258,112        | \$ 250,432        | \$ 236,129        | \$ 225,316        |
| Restricted.....                                  | 35,600            | 33,989            | 30,002            | 20,533            | 29,896            | 33,306            | 32,029            | 30,271            | 34,175            | 35,640            |
| Unrestricted.....                                | <u>16,413</u>     | <u>14,772</u>     | <u>21,694</u>     | <u>17,230</u>     | <u>11,418</u>     | <u>43,549</u>     | <u>43,399</u>     | <u>39,995</u>     | <u>39,222</u>     | <u>37,114</u>     |
| Total primary government net position.....       | <u>\$ 361,778</u> | <u>\$ 350,426</u> | <u>\$ 342,256</u> | <u>\$ 328,772</u> | <u>\$ 317,788</u> | <u>\$ 346,533</u> | <u>\$ 333,540</u> | <u>\$ 320,698</u> | <u>\$ 309,526</u> | <u>\$ 298,070</u> |

\* In 2018, GASB #75 was implemented, resulting in the recording of the total OPEB liability, which ultimately impacted unrestricted net position.

\* In 2015, GASB #68 was implemented, resulting in the recording of the net pension liability, which ultimately impacted unrestricted net position.

\* In 2013, GASB #65 was implemented, resulting in the write-off of unamortized debt issuance costs.

**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
September 30, 2019  
CITY OF PORT ORANGE, FLORIDA  
*(Accrual basis of accounting)*  
*(Shown in thousands)*

**Table II**

|                                                            | Fiscal Year        |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                                            | 2019               | 2018               | 2017               | 2016               | 2015               | 2014               | 2013               | 2012               | 2011               | 2010               |
| <b>Expenses:</b>                                           |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Governmental Activities:                                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| General government.....                                    | \$ 7,320           | \$ 8,241           | \$ 14,791          | \$ 6,418           | \$ 5,840           | \$ 5,084           | \$ 5,509           | \$ 5,101           | \$ 7,554           | \$ 7,803           |
| Public safety.....                                         | 23,543             | 22,052             | 20,330             | 20,010             | 18,562             | 19,807             | 19,193             | 17,735             | 18,229             | 19,344             |
| Transportation.....                                        | 6,989              | 6,535              | 6,460              | 5,934              | 5,491              | 2,225              | 2,017              | 2,957              | 2,981              | 663                |
| Economic environment.....                                  | 40                 | 24                 | 36                 | 95                 | 36                 | 95                 | 111                | 234                | 333                | 3,738              |
| Culture/recreation.....                                    | 5,654              | 5,186              | 4,478              | 4,264              | 4,094              | 3,889              | 3,843              | 3,721              | 3,681              | 3,638              |
| Interest on long-term debt.....                            | 1,142              | 1,199              | 1,263              | 1,659              | 1,715              | 2,100              | 1,937              | 2,018              | 2,116              | 2,155              |
| Total governmental activities expenses.....                | <u>44,688</u>      | <u>43,237</u>      | <u>47,358</u>      | <u>38,380</u>      | <u>35,738</u>      | <u>33,200</u>      | <u>32,610</u>      | <u>31,766</u>      | <u>34,894</u>      | <u>37,341</u>      |
| Business-Type Activities:                                  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Water.....                                                 | 20,575             | 20,215             | 20,465             | 20,671             | 20,800             | 20,870             | 19,795             | 19,341             | 20,875             | 20,544             |
| Solid waste.....                                           | 7,709              | 7,098              | 6,965              | 6,711              | 6,573              | 6,456              | 6,213              | 6,218              | 7,764              | 7,648              |
| Stormwater.....                                            | 3,834              | 3,456              | 3,412              | 3,116              | 3,165              | 1,966              | 1,901              | 1,944              | 2,521              | 2,625              |
| Golf course.....                                           | 1,538              | 1,545              | 1,492              | 1,507              | 1,530              | 1,638              | 1,552              | 1,550              | 1,543              | 1,708              |
| Total business-type activities expenses.....               | <u>33,656</u>      | <u>32,314</u>      | <u>32,334</u>      | <u>32,005</u>      | <u>32,068</u>      | <u>30,930</u>      | <u>29,461</u>      | <u>29,053</u>      | <u>32,703</u>      | <u>32,525</u>      |
| Total primary government expenses.....                     | <u>\$ 78,344</u>   | <u>\$ 75,551</u>   | <u>\$ 79,692</u>   | <u>\$ 70,385</u>   | <u>\$ 67,806</u>   | <u>\$ 64,130</u>   | <u>\$ 62,071</u>   | <u>\$ 60,819</u>   | <u>\$ 67,597</u>   | <u>\$ 69,866</u>   |
| <b>Program Revenues:</b>                                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Governmental Activities:                                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Charges for services:                                      |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| General government.....                                    | \$ 3,259           | \$ 3,238           | \$ 3,098           | \$ 1,934           | \$ 2,510           | \$ 2,384           | \$ 2,402           | \$ 2,166           | \$ 2,380           | \$ 1,736           |
| Public safety.....                                         | 826                | 616                | 631                | 1,532              | 327                | 444                | 416                | 463                | 1,653              | 521                |
| Transportation.....                                        | 170                | 165                | 160                | 143                | 208                | 42                 | 104                | 297                | 273                | 279                |
| Economic environment.....                                  | 3                  | 2                  | 7                  | 28                 | 28                 | 30                 | 30                 | 33                 | -                  | -                  |
| Culture/recreation.....                                    | 733                | 718                | 708                | 736                | 701                | 687                | 1,006              | 1,180              | 991                | 801                |
| Operating grants and contributions.....                    | 2,191              | 1,605              | 7,873              | 1,313              | 1,213              | 1,281              | 1,155              | 1,138              | 181                | 1,305              |
| Capital grants and contributions.....                      | 3,061              | 8,348              | 6,176              | 4,877              | 3,768              | 3,473              | 3,716              | 2,674              | 1,006              | 2,005              |
| Total governmental activities program revenues             | <u>10,243</u>      | <u>14,692</u>      | <u>18,653</u>      | <u>10,563</u>      | <u>8,755</u>       | <u>8,341</u>       | <u>8,829</u>       | <u>7,951</u>       | <u>6,484</u>       | <u>6,647</u>       |
| Business-Type Activities:                                  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Charges for services:                                      |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Water and sewer.....                                       | 27,260             | 27,178             | 27,379             | 26,979             | 25,925             | 25,133             | 23,807             | 24,858             | 24,416             | 24,591             |
| Solid waste.....                                           | 7,379              | 7,250              | 7,129              | 7,170              | 7,052              | 6,984              | 6,724              | 6,792              | 8,033              | 7,953              |
| Stormwater.....                                            | 4,485              | 4,543              | 3,924              | 3,884              | 3,861              | 3,808              | 3,802              | 3,716              | 3,738              | 3,659              |
| Golf course.....                                           | 1,232              | 1,396              | 1,342              | 1,245              | 1,005              | 1,493              | 1,591              | 1,634              | 1,619              | 1,531              |
| Operating grants and contributions.....                    | -                  | -                  | 156                | -                  | -                  | -                  | -                  | -                  | -                  | 563                |
| Capital grants and contributions.....                      | 2,734              | 3,812              | 3,628              | 2,003              | 2,182              | 2,824              | 3,644              | 1,231              | 1,660              | 3,179              |
| Total business-type activities program revenue..           | <u>43,090</u>      | <u>44,179</u>      | <u>43,558</u>      | <u>41,281</u>      | <u>40,025</u>      | <u>40,242</u>      | <u>39,568</u>      | <u>38,231</u>      | <u>39,466</u>      | <u>41,476</u>      |
| Total primary government program revenues.....             | <u>\$ 53,333</u>   | <u>\$ 58,871</u>   | <u>\$ 62,211</u>   | <u>\$ 51,844</u>   | <u>\$ 48,780</u>   | <u>\$ 48,583</u>   | <u>\$ 48,397</u>   | <u>\$ 46,182</u>   | <u>\$ 45,950</u>   | <u>\$ 48,123</u>   |
| <b>Net (Expense)/Revenue:</b>                              |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Governmental activities.....                               | \$ (34,445)        | \$ (28,545)        | \$ (28,705)        | \$ (27,817)        | \$ (26,983)        | \$ (24,859)        | \$ (23,781)        | \$ (23,815)        | \$ (28,410)        | \$ (30,694)        |
| Business-type activities.....                              | <u>9,434</u>       | <u>11,865</u>      | <u>11,224</u>      | <u>9,276</u>       | <u>7,957</u>       | <u>9,312</u>       | <u>10,107</u>      | <u>9,178</u>       | <u>6,763</u>       | <u>8,951</u>       |
| Total primary government net expense.....                  | <u>\$ (25,011)</u> | <u>\$ (16,680)</u> | <u>\$ (17,481)</u> | <u>\$ (18,541)</u> | <u>\$ (19,026)</u> | <u>\$ (15,547)</u> | <u>\$ (13,674)</u> | <u>\$ (14,637)</u> | <u>\$ (21,647)</u> | <u>\$ (21,743)</u> |
| <b>General Revenues and Other Changes in Net Position:</b> |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Governmental Activities:                                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Taxes:                                                     |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Property taxes.....                                        | \$ 15,380          | \$ 14,016          | \$ 12,967          | \$ 12,181          | \$ 11,643          | \$ 11,553          | \$ 11,646          | \$ 11,985          | \$ 12,215          | \$ 12,569          |
| Sales taxes.....                                           | 3,472              | 3,450              | 3,267              | 3,117              | 2,956              | 2,742              | 2,592              | 2,482              | 2,336              | 2,309              |
| Local option gas taxes.....                                | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | 1,099              | 1,112              |
| Franchise and utility taxes.....                           | 11,620             | 11,479             | 10,220             | 10,251             | 10,297             | 10,123             | 9,590              | 9,493              | 9,869              | 10,008             |
| Other taxes.....                                           | 120                | 129                | 869                | 889                | 850                | 840                | 824                | 743                | 744                | 691                |
| Intergovernmental revenues.....                            | 2,750              | 2,668              | 2,553              | 2,380              | 2,409              | 2,131              | 2,001              | 2,170              | 1,950              | 2,101              |
| Investment earnings.....                                   | 1,069              | 225                | 240                | 322                | 335                | 288                | 298                | 535                | 324                | 626                |
| Miscellaneous revenue.....                                 | 245                | 176                | 660                | 144                | 125                | 311                | 500                | 246                | 883                | 839                |
| Transfers.....                                             | 1,768              | -                  | 1,695              | 1,011              | 935                | 1,740              | 1,806              | 1,795              | 1,643              | 1,776              |
| Total governmental activities.....                         | <u>36,424</u>      | <u>32,143</u>      | <u>32,471</u>      | <u>30,295</u>      | <u>29,550</u>      | <u>29,728</u>      | <u>29,257</u>      | <u>29,449</u>      | <u>31,063</u>      | <u>32,031</u>      |
| Business-Type Activities:                                  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Investment earnings.....                                   | 1,474              | 194                | 153                | 233                | 172                | 81                 | 83                 | 298                | 229                | 1,180              |
| Miscellaneous revenue.....                                 | 211                | 191                | 38                 | 8                  | 325                | 246                | 166                | 846                | 454                | 394                |
| Transfers.....                                             | (1,768)            | -                  | (1,695)            | (1,011)            | (935)              | (1,740)            | (1,806)            | (1,795)            | (1,643)            | (1,776)            |
| Total business-type activities.....                        | <u>(83)</u>        | <u>385</u>         | <u>(1,504)</u>     | <u>(770)</u>       | <u>(438)</u>       | <u>(1,413)</u>     | <u>(1,557)</u>     | <u>(651)</u>       | <u>(960)</u>       | <u>(202)</u>       |
| Total primary government.....                              | <u>\$ 36,341</u>   | <u>\$ 32,528</u>   | <u>\$ 30,967</u>   | <u>\$ 29,525</u>   | <u>\$ 29,112</u>   | <u>\$ 28,315</u>   | <u>\$ 27,700</u>   | <u>\$ 28,798</u>   | <u>\$ 30,103</u>   | <u>\$ 31,829</u>   |
| <b>Changes in Net Position:</b>                            |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Governmental activities.....                               | \$ 1,979           | \$ 3,598           | \$ 3,766           | \$ 2,478           | \$ 2,567           | \$ 4,869           | \$ 5,476           | \$ 5,634           | \$ 2,653           | \$ 1,337           |
| Business-type activities.....                              | <u>9,351</u>       | <u>12,250</u>      | <u>9,720</u>       | <u>8,506</u>       | <u>7,519</u>       | <u>7,899</u>       | <u>8,550</u>       | <u>8,527</u>       | <u>5,803</u>       | <u>8,749</u>       |
| Total primary government.....                              | <u>\$ 11,330</u>   | <u>\$ 15,848</u>   | <u>\$ 13,486</u>   | <u>\$ 10,984</u>   | <u>\$ 10,086</u>   | <u>\$ 12,768</u>   | <u>\$ 14,026</u>   | <u>\$ 14,161</u>   | <u>\$ 8,456</u>    | <u>\$ 10,086</u>   |

\*Local option gas taxes reported as transportation operating grants beginning in FY2012.

**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

**Table III**

September 30, 2019  
 CITY OF PORT ORANGE, FLORIDA  
 (Accrual basis of accounting)  
 (Shown in thousands)

|                                         | Fiscal Year      |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|-----------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                         | 2019             | 2018             | 2017             | 2016             | 2015             | 2014             | 2013             | 2012             | 2011             | 2010             |
| <b>General Fund:</b>                    |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Nonspendable.....                       | \$ 1,612         | \$ 61            | \$ 42            | \$ 55            | \$ 34            | \$ 370           | \$ 60            | \$ 94            | \$ 83            | \$ -             |
| Restricted.....                         | 1,076            | 1,200            | 1,272            | 1,087            | 561              | 545              | 689              | 658              | 626              | -                |
| Committed.....                          | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                |
| Assigned.....                           | 718              | 914              | 3,725            | 3,392            | 1,742            | 1,954            | 1,845            | 1,761            | 1,233            | -                |
| Unassigned.....                         | 13,686           | 14,079           | 12,269           | 14,122           | 15,465           | 14,035           | 13,079           | 11,813           | 11,187           | -                |
| Reserved.....                           | -                | -                | -                | -                | -                | -                | -                | -                | -                | 528              |
| Unreserved.....                         | -                | -                | -                | -                | -                | -                | -                | -                | -                | 11,587           |
| Total general fund.....                 | <u>\$ 17,092</u> | <u>\$ 16,254</u> | <u>\$ 17,308</u> | <u>\$ 18,656</u> | <u>\$ 17,802</u> | <u>\$ 16,904</u> | <u>\$ 15,673</u> | <u>\$ 14,326</u> | <u>\$ 13,129</u> | <u>\$ 12,115</u> |
| <b>Other Governmental Funds:</b>        |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Nonspendable.....                       | \$ 12            | \$ 18            | \$ 11            | \$ 1,266         | \$ 10            | \$ 10            | \$ 10            | \$ 10            | \$ -             | \$ -             |
| Restricted.....                         | 15,359           | 15,247           | 14,305           | 13,261           | 15,847           | 14,945           | 14,964           | 13,519           | 13,204           | -                |
| Committed.....                          | 244              | 309              | -                | -                | -                | -                | -                | -                | 178              | -                |
| Assigned.....                           | 2,220            | 2,394            | 5,150            | 3,821            | 2,575            | 2,989            | 3,333            | 3,594            | 3,409            | -                |
| Unassigned.....                         | (4,172)          | (4,172)          | (2,655)          | (2,644)          | (2,929)          | (1,884)          | (1,647)          | (2,232)          | (7,235)          | -                |
| Reserved, reported in:                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Special revenue funds.....              | -                | -                | -                | -                | -                | -                | -                | -                | -                | 1,049            |
| Capital projects funds.....             | -                | -                | -                | -                | -                | -                | -                | -                | -                | 6,586            |
| Debt service funds.....                 | -                | -                | -                | -                | -                | -                | -                | -                | -                | 4,369            |
| Unreserved, reported in:                |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Special revenue funds.....              | -                | -                | -                | -                | -                | -                | -                | -                | -                | 1,617            |
| Capital projects funds.....             | -                | -                | -                | -                | -                | -                | -                | -                | -                | 844              |
| Total all other governmental funds..... | <u>\$ 13,663</u> | <u>\$ 13,796</u> | <u>\$ 16,811</u> | <u>\$ 15,704</u> | <u>\$ 15,503</u> | <u>\$ 16,060</u> | <u>\$ 16,660</u> | <u>\$ 14,891</u> | <u>\$ 9,556</u>  | <u>\$ 14,465</u> |

\*GASB 54 was implemented in Fiscal Year 2011.

**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**

September 30, 2019

CITY OF PORT ORANGE, FLORIDA

(Accrual basis of accounting)

(Shown in thousands)

**Table IV**

|                                                                  | Fiscal Year |            |           |           |           |           |           |           |           |            |
|------------------------------------------------------------------|-------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                                                  | 2019        | 2018       | 2017      | 2016      | 2015      | 2014      | 2013      | 2012      | 2011      | 2010       |
| Revenue:                                                         |             |            |           |           |           |           |           |           |           |            |
| Taxes.....                                                       | \$ 25,124   | \$ 23,581  | \$ 22,127 | \$ 21,377 | \$ 20,675 | \$ 20,463 | \$ 20,241 | \$ 20,457 | \$ 20,765 | \$ 21,193  |
| Permits and fees.....                                            | 6,397       | 6,364      | 6,450     | 5,169     | 5,101     | 6,363     | 5,517     | 4,948     | 4,654     | 4,578      |
| Intergovernmental.....                                           | 7,311       | 7,772      | 13,401    | 6,449     | 6,066     | 5,967     | 4,961     | 5,412     | 5,408     | 5,953      |
| Charges for services.....                                        | 4,275       | 3,632      | 3,871     | 3,603     | 3,423     | 3,122     | 3,196     | 2,986     | 3,523     | 2,978      |
| Fines and forfeitures.....                                       | 323         | 432        | 38        | 917       | 127       | 160       | 182       | 195       | 349       | 236        |
| Miscellaneous.....                                               | 1,493       | 508        | 825       | 536       | 634       | 939       | 852       | 802       | 1,209     | 1,465      |
| Total revenue.....                                               | 44,923      | 42,289     | 46,712    | 38,051    | 36,026    | 37,014    | 34,949    | 34,800    | 35,908    | 36,403     |
| Expenditures:                                                    |             |            |           |           |           |           |           |           |           |            |
| Current:                                                         |             |            |           |           |           |           |           |           |           |            |
| General government.....                                          | 8,194       | 9,786      | 15,551    | 7,363     | 6,921     | 6,340     | 6,381     | 6,501     | 6,948     | 7,163      |
| Public safety.....                                               | 23,049      | 22,312     | 20,489    | 20,109    | 19,346    | 19,508    | 18,530    | 17,259    | 19,038    | 19,373     |
| Transportation.....                                              | 3,231       | 2,875      | 3,009     | 2,543     | 2,287     | 2,130     | 2,010     | 2,920     | 3,067     | 3,782      |
| Economic environment.....                                        | 43          | 30         | 39        | 96        | 44        | 101       | 111       | 234       | 344       | 1,189      |
| Culture/recreation.....                                          | 4,022       | 3,637      | 3,402     | 3,157     | 2,825     | 2,644     | 2,848     | 2,619     | 2,574     | 2,821      |
| Capital outlay.....                                              | 4,386       | 6,999      | 5,002     | 3,877     | 3,303     | 6,511     | 1,353     | 1,480     | 2,300     | 3,605      |
| Debt service:                                                    |             |            |           |           |           |           |           |           |           |            |
| Principal retirement.....                                        | 1,380       | 1,330      | 1,360     | 1,205     | 770       | 960       | 1,000     | 965       | 925       | 850        |
| Interest and fiscal charges.....                                 | 1,307       | 1,369      | 1,354     | 1,695     | 1,535     | 1,890     | 1,942     | 2,010     | 2,093     | 2,128      |
| Payment to refunded bond escrow agent.....                       | -           | -          | -         | 13,807    | -         | 16,118    | -         | -         | -         | -          |
| Refunding bond issuance costs.....                               | 2           | -          | -         | 145       | -         | 178       | -         | -         | -         | -          |
| Total expenditures.....                                          | 45,614      | 48,338     | 50,206    | 53,997    | 37,031    | 56,380    | 34,175    | 33,988    | 37,289    | 40,911     |
| Excess (deficiency) of revenue over<br>(under) expenditures..... | (691)       | (6,049)    | (3,494)   | (15,946)  | (1,005)   | (19,366)  | 774       | 812       | (1,381)   | (4,508)    |
| Other Financing Sources (Uses):                                  |             |            |           |           |           |           |           |           |           |            |
| Debt proceeds.....                                               | -           | -          | -         | 13,959    | -         | 17,421    | -         | -         | -         | -          |
| Proceeds from sale of capital assets.....                        | -           | -          | 1,242     | 1,403     | -         | -         | -         | -         | -         | -          |
| Transfers in.....                                                | 4,042       | 4,499      | 5,742     | 4,958     | 3,551     | 6,672     | 3,007     | 3,657     | 4,631     | 3,841      |
| Transfers out.....                                               | (2,645)     | (2,519)    | (3,728)   | (3,320)   | (1,995)   | (4,095)   | (575)     | (2,819)   | (2,365)   | (1,440)    |
| Total other financing sources (uses).....                        | 1,397       | 1,980      | 3,256     | 17,000    | 1,556     | 19,998    | 2,432     | 838       | 2,266     | 2,401      |
| Net change in fund balances.....                                 | \$ 706      | \$ (4,069) | \$ (238)  | \$ 1,054  | \$ 551    | \$ 632    | \$ 3,206  | \$ 1,650  | \$ 885    | \$ (2,107) |
| Debt service as a percentage<br>of noncapital expenditures.....  | 6.52%       | 6.53%      | 6.00%     | 5.79%     | 6.83%     | 5.71%     | 8.96%     | 9.15%     | 8.63%     | 7.98%      |



**TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**

September 30, 2019

CITY OF PORT ORANGE, FLORIDA

(Accrual basis of accounting)

**Table V**

|                                              | Fiscal Year          |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|----------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                              | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 | 2014                 | 2013                 | 2012                 | 2011                 | 2010                 |
| Ad Valorem Property Tax:                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| City operating and debt service.....         | \$ 15,252,700        | \$ 13,801,060        | \$ 12,839,236        | \$ 12,077,471        | \$ 11,534,899        | \$ 11,432,100        | \$ 11,528,507        | \$ 11,871,639        | \$ 12,065,637        | \$ 12,296,071        |
| Tax increment districts <sup>(1)</sup> ..... | <u>335,002</u>       | <u>341,665</u>       | <u>306,246</u>       | <u>283,110</u>       | <u>267,167</u>       | <u>243,250</u>       | <u>257,103</u>       | <u>334,192</u>       | <u>400,899</u>       | <u>676,536</u>       |
| Total property tax.....                      | <u>\$ 15,587,702</u> | <u>\$ 14,142,725</u> | <u>\$ 13,145,482</u> | <u>\$ 12,360,581</u> | <u>\$ 11,802,066</u> | <u>\$ 11,675,350</u> | <u>\$ 11,785,610</u> | <u>\$ 12,205,831</u> | <u>\$ 12,466,536</u> | <u>\$ 12,972,607</u> |
| Sales and use tax.....                       | \$ 2,332,430         | \$ 2,302,153         | \$ 3,266,628         | \$ 3,116,961         | \$ 2,956,303         | \$ 2,741,746         | \$ 2,591,545         | \$ 2,481,736         | \$ 2,335,607         | \$ 2,309,484         |
| Franchise tax <sup>(2)</sup> .....           | 3,303,114            | 3,303,114            | 3,230,368            | 3,195,761            | 3,256,092            | 3,148,545            | 2,917,256            | 2,891,121            | 3,164,839            | 3,157,449            |
| Utility service taxes.....                   | 5,718,089            | 5,602,896            | 5,332,884            | 5,270,749            | 5,153,922            | 5,002,092            | 4,599,252            | 4,302,065            | 4,387,939            | 4,404,865            |
| Communications services tax.....             | 1,674,912            | 1,740,753            | 1,656,402            | 1,784,375            | 1,886,648            | 1,972,034            | 2,075,119            | 2,299,666            | 2,316,037            | 2,446,151            |

<sup>(1)</sup> Includes pro-rata share of other government tax increment reported as intergovernmental revenue in the governmental fund financial statements.

<sup>(2)</sup> Effective in 2010, franchise taxes are reported as permits and fees in the governmental fund financial statements.

