



***The Crossroads of South Florida,
We envision a sustainable economy, Let Us Grow
Together***

**CITY OF SOUTH BAY
CITY COMMISSION MEETING AGENDA
COMMISSION CHAMBER
335 SW 2ND AVENUE, SOUTH BAY FL 33493**

TUESDAY, JUNE 06, 2017

www.southbaycity.com

Phone: 561-996-6751 Fax: 561-996-7950

Mayor:	Joe Kyles Sr.
Vice Mayor:	John Wilson
Commissioner:	Esther Berry
Commissioner:	Taranza McKelvin
Commissioner:	Shanique Scott

City Manager:	Leondrae D. Camel
City Attorney:	Burnadette Norris-Weeks
City Clerk:	Jessica Figueroa

RULES OF PROCEDURE

WHO MAY SPEAK

Meetings of the City Commission are open to the public. They are not; however, public forums. Any resident who wishes to address the commission on any subject within the scope of the Commission's authority may do so, providing it is accomplished in an orderly manner and in accordance with the procedures outlined below.

SPEAKING ON AGENDA ITEM

- **Consent Agenda Item** – These are items, which the Commission does not need to discuss individually, and which are voted on as a group. Any Commissioner who wishes to discuss any individual item on the consent agenda may request the Mayor to pull such item from the consent agenda. Those items pulled will be discussed and voted upon individually.
- **Regular Agenda Items** – These are items, which the Commission will discuss individually in the order listed on the agenda. By majority vote, the City Commission may permit any person to be heard on an item at a non-public hearing.
- **Public Hearing Items** – This portion of the agenda is to obtain input from the public on some ordinances, resolutions and zoning applications. The chair will permit any person to be heard on the item during formal public hearings.

SPEAKING ON SUBJECTS NOT ON THE AGENDA

Any resident may address the Commission on any items pertaining to City business during the Opportunity For The Public To Address the Commission portion of the agenda. Persons wishing to speak must sign in with the City Clerk before the start of the meeting.

ADDRESSING THE COMMISSION, MANNER AND TIME

By majority vote the City Commission may invite citizen discussion on any agenda item. In every case where a citizen is recognized by the Mayor to discuss an agenda item, the citizen shall step to the podium/microphone, state his or her name and address for the benefit of the city clerk, identify any group or organization he or she represents and shall then succinctly state his or her position regarding the item before the city commission. Any question, shall be related to the business of the City and deemed appropriate by the Mayor, shall be directed to the Mayor and the Mayor shall then re-direct the question to the appropriate Commissioner or City Staff to answer the citizen question which shall be related to the business of the City.

All comments or questions of the public are to be directed to the Mayor as presiding officer only. There shall be no cross conversations or questions of any other persons. The length of time each individual may speak should be limited in the interest or order and conduct of the business at hand. Comments to the Commission by individual citizens shall be limited to three (3) minutes during the citizens request period. The City clerk shall be charged with the responsibility of notifying each citizen thirty (30) seconds before said time shall elapse and when said time limit has expired.

APPEALS

If a person decides to appeal any decision made by the board, agency, or commission with respect to any matter considered at such hearing, he or she will need a record of the proceedings, and that, for such purpose, he or she 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.

DECORUM

If a member of the audience becomes unruly, the Mayor has the right to require the person to leave the room. If a crowd becomes unruly, the Mayor may recess or adjourn the meeting. Please silence all cell phones and pagers.

CONTACT INFORMATION

If anyone has questions or comments about anything on the meeting agenda, please contact the City Manager at 561-996-6751.

AMERICANS WITH DISABILITY ACT

In accordance with the Americans with Disability Act and Florida Statute 286.26, persons with disabilities needing special accommodations to participate in this proceeding should contact the city clerk no later than three (3) days prior to the meeting at 561-996-6751 for assistance.

**AGENDA
CITY OF SOUTH BAY
CITY WORKSHOP
CITY COMMISSION CHAMBERS
JUNE 06, 2017 @ 6:30 P.M.**

*South Bay, the Crossroads of South Florida,
We envision a sustainable economy, Let Us Grow Together*

NOTICE: If any person decides to appeal any decision of the City Commission at this meeting, he/she will need a record of the proceedings and for that purpose, he/she 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, pursuant to F.S. 286.01055. The City of South Bay does not prepare or provide such records.

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **DISCUSSION**
 - 3a. Regular Meeting Agenda – June 06, 2017
4. **ADJOURNMENT**

**AGENDA
CITY OF SOUTH BAY, FLORIDA
REGULAR CITY MEETING
CITY COMMISSION CHAMBERS
JUNE 06, 2017 @ 7:00 P.M.**

*South Bay, the Crossroads of South Florida,
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.....
NOTICE: If any person decides to appeal any decision of the City Commission at this meeting, he/she will need a record of the proceedings and for that purpose, he/she 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, pursuant to F.S. 286.01055. The City of South Bay does not prepare or provide such records.

In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing special accommodations in order to participate in this proceeding are entitled to the provision of certain assistance at no cost. Please call the City Clerk's Office at 561-996-6751 no later than 2 days prior to the hearing if this assistance is required. For hearing impaired assistance, please call the Florida Relay Service Numbers: 800-955-8771 (TDD) or 800-955-8770 (VOICE).

Any citizen of the audience wishing to appear before the City Commission to speak with reference to any agenda item must complete their "Request for Appearance and Comment" card and present completed form to the City Clerk.
.....

1. **CALL TO ORDER, ROLL CALL; MOMENT OF SILENCE, PLEDGE OF ALLEGIANCE**
2. **DISCLOSURE OF VOTING CONFLICTS**
3. **PRESENTATIONS/PROCLAMATIONS**
 - 3a. City of South Bay Needs Assessment Community Workshop Summary
4. **OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE COMMISSION**
5. **CONSENT AGENDA**

All matters listed under this item are considered routine and action will be taken by one motion. There will be no separate discussion of these items unless a Commissioner or person so requests, in which the item will be removed from the general order of business and considered in its normal sequence on the Agenda.
6. **RESOLUTIONS – (Non- Consent) and Quasi-Judicial Hearing, if applicable)**

6a. **RESOLUTION 83-2017**

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF SOUTH BAY, FLORIDA RELATING TO FINANCES, PROVIDING FOR AMENDMENTS TO THE FISCAL YEAR BUDGET BEGINNING OCTOBER 1, 2016 AND ENDING SEPTEMBER 30, 2017; APPROVING ASSOCIATED BUDGET AMENDMENTS; PROVIDING AN EFFECTIVE DATE.

6b. **RESOLUTION 84-2017**

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF SOUTH BAY, FLORIDA AUTHORIZING THE MAYOR AND THE CITY MANAGER TO EXECUTE THE FOURTH AMENDMENT TO THE RESTATED AGREEMENT WITH WASTE MANAGEMENT INC. OF FLORIDA FOR SOLID WASTE, COLLECTION AND RECYCLING SERVICES; PROVIDING FOR AN EFFECTIVE DATE.

6b. **RESOLUTION 85-2017**

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF SOUTH BAY, FLORIDA APPROVING A SALARY INCREASE BY TWO HUNDRED AND FIFTY DOLLARS PER MONTH FOR CITY COMMISSION MEMBERS; TRANSFERRING FUNDS FROM COMMUNITY DEVELOPMENT DEPARTMENT TO LEGISLATIVE DEPARTMENT TO SATISFY INCREASE; RATIFYING BUDGET ADJUSTMENTS; PROVIDING FOR AN EFFECTIVE DATE.

6b. **RESOLUTION 86-2017**

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF SOUTH BAY, FLORIDA, ACCEPTING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT AND COMPLIANCE REPORT FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2016; PROVIDING FOR AN EFFECTIVE DATE

7. **ORDINANCE (FIRST READING)**

7a. **ORDINANCE 08-2017**

AN ORDINANCE BY THE CITY COMMISSION OF THE CITY OF SOUTH BAY, ADOPTING NEW FLOODPLAIN MANAGEMENT REGULATIONS; TO ADOPT NEW FLOOD HAZARD MAPS, TO DESIGNATE A FLOODPLAIN ADMINISTRATOR, TO ADOPT PROCEDURES AND CRITERIA FOR DEVELOPMENT IN FLOOD HAZARD AREAS, TO ADOPT TECHNICAL AMENDMENTS TO THE FLORIDA BUILDING CODE AND FOR OTHER PURPOSES; PROVIDING FOR ADOPTION OF REPRESENTATIONS; PROVIDING FOR APPLICABILITY; PROVIDING FOR CONFLICT AND REPEALER; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN CODE; PROVIDING FOR AN EFFECTIVE DATE.

7a. **ORDINANCE 09-2017**

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF SOUTH BAY, FLORIDA, REGARDING MEDICAL MARIJUANA; EXTENDING THE IMPOSITION OF A TEMPORARY MORATORIUM ON THE ESTABLISHMENT AND OPERATION OF MEDICAL MARIJUANA DISPENSING ORGANIZATIONS AND MEDICAL MARIJUANA TREATMENT CENTERS WITHIN THE CITY FOR AN ADDITIONAL PERIOD OF 180 DAYS; PROVIDING FOR APPLICABILITY; PROVIDING FOR DURATION; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

8. **ROSENWALD ELEMENTARY SCHOOL**

9. FINANCE REPORT

9a. Accounts Payable Report

10. CITY CLERK REPORT

10a. Next City Commission Meeting –June 18, 2017

10b. City Clerk Conference – June 23th – 28th

10c. City Clerk Vacation – June 29th – July 7th

11. CITY MANAGER REPORT

11a. 2017 Legislative Priorities Update

11b. 2018 Legislative Priorities

11c. Charitable Sponsorship – King Tutoring and Mentoring

11d. FY 2018 – Budget Calendar

11e. 2017 Community Back to School Bash

11f. FDOT Signal Warrant Analysis Update and Marquee

12. CITY ATTORNEY REPORT

13. FUTURE AGENDA ITEMS

14. COMMISSIONER COMMENTS/FOR THE GOOD OF THE ORDER

15. ADJOURNMENT



City of South Bay Needs Assessment Community Workshop Summary

May 2017

Prepared for

The City of South Bay

335 SW 2nd Avenue
South Bay, Florida 33493

Facilitated by

Commissioner Esther Berry

Commissioners:

Mayor Joe Kyles
Vice Mayor John Wilson
Commissioner Ester Berry
Commissioner Taranza McKelvin
Commissioner Shanique Scott

Professional Facilitators:

Greg Vann Buckle, Vann Buckle & Associates
Paul Skyers, Chasser Associates, LLC.
Max Starks, III, Starks Consultants, Inc

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ACKNOWLEDGEMENTS

Vann Buckle and Associates would like to express thanks to the Citizens, Elected Officials, City Manager and Staff for their participation and contribution to the Park of Commerce Workshop Process.

Overview

On Saturday, May 6, 2017, the City of South Bay hosted a Needs Assessment Community Workshop for Park of Commerce site sized approximately 88 acres.

The workshop was well attended by a diverse cross-section of participants which included elected officials, City staff, developers, business owners and community leaders. All parties were excited and interested in hearing visions for industrial development for the "Park of Commerce".

The City Manager, Mr. Camel, opened the workshop and introduced the Co-Facilitators, Commissioner Esther Berry and Greg Vann Buckle. The Mayor and City Commissioners were then introduced. City Manager Camel then let the participants know that the City owns 88 of the 135 acres which dates back to 1994 and that the mortgage has been satisfied by the State. He stated that the land is designated for special use and zoned for Industrial Use and Warehousing. Commissioner Berry then turned the meeting over to the lead facilitator, Mr. Buckle.

Mr. Buckle introduced his facilitation team; Mr. Paul Skyers, Chasser Associates, LLC (Financial Analyst) and Mr. Max Starks, Starks Consultants, Inc. (Project Management). Mr. Buckle stated the intended purpose of the workshop was to take a pulse of the community and City leaders by identifying the current and future needs of the City for the "Park of Commerce" development.

The participants were shown the 27 possible uses for the Industrial & Warehouse development. There were 36 comments on the Development of the Park of Commerce to maximize its potential. We find this site to be strategic.

Located off SR-27 (North/South) which intersects with SR-80(East/West) less than 1 mile to the south. Recent traffic counts show 1,700 semi-trucks travel north/south on SR-27 Daily passing this site.



City of South Bay
335 SW 2nd Avenue
South Bay, Florida 33493

Community Workshop Strategic Planning for "Park of Commerce"

Saturday May 6, 2017 10:00AM – 2:00PM

"A SATURDAY OF ACTIVITIES FOCUSED ON THE FUTURE OF THE PARK OF COMMERCE"

Commissioner Esther Berry –Facilitator

- 9:45 AM ARRIVAL/SIGN-IN/NETWORKING**
- 10:00 AM Open Session – Leondrae D. Camel, City Manager**
- Introductions
 - Reflections from the Past
- 10:20 AM PURPOSE: To identify the community's economic development priorities**
- What are the desired Business/Commercial Needs?
 - What do you want?
 - What will development of the Park Do for you/ City?
- 11:00 AM Planning for the Park**
- Overview
 - Design Principles
- 12:00 – 12:30 PM Lunch**
- 12:30 – 1:30 PM Creating Direction**
- Sources needed
 - How to Create a Shared Vision for the future
 - Where do we go from here?
 - What will be our future direction?
- 1:30 PM Summary/ Question & Answer**

COMMISSIONERS

Esther Berry

Mayor Joe Kyles

Taranza McKelvin

Vice Mayor John Wilson

Shanique Scott

THE ANATOMY OF AN INDUSTRIAL PARK

Industrial parks are areas within a community designated for activities associated with industrial development, which can include materials processing materials assembly, product manufacturing and storage of finished products. Uses can include manufacturing facilities, warehouse distribution centers and truck terminals.

Industrial parks can be stand-alone developments within a community, or they can be adjacent to or part of a larger regional industrial district spanning several contiguous jurisdictions. Industrial parks rely on the availability of large tracts of land, efficient transportation systems, and sufficient infrastructure for their success and for their ability to integrate into the large community.

Transportation

Industrial parks should be near major transportation systems, including regional and interstate highway systems, with an efficient system of local roadways between the industrial park and the highway system. Access to other types of transportation systems, such as rail, port, and air freight, should be available, if they are characteristic of the region and in demand by the industry.

Utilities and Infrastructure

Industrial parks require dependable utility systems sufficient supplies of water for domestic fire protection and for use in industrial processes should be available and sanitary sewer systems need sufficient capacity to support waste generated in the park. Adequate supplies of natural gas and electricity also are necessary.

Consideration should be given to developing regional storm water management facilities in support the industrial park. Best management practices for storm water quality and quantity are ideally developed on a district or regionwide basis, based on the watershed of the area. If this approach is not possible, on-site storm water management facilities need to be provided.

Open storm water management facilities should be allowed within perimeter other land areas for industrial development. Industrial park developers must also consider telecommunications utility information.

Land Area

The land area needed for an industrial park can range from 20 acres to hundreds of acres. An area between 50 and 100 acres in size allows for flexibility for parcels, planting, and internal transportation and parking systems. Large rectangular tracts of land that are available for development at competitive prices in the region should be considered as sites. Land should have minimal impediments to development, to make it competitive in the marketplace. Conditions such as steep topography, exposed bedrock, wetlands, sensitive environmental areas, and irregularly shaped parcels can contribute to site development costs and inefficient use of the land.

Labor Force

Development of the industrial park will be directly related to the ability to attract labor from proximate areas to the park to serve the industry within the facility. The available labor force is directly related to the type of industry that can be attracted and the likely success of the park.

Among the labor force considerations to assess are the following:

- Location of the labor force
- Characteristics of the labor force (skilled or unskilled)
- Relative cost of labor in the region
- Transportation systems available to bring the labor force to the industrial park

Potential Impact

The compatibility of industrial uses with adjacent uses will depend highly on the type of industry that locates in the area. When considering an industrial park, the following are among the types of typical impacts from industrial uses.

- Transportation – Increased traffic, volume and overall impacts on local and regional transportation
- Community Services – Increased demand for community services, including utilities, police, fire, and rescue; emergency services and medical facilities.
- Pollution – Specifically, air pollution generated from increased traffic and/or processes carried out throughout the industrial park; may also include light pollution, water quality impacts, and noise
- Aesthetics: Ensuring compatibility of the design and operation of the industrial park with the character of the community.

Performance Standards

Industrial parks are increasingly governed by performance standards. In addition to the typical setbacks, buffers, and landscape planting requirements, these standards govern light and glare, noise, vibrations, air pollution, odor, heat, and humidity, electric interference, radiation, outdoor storage and waste disposal traffic, fire and explosive hazards and toxic and hazardous materials on industrial performance standards to develop specific standards.

Mixed Uses

Industrial parks of the past were typically confined to industrial related uses: today related uses such as manufacturing support facilities, office and office support and research related uses should be allowed in them. There are even circumstances where hotels and small retail activities can be sited in the industrial park. If they are desired, these uses should be placed on the periphery of the industrial park or in places that enable traffic to easily flow without intermingling with the ore activities of the industrial park. Office uses, showrooms and other ancillary or support functions such as conference and hotel facilities may be placed in the more visible areas of the park.