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

September 30, 2019

CITY OF PORT ORANGE, FLORIDA

(in thousands)

**Table VI**

| Fiscal<br>Year<br>Ended<br>September 30, | Residential<br>Property | Commercial<br>Property | Industrial<br>Property | Other<br>Property | Less:<br>Tax-Exempt<br>Property | Total<br>Just<br>Value | Total<br>Direct<br>Tax<br>Rate | Assessed<br>Taxable<br>Value | Assessed<br>Value as a<br>Percentage<br>of Total<br>Just Value |
|------------------------------------------|-------------------------|------------------------|------------------------|-------------------|---------------------------------|------------------------|--------------------------------|------------------------------|----------------------------------------------------------------|
| 2010                                     | 3,470,025               | 1,036,297              | 130,846                | 596,656           | 1,343,777                       | 3,890,047              | 5.100                          | 2,546,270                    | 65.46%                                                         |
| 2011                                     | 3,073,396               | 850,955                | 99,580                 | 502,426           | 1,118,101                       | 3,408,255              | 5.101                          | 2,290,154                    | 67.19%                                                         |
| 2012                                     | 2,986,815               | 839,544                | 111,851                | 482,771           | 1,083,012                       | 3,337,969              | 5.515                          | 2,254,957                    | 67.55%                                                         |
| 2013                                     | 2,923,702               | 838,015                | 117,418                | 469,671           | 1,054,530                       | 3,294,276              | 5.372                          | 2,239,747                    | 67.99%                                                         |
| 2014                                     | 3,011,211               | 867,376                | 116,791                | 486,258           | 1,092,756                       | 3,388,880              | 5.190                          | 2,296,124                    | 67.75%                                                         |
| 2015                                     | 3,359,289               | 967,639                | 130,292                | 542,466           | 1,276,462                       | 3,723,224              | 4.921                          | 2,446,762                    | 65.72%                                                         |
| 2016                                     | 3,727,810               | 1,119,879              | 132,782                | 525,124           | 1,450,442                       | 4,055,152              | 4.827                          | 2,604,710                    | 64.23%                                                         |
| 2017                                     | 4,025,371               | 1,253,143              | 138,262                | 555,924           | 1,593,475                       | 4,379,224              | 4.794                          | 2,785,749                    | 63.61%                                                         |
| 2018                                     | 4,388,396               | 1,356,968              | 148,033                | 599,273           | 1,752,167                       | 4,740,503              | 4.806                          | 2,988,336                    | 63.04%                                                         |
| 2019                                     | 4,736,345               | 1,500,159              | 153,736                | 629,688           | 1,892,250                       | 5,127,678              | 4.921                          | 3,235,428                    | 63.10%                                                         |

Source: Volusia County Property Tax Appraiser

Note: The total direct tax rate is the rate per thousand dollars of assessed taxable value

**PROPERTY TAX RATES AND TAX LEVIES-  
ALL DIRECT AND OVERLAPPING GOVERNMENTS-  
LAST TEN FISCAL YEARS**

September 30, 2019

CITY OF PORT ORANGE, FLORIDA

**Table VII**

| Fiscal<br>Year                                              | City of Port Orange |                 |            | School<br>District | Volusia<br>County | Florida<br>Inland<br>Navigation<br>District | Volusia<br>Hospital<br>District | Halifax<br>Hospital<br>District | Ponce DeLeon<br>Inlet and<br>Port<br>Authority | St. Johns<br>River Water<br>Management<br>District | Mosquito<br>Control<br>District |
|-------------------------------------------------------------|---------------------|-----------------|------------|--------------------|-------------------|---------------------------------------------|---------------------------------|---------------------------------|------------------------------------------------|----------------------------------------------------|---------------------------------|
|                                                             | Operating           | Debt<br>Service | Total      |                    |                   |                                             |                                 |                                 |                                                |                                                    |                                 |
| <u>Tax Levies</u>                                           |                     |                 |            |                    |                   |                                             |                                 |                                 |                                                |                                                    |                                 |
| 2010                                                        | 11,712,841          | 1,273,644       | 12,986,485 | 19,873,636         | 16,230,790        | 87,846                                      | 9,163,261                       | 5,729,107                       | 238,331                                        | 1,058,739                                          | 533,851                         |
| 2011                                                        | 11,336,261          | 1,284,548       | 12,620,809 | 18,863,996         | 14,433,693        | 79,010                                      | 7,442,999                       | 4,580,307                       | 212,755                                        | 952,246                                            | 476,352                         |
| 2012                                                        | 11,162,036          | 1,272,923       | 12,434,959 | 18,059,080         | 15,183,469        | 77,271                                      | 7,394,525                       | 3,919,557                       | 208,072                                        | 742,028                                            | 465,867                         |
| 2013                                                        | 10,762,210          | 1,269,713       | 12,031,923 | 17,667,127         | 15,411,477        | 77,271                                      | 6,786,434                       | 2,799,684                       | 208,073                                        | 742,028                                            | 465,867                         |
| 2014                                                        | 10,789,717          | 1,127,397       | 11,917,114 | 16,952,304         | 16,751,632        | 79,486                                      | 6,771,476                       | 2,303,928                       | 214,034                                        | 756,380                                            | 479,217                         |
| 2015                                                        | 10,909,866          | 1,130,404       | 12,040,270 | 17,949,446         | 17,790,162        | 84,413                                      | 6,812,275                       | 2,446,762                       | 227,304                                        | 774,155                                            | 459,991                         |
| 2016                                                        | 11,439,888          | 1,133,049       | 12,572,937 | 18,746,098         | 18,938,586        | 83,351                                      | 6,860,806                       | 2,487,498                       | 241,978                                        | 787,404                                            | 489,685                         |
| 2017                                                        | 12,408,286          | 947,712         | 13,355,998 | 19,076,813         | 19,645,106        | 89,144                                      | 6,685,799                       | 2,106,305                       | 258,796                                        | 803,689                                            | 523,721                         |
| 2018                                                        | 13,411,952          | 948,498         | 14,360,450 | 19,483,951         | 21,073,745        | 95,627                                      | 3,822,082                       | 1,129,890                       | 277,616                                        | 814,023                                            | 561,807                         |
| 2019                                                        | 14,976,151          | 945,716         | 15,921,867 | 20,321,723         | 21,503,949        | 103,534                                     | 3,877,337                       | 1,147,283                       | 300,571                                        | 828,917                                            | 608,260                         |
| <u>Tax Rates per Thousand Dollars of Assessed Valuation</u> |                     |                 |            |                    |                   |                                             |                                 |                                 |                                                |                                                    |                                 |
| 2010                                                        | 4.60000             | 0.50020         | 5.10020    | 7.805              | 6.374             | 0.035                                       | 3.599                           | 2.250                           | 0.094                                          | 0.416                                              | 0.210                           |
| 2011                                                        | 4.95000             | 0.56090         | 5.51090    | 8.237              | 6.303             | 0.035                                       | 3.250                           | 2.000                           | 0.093                                          | 0.416                                              | 0.208                           |
| 2012                                                        | 4.95000             | 0.56450         | 5.51450    | 8.063              | 6.779             | 0.035                                       | 3.302                           | 1.750                           | 0.093                                          | 0.331                                              | 0.208                           |
| 2013                                                        | 4.80510             | 0.56690         | 5.37200    | 7.888              | 6.881             | 0.035                                       | 3.030                           | 1.250                           | 0.093                                          | 0.331                                              | 0.208                           |
| 2014                                                        | 4.69910             | 0.49100         | 5.19010    | 7.358              | 7.271             | 0.035                                       | 2.939                           | 1.000                           | 0.093                                          | 0.328                                              | 0.208                           |
| 2015                                                        | 4.45890             | 0.46200         | 4.92090    | 7.336              | 7.271             | 0.035                                       | 2.784                           | 1.000                           | 0.093                                          | 0.316                                              | 0.188                           |
| 2016                                                        | 4.39200             | 0.43500         | 4.82700    | 7.197              | 7.271             | 0.032                                       | 2.634                           | 0.955                           | 0.093                                          | 0.302                                              | 0.188                           |
| 2017                                                        | 4.45420             | 0.34020         | 4.79440    | 6.848              | 7.052             | 0.032                                       | 2.400                           | 0.756                           | 0.093                                          | 0.289                                              | 0.188                           |
| 2018                                                        | 4.48810             | 0.31741         | 4.80550    | 6.520              | 7.052             | 0.032                                       | 1.279                           | 0.378                           | 0.093                                          | 0.272                                              | 0.188                           |
| 2019                                                        | 4.62880             | 0.29230         | 4.92110    | 6.281              | 6.646             | 0.032                                       | 1.198                           | 0.355                           | 0.093                                          | 0.256                                              | 0.188                           |

Source: Volusia County Property Tax Appraiser

FY2014 Levied Taxes Revised per Final Schedule on County Tax Appraiser Website

**PRINCIPAL PROPERTY TAXPAYERS  
CURRENT AND NINE YEARS AGO**  
September 30, 2019  
CITY OF PORT ORANGE, FLORIDA

**Table VIII**

| Taxpayer                                                   | September 30, 2019           |      |                                                     | September 30, 2010           |      |                                                     |
|------------------------------------------------------------|------------------------------|------|-----------------------------------------------------|------------------------------|------|-----------------------------------------------------|
|                                                            | Assessed<br>Taxable<br>Value | Rank | Percent<br>to Total<br>Assessed<br>Taxable<br>Value | Assessed<br>Taxable<br>Value | Rank | Percent<br>to Total<br>Assessed<br>Taxable<br>Value |
| Florida Power & Light Company.....                         | 83,230,911                   | 1    | 2.6%                                                | 40,569,825                   | 1    |                                                     |
| Port Orange Town Center LLC.....                           | 42,327,645                   | 2    | 1.3%                                                | 13,800,894                   | 6    | 0.4%                                                |
| Edge Cove LLC.....                                         | 40,394,805                   | 3    | 1.2%                                                |                              |      |                                                     |
| Port Orange Apt Assoc II LLC.....                          | 38,658,447                   | 4    | 1.2%                                                | 11,064,329                   | 8    | 0.3%                                                |
| Whitepalm Bay LLC.....                                     | 34,217,855                   | 5    | 1.1%                                                |                              |      |                                                     |
| Hawthorne Village @Port Orange Inc.....                    | 29,942,111                   | 6    | 0.9%                                                | 19,759,177                   | 2    | 0.6%                                                |
| Becks Farm LTD.....                                        | 23,178,125                   | 7    | 0.7%                                                | 14,236,036                   | 5    | 0.4%                                                |
| US Foods Inc.....                                          | 22,221,291                   | 8    | 0.7%                                                |                              |      |                                                     |
| Apexone Surf Coast LLC.....                                | 17,996,508                   | 9    | 0.6%                                                |                              |      |                                                     |
| Brick Walk Assoc. WOS B LLC                                | 17,643,241                   | 10   | 0.5%                                                |                              |      | 0.0%                                                |
| Walmart Stores East LP.....                                |                              |      |                                                     | 15,885,502                   | 4    | 0.5%                                                |
| Port Orange Apartment Assoc.....                           |                              |      |                                                     | 11,728,660                   | 7    | 0.4%                                                |
| Bellsouth Telecommunication Inc.....                       |                              |      |                                                     | 16,342,810                   | 3    | 0.5%                                                |
| Target Corporation.....                                    |                              |      |                                                     | 10,467,532                   | 9    | 0.3%                                                |
| Aimco Oceans Oaks, LLC                                     |                              |      |                                                     | 9,293,563                    | 10   | 0.3%                                                |
| Total taxable assessed value of the largest taxpayers..... | <u>\$ 349,810,939</u>        |      |                                                     | <u>\$ 163,148,328</u>        |      |                                                     |
| Total taxable assessed value of other taxpayers.....       | <u>\$ 2,885,617,389</u>      |      |                                                     | <u>\$ 3,123,725,347</u>      |      |                                                     |
| Total taxable assessed value of all taxpayers.....         | <u>\$ 3,235,428,328</u>      |      |                                                     | <u>\$ 3,286,873,675</u>      |      |                                                     |

Source: Volusia County Property Tax Appraiser

**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
September 30, 2019  
CITY OF PORT ORANGE, FLORIDA

**Table IX**

| Fiscal<br>Year<br>Ended<br>September 30, | Taxes<br>Levied<br>For<br>Year (1) | Collected within the<br>Fiscal Year of the Levy |                       | Collections<br>in<br>Subsequent<br>Years (2) | Total Collections to Date |                       |
|------------------------------------------|------------------------------------|-------------------------------------------------|-----------------------|----------------------------------------------|---------------------------|-----------------------|
|                                          |                                    | Amount (2)                                      | Percent<br>of<br>Levy |                                              | Amount                    | Percent<br>of<br>Levy |
| 2010                                     | 12,986,485                         | 12,483,260                                      | 96.1%                 | 39,202                                       | 12,522,462                | 96.4%                 |
| 2011                                     | 12,620,809                         | 12,162,874                                      | 96.4%                 | 51,396                                       | 12,214,270                | 96.8%                 |
| 2012                                     | 12,434,959                         | 11,962,988                                      | 96.2%                 | 35,594                                       | 11,998,582                | 96.5%                 |
| 2013                                     | 12,031,923                         | 11,603,809                                      | 96.4%                 | 23,641                                       | 11,627,449                | 96.6%                 |
| 2014                                     | 11,917,114                         | 11,488,291                                      | 96.4%                 | 34,720                                       | 11,523,011                | 96.7%                 |
| 2015                                     | 12,040,270                         | 11,377,953                                      | 94.5%                 | 241,788                                      | 11,619,741                | 96.5%                 |
| 2016                                     | 12,572,937                         | 11,928,757                                      | 94.9%                 | 231,859                                      | 12,160,615                | 96.7%                 |
| 2017                                     | 13,355,998                         | 12,680,097                                      | 94.9%                 | 248,837                                      | 12,928,934                | 96.8%                 |
| 2018                                     | 14,360,450                         | 13,851,566                                      | 96.5%                 | 83,274                                       | 13,934,840                | 97.0%                 |
| 2019                                     | 15,921,867                         | 15,142,867                                      | 95.1%                 | 255,325                                      | 15,398,191                | 96.7%                 |

Source: (1) Volusia County Property Tax Appraisers Office DR-403  
(2) City of Port Orange Finance Department

**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

**Table X**

September 30, 2019

CITY OF PORT ORANGE, FLORIDA

(dollars in thousands, except for per capita)

| Fiscal<br>Year<br>Ended<br>September 30, | Governmental Activities        |                             |                                  | Business-Type Activities    |              |                                  | Total<br>Primary<br>Government | Percent<br>of<br>Personal<br>Income (a) | Per<br>Capita |
|------------------------------------------|--------------------------------|-----------------------------|----------------------------------|-----------------------------|--------------|----------------------------------|--------------------------------|-----------------------------------------|---------------|
|                                          | General<br>Obligation<br>Bonds | Revenue<br>Bonds &<br>Loans | Net<br>Premiums &<br>(Discounts) | Revenue<br>Bonds &<br>Notes | SRF<br>Loans | Net<br>Premiums &<br>(Discounts) |                                |                                         |               |
| 2010                                     | 16,205                         | 25,100                      | (229)                            | 55,445                      | 45,260       | 1,138                            | 142,919                        | 0.8934%                                 | 2,534         |
| 2011                                     | 15,755                         | 24,625                      | (215)                            | 51,820                      | 37,139       | 958                              | 130,082                        | 0.7863%                                 | 2,310         |
| 2012                                     | 15,290                         | 24,125                      | (202)                            | 50,795                      | 27,297       | (2)                              | 117,304                        | 0.7362%                                 | 2,080         |
| 2013                                     | 14,810                         | 23,605                      | (197)                            | 46,030                      | 26,011       | (30)                             | 110,229                        | 0.6663%                                 | 1,932         |
| 2014                                     | 14,440                         | 23,545                      | 1,139                            | 41,095                      | 24,689       | (47)                             | 104,861                        | 0.6126%                                 | 1,825         |
| 2015                                     | 14,055                         | 23,160                      | 1,118                            | 36,100                      | 22,972       | (54)                             | 97,351                         | 0.5630%                                 | 1,660         |
| 2016                                     | 12,895                         | 22,355                      | 1,884                            | 26,260                      | 21,209       | (52)                             | 84,552                         | 0.4621%                                 | 1,425         |
| 2017                                     | 12,355                         | 21,535                      | 1,741                            | 26,260                      | 18,591       | (48)                             | 80,434                         | 0.4109%                                 | 1,349         |
| 2018                                     | 11,870                         | 20,690                      | 1,588                            | 21,755                      | 15,897       | (45)                             | 71,755                         | 0.3493%                                 | 1,176         |
| 2019                                     | 11,375                         | 19,805                      | 1,439                            | 17,155                      | 13,127       | (41)                             | 62,860                         | 0.2870%                                 | 1,020         |

Source: City of Port Orange Finance Department

(a) See Table XIV for personal income and population data.

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

**Table XI**

September 30, 2019

CITY OF PORT ORANGE, FLORIDA

| Fiscal<br>Year<br>Ended<br>September 30, | Assessed<br>Taxable<br>Value (1) | Total<br>General<br>Bonded<br>Debt | Accumulated<br>Resources<br>Restricted* | Net<br>General<br>Debt | Assessed<br>Net<br>General<br>Bonded<br>Debt | Estimated<br>Population (2) | Net<br>General<br>Bonded<br>Debt<br>Per Capita |
|------------------------------------------|----------------------------------|------------------------------------|-----------------------------------------|------------------------|----------------------------------------------|-----------------------------|------------------------------------------------|
| 2010                                     | 2,546,269,833                    | 16,205,000                         | -                                       | 16,205,000             | 0.64%                                        | 56,402                      | 287.31                                         |
| 2011                                     | 2,290,153,662                    | 15,755,000                         | 39,595                                  | 15,715,405             | 0.69%                                        | 56,313                      | 279.07                                         |
| 2012                                     | 2,254,956,801                    | 15,290,000                         | 70,476                                  | 15,219,524             | 0.67%                                        | 56,386                      | 269.92                                         |
| 2013                                     | 2,239,747,296                    | 14,810,000                         | 39,355                                  | 14,770,645             | 0.66%                                        | 57,060                      | 258.86                                         |
| 2014                                     | 2,296,124,074                    | 14,440,000                         | 61,902                                  | 14,378,098             | 0.63%                                        | 57,467                      | 250.20                                         |
| 2015                                     | 2,446,761,822                    | 14,055,000                         | 86,352                                  | 13,968,648             | 0.57%                                        | 58,656                      | 238.15                                         |
| 2016                                     | 2,604,710,345                    | 12,895,000                         | 298,900                                 | 12,596,100             | 0.48%                                        | 59,315                      | 212.36                                         |
| 2017                                     | 2,785,749,578                    | 12,355,000                         | 260,279                                 | 12,094,721             | 0.43%                                        | 59,625                      | 202.85                                         |
| 2018                                     | 2,988,336,202                    | 11,870,000                         | 290,414                                 | 11,579,586             | 0.39%                                        | 61,009                      | 189.80                                         |
| 2019                                     | 3,235,428,328                    | 11,375,000                         | 328,136                                 | 11,046,864             | 0.34%                                        | 61,617                      | 179.28                                         |

Source: (1) Volusia County Property Tax Appraiser

(2) University of Florida, Bureau of Economic and Business Research

\* Accumulated resources restricted to repaying the principal of general bonded debt.

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

**Table XII**

September 30, 2019

CITY OF PORT ORANGE, FLORIDA

| Governmental Unit                                 | Net<br>Debt<br>Outstanding | Estimated<br>Percent<br>Applicable<br>to the<br>City of<br>Port Orange (1) | City's<br>Estimated<br>Share of<br>Overlapping<br>Debt |
|---------------------------------------------------|----------------------------|----------------------------------------------------------------------------|--------------------------------------------------------|
| Debt repaid with property taxes:                  |                            |                                                                            |                                                        |
| Volusia County:                                   |                            |                                                                            |                                                        |
| General Obligation Bonds.....                     | \$ 6,380,000               | 9.59%                                                                      | \$ 611,755                                             |
| Other Debt:                                       |                            |                                                                            |                                                        |
| District School Board of Volusia County, Florida: |                            |                                                                            |                                                        |
| State School Bonds.....                           | 413,109                    | 9.59%                                                                      | 39,612                                                 |
| Sales Tax Revenue Bonds.....                      | 35,898,516                 | 9.59%                                                                      | 3,442,179                                              |
| Certificates of participation.....                | 230,710,328                | 9.59%                                                                      | 22,121,980                                             |
| Volusia County:                                   |                            |                                                                            |                                                        |
| Revenue Bonds.....                                | 70,147,204                 | 9.59%                                                                      | 6,726,162                                              |
| Notes Payable.....                                | <u>20,437,000</u>          | 9.59%                                                                      | <u>1,959,630</u>                                       |
| Total overlapping debt.....                       |                            |                                                                            | 34,901,318                                             |
| City direct debt (2) .....                        |                            |                                                                            | <u>31,180,000</u>                                      |
| Total direct and overlapping debt.....            |                            |                                                                            | <u>\$ 66,081,318</u>                                   |

Source: City of Port Orange, Florida Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2018.

(1) Percentage applicable to City was determined by taking the City's assessed taxable value and dividing it by Volusia County's assessed taxable value for tax year 2019.

(2) The City's direct debt amount, including net premiums, would be \$32,619,183.



**PLEDGED REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

**Table XIII**

September 30, 2019

CITY OF PORT ORANGE, FLORIDA

| Fiscal<br>Year<br>Ended                        | Gross<br>Revenues | Less:<br>Operating<br>Expenses | Net<br>Available<br>Revenues | Debt Service |           | Coverage |
|------------------------------------------------|-------------------|--------------------------------|------------------------------|--------------|-----------|----------|
|                                                |                   |                                |                              | Principal    | Interest  |          |
| <b><u>Water and Sewer Bonds</u></b>            |                   |                                |                              |              |           |          |
| 2010                                           | 25,516,718        | 12,056,424                     | 13,460,294                   | 3,245,000    | 1,789,355 | 2.67     |
| 2011                                           | 24,577,314        | 12,601,401                     | 11,975,913                   | 2,860,000    | 1,795,317 | 2.57     |
| 2012                                           | 25,099,244        | 12,280,134                     | 12,819,110                   | 2,940,000    | 1,719,650 | 2.75     |
| 2013                                           | 23,860,970        | 13,054,981                     | 10,805,989                   | 3,940,000    | 661,776   | 2.35     |
| 2014                                           | 25,182,564        | 14,116,531                     | 11,066,033                   | 4,085,000    | 688,303   | 2.32     |
| 2015                                           | 26,030,902        | 14,067,671                     | 11,963,231                   | 4,115,000    | 578,419   | 2.55     |
| 2016                                           | 27,140,395        | 13,991,595                     | 13,148,800                   | 5,115,000    | 476,645   | 2.35     |
| 2017                                           | 27,486,455        | 13,884,287                     | 13,602,168                   | 3,510,000    | 382,624   | 3.49     |
| 2018                                           | 27,307,359        | 13,754,637                     | 13,552,722                   | 3,860,000    | 317,768   | 3.24     |
| 2019                                           | 28,265,911        | 14,092,024                     | 14,173,887                   | 3,935,000    | 249,172   | 3.39     |
| <b><u>Stormwater Utility Revenue Bonds</u></b> |                   |                                |                              |              |           |          |
| 2010                                           | 3,658,919         | 1,978,096                      | 1,680,823                    | 545,000      | 471,272   | 1.65     |
| 2011                                           | 3,738,482         | 1,898,995                      | 1,839,487                    | 765,000      | 448,948   | 1.52     |
| 2012                                           | 3,716,097         | 1,508,220                      | 2,207,877                    | 790,000      | 421,881   | 1.82     |
| 2013                                           | 3,801,857         | 1,467,244                      | 2,334,613                    | 825,000      | 333,897   | 2.01     |
| 2014                                           | 3,805,758         | 1,493,264                      | 2,312,494                    | 850,000      | 312,103   | 1.99     |
| 2015                                           | 3,860,474         | 1,556,459                      | 2,304,015                    | 880,000      | 289,338   | 1.97     |
| 2016                                           | 3,884,177         | 1,489,091                      | 2,395,086                    | 595,000      | 271,281   | 2.76     |
| 2017                                           | 3,923,863         | 1,723,534                      | 2,200,329                    | 620,000      | 258,124   | 2.51     |
| 2018                                           | 4,542,529         | 1,754,535                      | 2,787,994                    | 645,000      | 244,360   | 3.13     |
| 2019                                           | 4,484,758         | 2,092,339                      | 2,392,419                    | 665,000      | 230,126   | 2.67     |

Note: Water and Sewer gross revenues include operating revenue of the system and interest earnings. Interest earnings from construction funds are excluded. Operating expenses do not include depreciation expense. Stormwater Utility revenue bonds are supported by drainage fees charged. Additional details regarding revenues and expenses can be found in the fund financial statements or the combining schedules of this comprehensive annual financial report.

**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
September 30, 2019  
CITY OF PORT ORANGE, FLORIDA

**Table XIV**

| Fiscal<br>Year<br>Ended<br>September 30, | City<br>of Port<br>Orange<br>Population(a) | City of Port<br>Orange<br>School<br>Enrollment (b) | City of Port<br>Orange<br>Unemployment<br>Rate (c) | Volusia<br>Personal<br>Income (d)<br>(in thousands) | Volusia<br>Per Capita<br>Personal<br>Income (e) |
|------------------------------------------|--------------------------------------------|----------------------------------------------------|----------------------------------------------------|-----------------------------------------------------|-------------------------------------------------|
| 2010                                     | 56,048                                     | 10,212                                             | 9.3                                                | 15,996,620                                          | 32,339                                          |
| 2011                                     | 56,313                                     | 10,130                                             | 8.6                                                | 16,544,186                                          | 33,436                                          |
| 2012                                     | 56,529                                     | 10,090                                             | 7.2                                                | 15,933,933                                          | 32,203                                          |
| 2013                                     | 56,386                                     | 9,853                                              | 6.5                                                | 16,544,186                                          | 33,299                                          |
| 2014                                     | 57,467                                     | 9,930                                              | 5.1                                                | 17,117,508                                          | 34,305                                          |
| 2015                                     | 58,656                                     | 10,149                                             | 4.7                                                | 17,292,604                                          | 34,321                                          |
| 2016                                     | 59,315                                     | 10,182                                             | 4.3                                                | 18,297,539                                          | 35,364                                          |
| 2017                                     | 59,625                                     | 10,368                                             | 3.8                                                | 19,577,196                                          | 37,404                                          |
| 2018                                     | 61,009                                     | 10,473                                             | 3.1                                                | 20,543,253                                          | 38,135                                          |
| 2019                                     | 61,617                                     | 10,585                                             | 3.2                                                | 21,902,076                                          | 40,001                                          |

Sources:

- ( a ) University of Florida, Bureau of Economic and Business Research
- ( b ) Volusia County School Board
- ( c ) U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics Program,  
in cooperation with the Florida Department of Economic Opportunity, Bureau of Labor Market Statistics
- ( d ) United States Department of Commerce, Bureau of Economic and Business Research (2006-2011);  
Florida Research & Economic Database (2012-2018) via Volusia County School Board FY18 CAFR
- ( e ) Calculated by dividing Personal Income by the Population

**PRINCIPAL EMPLOYERS**

September 30, 2019

CITY OF PORT ORANGE, FLORIDA

**Table XV**

| Employer                          | September 30, 2019 |      |                                  |
|-----------------------------------|--------------------|------|----------------------------------|
|                                   | Total Employees    | Rank | Percent to Total City Employment |
| American Builders Contractors Sup | 2,600              | 1    | 8.42%                            |
| Volusia County School District    | 901                | 2    | 2.92%                            |
| U.S. Food                         | 490                | 3    | 1.59%                            |
| City of Port Orange               | 485                | 4    | 1.57%                            |
| Publix Supermarkets               | 326                | 5    | 1.06%                            |
| County of Volusia                 | 277                | 6    | 0.90%                            |
| Halifax Health                    | 235                | 7    | 0.76%                            |
| Targer Super Store                | 250                | 8    | 0.81%                            |
| Mariner Health                    | 200                | 9    | 0.65%                            |
| Lowe's Home Centers LLC           | 150                | 10   | 0.49%                            |

Source: Team Volusia, the Volusia/Flagler Business, COPO staff research

Total City Employment from Volusia County Economic Development Q4 Report

| Top Employers in Port Orange, Florida - Historical |      |      |      |      |      |      |      |      |       |      |       |      |       |      |
|----------------------------------------------------|------|------|------|------|------|------|------|------|-------|------|-------|------|-------|------|
| Employer                                           | 2019 |      | 2018 |      | 2017 |      | 2016 |      | 2015  |      | 2014  |      | 2013  |      |
|                                                    | #    | Rank | #    | Rank | #    | Rank | #    | Rank | #     | Rank | #     | Rank | #     | Rank |
| American Builders & Contractor S                   | 2600 | 1    |      |      |      |      |      |      |       |      |       |      |       |      |
| Volusia County Public Schools                      | 901  | 2    | 961  | 1    | 844  | 1    | 844  | 1    |       |      |       |      |       |      |
| U.S. Foods                                         | 490  | 3    | 500  | 2    | 530  | 2    | 530  | 2    | 206   | 8    | 206   | 8    | 206   | 7    |
| City of Port Orange                                | 485  | 4    | 482  | 4    | 476  | 3    | 433  | 4    |       |      |       |      |       |      |
| Publix Supermarkets                                | 326  | 5    | 405  | 5    | 415  | 5    | 415  | 5    | 380   | 4    | 380   | 4    | 380   | 4    |
| County of Volusia                                  | 277  | 6    |      |      |      |      |      |      |       |      |       |      |       |      |
| Halifax Health                                     | 235  | 7    | 215  | 7    | 250  | 7    | 239  | 7    | 400   | 3    | 400   | 3    | 400   | 3    |
| Target Super Store                                 | 250  | 8    | 145  | 9    | 140  | 9    | 140  | 9    |       |      |       |      |       |      |
| Mariners Health Care Inc                           | 200  | 9    |      |      |      |      |      |      |       |      |       |      |       |      |
| Lowe's Home Improvement                            | 150  | 10   | 200  | 8    | 240  | 8    | 156  | 8    |       |      |       |      |       |      |
| Florida Heath Care                                 |      |      |      |      |      |      |      |      | 1,200 | 1    | 1,200 | 1    | 1,200 | 1    |
| Walmart                                            |      |      | 486  | 3    | 450  | 3    | 485  | 3    | 503   | 2    | 503   | 2    | 683   | 2    |
| Spruce Creen High School                           |      |      |      |      |      |      |      |      | 280   | 5    | 280   | 5    | 280   | 5    |
| Raydon                                             |      |      | 250  | 6    | 300  | 6    | 250  | 6    | 215   | 6    | 215   | 6    |       |      |
| Dollar General                                     |      |      |      |      |      |      |      |      | 206   | 7    | 206   | 7    | 206   | 6    |
| Atlantic High School                               |      |      |      |      |      |      |      |      | 200   | 9    | 200   | 9    | 200   | 8    |
| Ferran Serv. & Contracting                         |      |      |      |      |      |      |      |      | 200   | 10   | 200   | 10   | 200   | 10   |
| Christian Drug Rehab & Detox                       |      |      |      |      |      |      |      |      |       |      |       |      | 200   | 9    |
| Palmer Chiropractic College                        |      |      | 130  | 10   | 123  | 10   | 122  | 10   |       |      |       |      |       |      |