**Workshop Assessment
For "Park of Commerce"
(Industrial District)**

Common Uses

1. Fleet Depot
2. Recycle Center
3. Major Highway Access
4. Contractors
5. Office/ Warehouse
6. Industry- Light/ Heavy
7. Manufacturing
8. Storage- commercial / Self
9. Research & Development
10. Inter-Model
11. Showrooms
12. Distributions Center
13. Rail Access
14. Machine Shop – Repair
15. Commercial Center
16. Office Warehouse
17. Warehouse Distribution Center
18. Packing/Shipping
19. Truck Terminals
20. Port/ Air Rail/ Highway
21. Training Centers
22. Material Processing
23. Pack/ Ship Center
24. Labs
25. Produce Market
26. Entertainment
27. Repair Shops
28. Restaurants

Additional Uses by Public

1. Dev. For Seniors
2. BioChar Plant
3. Movie Theatre
4. Bank
5. Gym/ Gym for Youth
6. Local Produce Market
7. Grocery Store
8. Calypso Bay
9. Office Suites/ Business Development

General Conclusions

As stated in the overview, the presence of 28 participants and multiple stakeholder groups have shown the continued desire to move the strategic planning for the City of South Bay's "Park of Commerce" forward after more than twenty years since its inception.

Participant responses have been compiled below to show the top seven priority needs based on occurrence:

- Manufacturing (Training Program/ Prioritizing 20% min. local South Bay residents / Ex-offenders)
- Distribution Centers
- Commercial Center
- Office Warehouse
- Produce Market Place
- Restaurant
- Mini/ Self Storage

Many participants, who also participated in the "Park of Commerce" process over the past twenty years, in addition to the Glades Regional Master Plan process and the League of Cities process, stated that these particular uses have continued to rank high within all the development plans over the past twenty years. To revitalize the economy in the City of South Bay, it is vital that the Park of Commerce facilities are prioritized for development.

- Create better image
- Closer to Goods/Services
- Improve Quality of Life
- Give new sense of Pride and Cultural Preservation
- Enhance existing marketplace
- Recruit new businesses
- Raise property values
- Increase in Revenue and Jobs
- Create a healthy economy
- Location, Location, Location

The City of South Bay business owners and residence has shown its continued interest in moving forward. The Development of the Park of Commerce. All participants felt that a unified front is necessary for future planning and development considerations for the "Park of Commerce". Every demographic in the City of South Bay wants to be included and not overlooked.

"The Challenge – if not now – When?"

THE PEOPLE SPEAK

- Can we have a grocery store?
- We need a nice restaurant.
- What do we need to do to get a bank?
- We need a job training center.
- We need a produce market.
- We have the perfect project for the plant and the funding.
- What type of Road access will there be?
- Will there be a place for entertainment?
- What type of manufacturing will we have?
- Will there be opportunities for training for the new jobs and can we put in the plan local hiring 20% minimum and job opportunities for ex-offenders?
- I think we need a Movie theatre
- We need Local Markets
- There is a need for senior housing
- Will there be space for office and shops?
- Make the plaza attractive.
- We would like a water park like Calypso Bay?
- Can we have a Gym for the youth?
- Will there be small warehouse space?
- Will the City consider multiple developers?
- How do we package this project for investors?
- I think we need service development and entrepreneurship training.
- Will there be construction and manufacturing?
- Will office suites be available?
- Let's bundle RFP.
- What about packing?
- Third Party Facility process with the city.
- Collaborative effort/ Regional impact.
- Release RFQ as Multi- development.
- Need best deal for city
- Can we have repair shops?
- Will there be sales and service centers?
- Hi-tech Telecommunication/ Fiber optics needed
- What type of security will there be

Recommendations

The City of South Bay Community Leaders should consider the following:

1. Re-establishing the “Park of Commerce” as the champion for redevelopment in the City of South Bay and adjacent cities. This includes:
 - A. Developing a strategic plan for the City of South Bay to include a Development of an Industrial Park.
 - B. Identifying and partnering with both Local and regional investors to implement the plan. Become sister city with adjacent municipalities
 - C. Integrating the plan with the City of South Bay’s comprehensive plan as well as, Glades Regional Master Plan, etc.
2. Develop a marketing strategy and incentives that will attract desired Commercial and Industrial development.
3. Research, identify and visit other communities with similar demographics that have been successful in providing Commercial/Industrial and basic service redevelopment.
4. Seek commitment (buy-in) of all stakeholders through transparency, setting clear goals with a realistic time frame and a solid communication plan.
5. Establish a national public relations campaign to attract and create a dialogue with high profile entrepreneurs who are interested in investing in businesses that provide for cultural diversity, empowerment and local job creation.
6. Seek commitment (buy-in) of all stakeholders through transparency, setting clear goals with a realistic time frame and a solid communication plan.
7. Establish a national public relations campaign to attract and create a dialogue with high profile entrepreneurs who are interested in investing in businesses that provide for cultural diversity, empowerment and local job creation.

Community Workshop

Strategic Planning for "Park of Commerce"

Saturday May 6, 2017

10:00AM - 2:00PM

SIGN IN SHEET

NAME	ORG/	EMAIL OR PHONE
Betty Barnard		barnardbetty@att.net
Sec. WA Bohlen	Park Chamber	ParkChamber@ATT.NET
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Joe Kilias	City of South Bay	KiliasJ@SouthBayCity.com
Steve Messian	Citizen	messiansteve@yahoo.com
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Max Starks Jr	Starks Consultants	See maxstarks@aol.com (772) 521-2512

RESOLUTION NO. 83-2017

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF SOUTH BAY, FLORIDA RELATING TO FINANCES, PROVIDING FOR AMENDMENTS TO THE FISCAL YEAR BUDGET BEGINNING OCTOBER 1, 2016 AND ENDING SEPTEMBER 30, 2017; APPROVING ASSOCIATED BUDGET AMENDMENTS; PROVIDING AN EFFECTIVE DATE.

WHEREAS, as required by Section 200.065, Florida Statutes, the City Commission of the City of South Bay held a public hearing on September 27, 2016 to adopt the annual budget for fiscal year 2016-2017; and

WHEREAS, on September 27, 2016, the City Commission adopted Resolution 50-2016 setting forth the appropriations for General Fund Budget estimated for the Fiscal Year 2016-2017 in the amount of One Million Nine Hundred Forty-Three Thousand Three Hundred Twenty-Nine Dollars (\$1,943,329.00); and Capital Project Fund estimated total sum of two million, three thousand eighty nine, eight hundred and eight dollars (\$2,389,808); and

WHEREAS, it is necessary to amend the fiscal year 2016-2017 General Fund Budget to recognize an increase in revenue by Four Hundred Thirty Eight Thousand Eight Hundred Sixty-Eight Dollars (\$438,868.00), which would represent increases in the following areas: State Sale Tax of \$21,150.00; FP&L Electric Utility Tax of \$17,000.00; Building Permits fees of \$145,000.00; Sale of Real Estate of \$249,893 and carnival fee of \$5,825.00; and

WHEREAS, in amending the budget, it is further necessary to recognize additional expenses as follows: a decrease of \$4,060.00 in (101) Legislative Department; and increase of \$7,875.00 in (111) City Manager Department; an increase of \$15,070.00 in (121) City Clerk Department; an increase of \$5,920.00 in (131) Finance Department; an increase of \$70,000.00 for Professional Services in (151) Planning and Zoning Department; an increase of \$1,345.00 in Human Resources Department; an increase of \$18,250.00 in (191) Non-Department; an increase of \$2,000.00 in (711) Parks and Recreation Department; and transfer of \$322,468.00 to (900) Capital Project Fund.

WHEREAS, it is necessary to amend the fiscal year 2016-2017 Capital Project Fund Budget by One Hundred Ninety Three Thousand Seven Hundred Sixty Eight Dollars

(\$193,768) due to new additional one cent sales tax of \$125,000; and additional transfer in from General Fund in amount of \$68,768; to be used for Local Street Improvement Projects.

WHEREAS, the budget amendment is an effective increase of Four Hundred Thirty Eight Thousand Eight Hundred and Sixty - Eight Dollars (\$438,868.00) in General Fund and One Hundred Ninety Three Thousand Seven Hundred Sixty Eight Dollars (\$193,768) in Capital Project Fund

NOW THEREFORE, BE IT RESOLVED by the City Commission of the City of South Bay, Florida that:

Section 1. Adoption of Representations. The foregoing "Whereas" clauses are hereby ratified and confirmed as being true, and the same are hereby made a specific part of this Resolution.

Section 2. Amendment of Budget. The City of South Bay, Florida hereby amends fiscal year Budget beginning October 1, 2016 and ending September 30, 2017 as set forth herein to recognize a supplemental appropriation to the General Fund budget in the amount of Four Hundred Thirty-Eight Thousand Eight Hundred Sixty-Eight Dollars (\$438,868.00) to the General Fund Budget bringing the total amount to Two Million Three Hundred Eighty-Two One Hundred Ninety-Seven Dollars (\$2,382,197.00) and One Hundred Ninety Three Thousand Seven Hundred Sixty Eight Dollars (\$193,768) to Capital Project Fund Budget bringing the total budget to Two Million Five Hundred Eighty Three Thousand Five Hundred Seventy Six Dollars (\$2,583,576). The appropriations are described in amendments to the budget worksheet attached hereto as Exhibit "A".

Section 3. Effective Date. This Resolution shall be effective immediately upon its passage and adoption.

PASSED and ADOPTED this 6th of June, 2017.

Joe Kyles, Mayor

Moved by: _____

Seconded by: _____

Attested

By: _____
Jessica Figueroa, City Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

Burnadette Norris-Week, Esquire
City Attorney

VOTE:

Commissioner Berry	_____ (Yes)	_____ (No)
Commissioner McKelvin	_____ (Yes)	_____ (No)
Commissioner Scott	_____ (Yes)	_____ (No)
Vice-Mayor Wilson	_____ (Yes)	_____ (No)
Mayor Kyles	_____ (Yes)	_____ (No)



City of South Bay

South Bay City Hall
335 SW 2nd Avenue
South Bay, FL 33493
Telephone: 561-996-6751
Facsimile: 561-996-7950

www.southbaycity.com

Commission

Joe Kyles Sr.
Mayor

John Wilson
Vice Mayor

Esther E. Berry

Shanique S. Scott

Taranza McKelvin

Leondrae Camel,
City Manager

Jessica Figueroa, City Clerk

Bernadette Norris-Weeks
City Attorney

"An equal Opportunity
Affirmative Action Employer"

To: Honorable Mayor and Commissioners
From: Massih Saadatmand, Finance Director
Thru: Mr. Leondrae Camel, City Manager
Date: May 9, 2017
Ref: Resolution NO. 81-2017 Budget amendments

The following narrative is presented to support and to provide additional information for the above resolution:

- 1- Legislative Department (101):
 - Salaries and FICA Taxes, Increase \$2,500 for bonuses plus related payroll tax.
 - Health Insurance decreased by \$10,000 due to discontinue of a coverage for one of the Commissioner.
 - Increase of travel expenses in amount \$3,250 for remaining of fiscal year due to other travel events such as Florida League of Cities conference in August.
- 2- City Manager Department (111):
 - Salaries and FICA Taxes, Increase of \$1,000 for bonuses and \$4,000 for salary increase plus related payroll tax.
 - Increase of travel expenses in amount \$2,500 for remaining of fiscal year due to other travel events such as attending Florida League of Cities conference in August.
- 3- City Clerk (121):
 - Salaries and FICA Taxes, Increase of \$14,000 and related payroll tax for an administrative assistant position in City Clerk Department.
- 4- Finance Department (131):
 - Salaries and FICA Taxes, Increase of \$1,000 for bonuses and \$4,500 for salary increase plus related payroll tax.
- 5- Planning and Zoning Department (151):
 - Additional of \$70,000 for professional services for planning and review of Housing Authority renovation project.
- 6- Human Resources (161):
 - Salaries and FICA Taxes, partial increase of \$1,250 for salary plus related payroll tax.
- 7- Non-Department (191):
 - Additional budget of \$14,000 for professional services related to IT services plus upgrade of server software
 - Additional budget of \$4,250 for upgrade of security system and additional maintenance for A/C unit at City Hall.



City of South Bay

South Bay City Hall
335 SW 2nd Avenue
South Bay, FL 33493
Telephone: 561-996-6751
Facsimile: 561-996-7950

www.southbaycity.com

Commission

Joe Kyles Sr.
Mayor

John Wilson
Vice Mayor

Esther E. Berry

Shanique S. Scott

Taranza McKelvin

Leondrae Camel,
City Manager

Jessica Figueroa, City Clerk

Bernadette Norris-Weeks
City Attorney

"An equal Opportunity
Affirmative Action Employer"

8- Parks and Recreational (711):

- Additional budget of \$2,000 for maintenance such as floor.

9- Transfer Out to Capital Project Fund:

- Transfer out of \$322,468 to Capital Project Fund for the proceeds of sales of 845 building at Palm Beach Road and plus excess of additional revenues in General Fund.

Should you need further information, questions and concern in the interim please feel free to contact finance department.

City of South Bay

Budget Adj. # 1

Budget Adjustment - CF 001

Various Departments

Type of Budget Adjustment

Intra-Department Transfer	
Inter-Department Transfer	
Supplemental Appropriation	X

Account Description Expenses	Fund	Dept.	Account	Adopted Budget	Total Current Fiscal to Date	Available Budget	Increase (Decrease)	Adjusted Budget
Salaries	001	101	512100	28,500	16,750	11,750	2,500	31,000
FICA Tax	001	101	521100	2,180	1,177	1,003	190	2,370
Group Health Insurance	001	101	523100	17,250	4,486	12,764	(10,000)	7,250
Travel	001	101	540100	7,750	7,918	(168)	3,250	11,000
Salaries	001	111	512100	139,419	72,517	66,902	5,000	144,419
FICA Tax	001	111	521100	10,665	5,425	5,240	375	11,040
Travel	001	111	540100	6,500	4,331	2,169	2,500	9,000
Salaries	001	121	512100	40,974	20,150	20,824	14,000	54,974
FICA Tax	001	121	521100	3,100	1,445	1,655	1,070	4,170
Salaries	001	131	512100	116,725	57,641	59,084	5,500	122,225
FICA Tax	001	131	521100	8,900	4,004	4,896	420	9,320
Professional Services	001	151	531300	30,000	11,096	18,904	70,000	100,000
Salaries	001	161	512100	10,643	-	10,643	1,250	11,893
FICA Tax	001	161	521100	815	-	815	95	910
Professional Services	001	191	531300	14,245	12,222	2,023	14,000	28,245
Repair & maint. Building	001	191	546200	9,800	7,809	1,991	4,250	14,050
Repair & maint. Building	001	711	546200	5,150	4,081	1,069	2,000	7,150
Transfer out to Capital Project Fund	001	900	581318	67,500	600	66,900	322,468	389,968
Total Increase				520,116	231,652	288,464	438,868	958,984

To amend the personnel and travel expenses in Legislative, City Manager, City Clerk, Finance and Human resources Departments, professional services in Code enforcement due to Palm Beach Housing Authority renovation projects, and non departmental for IT services, building maintenance in non departmental and Parks & Recreational, and transfer of fund to Capital project due to sales of 845 Palm Beach Road property.

Approval Request

Department Head

Approved as to Availability of Funds

Finance Director

Approved

City Manager

Date

Date

Date

Approved by City Commission
Meeting of

Budget Adj. # 1

Type of Budget Adjustment

Intra-Department Transfer	
Inter-Department Transfer	
Supplemental Appropriation	X

[illegible]

Approval Request

Department Head

Approved as to Availability of Funds

Finance Director

Approved

City Manager

Date _____

Date _____

Data

Approved by City Commission
Meeting of

Approved by City Commission
Meeting of

RESOLUTION 84-2017

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF SOUTH BAY, FLORIDA AUTHORIZING THE MAYOR AND THE CITY MANAGER TO EXECUTE THE FOURTH AMENDMENT TO THE RESTATED AGREEMENT WITH WASTE MANAGEMENT INC. OF FLORIDA FOR SOLID WASTE, COLLECTION AND RECYCLING SERVICES; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of South Bay ("City") and Southern Waste Systems, LLC ("SWS") entered into the Restated Agreement for Solid Waste, Collection & Recycling Services that became effective on October 1, 2012 (the "Agreement"); and

WHEREAS, SWS assigned its rights and obligations under the Agreement to Waste Management Inc. of Florida, Inc. ("Contractor") and the City approved such assignment on or about December 1, 2015; and

WHEREAS, the parties entered into an Amendment to Restated Agreement for Solid Waste, Collection & Recycling Services dated March 11, 2016 (the "First Amendment"); and

WHEREAS, the parties entered into a Second Amendment to Restated Agreement for Solid Waste, Collection & Recycling Services dated July 2, 2016 (the "Second Amendment"); and

WHEREAS, the parties entered into a Third Amendment to Restated Agreement for Solid Waste, Collection & Recycling Services dated November 7, 2016 (the "Third Amendment"); and

WHEREAS, the City and Contractor desire to further modify the Agreement to extend the term and to incorporate a city-determined non-material change to the Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SOUTH BAY, FLORIDA AS FOLLOWS:

Section 1. Adoption of Representations. The foregoing "Whereas" clauses are hereby ratified and confirmed as being true and the same are hereby made a specific part of this Resolution.