2016-2019 Source: Team Volusia, the Volusia/Flagler Business Book 2019, COPO staff research

2015-2011 Source: InfoGroup Employer Database 2015 - 2012 ed. 1

**FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
September 30, 2019  
CITY OF PORT ORANGE, FLORIDA

**Table XVI**

|                                           | Fiscal Year |        |        |        |        |        |        |        |        |        |
|-------------------------------------------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                                           | 2019        | 2018   | 2017   | 2016   | 2015   | 2014   | 2013   | 2012   | 2011   | 2010   |
| General Government:                       |             |        |        |        |        |        |        |        |        |        |
| Management.....                           | 13.50       | 13.50  | 11.50  | 11.78  | 11.00  | 11.20  | 11.20  | 10.20  | 11.20  | 12.10  |
| Finance.....                              | 15.40       | 16.40  | 15.50  | 13.77  | 11.50  | 9.85   | 7.45   | 7.45   | 7.45   | 8.70   |
| Human Resources.....                      | 5.00        | 4.00   | 4.00   | 3.00   | 3.00   | 3.10   | 4.00   | 4.00   | 4.00   | 3.00   |
| Community Development.....                | 26.17       | 31.30  | 30.30  | 27.17  | 25.67  | 23.67  | 22.67  | 22.67  | 24.27  | 25.27  |
| Other.....                                | 33.96       | 31.13  | 31.46  | 29.16  | 28.36  | 28.31  | 28.06  | 27.18  | 28.18  | 28.78  |
| Police:                                   |             |        |        |        |        |        |        |        |        |        |
| Officers and civilians.....               | 122.88      | 112.88 | 110.88 | 108.79 | 108.54 | 104.74 | 105.00 | 100.53 | 104.58 | 104.20 |
| Fire:                                     |             |        |        |        |        |        |        |        |        |        |
| Firefighters, officers and civilians..... | 64.50       | 60.50  | 59.50  | 59.50  | 58.00  | 58.00  | 59.96  | 58.00  | 62.00  | 62.00  |
| Solid Waste.....                          | 3.82        | 3.50   | 3.30   | 3.30   | 3.30   | 3.35   | 3.20   | 3.20   | 3.20   | 3.20   |
| Stormwater.....                           | 17.29       | 16.40  | 16.70  | 16.70  | 16.70  | 14.75  | 14.60  | 14.60  | 14.60  | 14.60  |
| Public works-Transportation.....          | 19.51       | 19.60  | 19.50  | 18.50  | 16.50  | 15.50  | 15.50  | 15.50  | 15.50  | 17.50  |
| Parks and recreation.....                 | 50.09       | 49.74  | 45.81  | 40.41  | 33.77  | 30.19  | 28.29  | 28.83  | 30.10  | 33.50  |
| Water & Sewer.....                        | 104.53      | 102.68 | 100.71 | 100.58 | 101.08 | 96.63  | 92.93  | 91.23  | 91.23  | 92.73  |
| Total.....                                | 476.65      | 461.63 | 449.16 | 432.66 | 417.42 | 399.29 | 392.86 | 383.39 | 396.31 | 405.58 |

Source: City Finance Department

**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
September 30, 2019  
CITY OF PORT ORANGE, FLORIDA

**Table XVII**

|                                           | Fiscal Year |        |        |        |        |        |        |        |        |        |
|-------------------------------------------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                                           | 2019        | 2018   | 2017   | 2016   | 2015   | 2014   | 2013   | 2012   | 2011   | 2010   |
| Police:                                   |             |        |        |        |        |        |        |        |        |        |
| Arrests.....                              | 2,005       | 1,858  | 1,870  | 1,799  | 1,787  | 2,239  | 2,058  | 1,963  | 1,925  | 1,929  |
| Traffic violations.....                   | 8,269       | 8,366  | 7,377  | 7,927  | 7,848  | 7,342  | 8,007  | 6,376  | 4,342  | 4,195  |
| Fire:                                     |             |        |        |        |        |        |        |        |        |        |
| Emergency responses.....                  | 9,000       | 9,186  | 9,421  | 9,076  | 8,100  | 7,200  | 7,053  | 7,461  | 7,624  | 7,768  |
| Fires extinguished.....                   | 102         | 128    | 143    | 140    | 96     | 93     | 93     | 126    | 100    | 155    |
| Inspections/system tests.....             | 220         | 266    | 132    | 577    | 561    | 632    | 504    | 547    | 529    | 574    |
| Solid Waste:                              |             |        |        |        |        |        |        |        |        |        |
| Refuse collected (tons per day).....      | 137         | 124.8  | 125.4  | 118.8  | 121.8  | 110.8  | 109.6  | 109.1  | 110.8  | 109.5  |
| Recyclables collected (tons per day)..... | 6.5         | 7.4    | 7.1    | 8.2    | 8.2    | 8.3    | 8.6    | 8.1    | 8.9    | 8.9    |
| Number of Customers:                      |             |        |        |        |        |        |        |        |        |        |
| Residential.....                          | 24,048      | 23,834 | 24,590 | 23,515 | 23,386 | 23,275 | 23,058 | 22,960 | 22,557 | 22,485 |
| Commercial.....                           | 907         | 909    | 836    | 889    | 891    | 873    | 873    | 890    | 1,161  | 1,142  |
| Public works-Transportation               |             |        |        |        |        |        |        |        |        |        |
| Street resurfacing (miles).....           | 6           | 7.0    | 7.0    | 6.5    | 7.0    | 7.0    | -      | 10.0   | 9.0    | 9.9    |
| Parks and recreation                      |             |        |        |        |        |        |        |        |        |        |
| Number of athletic sign-ups.....          | 3,562       | 3,614  | 3,215  | 3,100  | 3,043  | 2,811  | 2,400  | 2,874  | 2,005  | 2,950  |
| Water:                                    |             |        |        |        |        |        |        |        |        |        |
| Potable Water Produced (MGD AADF).....    | 5.830       | 5.830  | 5.830  | 5.954  | 5.948  | 5.847  | 6.135  | 6.135  | 6.031  | 5.523  |
| Number of customers:                      |             |        |        |        |        |        |        |        |        |        |
| Inside.....                               | 25,692      | 25,575 | 25,284 | 25,102 | 25,014 | 24,886 | 24,685 | 24,552 | 24,397 | 24,306 |
| Outside.....                              | 2,313       | 2,294  | 2,273  | 2,268  | 2,265  | 2,262  | 2,252  | 2,256  | 2,251  | 2,250  |
| Residential.....                          | 26,382      | 26,234 | 25,933 | 25,743 | 25,652 | 25,540 | 25,346 | 25,225 | 25,080 | 25,001 |
| Commercial.....                           | 1,623       | 1,635  | 1,624  | 1,627  | 1,627  | 1,600  | 1,591  | 1,583  | 1,568  | 1,555  |
| Sewer:                                    |             |        |        |        |        |        |        |        |        |        |
| Wastewater Treated (MGD AADF).....        | 5.734       | 5.734  | 5.734  | 5.627  | 5.942  | 6.334  | 6.213  | 5.958  | 5.631  | 5.503  |
| Number of customers:                      |             |        |        |        |        |        |        |        |        |        |
| Inside.....                               | 24,927      | 24,796 | 24,462 | 24,244 | 24,099 | 23,969 | 23,745 | 23,637 | 23,490 | 23,402 |
| Outside.....                              | 829         | 813    | 793    | 784    | 781    | 781    | 775    | 777    | 769    | 768    |
| Residential.....                          | 24,505      | 24,355 | 24,010 | 23,799 | 23,662 | 23,548 | 23,335 | 23,231 | 23,097 | 23,020 |
| Commercial.....                           | 1,251       | 1,254  | 1,245  | 1,229  | 1,218  | 1,202  | 1,185  | 1,183  | 1,162  | 1,150  |

MGD AADF = million gallons per day average annual daily flow

\*Traffic violations = State citations, parking citations, written warnings & DUI citations

Source: City Finance Department and Department Activity Reports

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**
**LAST TEN FISCAL YEARS**

September 30, 2019

CITY OF PORT ORANGE, FLORIDA

**Table XVIII**

|                                         | Fiscal Year |       |       |       |       |       |       |       |       |       |
|-----------------------------------------|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                                         | 2019        | 2018  | 2017  | 2016  | 2015  | 2014  | 2013  | 2012  | 2011  | 2010  |
| Police:                                 |             |       |       |       |       |       |       |       |       |       |
| Stations.....                           | 1           | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| Patrol Vehicles and other Fleet.....    |             |       | -     | -     | -     | -     | 98    | 98    | 98    | 98    |
| *Vehicles.....                          | 124         | 113   | 107   | 105   | 102   | 101   | -     | -     | -     | -     |
| *Motorcycles.....                       | 9           | 9     | 9     | 7     | 7     | 6     | -     | -     | -     | -     |
| *Trailers.....                          | 6           | 4     | 3     | 3     | 6     | 6     | -     | -     | -     | -     |
| *Boat/Marine Unit.....                  | -           | 1     | 1     | 1     | 1     | 1     | -     | -     | -     | -     |
| Fire stations.....                      | 5           | 5     | 5     | 5     | 5     | 5     | 5     | 5     | 5     | 5     |
| Solid waste:                            |             |       |       |       |       |       |       |       |       |       |
| Collection trucks (contracted).....     |             |       | -     | -     | -     | -     | -     | -     | -     | -     |
| Public works-Transportation:            |             |       |       |       |       |       |       |       |       |       |
| Paved roads (miles).....                | 320         | 320   | 320   | 319   | 319   | 317   | 317   | 316   | 316   | 315   |
| Streetlights.....                       | 3,691       | 3,650 | 3,650 | 3,300 | 3,300 | 3,300 | 3,300 | 3,535 | 3,263 | 3,263 |
| Traffic control devices.....            | 22          | 22    | 22    | 22    | 20    | 20    |       | 13    | 14    | 12    |
| Parks and recreation:                   |             |       |       |       |       |       |       |       |       |       |
| Acreage.....                            | 485         | 485   | 485   | 485   | 485   | 491   | 485   | 485   | 485   | 485   |
| Playgrounds.....                        | 9           | 10    | 10    | 10    | 10    | 9     | 10    | 10    | 10    | 10    |
| Community centers.....                  | 3           | -     | -     | -     | -     | -     | 4     | 4     | 4     | 4     |
| Baseball/softball diamonds.....         | -           | -     | -     | -     | -     | -     | 12    | 12    | 12    | 12    |
| Soccer/football fields.....             | -           | -     | -     | -     | -     | -     | 3/1   | 3/1   | 3/1   | 6     |
| *Athletic Fields.....                   | 18          | 21    | 21    | 24    | 26    | 26    | -     | -     | -     | -     |
| *Adult Activity Centers.....            | 3           | 3     | 3     | 3     | 3     | 2     | -     | -     | -     | -     |
| *Boardwalks / Fishing Piers.....        | 7           | 9     | 9     | 10    | 10    | 10    | -     | -     | -     | -     |
| *Boat Ramps.....                        | 7           | 6     | 6     | 6     | 6     | 6     | -     | -     | -     | -     |
| *Golf Courses.....                      | 1           | 1     | 1     | 1     | 1     | 1     | -     | -     | -     | -     |
| *Gymnasiums.....                        | 1           | 1     | 2     | 2     | 2     | 2     | -     | -     | -     | -     |
| *Tennis Courts.....                     | 20          | 18    | 18    | 18    | 18    | 18    | -     | -     | -     | -     |
| Water:                                  |             |       |       |       |       |       |       |       |       |       |
| Potable Water mains (miles).....        | 434         | 434   | 434   | 431   | 431   | 427   | 427   | 374   | 408   | 406   |
| Fire hydrants.....                      | 2,897       | 2,897 | 2,999 | 2,897 | 2,887 | 2,786 | 2,773 | 2,755 | 2,721 | 2,762 |
| Storage capacity (mgd).....             | 5.50        | 5.5   | 5.5   | 5.5   | 5.5   | 5.5   | 5.5   | 5.5   | 5.5   | 5.5   |
| Sewer:                                  |             |       |       |       |       |       |       |       |       |       |
| Sanitary sewer force mains (miles)..... | 72.00       | 72    | 72    | 72    | 72    | 71    | 71    | 68    | 71    | 71    |
| Gravity sewer mains (miles).....        | 282.00      | 282   | 282   | 279   | 279   | 277   | 277   | 244   | 267   | 265   |
| Treatment capacity (mgd).....           | 12.00       | 12.0  | 12.0  | 12.0  | 12.0  | 12.0  | 12.0  | 12.0  | 12.0  | 12.0  |

\*Sewer treatment capacity restated as millions of gallons per day (mgd).

\*Patrol Vehicles and Other Fleet restated beginning in 2014.

Source: City Finance Department and Department Reports

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS**

To the Honorable Mayor, City Council, and City Manager,  
City of Port Orange, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Port Orange, Florida (the City), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 1, 2020.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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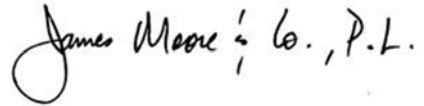
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### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Daytona Beach, Florida  
May 1, 2020



**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED  
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA  
OFFICE OF THE AUDITOR GENERAL**

To the Honorable Mayor, City Council, and City Manager,  
City of Port Orange, Florida:

**Report on the Financial Statements**

We have audited the basic financial statements of City of Port Orange, Florida (the City), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated May 1, 2020.

**Auditors' 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 Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 1, 2020, should be considered in conjunction with this management letter.

In addition, separate audits were performed on the Agreement for Golf Course Management Services at Cypress Head, which is included in the Golf Course fund, as well as the City of Port Orange General Employees Defined Benefit Pension Plan and the City of Port Orange Police Pension Plan. Management comments in those reports should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No repeat findings exist from the second preceding audit. The following is a summary of prior year recommendations:

**2018-001 Reconciliation of Capital Assets**—Corrective action taken.

**2018-002 Employee Signoff on Timecards**—Corrective action taken.

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## **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority for the primary government and component units of the reporting entity is disclosed in Note 1 of the basic financial statements.

## **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the City, did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had the following recommendation:

**2019-001 Account Review, Adjustments, and Timeliness** – While there was no impact to fund balance/net position in any affected funds, various balances due to/from other funds as of September 30, 2018, were not followed up on and closed out during the current year. Additionally, subsequent to audit fieldwork, journal entries were provided related to other audit areas, primarily capital assets, just a short time before the audit completion deadline, which can result in an increased risk of error. To ensure the most accurate and relevant financial reporting, we recommend the City ensure all general ledger accounts are reviewed for proper activity on no less than an annual basis and that the year-end closing process includes a specific focus on capital assets to ensure all such accounts are reconciled in a timely manner consistent with other audit areas.

## **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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.

## **City of Port Orange, Florida's Response to Findings**

The City's responses to the findings identified in our audit are outlined as listed in the table of contents. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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 Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, City Council, management, others within the City, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daytona Beach, Florida  
May 1, 2020

*James Moore & Co., P.L.*

## INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

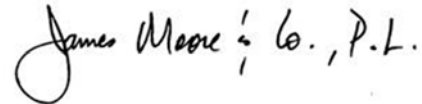
To the Honorable Mayor, City Council, and City Manager,  
City of Port Orange, Florida:

We have examined the City of Port Orange, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the City of Port Orange, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

Daytona Beach, Florida  
May 1, 2020



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**AFFIDAVIT OF COMPLIANCE**

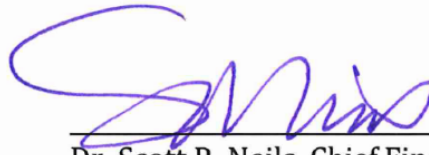
STATE OF FLORIDA       §  
                                     §  
COUNTY OF VOLUSIA   §

BEFORE ME, the undersigned authority, on this day personally appeared Dr. Scott R. Neils, who upon her oath deposed and said:

1.       My name is Dr. Scott R. Neils. I am over the age of twenty-one years. I am the Chief Financial Officer for the City of Port Orange, Florida, which is a local government entity of the State of Florida, and as such have authority to make this Affidavit. I have personal knowledge of each and every statement of fact contained herein, and each and every statement of fact is true and correct.

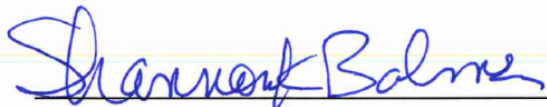
2.       The City of Port Orange has complied with and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

Further Affiant sayeth not.



Dr. Scott R. Neils, Chief Financial Officer

SUBSCRIBED AND SWORN before me by means of [ ☒ ] physical presence or [    ] online notarization on the 16<sup>th</sup> day of March, 2020 by Dr. Scott R. Neils, Chief Financial Officer of the City of Port Orange, Florida, who is personally known to me.



Notary Public, State of Florida

*Printed name, commission and expiration of commission term*

AUDITEE'S RESPONSE TO:  
Independent Auditors' Management Letter  
May 1, 2020

---

**Response:**

**2019-001 Account Review, Adjustments, and Timeliness**

*Management agrees with the auditors' recommendation and will implement additional review procedures during the year-end closing process.*



# CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 5/19/2020

Consent item: No

---

**SUBJECT:** (H18) Second Reading - Ordinance No. 2020-5 - Small-Scale Comprehensive Plan Ordinance Amendment/Journey's End Planned Commercial Development - Trip Cap Removal (Case No. 19-20000006)

**DEPARTMENT:** Community Development

**GOAL:** 3 - Quality of Life

---

**RECOMMENDED MOTION:** Move to approve Ordinance No. 2020-5 to remove a vehicular trip cap placed on  $\pm 6.71$  acres per Ordinance No. 2008-9.

---

**SUMMARY:** Planning Commission Action (2/27/20): Recommended Approval

The applicant is requesting to remove the vehicular trip cap placed on  $\pm 6.71$  acres of the property, located at 5840 and 5850 Journey's End Way, when the Commercial Future land Use (FLU) was applied in 2008 through the Volusia County Growth Management (VGMC) review process at the request of City of New Smyrna Beach. Removal of the trip cap would allow the property to develop under the City's current transportation concurrency regulations that all proposed development in the city is required to comply with.

The subject property includes a vacant commercial lot within the Journey's End Way Planned Commercial Development (PCD) located between Extra Space Storage and Country Inn & Suites, and the Extra Space Storage development site. The subject property is in close proximity to the I-95/Dunlawton interchange, which is identified in the Comprehensive Plan as one of the designated Regional Commercial Nodes generally intended to serve the east central Florida regional market, with a mix of general, specialized, and highly specialized products, services, and attractions.

In 2008, the City of Port Orange Planning Commission and City Council at first reading voted to approve the proposed Commercial FLU without the trip cap, with the intent that transportation concurrency impacts from future development of this property would be reviewed at the time a site plan and end user were identified. As it was in 2008 and currently done, the City studies the actual impacts a development site has on the roadway network when a site plan is submitted and then determines its impact and if payment toward fair-share mitigation projects and/or physical improvements to meet concurrency are necessary. However, a the trip cap was only added for the subject property when the FLU amendment was sent to the Volusia Growth Management Commission (VGMC) in May 2008 and staff from an adjacent city made the request for the trip cap to minimize the impact at the I-95 Interchange area. At the time an end user for the subject property was not identified, so the property owner agreed to the trip cap as a way to move forward with the amendment and not have a hearing before the

---

Volusia Growth Management Commission (VGMC). Since the trip cap was applied, there have been a number of roadway capacity improvements to the I-95 Interchange area (added turn lanes, extension of existing turn lanes, sidewalks, etc.) and the City continues to work with FDOT and Volusia County on future projects to improvement capacity and pedestrian safety in this area, such as the installation of the Adaptive Signal Control Technologies (ASCT), modification to existing turn lanes and medians, and pedestrian signal technologies. Volusia County Traffic Engineering staff supported the removal of the vehicular trip cap on the subject property and application of standard traffic concurrency standards for any proposed commercial development.

The removal of the trip cap will be necessary to facilitate a majority of any type of commercial development on the subject property. If approved, the applicant plans to request approval of the 4th Amendment to the Journey's End PCD Master Development Agreement (MDA) and Conceptual Development Plan (CDP) to allow for the development of a hotel along with associated improvements on the vacant commercial lot (see Case No. 19-40000006).

All future development plans submitted will require detailed technical review by the Development Review Committee (SDRC) to determine all requirements in the Land Development Code (LDC) are met. As with all development, a specific site plan or subdivision will be subject to concurrency regulations requiring adequate public facilities to be provided to mitigate impacts.

The staff report is attached for your review.

Project No.: Funding Account No.:

Presenter: Penelope Cruz

---

**ATTACHMENTS:**

|    |               |                   |
|----|---------------|-------------------|
| 1. | Ord No 2020-5 | Ord No 2020-5.pdf |
| 2. | STAFF REPORT  | STAFF REPORT.pdf  |

---

Penelope Cruz  
Robin Fenwick

Created/Initiated - 4/14/2020  
Final Approval - 5/6/2020

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ORDINANCE NO. 2020-5

AN ORDINANCE OF THE CITY OF PORT ORANGE,  
VOLUSIA COUNTY, FLORIDA, RELATING TO  
COMPREHENSIVE PLANNING; AMENDING ORDINANCE  
2008-9 TO REMOVE THE VEHICUALR TRIP CAP AS  
APPLIED TO  $\pm$  6.71 ACRES OF THE SUBJECT PROPERTY  
LOCATED AT 5840 AND 5850 JOURNEY'S END WAY;  
PROVIDING FOR CONFLICTING ORDINANCES,  
SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, after careful review and a public hearing, the Planning Commission, sitting as the Local Planning Agency, has forwarded a recommendation to the City Council regarding this proposed amendment to the Comprehensive Plan for the City of Port Orange; and

WHEREAS, the proposed amendment to the Comprehensive Plan directly relates to small scale development activities as provided in Section 163.3187(1)(c), Florida Statutes; and

WHEREAS, the City Council of the City of Port Orange has received comments and proposals from the general public and held at least one public hearing with regard to the proposed amendment to the Comprehensive Plan; and

WHEREAS, the amendment to the Comprehensive Plan shall be submitted to the Volusia Growth Management Commission for a determination of consistency in accordance with Section 202.3 of the Charter of Volusia County, Florida; and

WHEREAS, the City Council hereby declares that the purpose and intent of the proposed amendment to the Comprehensive Plan is to guide future growth and development; encourage the most appropriate use of land, water, and other resources,

consistent with the public interest; promote and protect the public health, safety, comfort, good order, appearance, convenience, aesthetics, and general welfare; prevent the overcrowding of land and avoid undue concentration of population; provide adequate and efficient transportation, water, sewage, drainage, fire protection, parks, recreational facilities, housing, and other services, facilities and resources; and conserve and protect natural resources within the City, while protecting private property rights; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORT ORANGE, VOLUSIA COUNTY, FLORIDA:

Section 1. For purposes herein, the term “Comprehensive Plan”, shall mean the Comprehensive Plan for the City of Port Orange, consisting of the two (2) volumes entitled “Comprehensive Plan City of Port Orange 2010-2025”, including Binder No. 1, consisting of ten (10) elements, including Future Land Use and Future Land Use Map; Transportation; Housing; Public Facilities; Public Schools Facilities; Coastal Zone Management; Conservation; Recreation and Open Space; Intergovernmental Coordination; and Capital Improvements, all as adopted by Ordinance No. 1999-43, as subsequently amended by Ordinances No. 1999-46, 1999-56, 1999-57, 2000-1, 2000-8, 2000-13, 2000-25, 2000-29, 2000-41, 2001-2, 2001-21, 2001-26, 2001-28, 2001-75, 2001-76, 2001-89, 2002-7, 2002-20, 2003-3, 2003-1, 2003-22, 2003-39, 2004-34, 2004-39, 2005-1, 2005-3, 2005-13, 2005-15, 2005-25, 2005-27, 2005-30, 2005-31, 2005-49, 2006-9, 2006-16, 2006-24, 2006-41, 2006-51, 2006-53, 2007-4, 2007-14, 2007-30, 2007-48, 2007-55, 2007-57, 2007-60, 2007-61, 2008-2, 2008-8, 2008-9, 2008-12, 2008-16, 2008-19, 2008-36, 2009-3, 2009-19, 2009-20, 2010-14, 2010-20, 2010-30, 2011-24, 2011-34, 2012-8, 2012-24, 2012-30, 2013-20, 2013-25, 2014-31, 2014-32,

2015-42, 2015-44, 2016-6, 2016-20, 2016-24, 2016-26, 2017-4, 2017-33, 2018-10, 2018-15, 2018-18, 2018-20, 2018-29, 2018-30, 2019-1, 2019-20, 2019-23, 2019-33, 2019-41, 2020-2, and this ordinance.

Section 2. Ordinance 2008-9 is hereby amended to remove the vehicular trip cap as it applies to  $\pm$  6.71 acres of the subject property located at 5840 and 5850 Journey's End Way, allowing the subject property to develop under the City's current transportation concurrency regulations.

Section 3. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict.

Section 4. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared severable.

Section 5. This ordinance shall become effective immediately upon adoption.

\_\_\_\_\_  
MAYOR DONALD O. BURNETTE

ATTEST:

\_\_\_\_\_  
Robin L. Fenwick, MMC, City Clerk

Passed on first reading on the      day of

Passed and adopted on second and final reading on the      day of

Reviewed and Approved: \_\_\_\_\_  
Shannon K. Balmer, Assistant City Attorney



# STAFF REPORT - *REVISED*

Small-Scale Comprehensive Plan Ordinance Amendment/  
Journey's End  
Case No. 19-20000006

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|                              |                                                                              |
|------------------------------|------------------------------------------------------------------------------|
| <b>REQUEST:</b>              | Removal of vehicular trip cap per Ord. 2008-9                                |
| <b>LOCATION:</b>             | 5840 and 5850 Journey's End Way                                              |
| <b>APPLICANT:</b>            | Robert A. Merrell III, Esq., Cobb Cole                                       |
| <b>PROPERTY OWNER:</b>       | Todd Marshall, Port Orange Stow A Way, LLC;<br>Port Orange SS Associates LLC |
| <b>STAFF CONTACT:</b>        | Penelope Cruz, Planning Manager (386) 506-5671                               |
| <b>STAFF RECOMMENDATION:</b> | Approval                                                                     |
| <b>PLANNING COMMISSION:</b>  | Recommended Approval (February 27, 2020)                                     |
| <b>CITY COUNCIL DATE:</b>    | March 17, 2020                                                               |

---

## INTRODUCTION

The applicant is requesting to remove the vehicular trip cap placed on ±6.71 acres of the subject property when the *Commercial* Future land Use (FLU) was applied in 2008. Removal of the trip cap would allow the property to develop under the City's current transportation concurrency regulations that all proposed development in the city is required to comply with.

The subject property includes a vacant commercial lot within the Journey's End Way Planned Commercial Development (PCD) located between Extra Space Storage and Country Inn & Suites, and the Extra Space Storage development site. The subject property is in close proximity to the I-95/Dunlawton interchange, which is identified in the Comprehensive Plan as one of the designated Regional Commercial Nodes generally intended to serve the east central Florida regional market, with a mix of general, specialized, and highly specialized products, services, and attractions. If the vehicular trip cap amendment request is approved, the applicant plans to request approval of the 4th Amendment to the Journey's End PCD Master Development Agreement (MDA) and Conceptual Development Plan (CDP) to allow for the development of a hotel along with associated improvements on the vacant commercial lot (see Case No. 19-40000006).

**Figure 1. Location Map**



## **PROPOSED AMENDMENT**

The applicant is requesting to remove the vehicular trip cap placed on the subject property when the Commercial Future land Use (FLU) was applied in 2008. Removal of the trip cap would allow the property to develop under the City's current transportation concurrency regulations that all proposed development in the city is required to comply with.

As part of the 2008 approval of the Comprehensive Plan Amendment, a vehicular trip cap of 301 total daily trips was placed over the subject property and the Extra Space Storage property at the request of the City of New Smyrna Beach per Ordinance 2008-9. The 301-trip cap figure was based on the daily trips that the prior FLU designation (*Suburban Residential* 2-4 units/acre) could theoretically generate; it was not based on an actual development or a traffic analysis of the area. In 2008, the City of Port Orange Planning Commission and City Council at first reading voted to approve the proposed *Commercial* FLU without the trip cap, with the intent that transportation concurrency impacts from future development of this property would be reviewed at the time a site plan and end user were identified. As it was in 2008 and currently done, the City studies the actual impacts a development site has on the roadway network when a site plan is submitted and then determines its impact and if payment toward fair-share mitigation projects and/or physical improvements to meet concurrency are necessary. However, a the trip cap was only added for the subject property when the FLU amendment was sent to the Volusia Growth Management Commission (VGMC) in May 2008 and staff from an adjacent city made the request for the trip cap to minimize the impact at the I-95 Interchange area. At the time an end user for the subject property was not identified, so the property owner agreed to the trip cap as a way to move forward with the amendment and not have a hearing before the Volusia Growth Management Commission (VGMC). Since the trip cap was applied, there have been a number of roadway capacity improvements to the I-95 Interchange area (added turn lanes, extension of existing turn lanes, sidewalks, etc.) and the City continues to work with FDOT and Volusia County on future projects to improvement capacity and pedestrian safety in this area, such as the installation of the Adaptive Signal Control Technologies (ASCT), modification to existing turn lanes and medians, and pedestrian signal technologies.

The removal of the trip cap will be necessary to facilitate a majority of any type of commercial development on the subject property. Currently, only 128 daily trips remain since the development of the Extra Space Storage Facility uses 173<sup>1</sup> of the 301 daily trips. Regardless if the trip cap is removed, increased, or remains, any future development on the subject property will be required to comply with the City's current transportation concurrency regulations and pay toward any City Transportation Fair-Share projects if there are impacts to roadways that are near or over capacity.

In May 2019, City staff spoke with Volusia County Traffic Engineering staff regarding the removal of the trip cap and Volusia County staff supported the removal of the vehicular

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<sup>1</sup> Based on the Institute of Transportation Engineers (ITE) Trip Generation Manual, 10th Edition

trip cap on the subject property and application of standard traffic concurrency standards for any proposed commercial development.

All future development plans submitted will require detailed technical review by the Development Review Committee (SDRC) to determine all requirements in the Land Development Code (LDC) are met. As with all development, specific site development proposals for the subject property are subject to concurrency regulations at the time of development requiring transportation facilities to be provided or for the developer to enter into a mitigation agreement for their impacts.

### IMPACT ANALYSIS

The traditional theoretical maximum impact comparison analysis is not applicable for the subject amendment as there is no change to the *Commercial* Future Land Use (FLU) designation of the subject property proposed. The theoretical maximum impact comparison analysis for all public infrastructure and services was included in the 2008 staff report when the subject property was designated *Commercial* on the Future Land Use Map. However, for discussion purposes, a impact comparison analysis is provided below for transportation that compares the subject property with the current *Commercial* FLU designation with a 301 daily vehicular trip cap and the *Commercial* FLU designation with the vehicular trip cap removed that is based on current and projected use of the subject property.

| FLU Designation | Current Commercial FLU w/trip cap | Current Commercial FLU w/out trip cap | Net Change      |
|-----------------|-----------------------------------|---------------------------------------|-----------------|
| Commercial      | 301 daily trips                   | 1,214 daily trips*                    | 913 daily trips |

\*173 daily trips for the existing Extra Space Storage (Source: TIA for approved Site Plan), plus 1,041 daily drips for a 130-room hotel (Source: Land Use 310 – ITE Trip Generation Manual, 10<sup>th</sup> Edition)

Based on the Institute of Transportation Engineers (ITE) Trip Generation Manual, 10<sup>th</sup> Edition, the proposed vehicular trip cap removal could allow for the generation of 817 more daily trips. As with all development, the specific site development proposal for the subject property will be subject to concurrency regulations at the time of development, requiring adequate transportation facilities to be provided or to mitigate their impacts.

### REVIEW CRITERIA AND STAFF FINDINGS

#### 1. *Consistency with the City's Comprehensive Plan.*

**Staff finding:** The proposed trip cap removal is consistent with the pertinent Goals, Objectives, and Policies of the City's Comprehensive Plan. The proposed amendment does not change the FLU designation of the subject property and provides for traffic impacts to be addressed using the adopted concurrency management system. As with all development, the specific site development proposals for the subject property will be subject to concurrency regulations requiring adequate public facilities to be provided to mitigate the impacts.

2. *Compatibility with land use designations for adjacent parcels and neighborhoods.*

**Staff finding:** Compatibility is defined in the Comprehensive Plan as a condition in which dissimilar land uses can co-exist in relative proximity to one another in a stable fashion over time, such that neither use is negatively impacted by the other. The proposed amendment does not change the FLU of the property. It was previously determined in 2008, when the *Commercial* FLU designation was applied to the subject property, that it is compatible with the adjacent properties. Any future development will be required to comply with all LDC requirements, including those pertaining to buffers and screening (fence or wall) between non-residential and existing adjacent residential homes.

3. *Impacts on public facilities/infrastructure/services.*

**Staff finding:** The subject amendment does not change to the FLU designation of the subject property. The theoretical maximum impact comparison analysis for all public infrastructure and services was conducted in 2008 when the subject property was designated *Commercial* on the Future Land Use Map. The detailed use-specific concurrency analysis will be conducted as part of any future proposed development. As with all development, a specific site plan or subdivision will be subject to concurrency regulations requiring adequate public facilities to be provided to mitigate impacts.

4. *Whether the amendment increases the clearance time for evacuation of the population in the Hurricane Vulnerability Zone above twelve hours.*

**Staff finding:** The subject property is not located within the Hurricane Vulnerability Zone and will not have any negative impact on the clearance time for evacuation of the population in the Hurricane Vulnerability Zone.

5. *Whether the amendment discourages the proliferation of urban sprawl.*

**Staff finding:** The proposed amendment will not encourage sprawl. The amendment area is surrounded by existing development, with access to existing infrastructure.

**PUBLIC NOTICE**

On January 8, 2020, staff posted the property notifying the public of the proposed amendment. As of the time this agenda item was prepared, staff has received one (1) inquiry requesting general information regarding the proposed amendment. The proposed amendment has also been advertised in the *News-Journal* pursuant to Florida Statutes.

**STAFF RECOMMENDATION**

Staff recommends approval of the request to remove the vehicular trip cap on property located at 5840 and 5850 Journey's End Way, and authorization for staff to send the amendment to the required review agencies.

**ATTACHMENTS**

Exhibit 1 – Applicant's Traffic Study



Ref: 4748.01

## TECHNICAL MEMORANDUM

**To:** Todd Marshall, President (Stow-A-Way Management Company)  
**From:** R. Sans Lassiter, P.E.  
**Subject:** Journey's End Hotel – Due Diligence Study/Traffic Assessment  
**Date:** February 21, 2019

### INTRODUCTION

LTG, Inc. (LTG) has been retained by Stow-A-Way Management Company to prepare a traffic assessment and recommendation for the proposed Journey's End Hotel located in the City of Port Orange, FL. The land use plan for which the assessment will be based upon is provided below:

- Journey's End Hotel = 130 Hotel Rooms

Build-out of the proposed development is anticipated by year 2020. Access to the development will be provided by a full-access driveway location at the end of Journey's End Drive. Figure 1 graphically depicts the location of the study area within the surrounding network.

The intent of the report is to determine the potential transportation impact of the proposed development, as it relates to the existing and future segment capacity along SR 421/Dunlawton Avenue and to identify any required mitigation or roadway improvements due to build-out of the project. Standard engineering and planning procedures were used. Reference data was obtained from the Florida Department of Transportation (FDOT), the Volusia County Traffic Engineering Department, the City of Port Orange Public Works and/or Development Services Departments, the Institute of Transportation Engineers (ITE), and the River to Sea Transportation Planning Organization (R2CTPO).

### PLANNED ROADWAY IMPROVEMENTS

The R2CTPO Long Range Transportation Plan, The City of Port Orange and the FDOT five-year work program were reviewed to determine those roadway improvements planned and/or programmed in the immediate study area. Based on the information obtained, an upgraded signal timing system (adaptive control) along Dunlawton Avenue is a funded planned future improvement to be implemented by year 2020.

### STUDY AREA

The following study area for this project will consist of the following intersections & roadway segments:

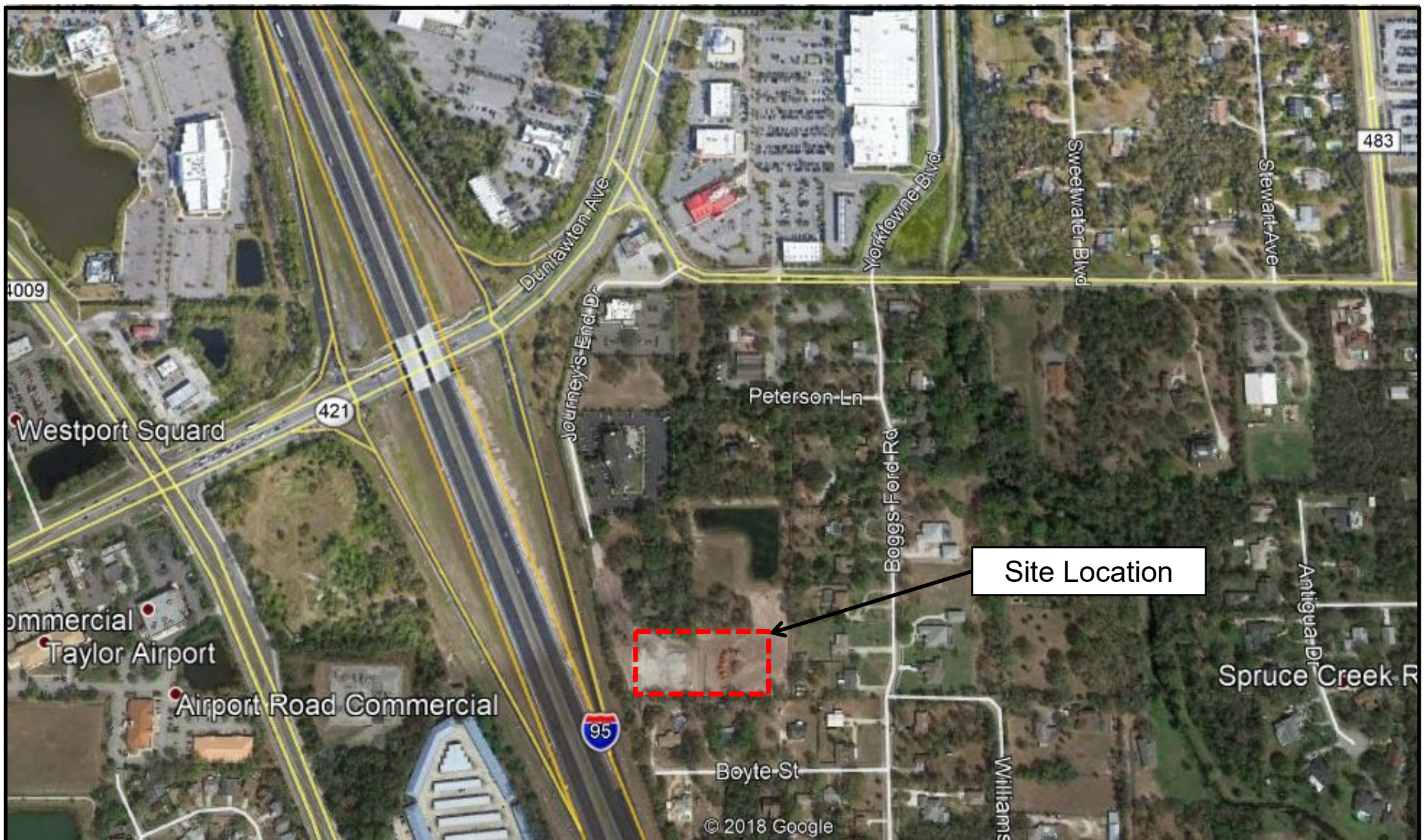
#### Intersections

- Journey's End Drive at Taylor Road
- Williamson Boulevard at Taylor Road
- I-95 Ramps (Northbound & Southbound) at Dunlawton Avenue
- Dunlawton Avenue at Taylor Road
- Taylor Road at Yorktowne Boulevard
- Dunlawton Avenue at Yorktowne Boulevard

#### Roadway Segments

- Dunlawton Avenue, from Williamson Boulevard to Clyde Morris Boulevard





# Journey's End Hotel



## Site Location Map

Project No.:4748.01

Figure: 1



1450 W. Granada Blvd, Suite 2 – Ormond Beach, Florida 32174  
Telephone: 386.257.2571 Fax: 386.257.6996 EB# 0009227



## TECHNICAL MEMORANDUM

Todd Marshall  
February 21, 2019  
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### EXISTING INTERSECTION ANALYSIS

Turning movement counts (TMCs) were conducted during the a.m. and p.m. peak-hour on May 23<sup>rd</sup>, May 25<sup>th</sup>, and June 20<sup>th</sup> of 2018, and on January 16<sup>th</sup> of 2019 at the study area intersections. The FDOT's Seasonal Factor (SF) for the time the TMCs were collected dictates SF values ranging from 1.00-1.04. The existing a.m. and p.m. peak-hour traffic volumes used in the analysis are presented in Figure 2.

The existing operating conditions at the study area intersections were analyzed using *Synchro 10* software. Signal timings were obtained from Volusia County. The existing a.m. and p.m. peak-hour level-of-service (LOS) at each intersection is shown in Table 1.

**Table 1**  
**Existing A.M. and P.M. Peak-Hour LOS – Intersection Analysis**  
**Journey's End Hotel**

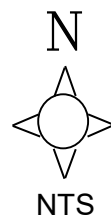
| Intersection                      | Control Type | Adopted LOS | Existing Conditions |     |                       |                |     |                       |
|-----------------------------------|--------------|-------------|---------------------|-----|-----------------------|----------------|-----|-----------------------|
|                                   |              |             | A.M. Peak-Hour      |     |                       | P.M. Peak-Hour |     |                       |
|                                   |              |             | Delay (sec.)        | LOS | V/C greater than 1.0? | Delay (sec.)   | LOS | V/C greater than 1.0? |
| Journey's End Dr. at Taylor Rd.   | Unsignalized | E           | 16.7                | C   | No                    | 15.6           | C   | No                    |
| Williamson Blvd. at Taylor Rd.    | Signalized   | E           | 55.1                | E   | No                    | 81.7           | F   | Yes                   |
| Dunlawton Ave. at I-95 SB Ramps   | Signalized   | D           | 20.5                | C   | No                    | 17.4           | B   | No                    |
| Dunlawton Ave. at I-95 NB Ramps   | Signalized   | D           | 23.3                | C   | No                    | 67.0           | E   | Yes                   |
| Dunlawton Ave. Taylor Rd.         | Signalized   | D           | 8.6                 | A   | No                    | 3.2            | A   | No                    |
| Taylor Rd. at Yorktowne Blvd.     | Signalized   | E           | 19.6                | B   | No                    | 46.8           | D   | No                    |
| Yorktowne Blvd. at Dunlawton Ave. | Signalized   | D           | 40.0                | D   | No                    | 46.0           | D   | No                    |

As indicated in Table 1, two signalized intersections in the study area do not currently operate within the adopted LOS during the p.m. peak-hour. Signal timing optimization at each intersection is recommended in order to achieve acceptable LOS and volume-to-capacity (v/c) ratios. The results of the analysis with the proposed improvements are provided in Table 2.

**Table 2**  
**Existing A.M. and P.M. Peak-Hour LOS – Improved Intersection Analysis**  
**Journey's End Hotel**

| Intersection                    | Adopted LOS | Existing Conditions Improved |     |                       |
|---------------------------------|-------------|------------------------------|-----|-----------------------|
|                                 |             | P.M. Peak-Hour               |     |                       |
|                                 |             | Delay (sec.)                 | LOS | V/C greater than 1.0? |
| Williamson Blvd. at Taylor Rd.  | E           | 52.4                         | D   | No                    |
| Dunlawton Ave. at I-95 NB Ramps | E           | 35.8                         | D   | No                    |

XX = A.M. Peak-Hour  
(XX) = P.M. Peak-Hour



### Existing A.M. & P.M. Turning Movement Counts

Project Number: 4748.01

Figure 2



1450 W. Granada Blvd, Suite 2 – Ormond Beach, Florida 32174  
Telephone: 386.257.2571 Fax: 386.257.6996 EB# 0009227

## TECHNICAL MEMORANDUM

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### EXISTING SEGMENT ANALYSIS

The Average Annual Daily Traffic (AADT) for the study roadway segments was obtained from the Volusia County 2017 Average Annual Daily Traffic & Historical Counts spreadsheet. The results of the existing segment analysis for Dunlawton Avenue, from Williamson Boulevard to Clyde Morris Boulevard, during the peak-hour is provided in Table 3. As indicated in Table 3, Dunlawton Avenue currently operates within the adopted LOS during the peak-hour.

**Table 3**  
**Roadway Segment Analysis – Existing Conditions**  
**Journey's End Hotel**

| Roadway        | Limits           |                    | No. of Lanes | Adopted LOS | Peak-Hour Two-Way Capacity <sup>1</sup> | 2017 AADT | Count Source | K-Factor | Existing Peak-Hour Two-Way Volume | V/C Ratio | Existing Volume Exceed Adopted LOS? |
|----------------|------------------|--------------------|--------------|-------------|-----------------------------------------|-----------|--------------|----------|-----------------------------------|-----------|-------------------------------------|
|                | From             | To                 |              |             |                                         |           |              |          |                                   |           |                                     |
| Dunlawton Ave. | Williamson Blvd. | Clyde Morris Blvd. | 6            | D           | 5,390                                   | 49,000    | County       | 0.09     | 4,410                             | 0.82      | No                                  |

<sup>1</sup>The adopted LOS and existing peak-hour two-way capacity obtained from the 2017 Volusia County Traffic Count Spreadsheet.

### 2020 BACKGROUND TRAFFIC

The FDOT *Traffic Trends* software and the past five years of historical AADT data were used to determine the historical growth on each segment. Vested trip information as it pertains to the study area for approved projects in the immediate area were also included in the future condition analysis. A comparison between the historical growth and vested traffic, obtained from Volusia County and the City of Port Orange, was used to determine the applied growth rate percentage for the segment analysis. The growth comparison and applied growth used in the analysis are provided in Table 4. The growth rates were then applied to the existing traffic volumes to determine the 2020 background traffic for the segment analysis.

**Table 4**  
**Historical Growth Rates and Vested Traffic**  
**Journey's End Hotel**

| Roadway           | Segment          |                     | Historical Growth  |                              | P.M. Peak-Hour Vested Traffic | Applied Growth |
|-------------------|------------------|---------------------|--------------------|------------------------------|-------------------------------|----------------|
|                   | From             | To                  | Average Annual (%) | P.M. Peak-Hour Trip Increase |                               |                |
| Taylor Rd.        | Crane Lake Rd.   | Summer Trees Rd.    | 3.68%              | 166                          | 71                            | 3.68%          |
|                   | Dunlawton Ave.   | Clyde Morris Blvd.  | 3.28%              | 129                          | 151                           | Vested         |
|                   | Beville Rd.      | Madeline Ave.       | 4.60%              | 220                          | 226                           | Vested         |
|                   | Madeline Ave.    | Willow Run Blvd.    | 5.11%              | 250                          | 244                           | 5.11%          |
|                   | Willow Run Blvd. | Town West Blvd.     | 4.72%              | 227                          | 399                           | Vested         |
|                   | Taylor Rd.       | Spruce Creek Bridge | 4.61%              | 297                          | 752                           | Vested         |
| Dunlawton Ave.    | Williamson Blvd. | Taylor Rd.          | 2.00%              | 270                          | 506                           | Vested         |
|                   | Taylor Rd.       | Yorktowne Blvd.     | 2.00%              | 270                          | 506                           | Vested         |
|                   | Yorktowne Blvd.  | Clyde Morris Blvd.  | 2.00%              | 270                          | 236                           | 2.00%          |
| Journey's End Dr. | Taylor Rd.       | Project             | 2.00%              | 2                            | 0                             | 2.00%          |

Please note that vested traffic information is only documented for the p.m. peak-hour period. Therefore, the historical growth rates were used to determine 2020 background traffic for intersection analyses.

## TECHNICAL MEMORANDUM

Todd Marshall  
February 21, 2019  
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### PROJECT TRIP GENERATION & DISTRIBUTION

The daily, a.m., and p.m. project trip generation for the proposed development was determined using the Institute of Transportation Engineers (ITE), *Trip Generation Manual, 10<sup>th</sup> Edition*. The project trip generation is presented in Table 5.

**Table 5**  
**Daily, A.M. and P.M. Peak-Hour Project Trip Generation**  
**Journey's End Hotel**

| Time Period    | Land Use | Land Use Code | Trip Rate Equation      | Quantity (X) | Units | Total Trips (T) | Percent Entering | Percent Exiting | Trips Entering | Trips Exiting |
|----------------|----------|---------------|-------------------------|--------------|-------|-----------------|------------------|-----------------|----------------|---------------|
| Daily          | Hotel    | 310           | $T = 11.29(X) - 426.97$ | 130          | Rooms | 1,041           | 50%              | 50%             | 521            | 521           |
| A.M. Peak-Hour |          |               | $T = 0.50(X) - 5.34$    |              |       | 60              | 59%              | 41%             | 35             | 25            |
| P.M. Peak-Hour |          |               | $T = 0.75(X) - 26.02$   |              |       | 71              | 51%              | 49%             | 36             | 35            |

### PROJECT TRIP DISTRIBUTION & ASSIGNMENT

The process of determining the directional flow of traffic associated with a new development is called trip distribution. The Central Florida Regional Planning Model (CFRPM), version 6.1 was used to determine the primary project trip distribution. Engineering judgement was used to distribute project trips among the two project driveways. The resulting project trip distribution is graphically illustrated in Figure 3.

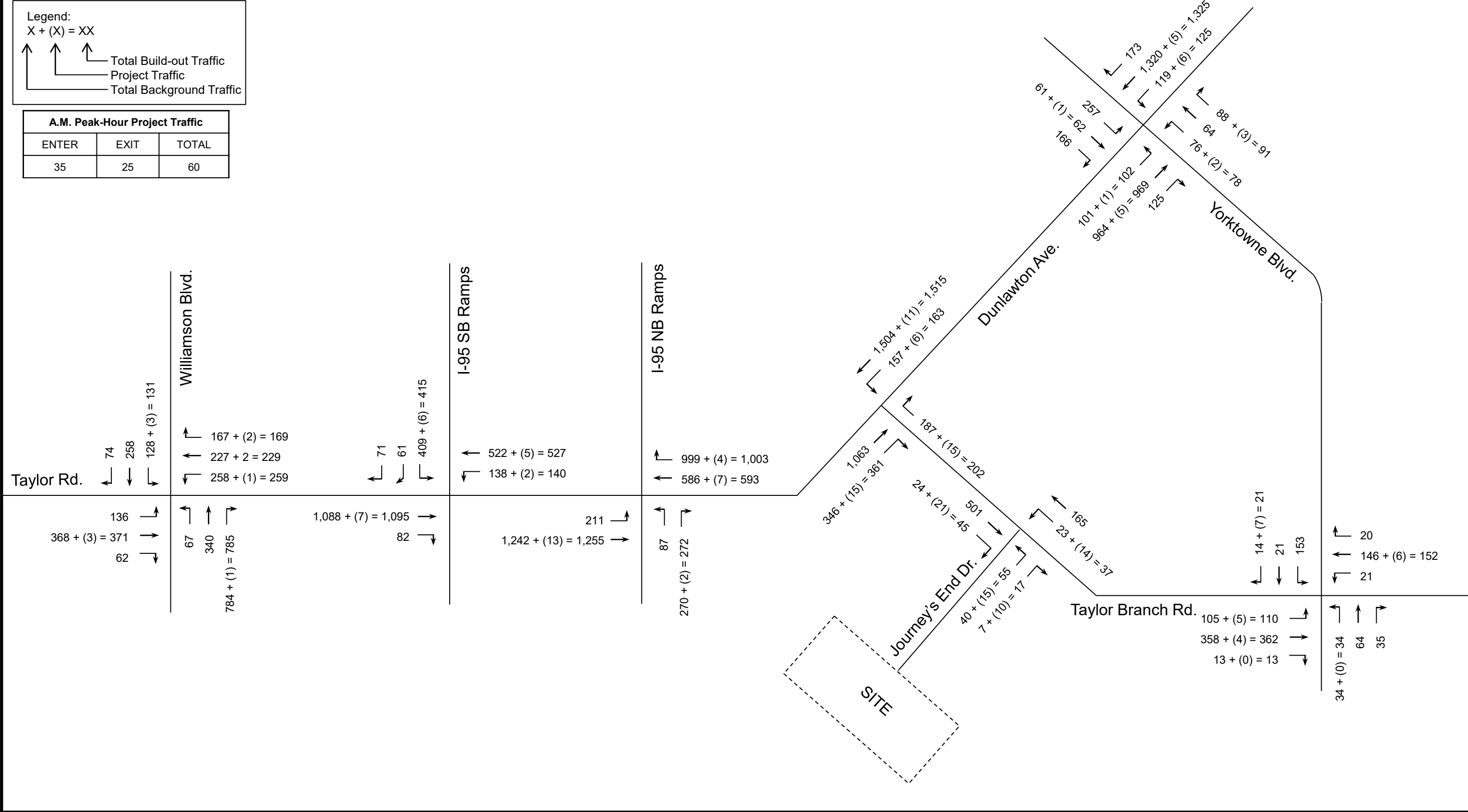
Using the project trip distribution, the a.m. and p.m. peak-hour project trips were assigned to the study area roadway network. Figures 4, and 5 graphically depict the 2020 background traffic, peak-hour project traffic, and resulting 2020 build-out traffic during the a.m. and p.m. peak-hours, respectively.

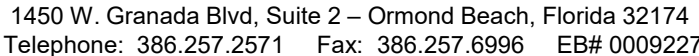


Legend:  
 $X + (X) = XX$

Total Build-out Traffic  
 Project Traffic  
 Total Background Traffic

| A.M. Peak-Hour Project Traffic |      |       |
|--------------------------------|------|-------|
| ENTER                          | EXIT | TOTAL |
| 35                             | 25   | 60    |







## TECHNICAL MEMORANDUM

Todd Marshall  
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### 2020 BUILD-OUT INTERSECTION ANALYSIS

The study area intersections were analyzed based on the roadway conditions at the time of project build-out to determine potential impacts of project-generated trips and investigate mitigation requirements. The resulting operational LOS under 2020 build-out conditions during the a.m. and p.m. peak-hours is provided in Table 6.