Section 2. Authority of Mayor and City Manager. The City Commission of the City of South Bay, Florida hereby authorizes the Mayor and City Manager to execute a Fourth Amendment to the Restated Agreement between the City and Waste Management Inc. of Florida, for a term to end on September 30, 2025, as more specifically set forth in Exhibit "A" attached hereto to include additional changes. The City Manager is further authorized to take all necessary and expedient action to carry out the aims of this resolution.

Section 3. Effective Date. This Resolution shall be effective immediately upon its passage and adoption.

PASSED and ADOPTED this 6th day of June 2017.

Joe Kyles, Mayor

Attested

By: _____
Jessica Figueroa, City Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

Burnadette Norris-Week, Esquire
City Attorney

Moved by: _____

Seconded by: _____

VOTE:

Commissioner Berry	_____ (Yes)	_____ (No)
Commissioner McKelvin	_____ (Yes)	_____ (No)
Commissioner Scott	_____ (Yes)	_____ (No)
Vice-Mayor Wilson	_____ (Yes)	_____ (No)
Mayor Kyles	_____ (Yes)	_____ (No)



Ellen Smith
Government & Community Affairs Manager

WASTE MANAGEMENT INC. OF FLORIDA
2700 Wiles Road
Pompano Beach, FL 33073
(561) 312-0000 Phone
(954) 984-2058 Fax
Esmith13@wm.com

May 15, 2017

The Honorable Joe Kyles, Sr.
Mayor, City of South Bay
355 Southwest 2nd Avenue
South Bay, Florida 33493

Dear Mayor Kyles:

On behalf of Waste Management of Palm Beach, it is with great pleasure that I write this letter seeking to continue our partnership. Thank you for this consideration.

Background:

Waste Management assumed waste collection in your community on January 8, 2016. As our agreement was to expire in July 2017, the City issued a Request for Proposal (RFP) and Waste Management was the only respondent.

In lieu of selecting any responder, the City reissued the RFP to clarify certain provisions. Waste Management was the only respondent and the Commission directed the City Manager to negotiate with Waste Management. We provided the City with several options and entered the agreement which is effective until October 2018.

Alignment with Solid Waste Authority (SWA) Zone 5:

Our work in South Bay is part of our commitment to the Palm Beach County western communities. The agreement with South Bay is price effective and operationally efficient because we are the designated hauler for the unincorporated areas adjacent to South Bay, called SWA Zone 5.

Our agreement contemplates this alignment:

The City and the Contractor desire ... to expand the term to coincide with the upcoming solicitation by the Solid Waste Authority (SWA) and to provide the City flexibility in determining how it will proceed with contracting for solid waste services; and,

The term is modified to end on September 30, 2018. The term may be further extended by agreement of the parties in writing.



Page 2
Mayor Kyles
5/16/2017

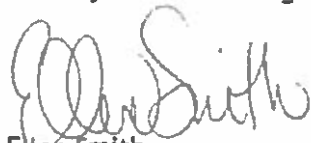
Proposed Cooperative Agreement:

The Solid Waste Authority Zone 5 contract also ends on September 30, 2018. We are in discussion with SWA to continue the Zone 5 agreement until September 30, 2025.

- ✓ Waste Management will agree to continue as the waste collection provider in South Bay and SWA Zone 5 if both contracts are extended until September 30, 2025.
- ✓ The prices and terms in the current South Bay agreement would remain unchanged.

Please let me know if I may submit for your consideration a proposed amendment to extend our partnership to a time consistent with our serving SWA Zone 5.

Thank you and best regards,



Ellen Smith

Cc: Honorable Members of the Commission
Mr. Leondrae Camel, City Manager

**FOURTH AMENDMENT TO RESTATED AGREEMENT FOR SOLID WASTE,
COLLECTION & RECYCLING SERVICES**

This Fourth Amendment to Restated Agreement for Solid Waste, Collection & Recycling Services is made and entered this June 6 day of 2017, by and between the City of South Bay, Florida, a municipal corporation ("City"), and Waste Management, Inc. of Florida, a Florida corporation ("Contractor").

WITNESSETH

WHEREAS, the City and Southern Waste Systems, LLC ("SWS") entered into the Restated Agreement for Solid Waste, Collection & Recycling Services that became effective on October 1, 2012 (the "Agreement"); and

WHEREAS, SWS assigned its rights and obligations under the Agreement to Contractor and the City approved such assignment on or about December 1, 2015; and

WHEREAS, the parties entered into that certain Amendment to Restated Agreement for Solid Waste, Collection & Recycling Services dated March 11, 2016 (the "First Amendment"); and

WHEREAS, the parties entered into that certain Second Amendment to Restated Agreement for Solid Waste, Collection & Recycling Services dated July 2, 2016 (the "Second Amendment") and

WHEREAS, the parties entered into that certain Third Amendment to Restated Agreement for Solid Waste, Collection & Recycling Services dated November 7, 2016, 2016 (the "Second Amendment") and

WHEREAS, the City and Contractor desire to further modify the Agreement to extend the term to coincide with the upcoming solicitation by the Solid Waste Authority of Palm Beach, as well as making other changes.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereby agree as follows:

1. Section 1 TERM is modified so that the term will now end on September 30, 2025. The term may be further extended by mutual agreement of the parties in writing.
2. Section 15. SPECIAL EVENT CONTRIBUTIONS is modified to add the following: This may include sponsorships for non-profit events and student scholarships and books. This contribution shall increase by \$1,000 for each year the contract is in place. Any scholarship program shall be jointly administered by the City and the Contractor.

3. CONFLICT. Should there be a conflict or inconsistency between the Agreement and this Third Amendment, this Third Amendment shall govern. Except as amended herein, the Agreement shall remain in full force and effect as written.

ATTEST:

WASTE MANAGEMENT INC. OF FLORIDA

By: _____
Ronald Kaplan
Assistant Secretary

By: _____
Timothy Hawkins, President

ATTEST:

CITY OF SOUTH BAY

By: _____
City Clerk

By: _____
Joe Kyles, Sr., Mayor

RESOLUTION 85-2017

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF SOUTH BAY, FLORIDA APPROVING A SALARY INCREASE BY TWO HUNDRED AND FIFTY DOLLARS PER MONTH FOR CITY COMMISSION MEMBERS; TRANSFERRING FUNDS FROM COMMUNITY DEVELOPMENT DEPARTMENT TO LEGISLATIVE DEPARTMENT TO SATISFY INCREASE; RATIFYING BUDGET ADJUSTMENTS; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Commission of the City of South Bay, Florida ("City Commission") desires to increase City Commission salaries by and additional Two Hundred Fifty Dollars (\$250.00) per month; and

WHEREAS, from the passage of this resolution and to the end of fiscal year September 30, 2017, a Two Hundred and Fifty Dollar increase for the Mayor and each City Commissioner will increase the City's budget by an additional Five Thousand Three Hundred Fifty Dollars (\$5,350.00), in addition to payroll taxes in the amount of \$350.00; and

WHEREAS, the additional amount will also be factored into the City's obligations pursuant to the Florida Retirement System Pension Plan for the Mayor and each commissioner; and

WHEREAS, the Commission authorizes that funds earmarked for the City Commission members' salary increase for the 2017 fiscal year be transferred from the Community Development Department to the Legislative Department; and

WHEREAS, the City Commission finds that providing an increase in compensation for City Commission members is in the best interests of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SOUTH BAY, FLORIDA AS FOLLOWS:

Section 1. Adoption of Representations. The foregoing "Whereas" clauses are hereby ratified and confirmed as being true and the same are hereby made a specific part of this Resolution.

Section 2. Approval of Compensation Increase for Mayor and City Commission Members. The City Commission of the City of South Bay hereby approves of a Two Hundred Fifty Dollar monthly increase in compensation for the Mayor and each City Commission member. The City Commission also approves the budget adjustment, attached hereto as Exhibit "A", transferring funds from the Community Development Department to the Legislative Department.

Section 3. Authorization of City Manager. The City Manager is authorized to take all necessary and expedient action to effectuate the intent of this Resolution.

Section 4. Effective Date. This Resolution shall be effective immediately upon its passage and adoption.

PASSED and ADOPTED this 6th day of June 2017.

Joe Kyles, Mayor

Attested

By: _____
Jessica Figueroa, City Clerk

**APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:**

Burnadette Norris-Week, Esquire
City Attorney

Moved by: _____

Seconded by: _____

VOTE:

Commissioner Berry	_____ (Yes)	_____ (No)
Commissioner Scott	_____ (Yes)	_____ (No)
Commissioner McKelvin	_____ (Yes)	_____ (No)
Vice-Mayor Wilson	_____ (Yes)	_____ (No)
Mayor Kyles	_____ (Yes)	_____ (No)

City of South Bay

Type of Budget Adjustment	
Intra-Department Transfer	
Inter-Department Transfer	X
Supplemental Appropriation	

Budget Adjustment
GF - Legislative and Community
Development

[illegible]

To transfer a portion of payroll from Community Development Department to Legislative Department per resolution #XX-2017

Approval Request		
Department Head		
Approved as to Availability of Funds		
Finance Director		
Approved		
City Manager		
		Approved by City Commission Meeting of

RESOLUTION NO. 86- 2017

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF SOUTH BAY, FLORIDA, ACCEPTING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT AND COMPLIANCE REPORT FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2016; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the City Commission of the City of South Bay ("City Commission") has been presented the Comprehensive Annual Financial Report ("CAFR") and Compliance Report for Fiscal Year ending September 30, 2016; and

WHEREAS, an annual financial audit is required pursuant to Section 218.39, Florida Statutes and Chapter 2, Article VI., Section 2-259, entitled, "Independent Annual Audit" of the City of South Bay Code of Ordinances; and

WHEREAS, the City Manager is recommending acceptance of the Comprehensive Annual Financial Report and Compliance Report for Fiscal Year ending September 30, 2016; and

WHEREAS, the City Commission desires to accept the recommendation of the City Manager and hereby approves the Comprehensive Annual Financial Report and Compliance Report for Fiscal Year ending September 30, 2016.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SOUTH BAY, FLORIDA, AS FOLLOWS:

Section 1. Adoption of Representations. The foregoing "Whereas" clauses are hereby ratified and confirmed as being true and the same are hereby made a specific part of this Resolution.

Section 2. Acceptance. The City Commission of the City of South Bay hereby accepts the Comprehensive Annual Financial Report and Compliance Report for Fiscal Year ending September 30, 2016, and further authorizes the City Manager to take all necessary and expedient action to effectuate the intent of this Resolution.

Section 3. Effective Date. This Resolution shall be effective immediately upon its passage and adoption.

PASSED and ADOPTED this 6th day of June 2017.

Joe Kyles, Mayor

Attested

By: _____
Jessica Figueroa, City Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

Burnadette Norris-Week, Esquire
City Attorney

Moved by: _____

Seconded by: _____

VOTE:

Commissioner Berry	_____ (Yes)	_____ (No)
Commissioner McKelvin	_____ (Yes)	_____ (No)
Commissioner Scott	_____ (Yes)	_____ (No)
Vice-Mayor Wilson	_____ (Yes)	_____ (No)
Mayor Kyles	_____ (Yes)	_____ (No)

City of South Bay, Florida

Financial Statements

For the Fiscal Year ended September 30, 2016

City of South Bay, Florida
Financial Statements and Other Financial Information
For The Fiscal Year Ended September 30, 2016

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City of South Bay, Florida
Statement of Net Position
September 30, 2016

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 868,137	\$ 2,013,401	\$ 2,881,538
Accounts receivable (net of allowances for uncollectible accounts)	63,305	131,552	194,857
Due from government	124,383	-	124,383
Prepaid items	47,422	-	47,422
Due from other funds	47,152	786,377	833,529
Restricted assets:			
Cash and cash equivalents	112,108	26,601	138,709
Investments	-	1,004,623	1,004,623
Capital assets	1,408,943	260,311	1,669,254
Other assets	549,151	45,837	594,988
Total assets	<u>3,220,601</u>	<u>4,268,702</u>	<u>7,489,303</u>
Deferred outflows:			
Deferred outflows-pension	28,255	-	28,255
Total deferred outflows	<u>28,255</u>	<u>-</u>	<u>28,255</u>
Liabilities:			
Accounts payable	144,472	7,769	152,241
Accrued liabilities	13,768	-	13,768
Compensated absences	48,612	-	48,612
Due to other funds	796,737	36,792	833,529
Payable from restricted assets:			
Interest payable	-	26,360	26,360
Long-term debt:			
Due within in one year	5,344	124,585	129,929
Capital lease	8,634	-	8,634
Due in more than one year	470,595	1,322,464	1,793,059
Net pension liability	79,761	-	79,761
Total liabilities	<u>1,567,923</u>	<u>1,517,970</u>	<u>3,085,893</u>
Deferred inflows:			
Deferred inflows-revenues	125,337	-	125,337
Deferred inflows-pension	4,213	-	4,213
Net Position:			
Invested in capital assets, net of related debt	844,609	260,311	1,104,920
Restricted for:			
Prepaid items	47,422	-	47,422
Capital projects	80,471	-	80,471
Unrestricted	578,881	2,490,421	3,069,302
Total net position	<u>\$ 1,551,383</u>	<u>\$ 2,750,732</u>	<u>\$ 4,302,115</u>

See accompanying notes to financial statements.

City of South Bay, Florida
Statement of Activities

For the Fiscal Year Ended September 30, 2016

	Expenses	Charges for Services	Operating/Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental activities:						
General government	\$ 1,050,282	\$ -	\$ 41,405	\$ (1,008,877)	\$ -	\$ (1,008,877)
Public safety	176,806	-	-	(176,806)	-	(176,806)
Highways and streets	672,872	49,151	318,410	(305,311)	-	(305,311)
Culture and recreation	79,835	-	-	(79,835)	-	(79,835)
Interest	994	-	-	(994)	-	(994)
Total governmental activities	1,980,789	49,151	359,815	(1,571,823)	-	(1,571,823)
Business-type activities:						
Water and sewer	14,857	-	-	-	(14,857)	(14,857)
Sanitation	338,184	645,253	-	-	307,069	307,069
Total business-type activities	353,041	645,253	-	-	292,212	292,212
Total governmental	\$ 2,333,830	\$ 694,404	\$ 359,815	(1,571,823)	292,212	(1,279,611)
General revenue:						
Taxes:						
Ad Valorem				363,656	-	363,656
Gasoline				109,956	-	109,956
Franchise				522,245	-	522,245
Sales tax				241,632	-	241,632
State revenue sharing				167,789	-	167,789
Payment in lieu of taxes				290,758	-	290,758
Occupational licenses and permits				136,984	-	136,984
Investment earnings				2,894	6,476	9,370
Other				68,159	149,725	217,884
Interfund transfers				59,765	(59,765)	-
Total general revenues				1,963,838	96,436	2,060,274
Change in net position				392,015	388,648	780,663
Net position – October 1, 2015				1,159,368	2,362,084	3,521,452
Net position – September 30, 2016				\$ 1,551,383	\$ 2,750,732	\$ 4,302,115

See accompanying notes to financial statements.

City of South Bay, Florida
Balance Sheet
Governmental Funds
September 30, 2016

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Nonmajor Fund</u> <u>Capital</u> <u>Projects</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Assets:			
Cash and cash equivalents	\$ 787,666	80,471	\$ 868,137
Accounts receivable (net of allowances for uncollectible)	63,305	-	63,305
Due from government	77,231	47,152	124,383
Prepaid items	47,422	-	47,422
Due from other funds	47,152	-	47,152
Other assets	549,151	-	549,151
Restricted assets:			
Cash and cash equivalents	112,108	-	112,108
Total assets	<u>\$ 1,684,035</u>	<u>\$ 127,623</u>	<u>\$ 1,811,658</u>
Liabilities and fund balances:			
Liabilities:			
Accounts payable	\$ 120,430	\$ -	\$ 120,430
Accrued liabilities	13,768	-	13,768
Due to other funds	749,585	47,152	796,737
Total liabilities	<u>883,783</u>	<u>47,152</u>	<u>930,935</u>
Deferred inflows	<u>125,337</u>	<u>-</u>	<u>125,337</u>
Fund balances:			
Non-spendable:			
Prepaid items	47,422	-	47,422
Restricted for:			
Capital projects	-	80,471	80,471
Committed to:			
Compensated absences	48,612	-	48,612
Unassigned	<u>578,881</u>	<u>-</u>	<u>578,881</u>
Total fund Balances	<u>674,915</u>	<u>80,471</u>	<u>755,386</u>
Total liabilities and fund balances	<u>\$ 1,684,035</u>	<u>\$ 127,623</u>	<u>\$ 1,811,658</u>

See accompanying notes to financial statements.

City of South Bay, Florida
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Governmental Funds
September 30, 2016

Fund Balance – Total Governmental Funds	\$	755,386
--	-----------	----------------

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet		1,408,943
---	--	-----------

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.

Compensated absences	\$	(48,612)	
Pension liabilities		(79,761)	
General obligation notes and lease payable		(484,573)	
			(612,946)

Total net position – Governmental Activities	\$	<u>1,551,383</u>
---	-----------	-------------------------

See accompanying notes to financial statements.