**Table 6**  
**2020 Build-Out A.M. and P.M. Peak-Hour LOS – Intersection Analysis**  
**Journey's End Hotel**

| Intersection                      | Control Type | Adopted LOS | 2020 Build-Out Conditions |     |                       |                |     |                       |
|-----------------------------------|--------------|-------------|---------------------------|-----|-----------------------|----------------|-----|-----------------------|
|                                   |              |             | A.M. Peak-Hour            |     |                       | P.M. Peak-Hour |     |                       |
|                                   |              |             | Delay (sec.)              | LOS | V/C greater than 1.0? | Delay (sec.)   | LOS | V/C greater than 1.0? |
| Journey's End Dr. at Taylor Rd.   | Unsignalized | E           | 20.5                      | C   | No                    | 20.1           | C   | No                    |
| Williamson Blvd. at Taylor Rd.    | Signalized   | E           | 60.3                      | E   | Yes                   | 54.2           | D   | No                    |
| Dunlawton Ave. at I-95 SB Ramps   | Signalized   | D           | 20.5                      | C   | No                    | 17.3           | B   | No                    |
| Dunlawton Ave. at I-95 NB Ramps   | Signalized   | D           | 23.9                      | C   | No                    | 37.9           | D   | No                    |
| Dunlawton Ave. at Taylor Rd.      | Signalized   | D           | 9.0                       | A   | Yes                   | 3.2            | A   | No                    |
| Yorktowne Blvd. at Taylor Rd.     | Signalized   | E           | 21.6                      | C   | No                    | 50.5           | D   | Yes                   |
| Yorktowne Blvd. at Dunlawton Ave. | Signalized   | D           | 41.2                      | D   | No                    | 47.8           | D   | No                    |

As shown in Table 6, three of the study area intersections are not expected to operate within adopted service standards under 2020 build-out conditions. Signal timing optimization at the intersections of Williamson Boulevard at Taylor Road and Dunlawton Avenue at Taylor Road is recommended in order to achieve acceptable level of service standards and v/c ratios. Please note that signal system updates are already planned and programmed to be implemented along Dunlawton Avenue (including the Williamson Boulevard intersection) by year 2020.

At the intersection of Yorktowne Boulevard at Taylor Road, it is recommended that the exclusive southbound right-turn lane be converted into a shared southbound thru-right lane, and the current southbound shared thru-left lane be converted into an exclusive southbound left-turn lane. The results of the analysis with the proposed improvements at each intersection are provided in Table 7.

**Table 7**  
**2020 Build-Out A.M. and P.M. Peak-Hour LOS – Improved Intersection Analysis**  
**Journey's End Hotel**

| Intersection                   | Adopted LOS | 2020 Build-Out Conditions Improved |     |                       |                |     |                       |
|--------------------------------|-------------|------------------------------------|-----|-----------------------|----------------|-----|-----------------------|
|                                |             | A.M. Peak-Hour                     |     |                       | P.M. Peak-Hour |     |                       |
|                                |             | Delay (sec.)                       | LOS | V/C greater than 1.0? | Delay (sec.)   | LOS | V/C greater than 1.0? |
| Williamson Blvd. at Taylor Rd. | E           | 56.3                               | E   | No                    | -              | -   | -                     |
| Dunlawton Ave. at Taylor Rd.   | D           | 6.4                                | A   | No                    | -              | -   | -                     |
| Yorktowne Blvd. at Taylor Rd.  | E           | -                                  | -   | -                     | 20.2           | C   | No                    |

## TECHNICAL MEMORANDUM

Todd Marshall  
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### 2020 BUILD-OUT SEGMENT ANALYSIS

The study area roadway segments were analyzed under 2020 build-out conditions to determine the anticipated two-way peak-hour LOS at the time of build-out. The results are provided in Table 10.

**Table 10**  
**Roadway Segment Analysis – 2020 Build-Out**  
**Journey's End Hotel**

| Roadway           | Segment          |                    | Adopted LOS | Peak-Hour Two-Way Capacity | Existing Peak-Hour Two-Way Volume | Historical Growth Rate (%) | Vested Trips | 2020 Background Traffic | Project Dist. | Project Trips | 2020 Build-Out Traffic | V/C Ratio | 2020 Build-Out Traffic Exceed Adopted LOS? |
|-------------------|------------------|--------------------|-------------|----------------------------|-----------------------------------|----------------------------|--------------|-------------------------|---------------|---------------|------------------------|-----------|--------------------------------------------|
| Dunlawton Ave.    | Williamson Blvd. | Taylor Rd.         | D           | 5,390                      | 4,410                             | -                          | 506          | 4,916                   | 41.3%         | 61            | 4,977                  | 0.92      | No                                         |
|                   | Taylor Rd.       | Yorktowne Blvd.    | D           | 5,390                      | 4,410                             | -                          | 506          | 4,916                   | 57.6%         | 85            | 5,001                  | 0.93      | No                                         |
|                   | Yorktowne Blvd.  | Clyde Morris Blvd. | D           | 5,390                      | 4,410                             | 2.00%                      | -            | 4,680                   | 31.4%         | 46            | 4,726                  | 0.88      | No                                         |
| Journey's End Dr. | Project Driveway | Taylor Rd.         | E           | 1,020                      | 122                               | 2.00%                      | -            | 124                     | 100.00%       | 148           | 272                    | 0.27      | No                                         |

As shown in Table 10, The roadway segments of Dunlawton Avenue, from Williamson Boulevard to Clyde Morris Boulevard are expected to operate within an adopted LOS during the p.m. peak-hour under 2020 build-out conditions.

### CONCLUSION

The intent of the report is to determine the potential transportation impact of the proposed development, as it relates to the existing and future segment capacity along SR 421/Dunlawton Avenue, and to identify any required mitigation or roadway improvements due to build-out of the project. The study area intersections are expected to operate within the adopted LOS during the a.m. and p.m. peak-hours under 2020 build-out conditions upon completion of the planned adaptive signal control system along Dunlawton Avenue. It is recommended that pavement marking updates and signal optimization at the Taylor Road at Yorktowne Boulevard intersection be considered to improve the v/c ratio in the southbound direction. Dunlawton Avenue, from Williamson Boulevard to Clyde Morris is expected to operate within the adopted LOS during the p.m. peak-hour under 2020 build-out conditions; signifying that capacity is available along this segment to accommodate the proposed project. Therefore, no roadway improvements or further mitigation is warranted at this time.



# CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 5/19/2020

Consent item: No

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**SUBJECT:** (H19) Second Reading - Ordinance No. 2020-6 - Fourth Amendment to the Master Development Agreement and Conceptual Development Plan for the Journey's End Planned Commercial Development (Case No. 19-40000006)

**DEPARTMENT:** Community Development

**GOAL:** 3 - Quality of Life

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**RECOMMENDED MOTION:** Move to approve Ordinance No. 2020-6 approving the Fourth Amendment to the Master Development Agreement and Conceptual Development Plan for the Journey's End Planned Commercial Development, as recommended by the Planning Commission.

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**SUMMARY:** Planning Commission Action (2/27/20): Recommended Denial

The subject property is the commercial lot located at 5840 Journey's End Way, on the east side of Journey's End Way between the Country Inn and Suites Hotel and the Extra Space Storage Facility, within Journey's End Planned Commercial Development (PCD). Journey's End PCD is located on the south side of Dunlawton Avenue, east of I-95. The proposed 4th Amendment to the Journey's End Master Development Agreement (MDA) and Conceptual Development Plan (CDP) would add "hotel" as a permitted use for the subject commercial lot, and revise the building and parking layout of the Conceptual Development Plan (CDP) for the subject lot. The MDA currently permits commercial uses that include, restaurants, banks, professional and medical offices, and retail sales and services on the subject lot. The proposed amendment would expand the allowed uses on the subject lot by adding "hotel" to the list of allowed commercial uses.

Water and sewer are available and serves the subject property. As part of any future site improvements, a site plan would be required and stormwater, traffic generation, landscaping, tree preservation, architecture, parking lot design will be addressed in accordance with the Journey's End MDA, associated amendments to the Journey's End MDA, and the LDC. The applicant is not requesting any deviations from the LDC or Journey's End MDA as part of the proposed amendment. The staff report is attached for more detail.

Project No.:    Funding Account No.:

Presenter: Penelope Cruz

---

**ATTACHMENTS:**

|    |                              |                             |
|----|------------------------------|-----------------------------|
| 1. | Ord. No. 2020-6 with exhibit | Journeys End Fourth MDA.pdf |
| 2. | STAFF REPORT                 | STAFF REPORT.pdf            |

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Penelope Cruz  
Robin Fenwick

Created/Initiated - 4/14/2020  
Final Approval - 5/4/2020

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ORDINANCE NO. 2020-6

AN ORDINANCE OF THE CITY OF PORT ORANGE,  
VOLUSIA COUNTY, FLORIDA, APPROVING THE FOURTH  
AMENDMENT TO THE MASTER DEVELOPMENT  
AGREEMENT FOR JOURNEY'S END (f/k/a THE PEACOCK  
WAY) PLANNED COMMERCIAL DEVELOPMENT (PCD) AND  
THE CONCEPTUAL DEVELOPMENT PLAN (CDP);  
PROVIDING FOR REPEAL OF CONFLICTING  
ORDINANCES; PROVIDING FOR SEVERABILITY; AND  
PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City and Developer desire to enter into the Fourth Amendment to the Master Development Agreement for Journey's End (f/k/a The Peacock Way) Planned Commercial Development (PCD) ("MDA") and Conceptual Development Plan ("CDP"); (hereinafter referred to as the "Fourth Amendment"); and

WHEREAS, the Developer submitted a request to the Planning Commission to approve the Fourth Amendment; and

WHEREAS, a public hearing was held following public notice as prescribed by ordinance; and

WHEREAS, the Planning Commission has by majority vote made a recommendation of denial of the proposed Fourth Amendment; and

WHEREAS, the City Council has approved by a majority vote of the members present the approval of the Fourth Amendment.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORT ORANGE, VOLUSIA COUNTY, FLORIDA:

Section 1. The City Council of the City of Port Orange does hereby approve the Fourth Amendment (attached hereto as **Exhibit "1"**).

Section 2. The Mayor and City Clerk are hereby authorized to execute said Fourth Amendment.

Section 3. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict.

Section 4. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared severable.

Section 5. This ordinance shall become effective immediately upon adoption.

\_\_\_\_\_  
MAYOR DONALD O. BURNETTE

ATTEST:

\_\_\_\_\_  
Robin L. Fenwick, CMC, City Clerk

Passed on first reading on the      day of \_\_\_\_\_, 2020

Passed and adopted on second and final reading on the      day of \_\_\_\_\_, 2020

Reviewed and Approved: \_\_\_\_\_  
Shannon K. Balmer, Assistant City Attorney

# EXHIBIT 1

**Document Prepared By:**

Robert A. Merrell III, Esquire  
Cobb Cole  
149 S. Ridgewood Ave. Suite 700  
Daytona Beach, FL 32114

**Return Recorded Document To:**

City of Port Orange Records Clerk  
1000 City Center Circle  
Port Orange, FL 32129

**FOURTH AMENDMENT TO THE MASTER DEVELOPMENT AGREEMENT FOR  
THE JOURNEY'S END (f/k/a THE PEACOCK WAY) PLANNED COMMERCIAL  
DEVELOPMENT (PCD)**

**THIS FOURTH AMENDMENT TO THE MASTER DEVELOPMENT AGREEMENT FOR THE JOURNEY'S END (f/k/a THE PEACOCK WAY) PLANNED COMMERCIAL DEVELOPMENT (PCD)** ("Fourth Amendment") made and entered into by and between the **CITY OF PORT ORANGE, FLORIDA**, a Florida municipal corporation located in Volusia County, Florida ("City"), and **PORT ORANGE STOW A WAY, LLC** ("Owner") constitutes the Fourth Amendment to the Planned District Agreement for the Journey's End Planned Commercial Development.

**WHEREAS**, Owner is the owner of real property legal described on the attached Exhibit "A", hereinafter the "Property" which is subject to that certain Master Development Agreement (MDA) for the Peacock Way Planned Commercial District (PCD) dated November 1, 2000 and recorded in Official Records Book 4614, Page 746, Public Records of Volusia County, Florida;

**WHEREAS**, the MDA was amended by that First Amendment to the Master Development Agreement for the Journey's End (f/k/a the Peacock Way) Planned Commercial Development (PCD) dated June 3, 2008 and recorded in Official Records Book 6262, Page 503, Public Records of Volusia County, Florida (hereinafter "First Amendment");

**WHEREAS**, the MDA was further amended by that Second Amendment to the Master Development Agreement for the Journey's End (f/k/a the Peacock Way) Planned Commercial Development (PCD) dated November 11, 2014 and recorded in Official Records Book 7053, Page 4005, Public Records of Volusia County, Florida (hereinafter "Second Amendment");

**WHEREAS**, the MDA was further amended by that Third Amendment to the Master Development Agreement for the Journey's End (f/k/a the Peacock Way) Planned Commercial Development (PCD) dated December 21, 2018 and recorded in Official Records Book 7637, Page 2382, Public Records of Volusia County, Florida (hereinafter "Third Amendment");

**WHEREAS**, the property described in the First Amendment as Lot 4 was platted in 2018 (Plat Book 59 Page 133, Public Records Volusia County, Florida), said lot being described in the First Amendment as Lot 4 became and is now known as Lot 1 of the Journey's End South plat (hereinafter "Lot 1 South"); and

**WHEREAS**, Owner is desirous of including an additional use on Lot 1 South of the PCD, the only property subject to this Fourth Amendment, to allow for the development of a hotel; and

**WHEREAS**, the City is desirous of entering into this Agreement with the Owner for the purpose of incorporating an additional use for Lot 1 South of the PCD; and

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the City and the Owner hereby agree to amend the PCD Agreement as follows:

1. The premises stated above are true, correct, and form a material part of the Fourth Amendment.
2. The Conceptual Development Plan attached hereto as Exhibit “B” shall govern Lot 1 South, the property subject to this Fourth Amendment.
3. Exhibit C “Permitted Uses and Dimensional Requirements” of the MDA and Paragraph 6, “Uses and Dimensional Requirement” of the First Amendment are hereby amended as follows:

~~Lot 4~~ Lot 1 South

Professional/Medical Office

Banks

Business Services

Financial Services

Retail Sales/Service

Restaurant – Type A

Hotels

**[Remainder of section to remain unchanged]**

4. This Fourth Amendment shall become effective upon recording by the City of Port Orange at the Developer’s expense in the public records of Volusia County, Florida. The second reading of the Ordinance shall not take place until the Developer has provided an executed copy of the MDA to the City of Port Orange addressing all issues discussed prior to the scheduled second reading. If there are no additional requirements, corrections, or conditions attached by the City Council at the second reading, the Agreement shall be signed by the Mayor and City Clerk and recorded upon approval by City Council.
5. The MDA, as previously enacted, and the First Amendment, Second Amendment, and Third Amendment shall remain in full force and effect except with respect to those matters specifically amended by the Fourth Amendment.

[Remainder of Page Intentionally Left Blank]



**IN WITNESS WHEREOF**, the parties hereto attached their hands and seals this \_\_\_\_ day of \_\_\_\_\_, 2020.

Signed, Sealed and Delivered  
In the Presence of:

**CITY OF PORT ORANGE,**  
a Florida municipal corporation

\_\_\_\_\_  
Witness 1

By: \_\_\_\_\_  
Donald O. Burnette, Mayor

\_\_\_\_\_  
Print Name of Witness 1

Attest:

\_\_\_\_\_  
Witness 2

By: \_\_\_\_\_  
Robin Fenwick, City Clerk

\_\_\_\_\_  
Print Name of Witness 2

STATE OF FLORIDA  
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2020, by Robin Fenwick, City Clerk of Port Orange, Florida, a Florida Municipal Corporation, on behalf of the City, who is personally known to me and did not take an oath.

\_\_\_\_\_  
\_\_\_\_\_  
Type, Print or Stamp Name

My Commission Expires: \_\_\_\_\_

Signed, Sealed and Delivered  
In the Presence of:

**PORT ORANGE STOW A WAY, LLC**  
**A Florida limited liability company**

\_\_\_\_\_  
Witness 1

By: \_\_\_\_\_  
Todd C. Marshall, Manager

\_\_\_\_\_  
Print Name of Witness 1

\_\_\_\_\_  
Witness 2

\_\_\_\_\_  
Print Name of Witness 2

STATE OF FLORIDA  
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2020, by Todd C. Marshall, as Manager of Port Orange Stow A Way, LLC, on behalf of the limited liability company. He is personally known to me and did not take an oath.

\_\_\_\_\_  
\_\_\_\_\_  
Type, Print or Stamp Name

My Commission Expires: \_\_\_\_\_

**Exhibit A – Legal Description**

Lot 1, Journey's End South, according to the map or plat thereof, as recorded in Plat Book 59, Page(s) 133 through 136, of the Public Records of Volusia County, Florida



|             |  |                      |  |                                                                                                                                                                                                                                                                        |  |                  |  |     |  |          |  |       |  |                           |  |
|-------------|--|----------------------|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------------|--|-----|--|----------|--|-------|--|---------------------------|--|
| PROJECT NO. |  | CONCEPT PLAN         |  | <br><b>MARK DOWST &amp; ASSOCIATES, INC.</b><br>ENGINEERS * PLANNERS * SURVEYORS<br>EB 4335<br>536 N. HALIFAX AVENUE, SUITE # 100 * DAYTONA BEACH, FLORIDA 32118 * (386) 258-7999 |  | <b>EXHIBIT B</b> |  | NO. |  | DATE     |  | APPR. |  | REVISION                  |  |
| 8070C       |  | PORT ORANGE HOTEL    |  |                                                                                                                                                                                                                                                                        |  |                  |  |     |  |          |  |       |  |                           |  |
| 1           |  | PORT ORANGE, FLORIDA |  |                                                                                                                                                                                                                                                                        |  |                  |  |     |  |          |  |       |  |                           |  |
| OF          |  |                      |  |                                                                                                                                                                                                                                                                        |  |                  |  |     |  |          |  |       |  |                           |  |
| 8070C-BASE  |  | 8-13-11              |  |                                                                                                                                                                                                                                                                        |  |                  |  | 1   |  | 12-18-19 |  | MSD   |  | REVISED PER COPO COMMENTS |  |





## STAFF REPORT

### 4<sup>th</sup> Amendment to the Master Development Agreement and Conceptual Development Plan for the Journey's End Planned Commercial Development Case No. 19-40000006

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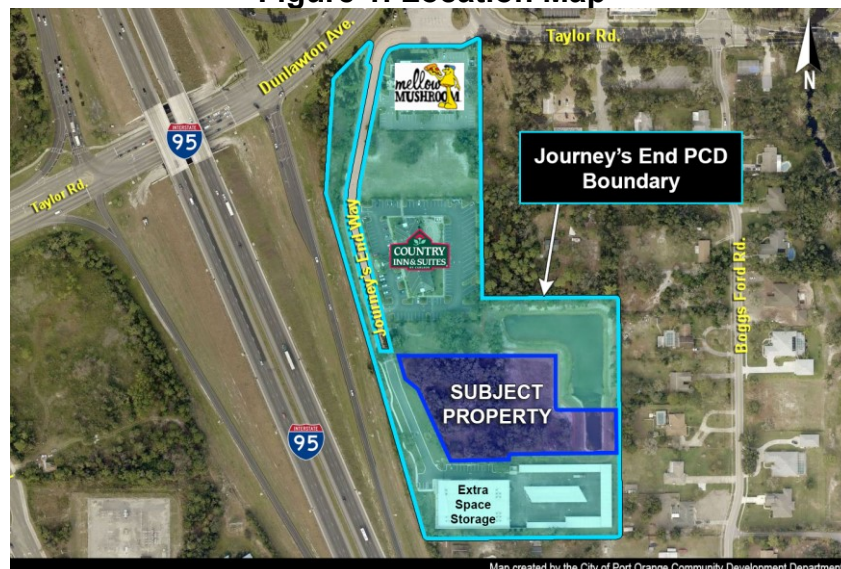
|                                  |                                                                                                                                                                                              |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>REQUEST:</b>                  | Amend the Master Development Agreement (MDA) and Conceptual Development Plan (CDP) for the Journey's End Planned Commercial Development (PCD) to add hotel as a permitted use on Lot 1 South |
| <b>APPLICANT:</b>                | Robert A. Merrell III, Esq., Cobb Cole                                                                                                                                                       |
| <b>PROPERTY OWNER:</b>           | Todd Marshall, Port Orange Stow A Way, LLC                                                                                                                                                   |
| <b>STAFF RECOMMENDATION:</b>     | Approval                                                                                                                                                                                     |
| <b>LOCATION:</b>                 | 5840 Journey's End Way                                                                                                                                                                       |
| <b>STAFF CONTACT:</b>            | Penelope Cruz, Planning Manager (386) 506-5671                                                                                                                                               |
| <b>PLANNING COMMISSION DATE:</b> | Recommended Denial (February 27, 2020)                                                                                                                                                       |
| <b>CITY COUNCIL DATE:</b>        | March 17, 2020                                                                                                                                                                               |

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## DEVELOPMENT PROPOSAL

The subject property is currently zoned Planned Commercial Development (PCD) and is part of the Journey's End PCD. The proposed 4<sup>th</sup> Amendment to the Journey's End Master Development Agreement (MDA) and Conceptual Development Plan (CDP) would add "hotel" as a permitted use for the commercial lot located on the east side of Journey's End Way between the Country Inn and Suites Hotel and the Extra Space Storage Facility, and revise the building and parking layout of the Conceptual Development Plan (CDP) for the subject lot. The MDA currently permits commercial uses that include, restaurants, banks, professional and medical offices, and retail sales and services on the subject lot. The proposed amendment would expand the allowed uses on the subject lot by adding "hotel" to the list of allowed commercial uses.

**Figure 1. Location Map**



The Journey End's PCD was approved in 2000 and created three commercial lots and in 2008 the 2nd Amendment to the Journey End's PCD was approved and added two more commercial lots to the PCD. Therefore, the approved Journey's End PCD established the permitted uses and development requirements for the 5 commercial lots. The list of permitted commercial uses for each lot is lot-specific and not all of the commercial lots in the PCD have the same list of permitted commercial uses. At this time, three of the commercial lots have been developed leaving the subject property and the commercial lot located between Mellow Mushroom and Country Inn and Suites Hotel undeveloped.

The subject property is currently regulated by the Journey's End PCD MDA, associated Journey's End PCD MDA amendments, and the Land Development Code (LDC). The 2nd Amendment to the Journey's End MDA provides the current list of commercial uses permitted for the subject property. According to the applicant, the requested MDA amendment is to add "hotel" to the current list of commercial uses allowed on the subject property. The current property owner of the subject property was the owner of the property in 2008 when the current list of permitted commercial uses was created. According to the property owner, an end user for the subject property was not identified in 2008 so a basic list of commercial uses was established for the subject property. The property owner is now in discussions with a hotel operator to develop the subject property and therefore is requesting to expand the commercial uses allowed on the subject property to include "hotel".

The only request associated with the proposed 4th amendment to the Journey End MDA is the addition of "hotel" to the current list of commercial uses. There are no deviations to the development requirements from the LDC or the Journey's End PCD MDA being requested, just the addition of a permitted use to the subject property. Other City standard commercial zoning districts, such as Interchange Commercial Development (ICD) and Highway Commercial (HC), that are typically associated with properties located near I-95 or other major roadway corridors with a *Commercial* Future Land Use include "hotel" as a permitted commercial use.

The proposed amendment also includes a modification to the original building and parking lot layout for the subject property shown in the Conceptual Development Plan (CDP) approved in 2008. The revised CDP has been designed to show the general footprint for a hotel and parking lot layout. The Staff Development Review Committee (SDRC) has reviewed the proposed CDP and there are no deviations from the Land Development Code (LDC). Access to the property is available off Journey's End Way. Water and sewer are available and serves the subject property. As part of any future site improvements, a site plan would be required and stormwater, traffic generation, landscaping, tree preservation, architecture, parking lot design will be addressed in accordance with the Journey's End MDA, associated amendments to the Journey's End MDA, and the LDC. The applicant is not requesting any deviations from the LDC or Journey's End MDA as part of the proposed amendment.

#### **CONSISTENCY WITH COMPREHENSIVE PLAN**

The subject property is designated *Commercial* on the Future Land Use Map and it is part of a Community Commercial Node located around the intersection of Taylor Branch

Road and Dunlawton Avenue/I-95 Interchange. The MDA was found to be consistent with the Comprehensive Plan in 2008. The proposed amendment to the MDA and CDP related to adding “hotel” as a permitted use on the subject property remains consistent with the type of land use and intensity allowed for the subject property by the City’s Comprehensive Plan Future Land Use Map.

As part of the approval of the Comprehensive Plan Amendment in 2008, a vehicular trip cap of 301 total daily trips was placed over the subject property and the Extra Space Storage property. The trip cap number was based on the daily trips that the prior FLU designation (*Suburban Residential 2-4 units/acre*) for the subject property could theoretically generate and it was not based on an actual commercial development or a traffic analysis of the area. Regardless if the trip cap is removed, increased, or remains, any future development on the subject property will be required to comply with the City’s current transportation concurrency regulations and pay toward any City Transportation Fair-Share projects if there are impacts to roadways that are near or over capacity

Currently, only 128 daily trips remain since the development of the Extra Space Storage Facility uses 173<sup>1</sup> of the 301 daily trips. The request to release the trip cap is a separate agenda item (Case No 19-20000006). In addition to the approval of the 4th amendment to the MDA, the removal or increasing the limit of the trip cap will be necessary to facilitate commercial development on the subject property.

#### **PUBLIC NOTICE**

A Public Notice sign was posted on the site on November 15, 2019. At the time this agenda item was prepared, staff has received one (1) inquiry requesting general information regarding the proposed amendment.

#### **RECOMMENDATION**

Staff recommends approval of the 4<sup>th</sup> Amendment to the Master Development Agreement and Conceptual Development Plan for the Journey’s End Planned Commercial Development, subject to review and approval by the City Attorney’s Office for legal form and content.

#### **ATTACHMENTS**

Exhibit 1 – Master Development Agreement and Conceptual Development Plan (See Ordinance Exhibit)

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<sup>1</sup> Based on the Institute of Transportation Engineers (ITE) Trip Generation Manual, 10th Edition



# CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 5/19/2020

Consent item: No

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**SUBJECT:** (I20) First Reading - Ordinance No. 2020-8 - Emergency Preparedness and Response Ordinance

**DEPARTMENT:** City Manager

**GOAL:**

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**RECOMMENDED MOTION:** Move to approve Ordinance No. 2020-8.

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**SUMMARY: ARTICLE IV EMERGENCY PREPAREDNESS AND RESPONSE**

The purpose of Article IV is to provide a process to keep city rights-of-way and property clear of debris, garbage, trash, refuse, vegetation, tree or other matter which could create a road hazard or other hazard to life, property or utilities during a declared emergency. The process will keep evacuation routes clear so that first responders will have emergency access before, during and immediately after emergency situations.

Article IV provides precautionary measures that property owners, occupants or users of property shall comply with to prevent situations that could create a hazard to life, property or utilities. This includes, but it is not limited to, providing that property, furniture, display racks, material, equipment and other similarly loose objects are secured. It further requires that debris, vegetation or other tree matter is disposed of in a manner that prevents such from becoming airborne in a storm. Article IV also requires that material and equipment on construction sites be secured.

In addition, Article IV provides that during a declared emergency it is unlawful for any person to place garbage, trash, debris and refuse in the rights-of-way at any time other than the time periods established by the city for pick-up.

Article IV provides for enforcement and penalties including, but not limited to, the costs that the city incurred and a fine.

**ARTICLE V DISASTER- GENERATED DEBRIS REMOVAL**

Article V establishes a process by which the city may evaluate and, if necessary, remove disaster-generated debris from private rights-of-way in the event of an immediate threat to life, public health and safety after a significant disaster.

Article V provides that the city manager shall determine whether there is an immediate threat to the life, public health, and safety sufficient to warrant removal of debris on private rights-of-way based on one or more enumerated factors. These factors hinge on the nature, extent and type of debris and the significant impact it would have to life,



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public health and safety.

Article V further outlines the requirements for any individual who places disaster-generated debris on rights-of-way for removal by city work forces. This includes neatly stacking, piling or placing the debris to not interfere with roads and utilities and separating the debris.

Article V provides for enforcement and penalties, including but not limited to the costs the city incurred and a fine. Article V further requires an indemnification and hold harmless be executed by the property owner before the city removes debris from private property.

Project No.:   Funding Account No.:

Presenter:

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**ATTACHMENTS:**

|    |                                                            |                                                                |
|----|------------------------------------------------------------|----------------------------------------------------------------|
| 1. | Ordinance No. 2020-8 - Emergency Preparedness and Response | Ordinance No. 2020-8 - Emergency Preparedness and Response.pdf |
|----|------------------------------------------------------------|----------------------------------------------------------------|

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|                |                              |
|----------------|------------------------------|
| Yvonne Diaz    | Created/Initiated - 5/4/2020 |
| Matthew Jones  | Approved - 5/4/2020          |
| Lynn Stevens   | Approved - 5/4/2020          |
| Ken Fustin     | Approved - 5/5/2020          |
| Jake Johansson | Approved - 5/5/2020          |
| Robin Fenwick  | Final Approval - 5/5/2020    |

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ORDINANCE NO. 2020-8

AN ORDINANCE OF THE CITY OF PORT ORANGE,  
VOLUSIA COUNTY, FLORIDA, AMENDING THE  
CODE OF ORDINANCES, CHAPTER 26, SECTION  
26-2 RELATED TO EMERGENCY MANAGEMENT  
TO ADD NEW DEFINITIONS; AMENDING  
CHAPTER 26 TO ESTABLISH A NEW ARTICLE IV  
RELATED TO EMERGENCY PREPAREDNESS AND  
RESPONSE; PROVIDING FOR DEBRIS TO BE  
CLEARED FROM RIGHTS-OF-WAY; PROVIDING  
FOR PENALTIES AND ENFORCEMENT;  
AMENDING CHAPTER 26 TO ESTABLISH A NEW  
ARTICLE V RELATED TO DISASTER DEBRIS  
REMOVAL FROM PRIVATE RIGHTS-OF-WAY;  
PROVIDING FOR REPEAL OF CONFLICTING  
ORDINANCES; PROVIDING FOR CODIFICATION;  
PROVIDING FOR SEVERABILITY; AND PROVIDING  
AN EFFECTIVE DATE.

WHEREAS, the City Council has the authority to adopt this ordinance pursuant to Sections 166.021 and 252.38 of the Florida Statutes, as may be amended; and

WHEREAS, the City needs to be able to act quickly to mitigate threats before, during and immediately after emergency situations; and

WHEREAS; City Council has determined that in order to protect the public health and safety during a declared emergency it is critical to have debris cleared from property and rights-of-way since large accumulations of debris can cause fire hazards, become airborne in storms, obstruct streets, and cause conditions which may be hazardous to life, property, or utilities; and

WHEREAS, large accumulations of debris can cause fire hazards, obstruct mailboxes, harbor vermin and reptiles; inhibit access to school buses; or become airborne in subsequent storms; and

WHEREAS, the City Council has determined that private property debris removal is necessary to protect life, public health and safety in a declared emergency when such debris poses a significant and immediate threat; and

WHEREAS, the removal of such debris is critical for emergency access by police and fire vehicles; and

WHEREAS, the efficient and safe removal of disaster related debris will promote the economic recovery of the affected community and benefit the community-at-large; and

WHEREAS, for purposes of this ordinance words with underlined (underlined) type shall constitute additions to the original text and words with strikethrough (~~strikethrough~~) type shall constitute deletions from the original text.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORT ORANGE, VOLUSIA COUNTY, FLORIDA:

**SECTION 1.** The City Council of the City of Port Orange, Florida, hereby amends Chapter 26, Section 26-2 of the City of Port Orange Code of Ordinances to read as follows:

## **Chapter 26 - EMERGENCY MANAGEMENT**

### **Sec. 26-2. - Definitions.**

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Attack* means a direct or indirect assault against the city, its government, its environs, or of the nation, by the forces of a hostile nation or the agents thereof, including assault by bombing, radiological, chemical or biological warfare, or sabotage.

*City work forces* means officers, employees, and agents of the city including, but not limited to, contractors retained by the city to push, remove, store, or dispose of disaster-generated debris or to otherwise act in response to a declared emergency.

*Coordinator* means the coordinator of the city office of emergency management, appointed as prescribed in this chapter.

*Director* means the city manager or his designee; or at the time of any declaration of a state of emergency, or in the event of the physical disability or absence from the city of the city manager, that officer or employee of the city who is physically present within the city and physically qualified to assume the duties of the director, and who is next in precedence according to the order of succession set forth in section 26-6.4 of this chapter.

*Disaster-generated debris or debris* means any material, including trees, branches, personal property, and building material deposited on city-owned property or rights-of-way or on private roads as a direct result of a major disaster or a catastrophic disaster.

(a) The term includes, but is not limited to:

- (1) *Vegetative debris*, which means debris consisting of whole trees, tree stumps, tree branches, tree trunks, and other leafy material.
- (2) *Hazardous limbs and hazardous trees*, which means limbs or trees damaged in a major disaster or a catastrophic disaster and in danger of falling on primary ingress or egress routes or on city rights-of-way.
- (3) *Construction and demolition debris*, which means debris created by the removal of disaster-damaged interior and exterior materials from improved property such as lumber and wood, gypsum wallboard, glass, metal, roofing material, tile, carpeting and floor coverings, pipe, concrete, fully cured asphalt, equipment, furnishings, and fixtures.
- (4) Household hazardous waste (*HHW*), which means waste such as household cleaning supplies, insecticides, herbicides, and other

products or materials containing volatile chemicals that catch fire, react, or explode under certain circumstances, or that are corrosive or toxic.

(5) E-waste, which means electronic waste such as computer monitors, televisions, and other such electronics that contain hazardous materials.

(6) White goods, which means discarded household appliances such as refrigerators, freezers, air conditioners, heat pumps, ovens, ranges, washing machines, clothes dryers, and water heaters.

(7) Putrescent debris, which means debris that will decompose or rot such as animal carcasses and other fleshy organic matter.

(b) The term does not include:

(1) Debris on vacant lots, heavily wooded areas, unimproved property, and unused or unmaintained areas.

(2) Debris on agricultural lands used for crops and livestock.

(3) Concrete slabs or foundations-on-grade.

(4) Construction and demolition debris consisting of materials used in the reconstruction of disaster-damaged improved property.

*Emergency* means any occurrence, or threat thereof, whether accidental, natural, technological or manmade, in war or in peace, which results or may result in substantial injury or harm to the population or substantial damage to or loss of property within the city.

*Emergency management*, in its broad meaning, means to carry out the basic government functions of maintaining the public peace, health and safety during an emergency. This shall include the formulation of plans and preparation for protection from, and relief, recovery and rehabilitation from, the effects of an emergency, as defined herein, and shall also include the effects of an attack on the city by the forces of an enemy nation or the agents thereof. It shall not, however, include any activity that is the primary responsibility of the military forces of the United States or other federal agencies.

*Emergency management force* means the employees, equipment and facilities of all city departments, boards and institutions and, in addition, it shall include all volunteer personnel, equipment and facilities contributed by, or obtained from, volunteer persons or agencies.

*Emergency management volunteer* means any person duly registered, identified and appointed by the coordinator of the office of emergency management and assigned to participate in the emergency management activity.

*Private right-of-way* means any non-public road along which private single-family or multi-family residences are located, and that is located within the city with a designated name and road signage, the general maintenance of which is not the legal responsibility of the city. The term includes, but is not limited to, roads owned and maintained by homeowners' associations, mobile home parks and roads for which no individual or entity has claimed or exercised maintenance responsibility. The term also includes the land under common ownership immediately adjacent to the paved surface, or if no such common ownership exists, the land lying within the three-foot roadside shoulder area on both sides of the paved surface of such road.

*Public right-of-way* means land owned or controlled by the city, county, or state and intended to be used for public passage, including but not limited to streets, alleys, sidewalks, bike path, parkage and driveways constructed thereon.

*Regulations* includes plans, programs and any other emergency procedures deemed essential to emergency management as promulgated by legally constituted authority.

*Structure:* Anything which is built, erected or constructed. This definition includes, among other things, docks, dolphins, piers, boat lifts, fences, posts, buildings, walls, pilings, signs, canopies, tents, stairs, stoops, awnings, slabs, asphalt or concrete driveways, poles, septic tanks, and other items as determined by the building official.

*Volunteer* means contributing a service, equipment or facilities to the emergency management organization without remuneration.

**SECTION 2.** The City Council of the City of Port Orange, Florida, hereby amends Chapter 26 of the City of Port Orange Code of Ordinances to establish a new Article IV which shall read as follows:

**Chapter 26 - EMERGENCY MANAGEMENT**

**ARTICLE IV. – EMERGENCY PREPAREDNESS AND RESPONSE REGULATIONS**

**Sec. 26-67. - Intent and purpose.**

During a declared emergency, the city needs to ensure that city rights-of-way and property are clear of debris, garbage, trash, refuse, vegetation, tree or other matter which could create a road hazard or other hazard to life, property or utilities. Additionally, the city to needs to ensure that roads are clear to make certain that evacuation routes are clear and that first responders have emergency access before, during and immediately after emergency situations.

**Sec. 26-68. Hurricanes; precautions**

Each year, prior to hurricane season, property owners, occupants, or users shall inspect their properties and address and correct situations and conditions which may create a hazard to life, property, or utilities under hurricane force winds. The existence of any debris, vegetation, tree or other matter which may create a hazard is declared to be a nuisance.

(a) During the periods of time that the city, as designated by the United States Weather Service, is under a hurricane warning or alert, the owner, occupant, or user of a property shall take precaution for the disposal of debris, vegetation, tree or other matter, and the securing of structures, material and equipment. Canvas awnings and swing signs shall be lashed to rigid construction, tents shall be taken down and stored or lashed to the ground and other precautions shall be taken for the securing of structures or material or equipment in a manner that prevents the same from becoming airborne under hurricane force winds.

(b) During the periods of time that the city, as designated by the United States Weather Service, is under a hurricane warning or alert, all construction materials or equipment shall be secured against displacement by hurricane force winds; provided that where a full complement of personnel is employed or otherwise in attendance, or engaged for protection purposes, normal construction procedures, or uses of material or equipment may continue for a reasonable period of time that is necessary to secure the materials or equipment before winds of hurricane force are anticipated. Construction materials and equipment shall be secured by guying and shoring, by tying down loose materials, equipment and construction sheds.

(c) During the periods of time that the city, as designated by the United States Weather Service, is under a hurricane warning or alert, all furniture, display rack, material, and similar loose objects in exposed outdoor locations shall be lashed to rigid construction or stored in buildings.

**Sec. 2-69. Building official and code enforcement division, powers.**

(a) During a state of emergency, the building official has full jurisdiction over any construction site and may give any orders deemed appropriate which may be enforced by code enforcement personnel.

(b) The city shall give oral or written orders to any person on the premises most logically responsible for complying with section 26-68 and such orders shall be carried out before winds of tropical storm velocity begin. In the event of construction, the city shall also attempt to give notice to the contractor, if practicable.

**Sec. 26-70. Authority to take action; Lien on property.**

(a) During a state of emergency where there is imminent peril to the public safety or general welfare or immediate danger to the life or safety of any person because of weather conditions, fire, other natural disasters, unless an unfit or unsafe structure, material or equipment is immediately repaired, demolished, secured, or removed, the city manager or his or her designee shall promptly cause such structure, material, or equipment to be made safe or removed. For this purpose, the city manager or his or her designee may at once enter such a structure or land of which it stands or abutting land or structures to perform an inspection with such assistance and at such cost as may be deemed necessary.

(b) If the city manager or his or her designee determines that sufficient time exists prior to securing or removing property, notice to the owner or interested parties shall be given. Where the owner or other interested party fail to take immediate corrective action as ordered by the city manager or his or her designee, the city manager or his or her designee shall have the authority to promptly proceed with the abatement. Failure to effect personal notice upon the individual owner or interested parties shall not prevent the city from removing or securing the structure, material, or equipment and assessing a lien on the property. All costs incurred by the city under the authority provided by the section are the responsibility of the property owner and the city manager shall place a lien on the property as set forth in section 42-114.

(c) Emergency condemnations will follow the procedures set forth in section 42-115.

**Sec. 26-71. Emergencies; Garbage, trash, debris, refuse in right-of-way.**

During an emergency, it shall be unlawful for any person to place garbage, trash, debris and refuse adjacent to the pavement or travel way of any street,



alley or road at any time other than the time periods established by the city for pick-up. If garbage, trash, debris or refuse, is placed adjacent to the pavement or travel way of the street, alley or road at any time after the last scheduled pick-up, the city or its contractor may collect the garbage, trash, debris or refuse and charge the business or resident the costs of collection.

**Sec. 26-72. – Enforcement; Penalty.**

In addition to the payment of costs expended by the city for abatement of violations provided for herein, any person who violates the provisions of this article or any rule or regulation promulgated pursuant to this article shall be subject to the penalties provided in section 1-8 of this Code. The procedures set forth in this section provide an additional or supplemental means of obtaining compliance with this article. Nothing contained in this section shall prohibit the city from enforcing this article by any other means including but not limited to code enforcement proceedings.

**Sec. 26-73. - No duty established.**

Nothing contained herein shall establish a duty or obligation on the city to take any action authorized by this article.

**Secs. 26-74—26-90. Reserved.**

**SECTION 3.** The City Council of the City of Port Orange, Florida, hereby amends Chapter 26 of the City of Port Orange Code of Ordinances to establish a new Article V which shall read as follows:

**Chapter 26 - EMERGENCY MANAGEMENT**

**ARTICLE V. - Disaster-generated Debris Removal**

**Sec. 26-91. - Intent and purpose.**

After declaration of a disaster in accordance with this chapter, the primary mission of the city will be to protect lives and property, restore governmental services and clear public streets. Depending on the magnitude of the disaster and after accomplishment of the primary mission, resources may be available to the city that may not be available to a private property owner. This article will establish a process by which the city may evaluate and, if necessary, remove disaster-generated debris from private rights-of-way in the event of an immediate threat to life, public health and safety after a significant disaster. While the city recognizes that, as a general proposition, the removal of disaster-generated

debris from private property is the responsibility of the property owner, there are occasions when, because of the magnitude of the disaster and the immediate threat posed to life, health, and safety, there may be a compelling need to remove debris from private rights-of-way as described in this article.

**Sec. 26-92. - Removal of debris from private rights-of-way.**

The city shall remove disaster-generated debris from private rights-of-way when such debris is determined to pose an immediate threat to life, public health, and safety of the community. Such entry may be made under the authority provided in section 252.36, F.S. Pursuant to the authority set forth in article I of this chapter, the city manager shall determine whether there is an immediate threat to the life, public health, and safety sufficient to warrant removal of said debris based on one or more of the following factors:

- (a) There is a significant likelihood that rescue vehicles will be significantly hindered from rendering emergency services to residential and commercial property should the debris be allowed to remain in place absent city removal.
- (b) The type of debris is such that it may immediately cause disease, illness, or sickness which could injure or adversely affect the life, public health, and safety of those residing and working in the area if it is allowed to remain.
- (c) The clearing is necessary to effectuate orderly and expeditious restoration of city-wide utility services including, but not limited to, water, sewer, power and telecommunications to eliminate immediate threats.
- (d) The debris prevents garbage collection which will create an immediate threat to life, public health, and safety.
- (e) The debris inhibits access to school buses and mass transit and there are no alternative routes thereby interrupting recovery and normalization post-disaster.
- (f) The debris becomes a fire hazard which is susceptible to igniting and causing damage to property and risking the safety of the public.
- (g) The debris is substantially likely to harbor vermin and reptiles that are poisonous and are an immediate threat to life, public health and safety.
- (h) The debris contains contaminants which have a substantial likelihood of leeching into the soil and/or aquifer of the city.
- (i) The debris has a substantial negative impact in preventing or adversely affecting emergency repairs to buildings and/or property.
- (j) The debris presents a substantial danger of being transported by wind and/or water into the surrounding areas of the city and thereby increasing the cost of recovery and removal.

- (k) The debris poses a significant likelihood of, producing mold which would be immediately injurious to public health.
- (l) The presence of the debris significantly adversely impacts the city's recovery efforts.
- (m) The debris significantly interferes with drainage or water runoff, so as to be a significant hazard in the event of significant rainfall.
- (n) The sheer volume of the debris is such that it is impractical and unreasonable to remove in an orderly and efficient manner absent action by the city and it would benefit the community at large to remove the debris.
- (o) The type, extent and nature of the debris is such that it would cause significant damage if the debris was not removed immediately.

**Sec. 26-93. - Responsibility of private property owners.**

- (a) Any individual who places debris in the private or public rights-of-way shall be responsible for assuring that the placement of any disaster-generated debris for removal by city work forces satisfies each of the following conditions:
  - (1) The disaster-generated debris shall be neatly stacked, piled, or placed with its leading edge lying within the three-foot roadside shoulder area on either side of the travel lanes of the road.
  - (2) The disaster-generated debris shall be separated into stacks or piles of the following types of debris:
    - a. Putrescent debris and mixed common household items.
    - b. Vegetative debris.
    - c. Construction and demolition debris.
    - d. White goods.
    - e. Hazardous household waste and electronic waste.
  - (3) The disaster-generated debris shall be placed so that it does not block the roadway, traffic signs and signals, or stormwater structures.
  - (4) The disaster-generated debris shall be placed so that it is not under any power lines, not on top of any water meters, or not within three (3) feet of any power poles, fire hydrants, vehicles, mailboxes, or fences.
- (b) Any damage to personal property by city work forces resulting from the placement of disaster-generated debris in a manner inconsistent with this section shall be the responsibility of the private property owner, or individual otherwise in possession of private property, who misplaced such debris.

- (c) Any owners of private property, or any individuals otherwise in possession of private property, who stack, pile, or otherwise place anything for removal on public or private rights-of-way which is deemed not to be disaster-generated debris, shall be responsible for removing such unauthorized debris no later than twenty-four (24) hours after notification of such removal requirement by a member of the city work forces. Any such owner or other individual who fails to timely comply with such removal requirement shall thereafter be subject to a fine in an amount established by resolution of city council in addition to the costs associated with the removal of such unauthorized debris by city work forces.

**Sec. 26-94. - Indemnification and hold harmless.**

Prior to removal of debris from private rights-of-way by the city, as contemplated herein, the private property owner shall indemnify and hold harmless, to the maximum extent permitted by law, the Federal, State, and local government and all employees, officers and agents of the Federal, State, and local government connected with the rendering of such service.

**Sec. 26-95. - Emergency roadway clearance.**

Nothing contained herein shall preclude a first response by the city to clear and push debris from all rights-of-way (both public and private) necessary for the movement of emergency vehicles including police, fire and ambulance after a disaster declaration.

**Sec. 26-96. - Emergency clearance of private property.**

Nothing contained herein shall require the city to remove debris from private property other than the private rights-of-way identified above except where the severity of the situation is of such magnitude or the debris is so widespread that it is determined by the city manager to be a significant immediate threat to the life, public health, and safety of the city and in the overriding public interest of the city to remove debris from such areas.

Sec. 26-97-26-110. Reserved.

**SECTION 4.** All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict.

**SECTION 5.** If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other

provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared severable.

**SECTION 6.** This ordinance shall become effective immediately upon final passage by the City Council.

\_\_\_\_\_  
MAYOR DONALD O. BURNETTE

ATTEST:

\_\_\_\_\_  
Robin L. Fenwick, MMC, City Clerk

Passed on first reading on the     day of \_\_\_\_\_

Passed and adopted on second and final reading on the     day of \_\_\_\_\_

Reviewed and Approved: \_\_\_\_\_  
Matthew J. Jones, City Attorney



# CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 5/19/2020

Consent item: No

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**SUBJECT:** (I21) First Reading - Ordinance No. 2020-9 - Feral Cats / Community Cat Program / Outdoor Feeding

**DEPARTMENT:** Police Services

**GOAL:**

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**RECOMMENDED MOTION:** Move to approve Ordinance No. 2020-9.

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**SUMMARY:** This Ordinance modifies Chapter 10 of the City's Code of Ordinances (Animal Control Ordinance) establish the authority for the animal control unit to develop and implement a community cat program that will be managed internally and is aimed at reducing the number of feral cats within the City. To that end, this Ordinance also prohibits individuals from contributing to the congregation and breeding of feral cats by providing food, water and shelter, unless said individual becomes a registered participant in the City's community cat program. Lastly, this Ordinance limits the outdoor feeding of all cats and dogs which may inadvertently contribute to increasing the feral cat population as well as increased interaction between domestic animals and wildlife. This will also create an enforcement mechanism for nuisance feeders who discard large amounts of animal food in parking lots and on property of others without permission.

Staff will also discuss highlights of the new program.

Project No.:    Funding Account No.:

Presenter:

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**ATTACHMENTS:**

|    |                                   |                                       |
|----|-----------------------------------|---------------------------------------|
| 1. | Ordinance No. 2020-9 - Feral Cats | Ordinance No. 2020-9 - Feral Cats.pdf |
|----|-----------------------------------|---------------------------------------|

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Robin Fenwick  
Alan Rosen  
Matthew Jones  
Thomas Grimaldi  
Jake Johansson  
Robin Fenwick

Created/Initiated - 5/4/2020  
Approved - 5/5/2020  
Approved - 5/7/2020  
Approved - 5/11/2020  
Approved - 5/11/2020  
Final Approval - 5/12/2020

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ORDINANCE NO. 2020-9

AN ORDINANCE OF THE CITY OF PORT ORANGE, VOLUSIA COUNTY, FLORIDA, AMENDING CHAPTER 10, SECTION 10-3 OF THE CODE OF ORDINANCES, CITY OF PORT ORANGE, FLORIDA DEFINING "COMMUNITY CAT" and "FERAL CAT"; AMENDING CHAPTER 10, SECTION 10-11, RELATING TO REGULATIONS RELATED TO FERAL CATS; AMENDING CHAPTER 10 TO CREATE A NEW SECTION 10-21 REGULATING THE OUTDOOR FEEDING OF CATS AND DOGS; AMENDING CHAPTER 10 TO CREATE A NEW SECTION 10-22 ESTABLISHING THE AUTHORITY TO CREATE A COMMUNITY CAT PROGRAM; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, there is a growing number of wild or feral cats within the City of Port Orange; and

WHEREAS, according to the Florida Fish and Wildlife Conservation Commission, feral cats are not a part of Florida's natural ecosystem. A single individual feral cat may kill 100 or more birds and mammals per year; and

WHEREAS, feral cats and the colonies in which they congregate are often supported by well-intentioned citizens attempting to help the feral cats by providing food; and

WHEREAS, feeding feral cats in or around residential neighborhoods, public property, governmental facilities or commercial establishments is facilitating the increase in the population of feral cats and escalating the impacts of these colonies on

the environment and surrounding properties; and

WHEREAS, feral cats are vulnerable to contracting and spreading disease among themselves, other wildlife, and people. Cat scratch fever, rabies, hookworms, roundworms, and toxoplasmosis may be transmitted through scratches, bites and fecal contamination by feral cats; and

WHEREAS, feline leukemia and feline AIDS are common among feral cat colonies as they are easily transmitted from one unvaccinated cat to another, and

WHEREAS, the lack of veterinary care allows the widespread transmission of disease through the colony and not spaying or neutering feral cats results in unchecked growth of the colony because of multiple litters, and

WHEREAS, unattended cat food draws other nuisance animals from their natural habitat, including rats, opossums, and raccoons; and

WHEREAS, feral cat colonies commonly result in unsafe and unsanitary conditions because of food debris, fecal waste and urine; and

WHEREAS, to protect the health and welfare of the citizens of Port Orange, it is necessary to reduce the population of feral cats by developing a feral cat program; and

WHEREAS, reducing the feral cat population through a trap/neuter/release (“TNR”) program is more efficient and more cost effective than euthanasia; and

WHEREAS, this Ordinance will not become effective until ninety (90) days after City Council’s adoption in order to allow an opportunity for volunteers to apply to become participants in the community cat program; and



WHEREAS, for purposes of this Ordinance text with underlined (underlined) type shall constitute additions to the original text and text with strike-through (~~strike-through~~) type shall constitute deletions to the original text.

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF PORT ORANGE, VOLUSIA COUNTY, FLORIDA:

Section 1. Chapter 10, Section 10-3 of the Code of Ordinances, City of Port Orange, Florida is hereby amended to add the definition of “community cat” to read as follows:

Community Cat shall mean any free-roaming outdoor cat that may be cared for by one or more residents of the immediate area. Community cats shall be distinguished from other cats by being sterilized and ear tipped, and may or may not be feral.

Section 2. Chapter 10, Section 10-3 of the Code of Ordinances, City of Port Orange, Florida is hereby amended to add the definition of a “feral cat” to read as follows:

Feral cat shall mean any cat that is unapproachable or untamed, either naturally or having returned to such a state from domestication, that lives in a free-roaming outdoor environment and is capable of surviving with or without direct human intervention.

Section 3. Chapter 10, Section 10-11 of the Code of Ordinances, City of Port Orange, Florida is hereby amended to add subsection (g) as follows:

**Sec. 10-11. - Regulation of animals.**

(a) – (f) [remain unchanged]

(g) It is a violation of this chapter for any person, except a registered participant in the city's community cat program, to permit, promote, or contribute to the congregation or breeding of feral cats or community cats by providing food, water, shelter, or any other sustenance.

Section 4. Chapter 10 of the Code of Ordinances, City of Port Orange, Florida is hereby amended to add a new Section 10-21 to read as follows:

**Sec. 10-21. - Outdoor feeding.**

(a) The following rules shall apply to any person, except a registered participant in the city's community cat program, engaged in the outdoor feeding of cats or dogs:

(1) No person shall feed cats or dogs outdoors on the property of another, without prior written authorization from the property owner or an authorized representative.

(2) The feeding of cats or dogs outdoors shall take place during daylight hours only.

(3) All cat food and dog food shall be stored in a manner to prevent access by animals other than the cat(s) or dog(s) for which the food is intended.

(4) No cat food or dog food shall be discarded outdoors.

(5) All cat food and dog food shall be securely stored indoors to avoid

attracting pests, rodents, or wildlife.

(6) Outdoor feeding shall be limited to an appropriate amount of food for daily consumption of the cat(s) or dog(s) intended to be fed. An appropriate amount of food shall mean no more than eight (8) cups of food for each dog within a twenty-four (24) hour period, and no more than four (4) cups of food for each cat within a twenty-four (24) hour period.

Section 5. Chapter 10 of the Code of Ordinances, City of Port Orange, Florida is hereby amended to add a new Section 10-22 to read as follows:

**Sec. 10-22. – Community cat program.**

(a) Authority. The animal control authority shall establish and implement a city-wide community cat program consistent with this section. The city's community cat program shall contain program rules in addition to those rules provide in this section and shall set forth the eligibility requirements for participating in the community cat program.

(b) Application. An application to participate in the community cat program may be submitted to the animal control authority on a form approved by the animal control authority. The fee for making application to participate in the community cat program shall be established by resolution of city council.

(c) Management activities. All management activities for established community cat colonies shall be confined to the private property of the community cat caregiver, or the property of another with prior written authorization from the property owner

or an authorized representative. Management activities shall include providing food and water to feral cats and community cats, trapping feral cats, and returning community cats to an established cat colony.