City of South Bay, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended September 30, 2016

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Nonmajor</u> <u>Capital</u> <u>Projects</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Revenues:			
Taxes	\$ 995,857	\$ -	\$ 995,857
Licenses and permits	134,685	-	134,685
Intergovernmental	743,882	318,410	1,062,292
Charges for services	49,151	-	49,151
Fines and forfeitures	4,135	-	4,135
Rents	32,465	-	32,465
Investment income	2,894	-	2,894
Miscellaneous revenues	31,560	-	31,560
Total revenues	<u>1,994,629</u>	<u>318,410</u>	<u>2,313,039</u>
Expenditures:			
Current:			
General government	995,158	-	995,158
Public safety	176,806	-	176,806
Highways and streets	449,899	314,310	764,209
Culture and recreation	68,942	5,550	74,492
Debt services:			
Principal	5,046	-	5,046
Interest	994	-	994
Total expenditures	<u>1,696,845</u>	<u>319,860</u>	<u>2,016,705</u>
Other financing sources (uses):			
Operating transfer in	59,765	81,921	141,686
Operating transfer out	(81,921)	-	(81,921)
Total other financing sources (uses):	<u>(22,156)</u>	<u>81,921</u>	<u>59,765</u>
Net change in fund balance	275,628	80,471	356,099
Fund balance at October 1, 2015	<u>399,287</u>	<u>-</u>	<u>399,287</u>
Fund balance at September 30, 2016	<u>\$ 674,915</u>	<u>\$ 80,471</u>	<u>\$ 755,386</u>

See accompanying notes to financial statements.

City of South Bay, Florida
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Governmental Funds
For the Fiscal Year Ended September 30, 2016

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

Net change in fund balance – total governmental funds	\$	356,099
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Governmental fund report capital outlay as expenditures. However, in the statement of the activities the cost of those assets is depreciated over their estimated useful lives:

Expenditures for capital assets		277,608
Current year depreciation		(212,138)

Some expenses reported in the government wide statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental fund:

Compensated absences		(3,097)
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The repayment of principal reduces long-term liabilities and is not reported in the statement of the activities, but the repayment is reported as expenditures in the governmental funds.

5,046

Pension expense		(31,503)
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Change in net position of governmental activities	\$	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; padding: 2px 0;">392,015</div>
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See accompanying notes to financial statements.

City of South Bay, Florida
Statement of Net Position
Proprietary Funds
September 30, 2016

	Major Fund		Total Business-Type Activities Enterprise Funds
	Water and Sewer	Sanitation	
Assets			
Current assets:			
Cash and cash equivalents	\$ 314,879	\$ 1,698,522	\$ 2,013,401
Accounts receivable, net	27,703	103,849	131,552
Due from other funds	749,585	36,792	786,377
Restricted assets			
Cash and cash equivalents	26,601	-	26,601
Total current assets	<u>1,118,768</u>	<u>1,839,163</u>	<u>2,957,931</u>
Non-current assets:			
Restricted assets			
Investments	<u>1,004,623</u>	<u>-</u>	<u>1,004,623</u>
Capital assets			
Property, net	260,311	-	260,311
Other assets	<u>45,837</u>	<u>-</u>	<u>45,837</u>
Total non-current assets	<u>1,310,771</u>	<u>-</u>	<u>1,310,771</u>
Total assets	<u>\$ 2,429,539</u>	<u>\$ 1,839,163</u>	<u>\$ 4,268,702</u>

See accompanying notes to financial statements.

City of South Bay, Florida
Statement of Net Position
Proprietary Funds
September 30, 2016

	Major Fund		Total Business-Type Activities Enterprise Funds
	Water and Sewer	Sanitation	
Liabilities and net assets			
Liabilities:			
Current liabilities			
Accounts payable	\$ -	\$ 7,769	\$ 7,769
Due to other fund	36,792	-	36,792
Current portion of long-term debt	98,485	-	98,485
Total current liabilities	135,277	7,769	143,046
Current liabilities payable from restricted assets:			
Interest payable	26,360	-	26,360
Current portion of bond payable	26,100	-	26,100
Total current liabilities payable from current restricted assets	52,460	-	52,460
Non-current liabilities:			
Long-term portion of accounts payable	297,864		297,864
Long-term portion of bond payable	1,024,600	-	1,024,600
Total non-current liabilities	1,322,464	-	1,322,464
Total liabilities	1,510,201	7,769	1,517,970
Net position:			
Invested in capital assets	260,311	-	260,311
Unrestricted	659,027	1,831,394	2,490,421
Total net position	\$ 919,338	\$ 1,831,394	\$ 2,750,732

See accompanying notes to financial statements.

City of South Bay, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2016

	Major Fund		Total Business-Type Activities Enterprise Funds
	Water and Sewer	Sanitation	
Operating revenues:			
Charges for services	\$ -	\$ 645,253	\$ 645,253
Municipal fee	149,725	-	149,725
Total operating revenues	149,725	645,253	794,978
Operating expenses:			
Contractual services	-	331,727	331,727
Other services and charges	3,570	6,457	10,027
Total operating expenses	3,570	338,184	341,754
Operating income	146,155	307,069	453,224
Non-operating revenues (expenses):			
Interest revenue	734	5,742	6,476
Interest expense	(11,287)	-	(11,287)
Total non-operating revenues (expenses)	(10,553)	5,742	(4,811)
Income before transfer out	135,602	312,811	448,413
Transfer out	-	(59,765)	(59,765)
Change in net position	135,602	253,046	388,648
Net position – October 1, 2015	783,736	1,578,348	2,362,084
Net position – September 30, 2016	\$ 919,338	\$ 1,831,394	\$ 2,750,732

See accompanying notes to financial statements.

City of South Bay, Florida
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2016

	Major Fund		Total Business-Type Activities Enterprise Funds
	Water and Sewer	Sanitation	
Cash flows from operating activities:			
Receipts from customers and users	\$ 140,531	\$ 620,463	\$ 760,994
Payments to suppliers	(15,000)	(337,335)	(352,335)
Net cash provided by operating activities	125,531	283,128	408,659
Cash flows from capital and related financing activities:			
Interest paid	(11,287)	-	(11,287)
Principal paid	(116,022)	-	(116,022)
Repayments and advances to other funds	-	14,219	14,219
Net cash provided by (used in) capital and related financing activities	(127,309)	14,219	(113,090)
Cash flows from non-capital and related financing activities:			
Transfer out to General fund	-	(59,765)	(59,765)
Net cash (used in) capital and related financing activities	-	(59,765)	(59,765)
Cash flows from investing activities:			
Interest received	734	5,742	6,476
Decrease in investment	25,000	-	25,000
Net cash provided by investing activities	25,734	5,742	31,476
Net increase in cash	23,956	243,324	267,280
Cash and cash equivalents at beginning of year	290,923	1,455,198	1,746,121
Cash and cash equivalents at end of year	<u>\$ 314,879</u>	<u>\$ 1,698,522</u>	<u>\$ 2,013,401</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 146,155	\$ 307,069	\$ 453,224
Adjustment to reconcile operating income to net cash provided by operating activities:			
Depreciation	2,570	-	2,570
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(9,194)	(24,790)	(33,984)
(decrease) in accounts payable	(14,000)	849	(13,151)
Total adjustments	(20,624)	(23,941)	(44,565)
Net cash provided by operating activities	<u>\$ 125,531</u>	<u>\$ 283,128</u>	<u>\$ 408,659</u>

See accompanying notes to financial statements.

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of South Bay, Florida (the "City") is a municipality within the legal and geographic boundaries of Palm Beach County, Florida, incorporated in October 1963 pursuant to Chapter 166, Florida Statutes. It is an instrumentality of the State of Florida established to carry on a centralized municipal government. The City Commission ("Commission") is responsible for the legislative and fiscal control of the City. A City Manager and Treasurer are appointed by the Commission and are responsible for the administrative and fiscal control of the resources of the City maintained in the funds and the account groups described below.

The basic financial statements of the City have been prepared in accordance with generally accepted accounting principles ("GAAP") as applied to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the City's accounting policies are described below:

(a) Reporting Entity

The financial statements were prepared in accordance with governmental accounting standards that establish standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the City, organizations for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. Based upon the application of these criteria, management has determined that there are no other organizations that met the criteria described above.

(b) The Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net assets and the statements of activities) report information on all of the non fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental Revenues, are reported separately from business-type, which rely to a significant extent, on fees and charges for support.

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. In fiscal year ended September 30, 2015, there are no remaining governmental funds to be aggregated and reported as non-major funds.

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to reconcile the fund-based financial statements to the governmental activities column of the government-wide presentation. The City applies eligible expenses against available restricted resources before the use of unrestricted resources.

(c) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Grants and similar items are recognized as revenues as soon as all eligible 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. Ad valorem taxes and charges for services are susceptible to accrual when collected in the current year or within 60 days subsequent to year end, provided that amounts received pertain to billings through the fiscal year ended. Intergovernmental revenue and utility service taxes are recorded in

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

accordance with their legal or contractual requirements if collected in the current period or within 30 days after year end. Interest is recorded when earned. Licenses and permits, fines and forfeitures, and miscellaneous revenue are recorded as revenue when received in cash because they are generally not measurable until actually received. Occupational license revenue collected in advance of periods to which they relate is recorded as deferred revenue.

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except that principal and interest on long-term obligations are reported only when due in conformity with GAAP.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both governmental-wide and proprietary fund financial statements to the extent that those standard do not conflict with or contradict guidance of the Governmental Accounting Standard Board. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private sector guidance.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal operations; in the case of the City, water and sewer revenues include the charges to customers for sales and service. Operating expenses for water and sanitation include the cost of providing these services as well as depreciation on capital assets and associated administrative costs. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

Major Funds and Basis Presentation

Accounting principles generally accepted in the United States of America set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined), for the determination of major funds. The City electively added funds, as major funds, which either have significant outstanding debt proceeds or a specific community focus.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenue is derived primarily from property taxes, state and federal distributions, grants and other intergovernmental revenue. The general operating expenditures, fixed

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

charges and capital outlay costs that are not paid through other funds are paid from the General Fund.

The *Water and Sewer Fund* accounts for the activities related to providing water and sewer services to the City residents.

The *Sanitation Fund* accounts for activities related to solid waste, trash and mosquito control services to the City residents.

(d) Assets, Liabilities and Net Assets or Equity:

(1) Cash and Cash Equivalents

Cash and cash equivalents include amounts on deposit in demand and money market accounts at a commercial banking institution.

Deposit Custodian Credit Risk

All of the City's bank deposits are held in qualified public depository and they are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. The uninsured balance at September 30, 2016, was \$2,863,194 based on bank statements balance less FDIC insurance at that time.

(2) Unbilled Accounts Receivable

Property funds recognize revenue on the basis of the monthly cycle billing to customers for services provided. As result of this cycle billing method, there are unbilled receivable at the end of each fiscal year with respect to services provided but not billed at fiscal year end. It is the policy of the City to accrue for unbilled revenue for the Water and Sewer and Sanitation Funds at year end.

(3) Accounts Receivable

Accounts receivables of the City are presented in the financial statements net of allowances for uncollectible accounts.

(4) Allowances for Doubtful Accounts

Accounts receivable are written off on an individual basis in the year the City deems them uncollectible. Allowances for doubtful accounts have been provided for those accounts where collectability appears to be doubtful.

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

(5) Investments

The City's investments for all funds are carried at fair value based on quoted market prices. Investments consist of U.S Government time deposit securities. Purchases and sales of investments are recorded on the trade dates. Net realized gains and losses on sales of investments are reflected in current operating results as earnings.

(6) Restricted Assets and Reserves

Pursuant to various revenue bond indenture agreements, specific Enterprise Fund assets are required to be segregated as to use and, are, therefore, identified as restricted assets. For certain restricted assets, offsetting reserves have been established by charges to retained earnings.

(7) Grants from Government Agencies

Certain grants under the various federal and state programs are included in the general fund. Grant monies if and when received are disbursed by these funds for goods and services as prescribed under the respective grant programs or are transferred to other City funds for ultimate distribution under the terms of the grants. These programs are dependent on financial assistance by the state and federal governments.

(8) Capital Assets

Capital asset acquisitions are recorded as expenditures in the governmental fund financial statements. Such assets are capitalized at historical cost in the government-wide financial statements for both governmental activities and business-type activities. In the case of gifts or contributions, such assets are recorded at fair market value at the date of receipt. Capital costs which materially extend the useful life of existing properties are capitalized. Net capital assets are defined as assets with an initial, individual cost of more than \$750 and an estimated useful life in excess of one year. Interest is capitalized on projects during the construction period based upon average accumulated project expenditures.

Infrastructure assets (such as roads, bridges, curbs and gutters, streets, lighting and drainage systems and similar assets that are immovable and of value only to the City) are capitalized and reported in the infrastructure category.

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Capital Assets (Continued)

Assets are depreciated using the straight-line method over the following estimated lives:

<u>Asset Type</u>	<u>Life</u>
Building and building improvement	25-50
Improvement other than building and road	20
Infrastructure	50
Equipment and machinery	4-10

Depreciation is charged from the month of acquisition and none in the month of disposal

(9) Compensated Absences

The City accrues for compensated absences in accordance with GASB No. 16, Accounting for Compensated Absences. In the governmental funds, only the portion which would normally be liquidated with expendable available financial resources is accrued whereas, in the government-wide presentations, both the current and long-term portions are reported.

Employees earn 10 to 20 days of vacation and 24 days of sick leave annually. If an employee resigns in good standing or retires, the City pays accrued vacation and from 25% to 50%, and accumulated sick leave up to a maximum of 60 days.

(10) Deferred and Unearned Revenues

Deferred revenues are recorded for governmental fund receivable that are not yet available. Inflow that do not meet the criteria for revenue recognition, such as occupational licenses collected in advance are recorded as unearned revenues in the governmental fund and governmental-wide financial statements.

(11) 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 obligation are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the reported net of the applicable premium or discount. These premium and discounts are deferred and amortized over the life of the bonds. Issuance costs are expenses in the year they are incurred.

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

(12) Concentration of Credit Risk

Financial instruments which subject the City to credit risk consist primarily of accounts receivable. Concentration of credit risk with respect to accounts receivable is generally diversified due to the large number of utility customers comprising the City's utility customer base. The City requires deposits from its customers and maintains an allowance for potential credit losses.

(13) Property Tax Calendar

Property taxes are levied on October 1 of each year, tax bills are mailed November 1 and are delinquent if not paid by the following March, and Tax certificates are sold for all taxes unpaid in July. The City's tax revenue is collected by the County's tax collector who remits to the City, monies collected following a calendar prescribed by law.

(14) Deferred inflows and outflows of Resources

Governmental funds report deferred revenue in connection with receivable for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Unearned revenues at the government-with level arise only when the City receives resources before it has a legal claim to them

(15) Use of Estimates

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

(16) Fund Balance

The City used restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal agreements that prohibit doing this, such as grant agreements requiring dollar for dollar spending.

Additionally the City would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Fund Balance (Continued)

incurred for the purpose for which amounts in any unrestricted fund balance classifications could be used.

In the fund financial statements, governmental funds report fund classification that comprise a hierarchy based primary on the extent to which the City is bound to constraint on the specific purpose for which amount in those fund can be spent. Amounts that are restricted to specific purpose as follows:

- Constraints placed on the use of resources by creditors, grantors, contributor, or law or regulations of the governments, and
- Constraints impose by law through constitutional provision or enabling legislation.

Amounts that can only be used for specific purpose pursuant to constraint imposed by the City Commissioners through a resolution or an ordinance are classified as committed fund balances. Amounts that are constrained by the City's intent to be used for specific purpose, but are neither restricted nor committed are classified as assigned fund balances. Constraints imposed by law through constitutional provision or enabling legislation are classified as restricted fund balances. Assignments are made by City management based on the City Commissioners' direction.

Non-spendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable from or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purpose within the general fund.

(17) Net Position

Net assets of the government-wide and proprietary funds are categorized as invested in capital assets, net of related debt, restricted or unrestricted. Invested in capital assets, net of related debt is that portion of net assets that relates to the City's capital assets reduced by the portion of the assets that has been acquired through the use of long-term debt. This amount is offset by any unspent proceeds that are outstanding at fiscal year-end. Restricted net assets is that portion of net assets that has been restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation.

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

(18) Budget and Budgetary Accounting

The City prepares an annual operating budget for both the general fund and the special revenues fund which are reflected in these financial statements. The City's budgeting process is based on estimates of revenues and expenditures and requires that all budgets be approved by the City of South Bay City's Commissioners (the "Commissioners") after a public hearing is held. Subsequent amendments to the budget, if any, are approved by the Commissioners.

Budgets are prepared on the same basis of accounting as required for Governmental Fund Types. Expenditures may exceed the approved budget amounts for individual categories as long as the total does not exceed the approved budget. Any remaining fund balances remain with the City each year.

NOTE 2 – INVESTMENTS:

Investments consist of U.S Government time deposit securities. The table below summarizes the scheduled maturities of the investments at September 30, 2016:

	<u>Fair Value of Investments Maturities</u>				<u>Total</u>
	<u>Less Than One Year</u>	<u>One to Five Years</u>	<u>Six To Ten Years</u>	<u>More Than Ten Years</u>	
U.S Government securities	<u>\$ 23,287</u>	<u>\$ 136,788</u>	<u>\$ 177,639</u>	<u>\$ 666,909</u>	<u>\$1,004,623</u>

On December 12, 1998, the City issued Second Subordinate Water Revenue Bonds Series 1998 for \$1,339,000 with interest of 4.75% to the U.S Department of Agriculture, Rural Utilities Service in connection with providing water and sewer services at the correctional facility in the City known as the Off-Site Improvements. Prior to the issuance of the bonds, \$1,338,760 was placed with the U.S. Treasury in time deposit securities to service the bond debt under an agreement for the water and sewer services. The interest rates on the securities range from 3.782% to 5.400%. The annual payments on the bonds are payable from the maturities of these investments.

Credit Risk – The Second Subordinate Water Revenue Bond Series 1998 limits the investments to United States Government or United States Treasury Bonds, certificates, notes or bills, or to arrange interest-bearing time deposits with the depositories of the City. The interest derived from such investments or deposits shall accrue as revenue to the general fund of the City, except in the case of special funds for which the City is required by agreement or by law, to credit such special funds with interest on the invested balances.

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 2 – INVESTMENTS (Continued):

The City has elected to proceed under the alternative investment guideline as set forth in section 218.415 (17) Florida Statutes. The City may invest any surplus public funds in the following:

- (a) The Local Government Surplus Trust Funds, or any intergovernmental investment pools pursuant to the Florida Interlocal Cooperation Act;
- (b) Security and exchange Commission registered money market funds the highest credit quality rating from a nationally recognized rating agency
- (c) Interest bearing time deposits or saving accounts in qualified depositories
- (d) Direct obligation of the U.S. Treasury.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition surplus funds may be deposited into certificates of deposit which are insured. The City reports all interest related revenue to investments activities in the respective funds and reports investments at fair value.

NOTE 3 – CAPITAL ASSETS:

Changes in capital assets of the City as of September 30, 2016, are shown below:

	Balance 9/30/2015	Additions	Deletions	Balance 9/30/2016
<u>Governmental Activities:</u>				
Capital assets not being depreciated				
Land	\$ 217,188	\$ -	\$ -	\$ 217,188
Total capital assets not being depreciated	<u>217,188</u>	<u>-</u>	<u>-</u>	<u>217,188</u>
Capital assets, being depreciated				
Buildings and improvements	830,166	-	-	830,166
Improvement other than buildings and roads	181,919	-	-	181,919
Infrastructure	8,857,639	170,268	-	9,027,907
Equipment and machinery	741,913	-	83,410	658,503
Construction in progress	-	107,340	-	107,340
Total capital assets being depreciated	<u>10,611,637</u>	<u>277,608</u>	<u>83,410</u>	<u>10,805,835</u>
Less accumulated depreciation for:				
Buildings and improvements	617,242	16,144		633,386
Improvement other than buildings and roads	181,918	-		181,918
Infrastructure	7,971,877	182,828		8,154,705
Equipment and machinery	714,315	13,166	83,410	644,071
Total accumulated depreciation	<u>9,485,352</u>	<u>212,138</u>	<u>83,410</u>	<u>9,614,080</u>
Total capital assets being depreciated, net	<u>1,126,285</u>	<u>65,470</u>	<u>-</u>	<u>1,191,755</u>
Governmental activities capital assets, net	<u>\$ 1,343,473</u>	<u>\$ 65,470</u>	<u>-</u>	<u>\$ 1,408,943</u>

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 3 – CAPITAL ASSETS (Continued):

	Balance 9/30/2015	Additions	Deletions	Balance 9/30/2016
<u>Business-Type Activities:</u>				
Capital assets not being depreciated				
Land	\$ 212,927	\$ -	\$ -	\$ 212,927
Total capital assets not being depreciated	212,927	-	-	212,927
Capital assets being depreciated:				
Utility plant and systems	128,521	-	-	128,521
Total capital assets being depreciated	128,521	-	-	128,521
Total accumulated depreciation	78,567	2,570	-	81,137
Total capital assets being depreciated	49,954	(2,570)	-	47,384
Business-type activities capital assets, net	\$ 262,881	\$ (2,570)	\$ -	\$ 260,311

Depreciation expense was charged to functions of the government as follows:

Governmental activities

General government	\$ 20,534
Highway and streets	186,262
Culture and recreation	5,342

Total depreciation expense – governmental activities \$ 212,138

NOTE 4 – LONG TERM DEBT:

Long-term debt activities for the year ended September 30, 2016, are shown below:

	Balance 9/30/2015	Additions	Deletions	Balance 9/30/2016
<u>Governmental activities:</u>				
Notes payable	\$ 470,595	\$ -	\$ -	\$ 470,595
Capital lease obligation	19,014	-	5,036	13,978
Compensated absences	45,525	3,087	-	48,612
Total governmental activities	\$ 535,134	\$ 3,087	\$ 5,036	\$ 533,185
<u>Business-type activities:</u>				
Bond payable	\$ 1,075,700	\$ -	\$ 25,000	\$ 1,050,700
Account payable	487,371	-	91,022	396,349
Total business-type activities	1,563,071	-	116,022	1,447,049
Total long-term debt	\$ 2,098,205	\$ 3,087	\$ 121,058	\$ 1,980,234

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 4 – LONG TERM DEBT (Continued):

Long-Term Debt of Business type Activities:

Subordinate bonds were issued by the City to finance the cost of construction and erection of extensions and improvements to the City's water and sewer system. The revenues of the water and sewer system, certain excise taxes, the City's guaranteed entitlement to revenue sharing trust funds and all other money of the City derived from sources other than ad valorem taxation are pledged as security for the bonds. The maturities of outstanding debt are summarized as follows:

Bond Series 1998 Second Subordinate Water Revenue

<u>Fiscal year of Maturity</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 26,100	\$ 49,908	\$ 76,008
2018	27,400	48,669	76,069
2019	28,700	47,367	76,067
2020	30,000	46,004	76,004
2021	31,500	44,579	76,079
2022 - 2026	181,300	198,987	380,287
2027 - 2031	228,600	151,649	380,249
2032 - 2036	288,200	91,955	380,155
2037 - 2038	208,900	20,197	229,097
Total	<u>\$ 1,050,700</u>	<u>\$ 699,315</u>	<u>\$ 1,750,015</u>

Change during fiscal year:

Outstanding October 1, 2015	\$ 1,075,700
Retired	(25,000)
Outstanding September 30, 2016	<u>\$ 1,050,700</u>
Due within one year	\$ 26,100
Due in more than one year	1,024,600
	<u>\$ 1,050,700</u>

The interest rate is 4.75% on the Second Subordinate Bonds Series 1998.

Long-Term Debt of Governmental Activities:

On July 2, 1997, the City purchased land in the amount of \$836,001. On May 17, 2005, the terms of the note were modified to reduce the principal amount due to \$697,040, reduce the interest rate from 6% to zero percent per annum, and extend the maturity to July 1, 2020. The note is secured by land. Payment on the note is required to be made each time a portion of the land is sold based on calculations outlined in the note agreement. The balance of this note at September 30, 2016 was \$470,594. (See Note 14 subsequent event)

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 4 – LONG TERM DEBT (Continued):

Settlement Agreement:

1 - On February 28, 2012, the City entered into a settlement agreement with a vendor for \$350,000 relating to an outstanding payable in amount of \$348,438 in water and sewer fund. Under the term of this settlement, the City agreed to pay an initial payment of \$50,000 on March 15, 2012, and monthly installment payments of \$3,942 including interest, for 99 consecutive payments. The future payment for this liability is as follows:

	<u>September 30.</u>	
	2017	\$ 47,309
	2018	47,309
	2019	47,309
	2020	<u>27,598</u>
Total payment		169,525
Less amount represent interest payment		<u>(18,176)</u>
Net payment		<u>\$ 151,349</u>

2 – On January 12, 2015, the City entered into a settlement agreement with a vendor for \$500,000 relating to outstanding balance of a payable for the sewer services from September 2005 through September 30, 2009. Under the term of this settlement, the City agreed to pay an initial payment of \$200,000 on January 20, 2015, and \$5,000 monthly installment payments effective October 1, 2015 for sixty months. The monthly payment is secured by host fees which it payable to the City by Palm Beach County Water Department. The future payment for this liability is as follows:

	<u>September 30.</u>	
	2017	\$ 60,000
	2018	60,000
	2019	60,000
	2020	60,000
	2021	<u>5,000</u>
Total payment		<u>\$ 245,000</u>

NOTE 5 – COMPENSATED ABSENCES

From 10 to 20 days of vacation and 24 days of sick leave can be earned by employees annually. If an employee resigns in good standing or retires, the City pays accrued vacation and from 25% to 50% of accumulated sick leaves up to a maximum of 60 days.

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 5 – COMPENSATED ABSENCES (Continued)

The change in compensated absences during year is as follows:

	<u>Governmental Activities</u>
Balances at October 1, 2015	\$ 45,525
Increase	<u>3,087</u>
Balance at September 30, 2016	<u>\$ 48,612</u>

NOTE 6 – CAPITAL LEASE:

The City purchased an auto under a capital lease with third party and recorded in the Governmental Activities at \$26,610. The future minimum lease payment under this capital lease and the present value of net minimum lease payment at September 30, 2016 are as follows:

<u>Year Ending</u>	
2017	\$ 6,030
2018	6,030
2019	<u>3,015</u>
Total minimum lease payment	15,075
Less: amount representing interest	<u>(1,097)</u>
Present value of future payments	<u>\$ 13,978</u>

NOTE 7 - FLORIDA RETIREMENT SYSTEM

General Information - In accordance with Ordinance 15-2010 dated October 19, 2010, City established Florida Retirement System (FRS) Investment Plan for the City Commissioners and the appointed officers (defined contribution plan). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, City government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 7 - FLORIDA RETIREMENT SYSTEM (Continued):

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined contribution plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers’ class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers’ class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 7 - FLORIDA RETIREMENT SYSTEM (Continued):

annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

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

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2015 through June 30, 2016 and from July 1, 2016 through September 30, 2016, respectively, were as follows: Regular—7.26% and 7.52%; Special Risk Administrative Support—32.95% and 28.06%; Special Risk—22.04% and 22.57%; Senior Management Service—21.43% and 21.77%; Elected Officers'—42.27% and 42.47%; and DROP participants—18.75% and 12.99%. These employer contribution rates include 1.26% and 1.66% HIS Plan subsidy for the periods October 1, 2015 through June 30, 2016 and from July 1, 2016 through September 30, 2016, respectively.

The City's contributions, including employee contributions, to the Pension Plan totaled \$8,458 for the fiscal year ended September 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2016, the City reported a liability of \$71,077 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The City's proportionate share of the net pension liability was based on the City's 2015-16 fiscal year contributions relative to the 2014-15 fiscal year contributions of all participating members. At June 30, 2016, the City's proportionate share was .000281493 percent, which was an increase (decrease) of (.000277) percent from its proportionate share measured as of June 30, 2015.

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 7 - FLORIDA RETIREMENT SYSTEM (Continued):

For the fiscal year ended September 30, 2016, the City recognized pension expense of \$17,047. In addition the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,442	\$ 662
Change in assumptions	4,300	-
Net difference between projected and actual earnings on pension plan investments	18,373	-
Change in proportion and differences between City pension plan contributions and proportionate share of contributions	26,818	3,289
City pension plan contributions Subsequent to the measurement date	1,863	-
Total	<u>\$ 56,796</u>	<u>\$ 3,951</u>

The deferred outflows of resources related to the Pension Plan, totaling \$1,863 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2017	\$ (3,159)
2018	(3,159)
2019	4,708
2020	914
2021	239
Thereafter	<u>51,439</u>
Total	<u>\$ 50,982</u>

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 7 - FLORIDA RETIREMENT SYSTEM (Continued):

For the fiscal year ended September 30, 2016, the City recognized pension expense of \$17,047. In addition the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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2019	4,708
2020	914
2021	239
Thereafter	<u>51,439</u>
Total	<u>\$ 50,982</u>

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 7 - FLORIDA RETIREMENT SYSTEM (Continued):

Actuarial Assumptions – The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Investment rate of return	7.60%, net of pension plan investment expense, including inflation

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

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

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.0%	3.0%	1.7%
Fixed Income	18.0%	4.7%	4.6%	4.6%
Global Equity	53.0%	8.1%	6.8%	17.2%
Real Estate	10.0%	6.4%	5.8%	12.0%
Private Equity	6.0%	11.5%	7.8%	30.0%
Strategic Investments	12.0%	6.1%	5.6%	11.1%
Total	100.00%			

Assumed Inflation - Mean	2.60%	2.00%
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Discount Rate - The discount rate used to measure the total pension liability was 7.65%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 7 - FLORIDA RETIREMENT SYSTEM (Continued):

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

	1% Decrease (6.6%)	Current Discount Rate (7.6%)	1% Increase (8.6%)
City's proportionate share of the net pension liability	\$ 130,858	\$ 71,077	\$ 21,318

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

Payables to the Pension Plan - At September 30, 2016, the City reported a payable in the amount of \$71,077 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2016.

HIS Plan

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

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

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2016, the

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 7 - FLORIDA RETIREMENT SYSTEM (Continued):

HIS contribution for the period October 1, 2015 through June 30, 2016 and from July 1, 2016 through September 30, 2016 was 1.26% and 1.66%, respectively. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City's contributions to the HIS Plan totaled \$382 for the fiscal year ended September 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2016, the City reported a liability of \$8,684 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The City's proportionate share of the net pension liability was based on the City's 2015-16 fiscal year contributions relative to the 2014-15 fiscal year contributions of all participating members. At June 30, 2016, the City's proportionate share was .000074512 percent, which was an increase (decrease) of (.000071) percent from its proportionate share measured as of June 30, 2015.

For the fiscal year ended September 30, 2016, the City recognized pension expense of \$822. In addition the City reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 20
Change in assumptions	1,363	-
Net difference between projected and actual earnings on pension plan investments	4	-
Change in proportion and differences between City pension plan contributions and proportionate share of contributions	1,437	924
City pension plan contributions Subsequent to the measurement date	95	-
Total	\$ 2,899	\$ 944

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 7 - FLORIDA RETIREMENT SYSTEM (Continued):

The deferred outflows of resources related to the HIS Plan, totaling \$95 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2017	\$ 114
2018	114
2019	113
2020	113
2021	91
Thereafter	1,315
Total	\$ 1,860

Actuarial Assumptions – The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Municipal bond rate	2.85%

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

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate - The discount rate used to measure the total pension liability was 4.29%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the City's proportionate share of the net pension

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 7 - FLORIDA RETIREMENT SYSTEM (Continued):

liability calculated using the discount rate of 2.85%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.85%) or one percentage point higher (3.85%) than the current rate:

	1% Decrease (1.85%)	Current Discount Rate (2.85%)	1% Increase (3.85%)
City's proportionate share of the net pension liability	\$ 9,963	\$ 8,684	\$ 7,623

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

Payables to the Pension Plan - At September 30, 2016, the City reported a payable in the amount of \$8,684 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2016.

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

Investment Plan

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected City Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2014-15 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Special Risk Administrative

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 7 - FLORIDA RETIREMENT SYSTEM (Continued):

Support class 7.95%, Special Risk class 14.00%, Senior Management Service class 7.67% and City Elected Officers class 11.34%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the

Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

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

The City's Investment Plan pension expense totaled \$8,458 for the fiscal year ended September 30, 2016.

NOTE 8 – EMPLOYEE MONEY PURCHASE PENSION PLAN:

The City provides retirement benefits for all of its eligible employees through a money purchase pension plan and Florida Retirement System Investment Plan for the City Commissioners and appointed officers. The contributions to the employee retirement are as follows:

Money Purchase Pension Plan:

A Money Purchase Pension Plan (the "Plan") covers all City employees who have completed a fourth year of eligible service and agree in writing to make the required employee contributions to the Plan. The required employee contribution is five percent of compensation received. The City's matching contribution is equal to the five percent mandatory employee contribution for the plan year.

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 8 – EMPLOYEE MONEY PURCHASE PENSION PLAN (Continued):

The City's matching contributions to the Plan are invested in annuity contracts and/or life insurance policies issued by an insurance company and the contracts and policies are issued in the employee's name. Employee benefits are vested at a rate of ten percent per year and are fully vested after ten years. An employee is eligible for early retirement within ten years of normal retirement date and has ten years of vesting service.

The pension expense under this plan for the year ended September 30, 2016, was as follows:

	<u>Governmental Activities</u>
General Fund	\$ <u>19,747</u>

NOTE 9 – INTERFUND RECEIVABLES AND PAYABLES:

Interfund receivable and payable balances at September 30, 2016 were:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General fund – major	\$ -	\$ 749,585	\$ -	\$ 14,219
Sanitation fund – major enterprise	36,792	-	14,219	
Water & sewer fund – major enterprise	749,585	36,792	-	
	<u>\$ 786,377</u>	<u>\$ 786,377</u>	<u>\$ 14,219</u>	<u>\$ 14,219</u>

During the course of operations, numerous transactions occurred between individual funds for good and services. The receivables and payables are classified in the Statement of Net Assets as "due from other funds" or "due to other funds."

NOTE 10 – CONTINGENCIES AND COMMITMENTS:

The City receives financial assistance from federal, state and local governmental agencies in the form of grants and revenues sharing programs. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any disallowed claims would not have a material effect on the overall financial position of the City as of September 30, 2016.

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 11 – RISK MANAGEMENT:

The City purchases insurance for exposures related to various liabilities and legal matters and all other risks of loss. During the past three fiscal years no settlements exceeded the coverage by this insurance.