(d) *Trapping.* Community cat caregivers shall actively trap feral cats within the managed colony and arrange to have each feral cat therein sterilized, vaccinated against the threat of rabies, and ear-tipped (removal of at least 1/4" inch of the left ear if possible) for identification purposes.

(e) *Required care.* Community cat caregivers are required to provide life-sustaining necessities on a regular and ongoing basis including, but not limited to food, water, and medical care. If medical care is unavailable or impractically expensive, the caregiver shall not allow a cat to suffer, and shall deliver said cat to the local humane society.

(f) *Removal of cats.* The animal control authority shall have authority to immediately seize and remove all, or parts, of any cat colony for the following reasons:

- (1) Public health or public safety concerns including rabies, other epizootic and certain zoonoses identified by the county public health department;
- (2) Failure of the community cat caretaker to comply with this section or the community cat program established by the animal control authority; or
- (3) Cats creating a nuisance as defined in section 10-3.

(g) *Enforcement.* In the event that the community cat caretaker fails to comply with this section or any part of the community cat program established by the animal

control authority, the caregiver may be removed from participation in the community cat program.

Section 6. All ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed to the extent of such conflict.

Section 7. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared severable.

Section 8. This Ordinance shall become effective ninety (90) days after adoption and final passage by the City Council.

\_\_\_\_\_  
MAYOR DONALD O. BURNETTE

ATTEST:

\_\_\_\_\_  
Robin L. Fenwick, MMC, City Clerk

Passed on first reading on the \_\_\_\_\_ day of \_\_\_\_\_

Passed and adopted on second and final reading on the \_\_\_\_\_ day of \_\_\_\_\_

Reviewed and Approved: \_\_\_\_\_  
Matthew J. Jones, City Attorney



# CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 5/19/2020

Consent item: No

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**SUBJECT:** (I22) Resolution No. 20-20 - Establishing Animal License Tag Fees and Redemption Charges

**DEPARTMENT:** City Manager

**GOAL:** 5 - Fiscal Sustainability

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**RECOMMENDED MOTION:** Move to approve Resolution 20-20 to revise animal license tag fees and redemption charges

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**SUMMARY:** Staff provided City Council a report on the City's Trap-Neuter-Return (TNR) program at a workshop in January that included a number of recommendations. One of those recommendations was to increase the animal tag license fees to better cover the cost of the TNR and Animal Control programs. This recommendation was endorsed by the City Council and now staff is providing the specific fee resolution for consideration.

The City of Port Orange last updated its animal license tag fee 30 years ago. Analysis of those fees indicates that Port Orange charges the least for animal license tags out of 12 other regional jurisdictions surveyed (except for two that charged nothing). In addition, while the current revenue received covers only the administration of the tags themselves, it does not cover any of the costs for TNR, animal control or redemption services, which it is meant to help support.

The main purpose of animal tags throughout the United States is to help identify animals that have been vaccinated against rabies (as required by law). The city currently sells approximately 400 tags a year for a gross revenue of \$1,900. If the fees are increased as recommended, annual revenue is expected to rise to \$4,000. This resolution would increase fees accordingly:

| Fee Type                                               | Current Fee Amount | New Fee Amount |
|--------------------------------------------------------|--------------------|----------------|
| Full Year Unaltered                                    | \$ 5.00            | \$ 15.00       |
| Half Year Unaltered                                    | \$ 2.50            | N/A            |
| Full Year Sterilized                                   | \$ 3.00            | \$ 10.00       |
| Half Year Sterilized                                   | \$ 1.50            | N/A            |
| Duplicate Tag                                          | \$ 1.00            | \$ 15.00       |
| Penalty Fee (Failure to secure license within 60 days) | \$ 1.00            | \$ 20.00       |

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|                                                   |          |           |
|---------------------------------------------------|----------|-----------|
| Initial Redemption Fee                            | \$ 20.00 | \$ 60.00  |
| 2nd Redemption Fee within 12 months               | \$ 20.00 | \$ 80.00  |
| Subsequent Redemption fee within 12 months (each) | \$ 30.00 | \$ 100.00 |

The first \$5 of each sterilized tag, unsterilized tag, replacement tag and penalty fee paid for obtaining a license later than required will be for the general administration of the program. Any amount collected above the first \$5 will be designated for the city's Trap-Neuter-Return (TNR)/Return-to-Field (RTF) program.

The fees for redemption charges will be to reimburse the cost to the city if Animal Control has to impound a pet that is subsequently retrieved by the owner.

Even if this change is implemented, it will only pay for a small portion of the TNR program as the average annual cost is currently around \$20,000. Staff is considering a change to how the city collects animal license fees to increase compliance, however that will be dealt with separately.

Project No.: Funding Account No.:

Presenter: Alan Rosen

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#### **ATTACHMENTS:**

|    |                                                                   |                                                              |
|----|-------------------------------------------------------------------|--------------------------------------------------------------|
| 1. | Resolution No. 20-20 - Animal License Fees and Redemption Charges | Reso. 20-20 - Animal License Fees and Redemption Charges.pdf |
| 2. | Resolution No. 90-41                                              | Animal Tag Fee Resolution 8-28-1990.pdf                      |

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|                |                               |
|----------------|-------------------------------|
| Alan Rosen     | Created/Initiated - 4/17/2020 |
| Scott Neils    | Approved - 4/22/2020          |
| Matthew Jones  | Approved - 5/7/2020           |
| Jake Johansson | Approved - 5/8/2020           |
| Robin Fenwick  | Final Approval - 5/8/2020     |

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RESOLUTION NO. 2020-20

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
PORT ORANGE, VOLUSIA COUNTY, FLORIDA,  
ESTABLISHING ANIMAL LICENSE TAG FEES AND  
REDEMPTION CHARGES; SUPERSEDING PRIOR  
RESOLUTION; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT ORANGE,  
VOLUSIA COUNTY, FLORIDA:

Section 1. Pursuant to Section 10-16 of the Code of Ordinances, City of Port  
Orange, Florida, the following license tag fees are established for dogs, cats and ferrets:

|                                                                                                                                                                             |                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Sterilized tag - male or female                                                                                                                                             | \$10.00 (annually) |
| Unsterilized tag - male or female                                                                                                                                           | \$15.00 (annually) |
| Replacement tag                                                                                                                                                             | \$15.00 (each)     |
| Penalty fee – failure to secure a license within sixty<br>(60) days after expiration date or sixty (60) days after<br>animal first becomes subject to licensing provisions. | \$20.00            |

The first \$5 of each sterilized tag, unsterilized tag, replacement tag and penalty fee paid pursuant to Section 1 will be for the general administration of the program. Any amount collected above the first \$5 for each item in this Resolution will be designated for the city's Trap-Neuter-Return (TNR)/Return-to-Field (RTF) program.

Section 2. Pursuant to Section 10-5, Code of Ordinances, City of Port Orange,



Florida, the following redemption charges are established for impounded animals:

|                                               |          |
|-----------------------------------------------|----------|
| 1 <sup>st</sup> Redemption (in calendar year) | \$60.00  |
| 2 <sup>nd</sup> Redemption (in calendar year) | \$80.00  |
| All additional redemptions in a calendar year | \$100.00 |

Section 3. This resolution shall supersede Resolution No. 90-41.

Section 4. The fees and charges established in this Resolution shall become effective June 1, 2020.

\_\_\_\_\_  
MAYOR DONALD O. BURNETTE

ATTEST:

\_\_\_\_\_  
Robin L. Fenwick, MMC, City Clerk

Passed on first reading on the \_\_\_\_\_ day of \_\_\_\_\_

Passed and adopted on second and final reading on the \_\_\_\_\_ day of \_\_\_\_\_

Reviewed and Approved: \_\_\_\_\_  
Matthew J. Jones, City Attorney

RESOLUTION NO. 90-41

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORT ORANGE, VOLUSIA COUNTY, FLORIDA, ESTABLISHING ANIMAL LICENSE TAG FEES AND REDEMPTION CHARGES; SUPERSEDING PRIOR RESOLUTION; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT ORANGE, VOLUSIA COUNTY, FLORIDA:

Section 1. Pursuant to Section 5-34, Code of Ordinances, City of Port Orange, Florida, the following license tag fees are established for rabies-susceptible animals:

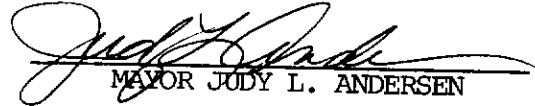
|                                                                                                                                                                          |        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| Full year (October 1 to September 30) - Male or Female                                                                                                                   | \$5.00 |
| Half year (April 1 to September 30) - Male or Female                                                                                                                     | \$2.50 |
| Full year (October 1 to September 30) - Sterilized or<br>Neutered                                                                                                        | \$3.00 |
| Half year (April 1 to September 30) - Sterilized or<br>Neutered                                                                                                          | \$1.50 |
| Duplicate tag                                                                                                                                                            | \$1.00 |
| Penalty fee - Failure to secure license within sixty (60)<br>days after expiration date or sixty (60) days after<br>animal first becomes subject to licensing provisions | \$1.00 |

Section 2. Pursuant to Section 5-22(c), Code of Ordinances, City of Port Orange, Florida, the following redemption charges are established for impounded animals:

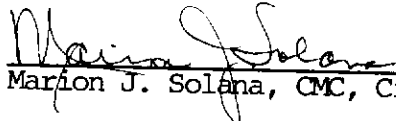
|                                                              |         |
|--------------------------------------------------------------|---------|
| Initial redemption                                           | \$20.00 |
| Subsequent redemption (within twelve (12) month period)      | \$20.00 |
| Each redemption thereafter (within twelve (12) month period) | \$30.00 |

Section 3. This Resolution shall supersede Resolution No. 79-14.

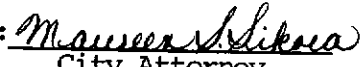
Section 4. The fees and charges established in this Resolution shall become effective October 1, 1990.

  
MAYOR JUDY L. ANDERSEN

ATTEST:

  
Marion J. Solana, CMC, City Clerk

Adopted this 28th day of August, 1990.

Reviewed and Approved:   
City Attorney



# CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 5/19/2020

Consent item: No

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**SUBJECT:** (I23) Discussion regarding Panhandling Concerns and Ordinance

**DEPARTMENT:** City Manager

**GOAL:**

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**RECOMMENDED MOTION:**

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**SUMMARY:** Recently Council has been approached by members of the community expressing concern over the increase in panhandling. There are areas of our city that panhandlers consistently visit to conduct passive panhandling activities in the vicinity of the Dunlawton/Nova Rd Corner; Herbert/Nova Corner and Dunlawton/Ridgewood corners as well as some other random areas in our municipality. These panhandlers can occasionally cause unsafe conditions for those that are providing goods and money and those receiving goods and money (throwing money to panhandlers, panhandlers walking in streets to collect hand outs, etc.) This activity used to occur on private commercial property as well but the city's aggressive campaign to educate private land owners has decreased trespassing on private property and driven panhandling into the public right of way to include sidewalks.

Council has requested this discussion to determine whether the city wants to adopt an ordinance similar to the Daytona Beach and St. Augustine Ordinance which prohibits panhandling in certain areas of their cities. The Daytona Beach Ordinance is attached for review.

Project No.: Funding Account No.:

Presenter:

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**ATTACHMENTS:**

|    |                                                  |                                                      |
|----|--------------------------------------------------|------------------------------------------------------|
| 1. | Panhandling Report to CM and CC 02-24-2020       | Panhandling Report to CM and CC 02-24-2020.pdf       |
| 2. | 2016 HHH v City of Tampa - Middle District of FL | 2016 HHH v City of Tampa - Middle District of FL.pdf |
| 3. | DB Panhandling Ordinance                         | DB Panhandling Ordinance.pdf                         |

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Robin Fenwick  
Jake Johansson  
Thomas Grimaldi

Created/Initiated - 2/21/2020  
Approved - 2/21/2020  
Approved - 2/24/2020

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Matthew Jones  
Robin Fenwick

Approved - 5/7/2020  
Final Approval - 5/8/2020

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## PORT ORANGE POLICE DEPARTMENT

4545 CLYDE MORRIS BOULEVARD  
PORT ORANGE, FLORIDA 32129  
TELEPHONE (386) 506-5870  
FAX (386) 756-5311  
[www.port-orange.org](http://www.port-orange.org)

CHIEF THOMAS R. GRIMALDI

February 24, 2020

City Council Members and City Manager Johansson,

Since January 1, 2019, the Port Orange Police Department has responded to approximately 183 complaints of panhandlers, approximately .3% of the overall 60,027 calls for service received during 2019. Most panhandling calls occurred between 0600 – 1900 hours. The locations and numbers of calls for service are as follows:

|                           |    |
|---------------------------|----|
| ♦ I95-Ramp                | 43 |
| ♦ Aunt Catfish            | 19 |
| ♦ Clyde Morris/Dunlawton  | 12 |
| ♦ Dunlawton/Ridgewood     | 18 |
| ♦ McDonalds               | 12 |
| ♦ Walmart                 | 6  |
| ♦ Nova/Dunlawton          | 7  |
| ♦ Publix                  | 6  |
| ♦ Pavilion                | 3  |
| ♦ Various other locations | 57 |

As panhandling in of itself is not a crime, our patrol officers respond to investigate the following:

- ♦ Entering the roadway to collect donations (F.S. 316.2045 (1))
- ♦ Wanted persons checks
- ♦ Possession of stolen items (milk crates, shopping carts, other items)
- ♦ Open alcoholic containers
- ♦ Blocking pedestrian traffic on the sidewalks
- ♦ Littering
- ♦ Trespassing (with the cooperation of private property owners)

Additionally, the Port Orange Police Department conducted a two-day operation using our patrol officers and detectives to surveil panhandler actions and cite or arrest them if probable cause existed. During that operation, we utilized 112 staff hours and achieved the following results:

- ♦ Arrests – 2
- ♦ Trespass Warnings – 2
- ♦ Field Interview Cards – 4
- ♦ Citations issued – 4
- ♦ City Ordinance Violations - 2

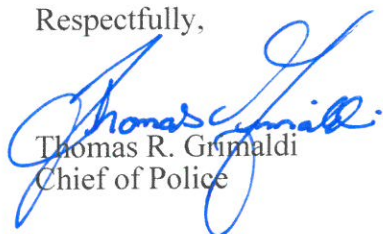
The locations where we have encountered the most complaints of panhandling are as follows:

- ♦ I-95 southbound off-ramp
- ♦ McDonald's exit located in the 1000 block of Dunlawton Avenue
- ♦ Halifax Dr. near Aunt Catfish Restaurant

Our officers continue to be vigilant and address the issues based on the limited measures that are available at this time.

From an educational perspective, we have handed out numerous United Way 2-1-1 cards to panhandlers for services. We have also purchased and installed approximately twenty (20) signs in various high-volume traffic areas around the city discouraging citizens from donating directly to panhandlers (see attachments). Finally, we have sent the same message throughout our social media platforms and have addressed this issue from an educational perspective on local radio shows and local newspapers.

Respectfully,



Thomas R. Grimaldi  
Chief of Police



CHIEF THOMAS R. GRIMALDI

## PORT ORANGE POLICE DEPARTMENT

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4545 CLYDE MORRIS BOULEVARD  
PORT ORANGE, FLORIDA 32129  
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### Placement of "NO PANHANDLING" Signs

- ◆ I-95 North exit ramp at Dunlawton Ave.
- ◆ I-95 South exit ramp at Taylor Ave.
- ◆ Dunlawton Ave. at Nova Rd.
  - Eastbound on Dunlawton Ave. at the intersection
  - Westbound on Dunlawton Ave. at the intersection
  - Northbound on Nova Rd. at the intersection
  - Southbound on Nova Rd. at the intersection
- ◆ Dunlawton Ave. at Ridgewood Ave.
  - Eastbound on Dunlawton Ave. at the intersection
  - Westbound on Dunlawton Ave. at the intersection
  - Northbound on Ridgewood Ave. at the intersection
  - Southbound on Ridgewood Ave. at the intersection
- ◆ Nova Rd. at Ridgewood Ave.
  - Nova Rd. turning left (northbound) onto Ridgewood Ave.
  - Nova Rd. turning right (southbound) onto Ridgewood Ave.
- ◆ Riverside Pavillion
  - Walkway along Halifax River
- ◆ Clyde Morris Blvd. at Dunlawton Ave.
  - Southbound on Clyde Morris Blvd. at the intersection
  - Northbound on Clyde Morris Blvd. at the intersection
- ◆ The exit area of McDonald's on Dunlawton
  - Within the City right of way
- ◆ Riverwalk Park



**PANHANDLING**

**SAY NO TO  
PANHANDLING**



**CONTRIBUTE TO  
THE SOLUTION**

**GIVE TO LOCAL CHARITIES**

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
TAMPA DIVISION

HOMELESS HELPING HOMELESS,  
INC.,

Plaintiff,

v.

CASE NO. 8:15-cv-1219-T-23AAS

CITY OF TAMPA, FLORIDA,

Defendant.

---

**ORDER**

Challenging an ordinance that bans in parts of Tampa, Florida, the solicitation of “donations or payment,” Homeless Helping Homeless, Inc., sues (Doc. 42) for an injunction against the City of Tampa’s enforcing the ordinance and for a declaration that the ordinance unconstitutionally infringes the right of free speech protected both by the First Amendment to the United States Constitution and by Article I, Section 4, of the Florida Constitution. Under Rule 12(c), Federal Rules of Civil Procedure, Homeless Helping Homeless moves (Doc. 47) for a judgment on the pleadings.

*Reed v. Town of Gilbert*, 135 S. Ct. 2218 (2015), an opinion accompanied by three distinct concurring opinions joined by a total of seven justices and an opinion

adjudicating a sign-ordinance dispute, appears to govern this action. In other words, an opinion that resolves a dispute about parishioners temporarily planting some small signs directing people to a church service is written in such sweeping terms that the opinion appears to govern a dispute about an ordinance that regulates face-to-face demands for money from casual passers-by.

This action illustrates (as *Reed* illustrates) the frailties of governing discrete local issues, which are otherwise decided by local officials subject to periodic election, by force of intermittently issued decrees, which are conveyed as constitutional directives; which are issued by a majority (or, sometimes, only a plurality) of nine lawyers serving during “good behavior”; and which are uttered in the course of resolving a different dispute in another locality. Nonetheless, this order dutifully applies *Reed* and resolves the present dispute against the City and in favor of Homeless Helping Homeless. Without *Reed*, which governs for the moment (despite prominently featuring the badges of a transient reign), I would follow Judge Easterbrook in *Norton v. City of Springfield*, 768 F. 3d 713 (7th Cir. 2014), and similar decisions, and I would uphold the City’s ordinance, which results from a constructive and demonstrably benign legislative attempt to manage fairly and humanely a tangible and persistent problem in a manner narrowly and artfully tailored to fit the compelling facts in the affected community.

## **BACKGROUND**

### **1. Homeless Helping Homeless**

Homeless Helping Homeless, a charity based in Tampa, offers emergency shelter to the homeless. (Doc. 42 ¶ 14) According to the allegations in the amended complaint, Homeless Helping Homeless quarters approximately seventy persons every night, feeds approximately three thousand persons every month, distributes hygiene kits, and assists persons “in obtaining social services, educational assistance, and permanent employment.” (Doc. 42 ¶ 16) Homeless Helping Homeless’s mission “is to break societal stereotypes by giving homeless men and women the opportunity to better their own lives thorough service.” (Doc. 42 ¶ 14)

To “carry out its operations and fulfill its mission,” Homeless Helping Homeless relies on staff and volunteers to pursue private money. (Doc. 42 ¶ 17) From 2011 to 2013, Homeless Helping Homeless’s money-raising focused on downtown Tampa and Ybor City<sup>1</sup> because each neighborhood offers both “a broad audience” and “wide sidewalk space to solicit safely without causing disruptions.” (Doc. 42 ¶ 32) In 2013, as a result of soliciting in downtown Tampa and Ybor City, Homeless Helping Homeless raised more than \$26,000. (Doc. 42 ¶ 32)

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<sup>1</sup> Ybor City, a historic district in Tampa, adjoins downtown Tampa to the east-northeast.

## **2. Section 14-46 of the Tampa Municipal Code**

Beginning in May 2013, the Tampa City Council held meetings about public solicitation for money. (Doc. 56 at 9) At one meeting, the president of a college in Tampa stated that the problem of “[v]agrancy and panhandling is more than an inconvenience to our 8,000 students and 400 employees. It is [a] distraction to our learning process and our core operations.” (Doc. 45-10 at 3; Doc. 56 at 9) The owner of a business in Tampa stated that “there are some things that I believe we could [do] to support a more usable environment for all community members. One of those could be the discussion of a strict panhandling exclusion zone in Ybor City and downtown.” (Doc. 45-10 at 5; Doc. 56 at 9–10) Others agreed. (Doc. 56 at 8–10) From May to July 2013, the Tampa City Council discussed enacting an ordinance to create zones, “particularly in tourist areas,” in which a person “could be free from all types of [oral] unsought solicitation.” (Doc. 56 at 10)

In July 2013, the Tampa City Council enacted Ordinance 2013-95, which amends Section 14-46 of the Tampa Municipal Code. Ordinance 2013-95, among other changes to Section 14-46, adds Section 14-46(b), which in downtown Tampa and Ybor City, among some other specified locations, bans the solicitation of “donations or payment.” Section 14-46(b) contains a limited exception permitting “solicitation that only involves holding a sign.” Also, Section 14-46(d) exempts from Section 14-46 “business operations” conducted in “an enclosed building” and

“persons operating under franchises, concessions, or pursuant to temporary license agreements or concessions for special events.” A violation of Section 14-46(b) subjects a person to a fine or imprisonment.

After the enactment of Ordinance 2013-95, Section 14-46 states:

(a) It shall be unlawful for any person in the City of Tampa to solicit donations or payment, or to exhibit oneself for such purpose, by:

- (1) Any act or language constituting an express or implied threat of injury to any person or of damage to or loss of any property owned by or in lawful possession of the solicited person;
- (2) Endeavoring to maintain contact with the solicited person and continuing to verbally demand, ask or beg for, or to solicit, donations or payment from any person after the solicited person has made a negative response to an initial demand or solicitation; or
- (3) Any act intended to impede the passage or free movement of the solicited person. Passage or free movement applies to persons on foot or bicycles, in wheelchairs or operating motor vehicles or persons attempting to enter or exit motor vehicles.

(b) It shall be unlawful in the City of Tampa for any person to solicit donations or payment when either the solicitor or the person being solicited is located in, on, or at any of the following locations or premises thereof:

- (1) Downtown/Ybor Area Prohibited Zone;
- (2) Bus, trolley stop, or transit stop;
- (3) Sidewalk cafe; or
- (4) Area within fifteen (15) feet (in any direction) of an automatic teller machine or entrance to a financial institution.

This section does not apply to solicitation that only involves holding a sign.

(c) The following words and phrases, when used in this section, shall have the following meanings:

(1) *Solicit* means attempts in person to obtain charitable contributions, or attempts to sell any good or service, for the benefit of the solicitor or on behalf of an individual or organization.

(2) “*Downtown/Ybor Area Prohibited Zone*” means that land area bounded on the north by West Palm Avenue (to the northern edge of pavement), bounded on the west by North Boulevard (to the western edge of pavement) until North Boulevard crosses the Hillsborough River, then by the Hillsborough River (to the water’s edge), bounded on the south by Garrison Channel (to the water’s edge), and bounded by the east by Ybor Channel (to the water’s edge) as far north as E. Harbor Street (the northern edge of pavement) then west until the eastern edge of pavement of N. 14th Street, then north until the southern edge of pavement of Adamo Dr., then east until the eastern edge of 26th Street bounded on the east by 26th Street (to the eastern edge of pavement) . . . .

(d) This section shall not apply to persons operating under franchises, concessions, or pursuant to temporary license agreements or concessions for special events, or business operations conducted entirely within an enclosed building or in a permanent structure for which a building permit is required, or operating on private property.

(e) Violations of this section shall be punishable as provided in Tampa Code section 1-6.

(Doc. 45-1 at 4–5) (emphasis in original) This action challenges only Section 14-46(b) and not Section 14-46(a), which remains mostly unchanged by Ordinance 2013-95. (See Doc. 42 ¶¶ 39–49)

In the preamble to Ordinance 2013-95 and in the City’s response to the motion for a judgment on the pleadings, the City justifies Section 14-46(b) both as a means to promote downtown Tampa and Ybor City “as tourist destinations and economic

engines for the City” and as a means to protect the City’s “citizens and visitors in areas where they may be or perceive themselves to be vulnerable [or] unable to leave.” (*See* Doc. 45-6 at 7–8; Doc. 56 at 8)

### **3. This Action**

Suing for injunctive and declaratory relief,<sup>2</sup> Homeless Helping Homeless alleges that, because of Section 14-46(b)’s ban against soliciting for money in downtown Tampa and Ybor City, Homeless Helping Homeless’s staff and volunteers no longer solicit money in those areas. (Doc. 42 ¶ 35) According to the amended complaint, Homeless Helping Homeless “has lost tens of thousands of dollars” and “has been forced” to reduce service and to abandon plans for additional service. (Doc. 42 ¶¶ 35, 36) Moving for a judgment on the pleadings, Homeless Helping Homeless argues that Section 14-46(b) is a content-based regulation of speech that cannot withstand strict scrutiny under the First Amendment. (Doc. 47 at 1) In response, the City argues that Section 14-46(b) “is not facially content based” and is not subject to strict scrutiny. (Doc. 56 at 1, 3)

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<sup>2</sup> Homeless Helping Homeless sues for injunctive and declaratory relief under 42 U.S.C. § 1983 (Count I) and for a declaratory judgment under 28 U.S.C. § 2201 and under Section 86.021, Florida Statutes (Count II).



## DISCUSSION

### 1. Rule 12(c)

Rule 12(c) states, “After the pleadings are closed — but early enough not to delay trial — a party may move for judgment on the pleadings.” Rule 12(c) permits a judgment on the pleadings if the moving party demonstrates that “no issues of material fact exist” and that “the moving party is entitled to judgment as a matter of law based on the substance of the pleadings and any judicially noticed facts.”

*Interline Brands, Inc. v. Chartis Specialty Ins. Co.*, 749 F.3d 962, 965 (11th Cir. 2014) (quoting *Cunningham v. Dist. Attorney’s Office for Escambia Cty.*, 592 F.3d 1237, 1255 (11th Cir. 2010)).

### 2. First Amendment Analysis

#### A. Soliciting money is protected by the First Amendment.

The First Amendment states, “Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.”<sup>3</sup> Soliciting “donations or payment” is a form of speech protected by the First Amendment. *See Vill. of Schaumburg v. Citizens for a Better Env’t*, 444 U.S. 620, 632 (1980) (“[C]haritable

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<sup>3</sup> Article I, Section 4, of the Florida Constitution states, “No law shall be passed to restrain or abridge the liberty of speech or of the press.” “The scope of the protection accorded to freedom of expression in Florida under article I, section 4 is the same as is required under the First Amendment.” *Dep’t of Educ. v. Lewis*, 416 So. 2d 455, 461 (Fla. 1982).

appeals for funds, on the street or door to door, involve a variety of speech interests — communication of information, the dissemination and propagation of views and ideas, and the advocacy of causes — that are within the protection of the First Amendment.”). Through the due process clause of the Fourteenth Amendment, the First Amendment applies to a municipal government such as the City. *Holloman ex rel. Holloman v. Harland*, 370 F.3d 1252, 1268 (11th Cir. 2004).