NOTE 12 – UTILITY CONTRACT:

On June 15, 2009, The City of South Bay, The City of Pahokee, The City of Belle Glade and Palm Beach County entered into an interlocal agreement establishing “The Glades Utility Authority” (the “Authority”).

Under this agreement, the City’s utilities operations were transferred to the Authority effective October 1, 2009, and the Authority assumed the responsibility of the water and sewer as well as the outstanding bond debt for the three cities.

During 2012, because of extreme high debt payment obligations, substandard infrastructure and loss of customers, there was going concern in regard to Authority continue to operates without substantial utility rate increase. As result, the Authority dissolved and effective March 31, 2013, all the utilities functions of the three-cities were transferred to Palm Beach County Water Utilities Department (PBCWUD). As result of this transition, all the outstanding debts of the City in amount of \$2,157,000 as of March 31, 2013 and on May 20, 2014, and State Revolving Loan was paid off.

The City of South Bay will continue to provide the solid waste, trash and mosquito control services. Under the agreement, the Authority agreed to bill the City’s customers for the sanitation services for a fee of one percent to the total of the monthly collection revenue. For the fiscal year ended September 30, 2016, the City paid \$6,804 for the collection fees.

The agreement with PBCWUD shall be for an initial term of fifty (50) fiscal years and commenced on the day that the agreement was executed and the agreement shall, thereafter, automatically renew for successive ten (10) year periods until terminated.

Under the agreement, the both Authority and PBCWUD are required to pay to the City an annual entity transfer fee equal to seven percent based on annual gross revenues. For the year ended September 30, 2016, the City received \$149,725 for entity transfer fee.

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS:

The City provides no post healthcare or life insurance benefits to former City’s employee after retirement. Therefore, GASB 45 – “*Accounting and financial Reporting by Employers for Post Employment Benefits Other Than Pensions*” would no material effect on the City.

City of South Bay, Florida
Notes to Financial Statements - Continued
September 30, 2016

NOTE 14 – MANAGEMENT’S REVIEW:

Management has evaluated subsequent event through April xx, 2017, which is the date the financial statements were available to be issued.

NOTE 15 – SUBSEQUENT EVENTS:

- 1- On October 4, 2016, in accordance with agreement between Florida Department of Economic Opportunity “DEO” and Board of the Internal Improvement Trust Fund “IITF”, the DEO agreed to transfer amount of \$470,900 to IITF (the mortgagee) in exchange for the forgiveness of the outstanding balance of the City’s mortgage on the land located at South Bay Park of Commerce in connection with the State economic development goals.
- 2- On March 6, 2017, the City sold a property in amount of \$249,893.80, the proceeds of the sale is intended to be used for City capital projects.

SUPPLEMENTARY INFORMATION

City of South Bay, Florida
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
General Fund

For the Fiscal Year Ended September 30, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 949,036	\$ 965,211	\$ 995,857	\$ 30,646
Licenses and permits	78,150	120,650	134,685	14,035
Intergovernmental	702,951	754,425	743,882	(10,543)
Charges for services	43,967	43,967	49,151	5,184
Fines and forfeitures	5,250	5,250	4,135	(1,115)
Rents	30,050	30,050	32,465	2,415
Investment income	460	460	2,894	2,434
Miscellaneous	269,660	277,060	31,560	(245,500)
Total revenues	<u>2,079,524</u>	<u>2,197,073</u>	<u>1,994,629</u>	<u>(202,444)</u>
Expenditures:				
Current:				
General government	1,032,978	1,140,527	995,158	145,369
Public safety	177,950	177,950	176,806	1,144
Highways and streets	499,350	509,350	449,899	59,451
Culture and recreation	86,030	86,030	68,942	17,088
Debt services:				
Principal	5,060	5,060	5,046	14
Interest	1,000	1,000	994	6
Total expenditures	<u>1,802,368</u>	<u>1,919,917</u>	<u>1,696,845</u>	<u>223,072</u>
Excess of revenues over expenditures	<u>277,156</u>	<u>277,156</u>	<u>297,784</u>	<u>20,628</u>
Other financing sources (uses):				
Operating transfer in	59,765	59,765	59,765	-
Operating transfer out	(336,921)	(336,921)	(81,921)	255,000
Total other financing (uses):	<u>(277,156)</u>	<u>(277,156)</u>	<u>(22,156)</u>	<u>255,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>275,628</u>	<u>\$ 275,628</u>
Fund balance at October 1, 2015			<u>399,287</u>	
Fund balance at September 30, 2016			<u>\$ 674,915</u>	

City of South Bay, Florida
Note to Budgetary Comparison Schedule
Budget and Actual – General Fund
For the Fiscal Year Ended September 30, 2016

NOTE 1 – BUDGETARY ACCOUNTING

Budgets - Budgets are legally adopted for the General Fund. All governmental fund budgets are prepared on the modified accrual basis of accounting.

Under the law of the State of the Florida and the City of South Bay Code, the City Manager submits to the Mayor and City Commissioners, a proposed Budget and Financial Plan for the fiscal year commencing the following October 1st. The Annual Budget and Financial Plan are prepared by fund, function and activities and include all proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayers comments. Prior to October 1st, the budget is legally enacted by the City Commissioners through passage of a resolution.

Changes or amendments to increase or decrease the total amount of budgeted revenue or expenditures for a given fund must be approved by a majority vote of the City Commissioners; however, the change, amendments or transfers within the total revenue or expenditures for functions, activities or departments of a given fund may be approved by the City Manager. During the year the original budget revenues and expenditures were amended and they were increased by \$117,549 primarily due to additional revenues and expenditures received and incurred during fiscal year 2016.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget based on legally authorized revisions to the original budgets during the year.

Actual general fund revenues were under appropriations by \$202,466 due to a deferral of a sale of City's property to subsequent year, when the actual general fund expenditures were under the appropriation by \$223,072.

Encumbrances – Encumbrance accounting, under which purchase orders, contract, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as extension of formal budgetary control. Encumbrance lapse at year end and become obligations of the subsequent year's budget. At September 30, 2016, the City did not have any commitments related to unperformed contracts.

NOTE 2 – BUDGET AND ACTUAL COMPARISON

The Budgetary Comparison Schedule for the General Fund is required to be prepared under the basis of accounting used in preparing the budget. As indicated in Note 1, the modified accrual basis of accounting is used for budgetary purposes.

City of South Bay, Florida
Balance Sheet
Nonmajor Governmental Fund
September 30, 2016

	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:		
Cash and cash equivalents	\$ 80,471	\$ 80,471
Due from government	47,152	47,152
	<u> </u>	<u> </u>
Total assets	<u>\$ 127,623</u>	<u>\$ 127,623</u>
Liabilities and fund balances:		
Liabilities:		
Due to other funds	\$ 47,152	\$ 47,152
	<u> </u>	<u> </u>
Total liabilities	<u>47,152</u>	<u>47,152</u>
Fund balances:		
Restricted for:		
Capital projects	80,471	80,471
	<u> </u>	<u> </u>
Total fund Balances	<u>80,471</u>	<u>80,471</u>
	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 127,623</u>	<u>\$ 127,623</u>

City of South Bay, Florida
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Capital Projects Fund
For the Fiscal Year Ended September 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 1,986,687	\$ 1,986,687	\$ 318,410	\$ (1,668,277)
Total revenues	<u>1,986,687</u>	<u>1,986,687</u>	<u>318,410</u>	<u>(1,668,277)</u>
Expenditures:				
Current:				
General government	125,000	125,000	-	125,000
Highways and streets	1,798,608	1,798,608	314,310	1,484,298
Culture and recreation	400,000	400,000	5,550	394,450
Total expenditures	<u>2,323,608</u>	<u>2,323,608</u>	<u>319,860</u>	<u>2,003,748</u>
Deficiency of revenues over expenditures	<u>(336,921)</u>	<u>(336,921)</u>	<u>(1,450)</u>	<u>335,471</u>
Other financing sources:				
Operating transfer in	<u>336,921</u>	<u>336,921</u>	<u>81,921</u>	<u>(255,000)</u>
Total other financing sources:	<u>336,921</u>	<u>336,921</u>	<u>81,921</u>	<u>(255,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>80,471</u>	<u>\$ 80,471</u>
Fund balance at October 1, 2015			<u>-</u>	
Fund balance at September 30, 2016			<u>\$ 80,471</u>	

Nonmajor Governmental Fund

Capital Projects Funds

Capital projects fund maintained to account for the proceeds of specific source that are legally restricted for capital expenditures.

ORDINANCE NO. 08-2017

AN ORDINANCE BY THE CITY COMMISSION OF THE CITY OF SOUTH BAY, ADOPTING NEW FLOODPLAIN MANAGEMENT REGULATIONS; TO ADOPT NEW FLOOD HAZARD MAPS, TO DESIGNATE A FLOODPLAIN ADMINISTRATOR, TO ADOPT PROCEDURES AND CRITERIA FOR DEVELOPMENT IN FLOOD HAZARD AREAS, TO ADOPT TECHNICAL AMENDMENTS TO THE FLORIDA BUILDING CODE AND FOR OTHER PURPOSES; PROVIDING FOR ADOPTION OF REPRESENTATIONS; PROVIDING FOR APPLICABILITY; PROVIDING FOR CONFLICT AND REPEALER; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN CODE; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Legislature of the State of Florida has, in Chapter 166, Florida Statutes, conferred upon local governments the authority to adopt regulations designed to promote the public health, safety, and general welfare of its citizenry; and

WHEREAS, the Federal Emergency Management Agency has identified special flood hazard areas within the boundaries of the City of South Bay and such areas may be subject to periodic inundation which may result in loss of life and property, health and safety hazards, disruption of commerce and governmental services, extraordinary public expenditures for flood protection and relief, and impairment of the tax base, all of which adversely affect the public health, safety and general welfare; and

WHEREAS, the City of South Bay was accepted for participation in the National Flood Insurance Program on August 26, 1977 and the City Commission desires to continue to meet the requirements of Title 44 Code of Federal Regulations, Parts 59 and 60, necessary for such participation; and

WHEREAS, Chapter 553, Florida Statutes, was adopted by the Florida Legislature to provide a mechanism for the uniform adoption, updating, amendment, interpretation and enforcement of a state building code, called the *Florida Building Code*; and

WHEREAS, the City Commission is adopting a requirement to increase the minimum elevation requirement for buildings and structures in flood hazard areas and, pursuant to section 553.73(5), F.S., is formatting that requirement to coordinate with the *Florida Building Code*; and

WHEREAS, the City Commission of the City of South Bay has determined that it is in the public interest to adopt the proposed floodplain management regulations that are coordinated with the *Florida Building Code*.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SOUTH BAY, FLORIDA AS FOLLOWS:

Section 1. Adoption of Representations.

The foregoing "Whereas" clauses are hereby ratified and confirmed as being true, and the same are hereby made a specific part of this Ordinance.

Section 2. Chapter 34 entitled "Floodplain Management" is hereby adopted as follows:

Floodplain Management

Article I. Administration

Section 34-1. General

34-19 (a) Title. These regulations shall be known as the *Floodplain Management Ordinance*

of the City of South Bay, hereinafter referred to as "this ordinance."

34-19 (b) Scope. The provisions of this ordinance shall apply to all development that is wholly within or partially within any flood hazard area, including but not limited to the subdivision of land; filling, grading, and other site improvements and utility installations; construction, alteration, remodeling, enlargement, improvement, replacement, repair, relocation or demolition of buildings, structures, and facilities that are exempt from the *Florida Building Code*; placement, installation, or replacement of manufactured homes and manufactured buildings; installation or replacement of tanks; placement of recreational vehicles; installation of swimming pools; and any other development.

34-19 (c) Intent. The purposes of this ordinance and the flood load and flood resistant construction requirements of the *Florida Building Code* are to establish minimum requirements to safeguard the public health, safety, and general welfare and to minimize public and private losses due to flooding through regulation of development in flood hazard areas to:

- (1) Minimize unnecessary disruption of commerce, access and public service during times of flooding;
- (2) Require the use of appropriate construction practices in order to prevent or minimize future flood damage;
- (3) Manage filling, grading, dredging, mining, paving, excavation, drilling operations, storage of equipment or materials, and other development which may increase flood damage or erosion potential;
- (4) Manage the alteration of flood hazard areas, watercourses, and shorelines to minimize the impact of development on the natural and beneficial functions of the floodplain;
- (5) Minimize damage to public and private facilities and utilities;
- (6) Help maintain a stable tax base by providing for the sound use and development of flood hazard areas;
- (7) Minimize the need for future expenditure of public funds for flood control projects and response to and recovery from flood events; and
- (8) Meet the requirements of the National Flood Insurance Program for community participation as set forth in the Title 44 Code of Federal Regulations, Section 59.22.

34-19 (d) Coordination with the *Florida Building Code*. This ordinance is intended to be administered and enforced in conjunction with the *Florida Building Code*. Where cited, ASCE 24 refers to the edition of the standard that is referenced by the *Florida Building Code*.

34-19 (e) Warning. The degree of flood protection required by this ordinance and the *Florida Building Code*, as amended by this community, is considered the minimum reasonable for regulatory purposes and is based on scientific and engineering considerations. Larger floods can and will occur. Flood heights may be increased by man-made or natural causes. This ordinance does not imply that land outside of mapped special flood hazard areas, or that uses permitted within such flood hazard areas, will be free from flooding or flood damage. The flood hazard areas and base flood elevations contained in the Flood Insurance Study and shown on Flood Insurance Rate Maps and the requirements of Title 44 Code of Federal Regulations, Sections 59 and 60 may be revised by the Federal Emergency Management Agency, requiring this community to revise these regulations to remain eligible for participation in the National Flood Insurance Program. No guaranty of vested use, existing use, or future use is implied or expressed by compliance with this ordinance.

(f) Disclaimer of Liability. This ordinance shall not create liability on the part of the City Commission of the City of South Bay or any officer or employee thereof for any flood damage that results from reliance on this ordinance or any administrative decision lawfully made thereunder.

Section 34-20. Applicability

(a) General. Where there is a conflict between a general requirement and a specific requirement, the specific requirement shall be applicable.

(b) Areas to which this ordinance applies. This ordinance shall apply to all flood hazard areas within the City of South Bay, as established in Section 34-20(c) of this ordinance.

(c) Basis for establishing flood hazard areas. The Flood Insurance Study for Palm Beach County, Florida and Incorporated Areas dated August 2, 1978, and all subsequent amendments and revisions, and the accompanying Flood Insurance Rate Maps (FIRM), and all subsequent amendments and revisions to such maps, are adopted by reference as a part of this ordinance and shall serve as the minimum basis for establishing flood hazard areas. Studies and maps that establish flood hazard areas are on file at City Hall, 335 SW 2nd Ave, South Bay, FL 33493.

(d) Submission of additional data to establish flood hazard areas. To establish flood hazard areas and base flood elevations, pursuant to Section 34-23 of this ordinance the Floodplain Administrator may require submission of additional data. Where field surveyed topography prepared by a Florida licensed professional surveyor or digital topography accepted by the community indicates that ground elevations:

- (1) Are below the closest applicable base flood elevation, even in areas not delineated as a special flood hazard area on a FIRM, the area shall be considered

as flood hazard area and subject to the requirements of this ordinance and, as applicable, the requirements of the *Florida Building Code*.

- (2) Are above the closest applicable base flood elevation, the area shall be regulated as special flood hazard area unless the applicant obtains a Letter of Map Change that removes the area from the special flood hazard area.

(e) **Other laws.** The provisions of this ordinance shall not be deemed to nullify any provisions of local, state or federal law.

(f) **Abrogation and greater restrictions.** This ordinance supersedes any ordinance in effect for management of development in flood hazard areas. However, it is not intended to repeal or abrogate any existing ordinances including but not limited to land development regulations, zoning ordinances, stormwater management regulations, or the *Florida Building Code*. In the event of a conflict between this ordinance and any other ordinance, the more restrictive shall govern. This ordinance shall not impair any deed restriction, covenant or easement, but any land that is subject to such interests shall also be governed by this ordinance.

(g) **Interpretation.** In the interpretation and application of this ordinance, all provisions shall be:

- (1) Considered as minimum requirements;
- (2) Liberally construed in favor of the governing body; and
- (3) Deemed neither to limit nor repeal any other powers granted under state statutes.

Section 34-21. Duties and Powers of the Floodplain Administrator

(a) **Designation.** The City Manager is designated as the Floodplain Administrator. The Floodplain Administrator may delegate performance of certain duties to other employees.

(b) **General.** The Floodplain Administrator is authorized and directed to administer and enforce the provisions of this ordinance. The Floodplain Administrator shall have the authority to render interpretations of this ordinance consistent with the intent and purpose of this ordinance and may establish policies and procedures in order to clarify the application of its provisions. Such interpretations, policies, and procedures shall not have the effect of waiving requirements specifically provided in this ordinance without the granting of a variance pursuant to Section 34-25 of this ordinance.

(c) **Applications and permits.** The Floodplain Administrator, in coordination with other pertinent offices of the community, shall:

- (1) Review applications and plans to determine whether proposed new development will be located in flood hazard areas;
- (2) Review applications for modification of any existing development in flood hazard areas for compliance with the requirements of this ordinance;
- (3) Interpret flood hazard area boundaries where such interpretation is necessary to determine the exact location of boundaries; a person contesting the determination shall have the opportunity to appeal the interpretation;
- (4) Provide available flood elevation and flood hazard information;
- (5) Determine whether additional flood hazard data shall be obtained from other sources or shall be developed by an applicant;
- (6) Review applications to determine whether proposed development will be reasonably safe from flooding;
- (7) Issue floodplain development permits or approvals for development other than buildings and structures that are subject to the *Florida Building Code*, including buildings, structures and facilities exempt from the *Florida Building Code*, when compliance with this ordinance is demonstrated, or disapprove the same in the event of noncompliance; and
- (8) Coordinate with and provide comments to the Building Official to assure that applications, plan reviews, and inspections for buildings and structures in flood hazard areas comply with the applicable provisions of this ordinance.

(d) Substantial improvement and substantial damage determinations. For applications for building permits to improve buildings and structures, including alterations, movement, enlargement, replacement, repair, change of occupancy, additions, rehabilitations, renovations, substantial improvements, repairs of substantial damage, and any other improvement of or work on such buildings and structures, the Floodplain Administrator, in coordination with the Building Official, shall:

- (1) Estimate the market value, or require the applicant to obtain an appraisal of the market value prepared by a qualified independent appraiser, of the building or structure before the start of construction of the proposed work; in the case of repair, the market value of the building or structure shall be the market value before the damage occurred and before any repairs are made;
- (2) Compare the cost to perform the improvement, the cost to repair a damaged building to its pre-damaged condition, or the combined costs of improvements and repairs, if applicable, to the market value of the building or structure;
- (3) Determine and document whether the proposed work constitutes substantial improvement or repair of substantial damage; and
- (4) Notify the applicant if it is determined that the work constitutes substantial improvement or repair of substantial damage and that compliance with the flood

resistant construction requirements of the *Florida Building Code* and this ordinance is required.

(e) Modifications of the strict application of the requirements of the *Florida Building Code*. The Floodplain Administrator shall review requests submitted to the Building Official that seek approval to modify the strict application of the flood load and flood resistant construction requirements of the *Florida Building Code* to determine whether such requests require the granting of a variance pursuant to Section 34-25 of this ordinance.

(f) Notices and orders. The Floodplain Administrator shall coordinate with appropriate local agencies for the issuance of all necessary notices or orders to ensure compliance with this ordinance.

(g) Inspections. The Floodplain Administrator shall make the required inspections as specified in Section 34-24 of this ordinance for development that is not subject to the *Florida Building Code*, including buildings, structures and facilities exempt from the *Florida Building Code*. The Floodplain Administrator shall inspect flood hazard areas to determine if development is undertaken without issuance of a permit.

(h) Other duties of the Floodplain Administrator. The Floodplain Administrator shall have other duties, including but not limited to:

- (1) Establish, in coordination with the Building Official, procedures for administering and documenting determinations of substantial improvement and substantial damage made pursuant to Section 34-21(d) of this ordinance;
- (2) Require that applicants proposing alteration of a watercourse notify adjacent communities and the Florida Division of Emergency Management, State Floodplain Management Office, and submit copies of such notifications to the Federal Emergency Management Agency (FEMA);
- (3) Require applicants who submit hydrologic and hydraulic engineering analyses to support permit applications to submit to FEMA the data and information necessary to maintain the Flood Insurance Rate Maps if the analyses propose to change base flood elevations, or flood hazard area boundaries; such submissions shall be made within 6 months of such data becoming available;
- (4) Review required design certifications and documentation of elevations specified by this ordinance and the *Florida Building Code* to determine that such certifications and documentations are complete; and
- (5) Notify the Federal Emergency Management Agency when the corporate boundaries of the City of South Bay are modified.

(i) Floodplain management records. Regardless of any limitation on the period

required for retention of public records, the Floodplain Administrator shall maintain and permanently keep and make available for public inspection all records that are necessary for the administration of this ordinance and the flood resistant construction requirements of the *Florida Building Code*, including Flood Insurance Rate Maps; Letters of Map Change; records of issuance of permits and denial of permits; determinations of whether proposed work constitutes substantial improvement or repair of substantial damage; required design certifications and documentation of elevations specified by the *Florida Building Code* and this ordinance; notifications to adjacent communities, FEMA, and the state related to alterations of watercourses; assurances that the flood carrying capacity of altered watercourses will be maintained; documentation related to appeals and variances, including justification for issuance or denial; and records of enforcement actions taken pursuant to this ordinance and the flood resistant construction requirements of the *Florida Building Code*. These records shall be available for public inspection at City Hall, 335 SW 2nd Ave, South Bay, FL 33493.

Section 34-22. Permits

(a) Permits required. Any owner or owner's authorized agent (hereinafter "applicant") who intends to undertake any development activity within the scope of this ordinance, including buildings, structures and facilities exempt from the *Florida Building Code*, which is wholly within or partially within any flood hazard area shall first make application to the Floodplain Administrator, and the Building Official if applicable, and shall obtain the required permit(s) and approval(s). No such permit or approval shall be issued until compliance with the requirements of this ordinance and all other applicable codes and regulations has been satisfied.

(b) Floodplain development permits or approvals. Floodplain development permits or approvals shall be issued pursuant to this ordinance for any development activities not subject to the requirements of the *Florida Building Code*, including buildings, structures and facilities exempt from the *Florida Building Code*. Depending on the nature and extent of proposed development that includes a building or structure, the Floodplain Administrator may determine that a floodplain development permit or approval is required in addition to a building permit.

(c) Buildings, structures and facilities exempt from the *Florida Building Code*. Pursuant to the requirements of federal regulation for participation in the National Flood Insurance Program (44 C.F.R. Sections 59 and 60), floodplain development permits or approvals shall be required for the following buildings, structures and facilities that are exempt from the *Florida Building Code* and any further exemptions provided by law, which are subject to the requirements of this ordinance:

- (1) Railroads and ancillary facilities associated with the railroad.
- (2) Nonresidential farm buildings on farms, as provided in section 604.50, F.S.

- (3) Temporary buildings or sheds used exclusively for construction purposes.
- (4) Mobile or modular structures used as temporary offices.
- (5) Those structures or facilities of electric utilities, as defined in section 366.02, F.S., which are directly involved in the generation, transmission, or distribution of electricity.
- (6) Chickees constructed by the Miccosukee Tribe of Indians of Florida or the Seminole Tribe of Florida. As used in this paragraph, the term "chickee" means an open-sided wooden hut that has a thatched roof of palm or palmetto or other traditional materials, and that does not incorporate any electrical, plumbing, or other non-wood features.
- (7) Family mausoleums not exceeding 250 square feet in area which are prefabricated and assembled on site or preassembled and delivered on site and have walls, roofs, and a floor constructed of granite, marble, or reinforced concrete.
- (8) Temporary housing provided by the Department of Corrections to any prisoner in the state correctional system.
- (9) Structures identified in section 553.73(10)(k), F.S., are not exempt from the *Florida Building Code* if such structures are located in flood hazard areas established on Flood Insurance Rate Maps

(d) Application for a permit or approval. To obtain a floodplain development permit or approval the applicant shall first file an application in writing on a form furnished by the City. The information provided shall:

- (1) Identify and describe the development to be covered by the permit or approval.
- (2) Describe the land on which the proposed development is to be conducted by legal description, street address or similar description that will readily identify and definitively locate the site.
- (3) Indicate the use and occupancy for which the proposed development is intended.
- (4) Be accompanied by a site plan or construction documents as specified in Section 105 of this ordinance.
- (5) State the valuation of the proposed work.
- (6) Be signed by the applicant or the applicant's authorized agent.
- (7) Give such other data and information as required by the Floodplain Administrator.

(e) Validity of permit or approval. The issuance of a floodplain development permit or approval pursuant to this ordinance shall not be construed to be a permit for, or approval of, any violation of this ordinance, the *Florida Building Codes*, or any other

ordinance of this City. The issuance of permits based on submitted applications, construction documents, and information shall not prevent the Floodplain Administrator from requiring the correction of errors and omissions.

(f) Expiration. A floodplain development permit or approval shall become invalid unless the work authorized by such permit is commenced within 180 days after its issuance, or if the work authorized is suspended or abandoned for a period of 180 days after the work commences. Extensions for periods of not more than 180 days each shall be requested in writing and justifiable cause shall be demonstrated.

(g) Suspension or revocation. The Floodplain Administrator is authorized to suspend or revoke a floodplain development permit or approval if the permit was issued in error, on the basis of incorrect, inaccurate or incomplete information, or in violation of this ordinance or any other ordinance, regulation or requirement of this City.

(h) Other permits required. Floodplain development permits and building permits shall include a condition that all other applicable state or federal permits be obtained before commencement of the permitted development, including but not limited to the following:

- (1) The South Florida Water Management District; section 373.036, F.S.
- (2) Florida Department of Health for onsite sewage treatment and disposal systems; section 381.0065, F.S. and Chapter 64E-6, F.A.C.
- (3) Florida Department of Environmental Protection for activities subject to the Joint Coastal Permit; section 161.055, F.S.
- (4) Florida Department of Environmental Protection for activities that affect wetlands and alter surface water flows, in conjunction with the U.S. Army Corps of Engineers; Section 404 of the Clean Water Act.
- (5) Federal permits and approvals.

Section 34-23. Site Plans and Construction Documents

(a) Information for development in flood hazard areas. The site plan or construction documents for any development subject to the requirements of this ordinance shall be drawn to scale and shall include, as applicable to the proposed development:

- (1) Delineation of flood hazard areas, flood zone(s), base flood elevation(s), and ground elevations if necessary for review of the proposed development.
- (2) Where base flood elevations are not included on the FIRM or in the Flood Insurance Study, they shall be established in accordance with Section 34-23(b) or 34-23(c) of this ordinance.

- (3) Where the parcel on which the proposed development will take place will have more than 50 lots or is larger than 5 acres and the base flood elevations are not included on the FIRM or in the Flood Insurance Study, such elevations shall be established in accordance with Section 34-23(b) of this ordinance.
- (4) Location of the proposed activity and proposed structures, and locations of existing buildings and structures.
- (5) Location, extent, amount, and proposed final grades of any filling, grading, or excavation.
- (6) Where the placement of fill is proposed, the amount, type, and source of fill material; compaction specifications; a description of the intended purpose of the fill areas; and evidence that the proposed fill areas are the minimum necessary to achieve the intended purpose.
- (7) Existing and proposed alignment of any proposed alteration of a watercourse.

The Floodplain Administrator is authorized to waive the submission of site plans, construction documents, and other data that are required by this ordinance but that are not required to be prepared by a registered design professional if it is found that the nature of the proposed development is such that the review of such submissions is not necessary to ascertain compliance with this ordinance.

(b) Information in flood hazard areas without base flood elevations (approximate Zone "A"). Where flood hazard areas are delineated on the FIRM and base flood elevation data have not been provided, the Floodplain Administrator shall:

- (1) Require the applicant to include base flood elevation data prepared in accordance with currently accepted engineering practices.
- (2) Obtain, review, and provide to applicants base flood elevation data available from a federal or state agency or other source or require the applicant to obtain and use base flood elevation data available from a federal or state agency or other source.
- (3) Where base flood elevation data are not available from another source, where the available data are deemed by the Floodplain Administrator to not reasonably reflect flooding conditions, or where the available data are known to be scientifically or technically incorrect or otherwise inadequate:
 - (a) Require the applicant to include base flood elevation data prepared in accordance with currently accepted engineering practices; or
 - (b) Specify that the base flood elevation is two (2) feet above the highest adjacent grade at the location of the development, provided there is no evidence indicating flood depths have been or may be greater than two (2) feet.

- (4) Where the base flood elevation data are to be used to support a Letter of Map Change from FEMA, advise the applicant that the analyses shall be prepared by a Florida licensed engineer in a format required by FEMA, and that it shall be the responsibility of the applicant to satisfy the submittal requirements and pay the processing fees.

(c) Additional analyses and certifications. As applicable to the location and nature of the proposed development activity, and in addition to the requirements of this section, the applicant shall have the following analyses signed and sealed by a Florida licensed engineer for submission with the site plan and construction documents:

- (1) For alteration of a watercourse, an engineering analysis prepared in accordance with standard engineering practices which demonstrates that the flood-carrying capacity of the altered or relocated portion of the watercourse will not be decreased, and certification that the altered watercourse shall be maintained in a manner which preserves the channel's flood-carrying capacity; the applicant shall submit the analysis to FEMA as specified in Section 34-23(d) of this ordinance.

(d) Submission of additional data. When additional hydrologic, hydraulic or other engineering data, studies, and additional analyses are submitted to support an application, the applicant has the right to seek a Letter of Map Change from FEMA to change the base flood elevations, or change boundaries of flood hazard areas shown on FIRMs, and to submit such data to FEMA for such purposes. The analyses shall be prepared by a Florida licensed engineer in a format required by FEMA. Submittal requirements and processing fees shall be the responsibility of the applicant.

Section 34-24 Inspections

(a) General. Development for which a floodplain development permit or approval is required shall be subject to inspection.

(b) Development other than buildings and structures. The Floodplain Administrator shall inspect all development to determine compliance with the requirements of this ordinance and the conditions of issued floodplain development permits or approvals.

(c) Buildings, structures and facilities exempt from the *Florida Building Code*. The Floodplain Administrator shall inspect buildings, structures and facilities exempt from the *Florida Building Code* to determine compliance with the requirements of this ordinance and the conditions of issued floodplain development permits or approvals.

(d) Buildings, structures and facilities exempt from the *Florida Building Code*, lowest floor inspection. Upon placement of the lowest floor, including basement, and prior to further vertical construction, the owner of a building, structure or facility exempt from the *Florida Building Code*, or the owner's authorized agent, shall submit to the Floodplain Administrator:

- (1) If a design flood elevation was used to determine the required elevation of the lowest floor, the certification of elevation of the lowest floor prepared and sealed by a Florida licensed professional surveyor; or
- (2) If the elevation used to determine the required elevation of the lowest floor was determined in accordance with Section 34-23(b) of this ordinance, the documentation of height of the lowest floor above highest adjacent grade, prepared by the owner or the owner's authorized agent.

(e) Buildings, structures and facilities exempt from the *Florida Building Code*, final inspection. As part of the final inspection, the owner or owner's authorized agent shall submit to the Floodplain Administrator a final certification of elevation of the lowest floor or final documentation of the height of the lowest floor above the highest adjacent grade; such certifications and documentations shall be prepared as specified in Section 106.4 of this ordinance.

(f) Manufactured homes. The Floodplain Administrator shall inspect manufactured homes that are installed or replaced in flood hazard areas to determine compliance with the requirements of this ordinance and the conditions of the issued permit. Upon placement of a manufactured home, certification of the elevation of the lowest floor shall be submitted to the Floodplain Administrator.

Section 34-25 Variances and Appeals

(a) General. The Board of Adjustment shall hear and decide on requests for appeals and requests for variances from the strict application of this ordinance. Pursuant to section 553.73(5), F.S., the Board of Adjustment shall hear and decide on requests for appeals and requests for variances from the strict application of the flood resistant construction requirements of the *Florida Building Code*.

(b) Appeals. The Board of Adjustment shall hear and decide appeals when it is alleged there is an error in any requirement, decision, or determination made by the Floodplain Administrator in the administration and enforcement of this ordinance. Any person aggrieved by the decision may appeal such decision to the Circuit Court, as provided by Florida Statutes.

(c) Limitations on authority to grant variances. The Board of Adjustment shall base its decisions on variances on technical justifications submitted by applicants, the considerations for issuance in Section 34-25(e) of this ordinance, the conditions of issuance set forth in Section 34-25(f) of this ordinance, and the comments and recommendations of the Floodplain Administrator and the Building Official. The Board of Adjustment has the right to attach such conditions as it deems necessary to further the purposes and objectives of this ordinance.

(d) Historic buildings. A variance is authorized to be issued for the repair, improvement, or rehabilitation of a historic building that is determined eligible for the exception to the flood resistant construction requirements of the *Florida Building Code, Existing Building*, Chapter 12 Historic Buildings, upon a determination that the proposed repair, improvement, or rehabilitation will not preclude the building's continued designation as a historic building and the variance is the minimum necessary to preserve the historic character and design of the building. If the proposed work precludes the building's continued designation as a historic building, a variance shall not be granted and the building and any repair, improvement, and rehabilitation shall be subject to the requirements of the *Florida Building Code*.

(e) Functionally dependent uses. A variance is authorized to be issued for the construction or substantial improvement necessary for the conduct of a functionally dependent use, as defined in this ordinance, is the minimum necessary considering the flood hazard, and all due consideration has been given to use of methods and materials that minimize flood damage during occurrence of the base flood.

(f) Considerations for issuance of variances. In reviewing requests for variances, the Board of Adjustment shall consider all technical evaluations, all relevant factors, all other applicable provisions of the *Florida Building Code*, this ordinance, and the following:

- (1) The danger that materials and debris may be swept onto other lands resulting in further injury or damage;
- (2) The danger to life and property due to flooding or erosion damage;
- (3) The susceptibility of the proposed development, including contents, to flood damage and the effect of such damage on current and future owners;
- (4) The importance of the services provided by the proposed development to the community;
- (5) The availability of alternate locations for the proposed development that are subject to lower risk of flooding or erosion;
- (6) The compatibility of the proposed development with existing and anticipated development;

- (7) The relationship of the proposed development to the comprehensive plan and floodplain management program for the area;
- (8) The safety of access to the property in times of flooding for ordinary and emergency vehicles;
- (9) The expected heights, velocity, duration, rate of rise and debris and sediment transport of the floodwaters and the effects of wave action, if applicable, expected at the site; and
- (10) The costs of providing governmental services during and after flood conditions including maintenance and repair of public utilities and facilities such as sewer, gas, electrical and water systems, streets and bridges.