**B. Section 14-46(b) regulates speech in a traditional public forum.**

Section 14-46(b) regulates soliciting money in areas, including downtown Tampa and Ybor City, that contain traditional public forums such as a public street, a public sidewalk, or a public park. *McCullen v. Coakley*, 134 S. Ct. 2518, 2529 (2014). Because of the historic role as a venue open to the public for discussion and debate, a traditional public forum receives special protection under the First Amendment. *McCullen*, 134 S. Ct. at 2529.

In a traditional public forum, a regulation that impedes speech based on the content of the speech must satisfy strict scrutiny, which means that the regulation is constitutional only if the regulation employs the least restrictive means of advancing a compelling governmental interest. *McCullen*, 134 S. Ct. at 2530 (citing *United States v. Playboy Entm’t Group, Inc.*, 529 U.S. 803, 813 (2000)). A content-based regulation of speech is “presumptively unconstitutional.” *Reed*, 135 S. Ct. at 2226. In contrast, a regulation imposing only a reasonable and content-neutral restriction on the time,

place, and manner of speech must withstand only intermediate scrutiny, which permits a regulation both narrowly tailored to serve a significant governmental interest and “leav[ing] open ample alternative channels for communication of the information.” *McCullen*, 134 S. Ct. at 2529–30.

**C. Section 14-46(b) is a content-based regulation of speech.**

Resolving a First Amendment challenge to a town’s restricting the display of outdoor signs, *Reed v. Town of Gilbert* holds that a regulation of speech is content-based if the regulation applies to speech “because of the topic discussed or the idea or message expressed.”<sup>4</sup> 135 S. Ct. at 2227. Under the ordinance challenged in *Reed*, a less restrictive set of rules applied to a sign conveying a message “designed to influence the outcome of an election” than applied to a sign conveying the location and time of a church service. 135 S. Ct. at 2224–25. *Reed* holds that the town’s code was content-based because the application of rules to a sign depended “entirely on the communicative content of the sign.” 135 S. Ct. at 2227, 2230.

Whether Section 14-46(b) applies to speech depends entirely on the expressed message (i.e., a solicitation for “donations or payment”). Section 14-46(b) imposes no penalty if a speaker in a public park in downtown Tampa or on a sidewalk in Ybor City asks a passer-by about a political issue or offers a passer-by a brochure

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<sup>4</sup> Also, *Reed* holds that a regulation of speech “targeted at specific subject matter is content-based even if it does not discriminate among viewpoints within that subject matter.” 135 S. Ct. at 2230.

about a church or about a show at a carnival. If a speaker asks a passer-by to sign a petition, Section 14-46(b) imposes no penalty. But, if a speaker asks a passer-by for “donations or payment,” Section 14-46(b) criminally penalizes the speaker.<sup>5</sup> Further, a regulation of speech is content-based if the regulation requires “enforcement authorities to examine the content of the message that is conveyed to determine whether a violation has occurred.” *McCullen*, 134 S. Ct. at 2531. Section 14-46(b) punishes speech based not at all on the place, and manner of the speech but based decidedly and exclusively on the content of the speech, a fact that subjects Section 14-46(b) to strict scrutiny.<sup>6</sup>

In the City’s response to the motion for a judgment on the pleadings, the City states that the Tampa City Council’s meetings about Section 14-46(b) were “replete with concern about the plight of the homeless and how to assist them” and lacked “discussion on keeping [the homeless] out of sight or banishing them.” (Doc. 56 at 10) Also, the City states that a representative of an organization benefitting the

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<sup>5</sup> Although the City describes Section 14-46(b) as a regulation of oral solicitation, Section 14-46(b) applies also to unspoken solicitation. Section 14-46(c) defines a solicitation as an “attempt[] . . . to obtain charitable contributions.” Section 14-46(b) exempts a solicitation that “only involves holding a sign,” but the exemption fails to apply to an unspoken solicitation that does not “involve[] holding a sign.” Thus, if a panhandler on a public sidewalk in Ybor City extends his hand to a passer-by and intends the gesture as an “attempt[] . . . to obtain charitable contributions,” Section 14-46(b) imposes a penalty.

<sup>6</sup> Other courts applying *Reed* have held that bans on solicitation are content-based regulations of speech subject to strict scrutiny. *See Norton v. City of Springfield, Ill.*, 806 F.3d 411, 411–13 (7th Cir. 2015) (Easterbrook, J.); *Thayer v. City of Worcester*, 144 F. Supp. 3d 218, 232–34 (D. Mass. 2015) (Hillman, J.); *McLaughlin v. City of Lowell*, 140 F. Supp. 3d 177, 185–87 (D. Mass. 2015) (Woodlock, J.); *Browne v. City of Grand Junction*, 136 F. Supp. 3d 1276, 1288–91 (D. Colo. 2015) (Arguello, J.).

homeless participated in the meetings about Section 14-46(b). (Doc. 56 at 10)

However, the Tampa City Council's solicitude toward the interests of the homeless and the City Council's amiable reception of advocates for the homeless are, especially after *Reed*, unresponsive to a constitutional attack on Section 14-46(b) as impermissibly content-based. To the extent that the City argues that Section 14-46(b) is content-neutral because the City actively accommodates the homeless, the argument fails.

Before *Reed*, some circuit courts held that, even if a regulation "facially differentiates between types of speech," the regulation was content-neutral if the regulation was "justified without reference to the content of regulated speech." *Brown v. Town of Cary*, 706 F.3d 294, 301–02 (4th Cir. 2013) (Diaz, J.). In contrast, other circuit courts (including the Eleventh Circuit) held that the inquiry into whether a regulation of speech was content-based focused on the regulation's "own terms" rather than the regulation's rationale. *Solantic, LLC v. City of Neptune Beach*, 410 F.3d 1250, 1259 n.8 (11th Cir. 2005); accord *Neighborhood Enterprises, Inc. v. City of St. Louis*, 644 F.3d 728, 737 (8th Cir. 2011) (Smith, J.).

*Reed* rejects the argument that a "regulation is content neutral — even if it expressly draws distinctions based on . . . communicative content — if those distinctions can be justified without reference to the content of the regulated speech." 135 S. Ct. at 2228 (internal quotation marks omitted). Instead, *Reed* holds that a

facially content-based regulation is subject to strict scrutiny “regardless of the government’s benign motive, content-neutral justification, or lack of animus toward the ideas contained in the regulated speech.” 135 S. Ct. at 2228 (internal quotation marks omitted). Thus, under *Reed*, the City’s otherwise benevolence toward the homeless is immaterial in determining whether Section 14-46(b) imposes an impermissibly content-based infringement of the right to free speech. *See* 135 S. Ct. at 2228.

**D. Section 14-46(b) fails strict scrutiny.**

Because Section 14-46(b) imposes in a traditional public forum a content-based regulation of speech, Section 14-46(b) is presumptively unconstitutional. *See Reed*, 135 S. Ct. at 2226. To withstand strict scrutiny, the City must demonstrate that Section 14-46(b) constitutes the least restrictive means of advancing a compelling governmental interest. *See McCullen*, 134 S. Ct. at 2530. However, in the answer to the amended complaint, the City admits that no compelling governmental interest supports Section 14-46(b). (Doc. 42 ¶ 42; Doc. 45 ¶ 42) And — with admirable candor — the City forbears the assertion that Section 14-46(b) is the least restrictive means of advancing any governmental interest.<sup>7</sup>

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<sup>7</sup> Arguing for denial of the motion for a judgment on the pleadings, the City cites *United States v. Kokinda*, 497 U.S. 720 (1990), and *Heffron v. International Society for Krishna Consciousness, Inc.*, 452 U.S. 640 (1981). (Doc. 56 at 3–7) Although upholding a regulation infringing the right to solicit money, *Kokinda* examines the regulation “only for reasonableness” because the regulation applied in a zone that was “not expressly dedicated . . . to any expressive activity.” 497 U.S. at 727, 730. And, unlike Section 14-46(b), the challenged regulation in *Heffron* neither applied in a traditional public

### CONCLUSION

Accordingly, Homeless Helping Homeless's motion (Doc. 47) for a judgment on the pleadings is **GRANTED**. Homeless Helping Homeless's motion (Doc. 48) for a preliminary injunction is **DENIED AS MOOT**. The clerk is directed to enter a judgment for Homeless Helping Homeless and against the City (1) **DECLARING** that Section 14-46(b) unconstitutionally infringes the right of free speech protected by the First Amendment to the United States Constitution and by Article I, Section 4, of the Florida Constitution and (2) **PERMANENTLY ENJOINING** the City from enforcing Section 14-46(b). Also, the clerk is directed to terminate any pending motion and to close the case.

ORDERED in Tampa, Florida, on August 5, 2016.



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STEVEN D. MERRYDAY  
UNITED STATES DISTRICT JUDGE

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forum nor directly targeted solicitation of "donations or payment." In *Heffron*, the challenged regulation applied in a limited public forum — a state fair that required an attendee to pay a fee for admission — and provided only that a person selling merchandise must sell the merchandise from "a duly-licensed location" at the fair. 452 U.S. at 643, 655.

ORDINANCE NO. 19-27

AN ORDINANCE OF THE CITY OF DAYTONA BEACH, FLORIDA, REPEALING ARTICLE I, ARTICLE III, ARTICLE IV AND ARTICLE VI OF CHAPTER 66, PEDDLERS, SOLICITORS, CANVASSERS, AND ITINERANT VENDORS, CITY CODE; REPLACING ARTICLE I OF CHAPTER 66, CITY CODE; PROVIDING FOR FINDINGS AND INTENT; PROVIDING FOR PROHIBITED CONDUCT, AND PROXIMITY AND LOCATION RESTRICTIONS FOR SOLICITATION, PANHANDLING OR BEGGING; PROVIDING FOR PENALTIES; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, § 166.041, Florida Statutes, provides for procedures for the adoption of ordinances and resolutions by municipalities; and

WHEREAS, the City of Daytona Beach recognizes that panhandling, including but not limited to solicitation and begging are activities that are protected by the First Amendment to the United States Constitution; and

WHEREAS, the City Commission finds that panhandlers and beggars sometimes use profane language when requesting money from people; that panhandlers and beggars sometimes physically touch or threaten to touch the people they solicit for money; and that panhandlers and beggars sometimes block the path of people they solicit for money, or follow the people they solicit for money in an apparent effort to intimidate people into making a donation or as retribution for refusing to make a donation; and

WHEREAS, the City Commission finds that the foregoing activities constitute "aggressive panhandling or begging," and that the increase in aggressive panhandling or begging throughout the City of Daytona Beach has become extremely disturbing and disruptive to residents, visitors, and businesses, and has contributed to an enhanced sense of



fear, intimidation, and disorder resulting in the loss of access to and enjoyment of public places throughout the City; and

WHEREAS, the City of Daytona Beach has experienced a significant number of complaints made to the Daytona Beach Police Department regarding panhandling and problematic panhandling behaviors; and

WHEREAS, the City of Daytona Beach has a compelling governmental interest in preserving and protecting the lives of its citizens which can be imperiled by congregation of panhandlers which results in, inter alia, traffic and pedestrian congestion which among other things can delay deployment of life saving fire and police vehicles and personnel and otherwise endanger the lives of drivers of automobiles and other pedestrians; and

WHEREAS, the City of Daytona Beach has a compelling governmental interest in protecting the health, safety and welfare of its citizens and visitors from health hazards spread by habits of panhandlers including but not limited to open urination and open defecation; and

WHEREAS, the City of Daytona Beach can adopt regulations of speech which satisfy strict scrutiny if the regulation employs the least restrictive means of advancing such government interest. *United States v. Playboy Entm't Group, Inc.*, 529 U.S. 803, 813 (2000); and

WHEREAS, in the alternative, the City of Daytona Beach can adopt and enforce regulations of behavior that implicate First Amendment activity when the regulations affect the time, place, and manner of expression, are content neutral, are narrowly tailored to serve a significant governmental interest, and leave open ample

alternative channels of communication; and

WHEREAS, the City Commission finds that in the alternative, regulation of panhandling and begging, based on the time, place, or manner of the solicitation including but not limited to panhandling or begging, arguably is a content neutral and narrowly tailored way to promote public safety, and protect residents and visitors in areas where they may be or reasonably perceive themselves to be vulnerable and/or unable to leave; and

WHEREAS, the City Commission finds that regulation of panhandling and begging in public places where people feel particularly vulnerable and/or unable to leave provides ample alternative avenues of communication and is narrowly drawn to address the City's substantial interests; and

WHEREAS, the City of Daytona Beach has a significant interest in providing a safe and pleasant environment and in eliminating nuisance activity, *Smith v. City of Fort Lauderdale, Florida*, 177 F.3d 954, 956 (11th Cir. 1999); and

WHEREAS, the City of Daytona Beach has a significant interest in preserving the safety of traffic flow and preventing traffic congestion wherever possible in the City of Daytona Beach, *Ayres v. City of Chicago*, 125 F.3d 1010 (7<sup>th</sup> Cir. 1997); and

WHEREAS, the City of Daytona Beach has a significant interest in the safety of pedestrians and individuals traveling in vehicles throughout the City of Daytona Beach. *Heffron v. International Soc'y for Krishna Consciousness*, 452 U.S. 640, 650, 101 S. Ct. 2559, 69 L.Ed. 2d 298 (1981); and

WHEREAS, the City of Daytona Beach has a significant interest in promoting tourism, and aesthetics of downtown Daytona Beach, *Young v. American Mini*

*Theaters*, 427 U.S. 50, 96 S. Ct. 440, 49 L.Ed. 2d 310 (1976); *Smith v. City of Fort Lauderdale, Florida*, 177 F. 3d 954, 956 (11th Cir. 1999); and

WHEREAS, the City of Daytona Beach has a significant interest in promoting the safety and convenience of its citizens on public streets. *Madsen v. Women's Health Center*, 512 U.S. 753, 768, 114 S. Ct. 2516, 129 L.Ed. 2d 593 (1994); and

WHEREAS, the City of Daytona Beach has a significant interest in ensuring the public safety and order and in promoting the free flow of traffic on public streets and sidewalks, *Ayres v. City of Chicago*, 125 F.3d 1010 (7<sup>th</sup> Cir. 1997); and

WHEREAS, the City of Daytona Beach has a significant interest in the safety and convenience of citizens using public fora such as streets and sidewalks. *Heffron v. International Soc'y for Krishna Consciousness*, 452 U.S. 640, 650, 101 S. Ct. 2559, 69 L.Ed. 2d 298 (1981) *Cox v. New Hampshire*, 312 U.S. 569, 61 S. Ct 762, 85 L.Ed 1049 (1941); and

WHEREAS, the City of Daytona Beach has a significant interest in recognizing the safety and convenience on public roads. *Cox v. New Hampshire*, 312 U.S. 569, 574, 61 S. Ct. 762, 85 L.Ed. 1049 (1941); and

WHEREAS, the City of Daytona Beach has a significant interest in controlling traffic and pedestrian congestion. *Ayres v. City of Chicago*, 125 F. 3d 1010, 1015 (7th Cir. 1997); and

WHEREAS, the City of Daytona Beach has a significant interest in preventing crime, protecting the City's retail trade, maintaining property values, and generally protecting and preserving the quality of the City's neighborhoods, commercial districts and the quality of urban life. *Young v. American Mini Theaters*, 427 U.S. 50, 96 S. Ct. 440, 49 L.Ed. 2d 310

(1976); and

WHEREAS, the City of Daytona Beach has a significant interest in appearance of the City and aesthetics. *Metromedia Inc. v. City of San Diego*, 453 U.S. 490, 101 S. Ct. 2882 (1981); and

WHEREAS, the City of Daytona Beach has a significant interest in maintaining safe ingress and egress into and out of commercial establishments in order to, inter alia, control pedestrian congestion, facilitate pedestrian safety and order, and provide for access for emergency vehicles and personnel both fire and police to promote public health, safety, and welfare; and

WHEREAS, the City Commission of the City of Daytona Beach has determined that the following regulations promote and protect the general health, safety, and welfare of the residents of the City of Daytona Beach; and

WHEREAS, the City Commission for the City of Daytona Beach finds that it is in the best interest of public health, safety, and general welfare that the following amendments be adopted consistent with the requirements of Section 166.021(4), Florida Statutes.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF DAYTONA BEACH, FLORIDA:

SECTION 1. Article I. Article III, Article IV, and Article VI of Chapter 66. Peddlers, Solicitors, Canvassers, and Itinerant Vendors, of the Code of the City of Daytona Beach are hereby repealed.

SECTION 2. Chapter 66, Article I, of the Code of the City of Daytona

Beach is hereby replaced to read as follows:

**Chapter 66 - PEDDLERS, SOLICITORS, CANVASSERS, ITINERANT  
VENDORS, ARTICLE I – IN GENERAL**

**Sec. 66-1 Panhandling, Begging and Solicitation.**

*(a) Intent.*

The purpose and intent of this article is to recognize the constitutional right of persons to panhandle, including but not limited to solicit and beg, in a peaceful and non-threatening manner; however, an increase in aggressive panhandling and begging throughout the City has become extremely disturbing and disruptive to residents and businesses, and has contributed not only to the loss of access to and enjoyment of public places but also to an enhanced sense of fear, intimidation, and disorder as well as actual danger to the health, safety and welfare of citizens and tourists alike. Aggressive panhandling and begging usually includes approaching or following pedestrians, repetitive requests for donations of money despite refusals, the use of abusive or profane language, unwanted physical contact, and the intentional, or as incident to the aggressive panhandling and begging, blocking of pedestrian and vehicular traffic. Additionally, the presence of panhandlers and beggars, who request money from persons in specific public areas such as outdoor cafes, automated teller machines, entrances and exits from buildings, and while standing in line to enter an event or a building, is especially troublesome because persons cannot readily escape from the undesired conduct, which often carries with it an implicit threat to both persons and property as well as incidental to the panhandling and begging activities the imperiling of the health, safety and welfare of the citizens of and visitors to Daytona Beach by, among other things, blockage of ingress and egress from and into commercial businesses adjacent to public rights of way. Also, unless helped by regulation, some of the habits attributable to panhandlers, including but not limited to open urination and open defecation, pose a threat to the health, safety and welfare of citizens and tourists who visit the City of Daytona Beach.

This article is not intended to limit any persons from exercising

their constitutional right to panhandle, including but not limited to beg, or solicit funds, or engage in any other constitutionally protected activity, when conducted in a legal manner. The goal of this article is instead to ensure the foregoing constitutional rights while through regulation acting to protect citizens from the fear and intimidation accompanying certain kinds of panhandling and begging that have become an unwelcome and overwhelming presence in the City by prohibiting aggressive panhandling and begging throughout the City and by regulating through time, place, and manner ordinance provisions regulating panhandling and begging in certain public places, based upon the foregoing significant, important and substantial governmental interests set forth in the predicate clauses and an overriding compelling governmental interest to protect the health, safety and welfare of the citizens of Daytona Beach and visitors from the adverse secondary effects of solicitation, including panhandling and begging, in public areas. The restrictions contained in this article are neither overbroad nor vague and are narrowly tailored to serve a compelling and substantial governmental interest, and preserve ample alternative areas for the valid exercise of constitutional rights of solicitation which they do as set forth more particularly herein.

If such regulations were to be deemed to trigger strict scrutiny, certain behaviors attributed to panhandlers including but not limited to open urination and open defecation and the blockage of ingress and egress into and from commercial businesses and other public areas as well as the impedance of pedestrian walkways and other public rights of way implicates the compelling governmental interest of Daytona Beach in protecting the health, safety and welfare of its citizenry and visitors in preserving police and fire department access to such rights of way in order to save lives.

*(b) Definitions.*

For purposes of this article, the following words and phrases shall have the meanings ascribed to them as follows:

- (1) *After Dark* means from one half hour after sunset until one-half hour before sunrise. The times of sunset and sunrise will be established by the times listed in any local publication of general distribution.
- (2) *Aggressive Panhandling* means:

- a. To approach or speak to a person and demand, request or beg for money or a donation of valuable property in such a manner as would cause a reasonable person to believe that the person is being threatened with imminent bodily injury or the commission of a criminal act upon the person approached or another person in the solicited person's company, or upon property in the person's immediate possession (for example, placing oneself within 2 feet of a solicited person and/or using abusive or profane language in a loud voice while demanding or requesting money);  
or
- b. To maintain contact with a solicited person and continue demanding, requesting or begging for money or a donation of valuable property after the solicited person has made a negative response to an initial demand or request for money or a donation (for example, walking in front of, next to, or behind a solicited person while continuing to demand, request or beg for money from that person after that person has refused to donate or give money);  
or
- c. To obstruct, block or impede, either individually or as part of a group of persons, the passage or free movement of a solicited person or a person in the company of a solicited person, including persons on foot, on bicycles, in wheelchairs or operating motor vehicles or persons attempting to enter or exit motor vehicles (for example, walking, standing, sitting, lying, or placing an object in such a manner as to block passage of another person or vehicle, or to require another person or driver of a vehicle to take evasive action to avoid physical contact);  
or
- d. To touch or cause physical contact to a solicited person or a person in the company of a solicited person, or to touch any vehicle occupied by a solicited person or by a person in the company of the solicited person, without the person's express consent;  
or
- e. To engage in conduct that would reasonably be construed as intended to intimidate, compel or force a solicited person to accede to demands.

- (3) *Panhandle* means to beg or make any demand or request made in person for an immediate donation of money or some other article of value from another person for the use of one's self or others, including but not limited for a charitable or sponsor purpose or that will benefit a charitable organization or sponsor. As used in this article, the word "solicit" and its forms are included in this definition. Panhandling is considered as having taken place regardless of whether the person making the solicitation received any contribution. Any purchase of an item for an amount far exceeding its value, under circumstances where a reasonable person would understand that the purchase is in substance a donation, constitutes a donation as contemplated in this definition. Begging is included in this definition of Panhandling. Soliciting is including in this definition of Panhandling.
- (4) *Prohibited areas for panhandling including but not limited to soliciting and begging* means the following locations throughout the City in which it is unlawful to engage in panhandling, including but not limited to solicitation or begging, when either the panhandler or beggar or the person being panhandled is located in, on or at the following locations:
- a. Within twenty (20) feet, in any direction, from any entrance or exit of commercially zoned property;
  - b. Within twenty (20) feet, in any direction, of any bus or trolley stop or any public transportation facility;
  - c. Within twenty (20) feet, in any direction, of an automated teller machine or any electronic information processing device which accepts or dispenses cash in connection with a credit, deposit or convenience account with a financial institution;
  - d. Within twenty (20) feet, in any direction, of any parking lot, parking garage, parking meter or parking pay station owned or operated by the City;
  - e. Within twenty (20) feet, in any direction, of any public restroom owned and operated by a governmental agency;
  - f. Within one hundred (100) feet, in any direction, of any daycare or school, including pre-kindergarten through grade 12;
  - g. Within one hundred and fifty (150) feet of any signalized intersection of: 1) arterial roads; 2) collector roads; and 3) arterial and collector roads, as such roads are defined by the



Florida Department of Transportation;

- h. Occurring on the Boardwalk as visibly defined by the Map attached hereto as Exhibit A.

*(c) Prohibited Conduct, Proximity and Location Restrictions.*

- (1) It shall be unlawful for any person to engage in Aggressive Panhandling on any sidewalk, highway, street, roadway, right-of-way, parking lot, park, or other public or semi-public area or in any public building lobby, entranceway, plaza or common area, public forum or limited public forum within the city limits of the City of Daytona Beach.
- (2) It shall be unlawful for any person to engage in Aggressive Panhandling on private property if the owner, tenant or lawful occupant has asked the person not to solicit on the property, or has posted a sign clearly indicating that solicitations are not welcome on the property.
- (3) It shall be unlawful for any person to engage in Panhandling when either the person engaged in Panhandling or the panhandler or the person being panhandled, is located in, on or at the following locations:
  - a. Within twenty (20) feet, in any direction, from any entrance or exit of commercially zoned property;
  - b. Within twenty (20) feet, in any direction, of any bus or trolley stop or any public transportation facility;
  - c. Within twenty (20) feet, in any direction, of an automated teller machine or any electronic information processing device which accepts or dispenses cash in connection with a credit, deposit or convenience account with a financial institution;
  - d. Within twenty (20) feet, in any direction, of any parking lot, parking garage, parking meter or parking pay station owned or operated by the City;
  - e. Within twenty (20) feet, in any direction, of any public restroom owned and operated by a governmental agency;
  - f. Within one hundred (100) feet, in any direction, of any daycare or school, including pre-kindergarten through grade 12;
  - g. Within one hundred and fifty (150) feet of any signalized intersection of: 1) arterial roads; 2) collector roads; and 3)

arterial and collector roads;

- h. Occurring on the Boardwalk as visibly defined by the Map attached hereto as Exhibit A.

(4) It shall be unlawful for any person to engage in the following Prohibited Conduct:

- a. Approach an operator or other occupant of a motor vehicle for the purpose of panhandling, soliciting or begging, or offering to perform a service in connection with such vehicle, or otherwise soliciting the sale of goods or services, if such panhandling, soliciting or begging is done in an aggressive manner;
- b. Panhandle or solicit or beg at any lawfully permitted outdoor dining area amphitheater, amphitheater seating area, playground or lawfully permitted outdoor merchandise area, provided such areas are in active use at the time;
- c. Panhandle, solicit or beg at any transit stop or taxi stand or in a public transit vehicle;
- d. Panhandle, solicit or beg while the person or persons being solicited is standing in line waiting to be admitted to a commercial establishment;
- e. Panhandle, solicit or beg by touching the person or persons being solicited without that person's consent;
- f. Panhandle, solicit or beg with the use of profane or abusive language during the solicitation or following an unsuccessful solicitation;
- g. Panhandle, solicit or beg by or with the use of any gesture or act intended to cause a reasonable person to be fearful of the solicitor or feel compelled to accede to the solicitation;
- h. Panhandle, solicit or beg while under the influence of alcohol or after having illegally used any controlled substance, as defined in the Chapter 893 of the Florida Criminal Statutes; or
- i. Panhandle, solicit or beg After Dark.

*(d) Penalty.*

Any person found guilty of violating the provisions of this

section shall be punished in the manner prescribed in Section 1-14 of this Code.

SECTION 3. Inclusion in Code. The City Commission intends that the provisions of this Ordinance shall become and shall be made part of the Code of the City of Daytona Beach, that the sections of this Ordinance may be re-numbered or re-lettered and that the word ordinance may be changed to section, article or other such appropriate word or phrase in order to accomplish such intentions.

SECTION 4. Severance of Invalid Provisions. In the event that any section, subsection, sentence, clause, phrase, word, term or provision of this Ordinance shall be held by a court of competent jurisdiction to be partially or wholly invalid, unconstitutional or unenforceable or invalid for any reason whatsoever, any such invalidity, unconstitutionality, illegality, or unenforceability shall not affect any of the other or remaining terms, provisions, clauses, sentences, or sections of this Ordinance, and this Ordinance shall be read and/or applied as if the invalid, unconstitutional, illegal, or unenforceable section, subsection, sentence, clause, phrase, word, term or provision did not exist.

SECTION 5. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 6. This Ordinance shall take effect immediately upon its adoption.

  
DERRICK L. HENRY  
Mayor

ATTEST:

  
LETITIA LAMAGNA  
City Clerk

Passed: January 23, 2019  
Adopted: February 6, 2019



EXHIBIT "A"



1 inch = 250 feet





# CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 5/19/2020

Consent item: No

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**SUBJECT:** (J25) City Manager Comments

**DEPARTMENT:** City Manager

**GOAL:**

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**RECOMMENDED MOTION:**

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**SUMMARY:** a. July 4th options.  
b. Summer camp Options

Project No.:    Funding Account No.:

Presenter:

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**ATTACHMENTS:**

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Robin Fenwick  
Jake Johansson  
Robin Fenwick

Created/Initiated - 5/4/2020  
Approved - 5/8/2020  
Final Approval - 5/8/2020

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