(g) Conditions for issuance of variances. Variances shall be issued only upon:

- (1) Submission by the applicant, of a showing of good and sufficient cause that the unique characteristics of the size, configuration, or topography of the site limit compliance with any provision of this ordinance or the required elevation standards;
- (2) Determination by the Board of Adjustment that:
 - (a) Failure to grant the variance would result in exceptional hardship due to the physical characteristics of the land that render the lot undevelopable; increased costs to satisfy the requirements or inconvenience do not constitute hardship;
 - (b) The granting of a variance will not result in increased flood heights, additional threats to public safety, extraordinary public expense, nor create nuisances, cause fraud on or victimization of the public or conflict with existing local laws and ordinances; and
 - (c) The variance is the minimum necessary, considering the flood hazard, to afford relief;
- (3) Receipt of a signed statement by the applicant that the variance, if granted, shall be recorded in the Office of the Clerk of the Court in such a manner that it appears in the chain of title of the affected parcel of land; and
- (4) If the request is for a variance to allow construction of the lowest floor of a new building, or substantial improvement of a building, below the required elevation, a copy in the record of a written notice from the Floodplain Administrator to the applicant for the variance, specifying the difference between the base flood elevation and the proposed elevation of the lowest floor, stating that the cost of federal flood insurance will be commensurate with the increased risk resulting from the reduced floor elevation (up to amounts as high as \$25 for \$100 of insurance coverage), and stating that construction below the base flood elevation increases risks to life and property.

Section 34-26 Violations

(a) Violations. Any development that is not within the scope of the *Florida Building Code* but that is regulated by this ordinance that is performed without an issued permit, that is in conflict with an issued permit, or that does not fully comply with this ordinance, shall be deemed a violation of this ordinance. A building or structure without the documentation of elevation of the lowest floor, other required design certifications, or other evidence of compliance required by this ordinance or the *Florida Building Code* is presumed to be a violation until such time as that documentation is provided.

(b) Authority. For development that is not within the scope of the *Florida Building Code* but that is regulated by this ordinance and that is determined to be a violation, the Floodplain Administrator is authorized to serve notices of violation or stop work orders to owners of the property involved, to the owner's agent, or to the person or persons performing the work.

(c) Unlawful continuance. Any person who shall continue any work after having been served with a notice of violation or a stop work order, except such work as that person is directed to perform to remove or remedy a violation or unsafe condition, shall be subject to penalties as prescribed by law.

Article II. Definitions

Section 34-27 General

(a) Scope. Unless otherwise expressly stated, the following words and terms shall, for the purposes of this ordinance, have the meanings shown in this section.

(b) Terms defined in the *Florida Building Code*. Where terms are not defined in this ordinance and are defined in the *Florida Building Code*, such terms shall have the meanings ascribed to them in that code.

(c) Terms not defined. Where terms are not defined in this ordinance or the *Florida Building Code*, such terms shall have ordinarily accepted meanings such as the context implies.

Section 34-28 Definitions

Alteration of a watercourse. A dam, impoundment, channel relocation, change in channel alignment, channelization, or change in cross-sectional area of the channel or the channel capacity, or any other form of modification which may alter, impede, retard or change the direction and/or velocity of the riverine flow of water during conditions

of the base flood.

Appeal. A request for a review of the Floodplain Administrator's interpretation of any provision of this ordinance.

ASCE 24. A standard titled *Flood Resistant Design and Construction* that is referenced by the *Florida Building Code*. ASCE 24 is developed and published by the American Society of Civil Engineers, Reston, VA.

Base flood. A flood having a 1-percent chance of being equaled or exceeded in any given year. [Also defined in FBC, B, Section 202.] The base flood is commonly referred to as the "100-year flood" or the "1-percent-annual chance flood."

Base flood elevation. The elevation of the base flood, including wave height, relative to the National Geodetic Vertical Datum (NGVD), North American Vertical Datum (NAVD) or other datum specified on the Flood Insurance Rate Map (FIRM). [Also defined in FBC, B, Section 202.]

Basement. The portion of a building having its floor subgrade (below ground level) on all sides. [Also defined in FBC, B, Section 202; see "Basement (for flood loads)".]

Design flood. The flood associated with the greater of the following two areas: [Also defined in FBC, B, Section 202.]

- (1) Area with a floodplain subject to a 1-percent or greater chance of flooding in any year; or
- (2) Area designated as a flood hazard area on the community's flood hazard map, or otherwise legally designated.

Design flood elevation. The elevation of the "design flood," including wave height, relative to the datum specified on the community's legally designated flood hazard map. In areas designated as Zone AO, the design flood elevation shall be the elevation of the highest existing grade of the building's perimeter plus the depth number (in feet) specified on the flood hazard map. In areas designated as Zone AO where the depth number is not specified on the map, the depth number shall be taken as being equal to 2 feet. [Also defined in FBC, B, Section 202.]

Development. Any man-made change to improved or unimproved real estate, including but not limited to, buildings or other structures, tanks, temporary structures, temporary or permanent storage of equipment or materials, mining, dredging, filling, grading, paving, excavations, drilling operations or any other land disturbing activities.

Encroachment. The placement of fill, excavation, buildings, permanent structures or other development into a flood hazard area which may impede or alter the flow

capacity of riverine flood hazard areas.

Existing building and existing structure. Any buildings and structures for which the "start of construction" commenced before August 26, 1977. [Also defined in FBC, B, Section 202.]

Existing manufactured home park or subdivision. A manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including, at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed before August 26, 1977.

Expansion to an existing manufactured home park or subdivision. The preparation of additional sites by the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads).

Federal Emergency Management Agency (FEMA). The federal agency that, in addition to carrying out other functions, administers the National Flood Insurance Program.

Flood or flooding. A general and temporary condition of partial or complete inundation of normally dry land from: [Also defined in FBC, B, Section 202.]

- (1) The overflow of inland or tidal waters.
- (2) The unusual and rapid accumulation or runoff of surface waters from any source.

Flood damage-resistant materials. Any construction material capable of withstanding direct and prolonged contact with floodwaters without sustaining any damage that requires more than cosmetic repair. [Also defined in FBC, B, Section 202.]

Flood hazard area. The greater of the following two areas: [Also defined in FBC, B, Section 202.]

- (1) The area within a floodplain subject to a 1-percent or greater chance of flooding in any year.
- (2) The area designated as a flood hazard area on the community's flood hazard map, or otherwise legally designated.

Flood Insurance Rate Map (FIRM). The official map of the community on which the Federal Emergency Management Agency has delineated both special flood hazard areas and the risk premium zones applicable to the community. [Also defined in FBC, B, Section 202.]

Flood Insurance Study (FIS). The official report provided by the Federal Emergency Management Agency that contains the Flood Insurance Rate Map, the Flood Boundary and Floodway Map (if applicable), the water surface elevations of the base flood, and supporting technical data. [Also defined in FBC, B, Section 202.]

Floodplain Administrator. The office or position designated and charged with the administration and enforcement of this ordinance (may be referred to as the Floodplain Manager).

Floodplain development permit or approval. An official document or certificate issued by the community, or other evidence of approval or concurrence, which authorizes performance of specific development activities that are located in flood hazard areas and that are determined to be compliant with this ordinance.

Florida Building Code. The family of codes adopted by the Florida Building Commission, including: *Florida Building Code, Building*; *Florida Building Code, Residential*; *Florida Building Code, Existing Building*; *Florida Building Code, Mechanical*; *Florida Building Code, Plumbing*; *Florida Building Code, Fuel Gas*.

Functionally dependent use. A use which cannot perform its intended purpose unless it is located or carried out in close proximity to water, including only docking facilities, port facilities that are necessary for the loading and unloading of cargo or passengers, and ship building and ship repair facilities; the term does not include long-term storage or related manufacturing facilities.

Highest adjacent grade. The highest natural elevation of the ground surface prior to construction next to the proposed walls or foundation of a structure.

Historic structure. Any structure that is determined eligible for the exception to the flood hazard area requirements of the *Florida Building Code, Existing Building*, Chapter 12 Historic Buildings.

Letter of Map Change (LOMC). An official determination issued by FEMA that amends or revises an effective Flood Insurance Rate Map or Flood Insurance Study. Letters of Map Change include:

Letter of Map Amendment (LOMA): An amendment based on technical data showing that a property was incorrectly included in a designated special flood hazard area. A LOMA amends the current effective Flood Insurance Rate Map and establishes that a specific property, portion of a property, or structure is not located in a special flood hazard area.

Letter of Map Revision (LOMR): A revision based on technical data that may show changes to flood zones, flood elevations, special flood hazard area boundaries and floodway delineations, and other planimetric features.

Letter of Map Revision Based on Fill (LOMR-F): A determination that a structure or parcel of land has been elevated by fill above the base flood elevation and is, therefore, no longer located within the special flood hazard area. In order to qualify for this determination, the fill must have been permitted and placed in accordance with the community's floodplain management regulations.

Conditional Letter of Map Revision (CLOMR): A formal review and comment as to whether a proposed flood protection project or other project complies with the minimum NFIP requirements for such projects with respect to delineation of special flood hazard areas. A CLOMR does not revise the effective Flood Insurance Rate Map or Flood Insurance Study; upon submission and approval of certified as-built documentation, a Letter of Map Revision may be issued by FEMA to revise the effective FIRM.

Light-duty truck. As defined in 40 C.F.R. 86.082-2, any motor vehicle rated at 8,500 pounds Gross Vehicular Weight Rating or less which has a vehicular curb weight of 6,000 pounds or less and which has a basic vehicle frontal area of 45 square feet or less, which is:

- (1) Designed primarily for purposes of transportation of property or is a derivation of such a vehicle, or
- (2) Designed primarily for transportation of persons and has a capacity of more than 12 persons; or
- (3) Available with special features enabling off-street or off-highway operation and use.

Lowest floor. The lowest floor of the lowest enclosed area of a building or structure, including basement, but excluding any unfinished or flood-resistant enclosure, other than a basement, usable solely for vehicle parking, building access or limited storage provided that such enclosure is not built so as to render the structure in violation of the non-elevation requirements of the *Florida Building Code* or ASCE 24. [Also defined in FBC, B, Section 202.]

Manufactured home. A structure, transportable in one or more sections, which is eight (8) feet or more in width and greater than four hundred (400) square feet, and which is built on a permanent, integral chassis and is designed for use with or without a permanent foundation when attached to the required utilities. The term "manufactured home" does not include a "recreational vehicle" or "park trailer." [Also defined in 15C-1.0101, F.A.C.]

Manufactured home park or subdivision. A parcel (or contiguous parcels) of land divided into two or more manufactured home lots for rent or sale.

Market value. The price at which a property will change hands between a willing buyer and a willing seller, neither party being under compulsion to buy or sell and both

having reasonable knowledge of relevant facts. As used in this ordinance, the term refers to the market value of buildings and structures, excluding the land and other improvements on the parcel. Market value may be established by a qualified independent appraiser, Actual Cash Value (replacement cost depreciated for age and quality of construction), or tax assessment value adjusted to approximate market value by a factor provided by the Property Appraiser.

New construction. For the purposes of administration of this ordinance and the flood resistant construction requirements of the *Florida Building Code*, structures for which the "start of construction" commenced on or after August 26, 1977 and includes any subsequent improvements to such structures.

New manufactured home park or subdivision. A manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed on or after August 26, 1977.

Park trailer. A transportable unit which has a body width not exceeding fourteen (14) feet and which is built on a single chassis and is designed to provide seasonal or temporary living quarters when connected to utilities necessary for operation of installed fixtures and appliances. [Defined in section 320.01, F.S.]

Recreational vehicle. A vehicle, including a park trailer, which is: [see in section 320.01, F.S.)

- (1) Built on a single chassis;
- (2) Four hundred (400) square feet or less when measured at the largest horizontal projection;
- (3) Designed to be self-propelled or permanently towable by a light-duty truck; and
- (4) Designed primarily not for use as a permanent dwelling but as temporary living quarters for recreational, camping, travel, or seasonal use.

Special flood hazard area. An area in the floodplain subject to a 1 percent or greater chance of flooding in any given year. Special flood hazard areas are shown on FIRMs as Zone A, AO, A1-A30, AE, A99, AH, V1-V30, VE or V. [Also defined in FBC, B Section 202.]

Start of construction. The date of issuance of permits for new construction and substantial improvements, provided the actual start of construction, repair, reconstruction, rehabilitation, addition, placement, or other improvement is within 180 days of the date of the issuance. The actual start of construction means either the first

placement of permanent construction of a building (including a manufactured home) on a site, such as the pouring of slab or footings, the installation of piles, the construction of columns.

Permanent construction does not include land preparation (such as clearing, grading, or filling), the installation of streets or walkways, excavation for a basement, footings, piers, or foundations, the erection of temporary forms or the installation of accessory buildings such as garages or sheds not occupied as dwelling units or not part of the main buildings. For a substantial improvement, the actual "start of construction" means the first alteration of any wall, ceiling, floor or other structural part of a building, whether or not that alteration affects the external dimensions of the building. [Also defined in FBC, B Section 202.]

Substantial damage. Damage of any origin sustained by a building or structure whereby the cost of restoring the building or structure to its before-damaged condition would equal or exceed 50 percent of the market value of the building or structure before the damage occurred. [Also defined in FBC, B Section 202.]

Substantial improvement. Any repair, reconstruction, rehabilitation, addition, or other improvement of a building or structure, the cost of which equals or exceeds 50 percent of the market value of the building or structure before the improvement or repair is started. If the structure has incurred "substantial damage," any repairs are considered substantial improvement regardless of the actual repair work performed. The term does not, however, include either: [Also defined in FBC, B, Section 202.]

- (1) Any project for improvement of a building required to correct existing health, sanitary, or safety code violations identified by the building official and that are the minimum necessary to assure safe living conditions.
- (2) Any alteration of a historic structure provided the alteration will not preclude the structure's continued designation as a historic structure. [See *Instructions and Notes*]

Variance. A grant of relief from the requirements of this ordinance, or the flood resistant construction requirements of the *Florida Building Code*, which permits construction in a manner that would not otherwise be permitted by this ordinance or the *Florida Building Code*.

Watercourse. A river, creek, stream, channel or other topographic feature in, on, through, or over which water flows at least periodically.

ARTICLE III. FLOOD RESISTANT DEVELOPMENT

Section 34-29 Buildings and Structures

(a) **Design and construction of buildings, structures and facilities exempt from the *Florida Building Code*.** Pursuant to Section 104.3 of this ordinance, buildings, structures, and facilities that are exempt from the *Florida Building Code*, including substantial improvement or repair of substantial damage of such buildings, structures and facilities, shall be designed and constructed in accordance with the flood load and flood resistant construction requirements of ASCE 24. Structures exempt from the *Florida Building Code* that are not walled and roofed buildings shall comply with the requirements of Section 307 of this ordinance.

Section 34-30 Subdivisions

(a) **Minimum requirements.** Subdivision proposals, including proposals for manufactured home parks and subdivisions, shall be reviewed to determine that:

- (1) Such proposals are consistent with the need to minimize flood damage and will be reasonably safe from flooding;
- (2) All public utilities and facilities such as sewer, gas, electric, communications, and water systems are located and constructed to minimize or eliminate flood damage; and
- (3) Adequate drainage is provided to reduce exposure to flood hazards; in Zones AH and AO, adequate drainage paths shall be provided to guide floodwaters around and away from proposed structures.

(b) **Subdivision plats.** Where any portion of proposed subdivisions, including manufactured home parks and subdivisions, lies within a flood hazard area, the following shall be required:

- (1) Delineation of flood hazard areas, flood zones, and design flood elevations, as appropriate, shall be shown on preliminary plats;
- (2) Where the subdivision has more than 50 lots or is larger than 5 acres and base flood elevations are not included on the FIRM, the base flood elevations determined in accordance with Section 34-23(b) of this ordinance; and
- (3) Compliance with the site improvement and utilities requirements of Section 303 of this ordinance.

Section 34-31 Site Improvements, Utilities and Limitations

(a) **Minimum requirements.** All proposed new development shall be reviewed to determine that:

- (1) Such proposals are consistent with the need to minimize flood damage and will be reasonably safe from flooding;
- (2) All public utilities and facilities such as sewer, gas, electric, communications, and

water systems are located and constructed to minimize or eliminate flood damage; and

- (3) Adequate drainage is provided to reduce exposure to flood hazards; in Zones AH and AO, adequate drainage paths shall be provided to guide floodwaters around and away from proposed structures.

(b) Sanitary sewage facilities. All new and replacement sanitary sewage facilities, private sewage treatment plants (including all pumping stations and collector systems), and on-site waste disposal systems shall be designed in accordance with the standards for onsite sewage treatment and disposal systems in Chapter 64E-6, F.A.C. and ASCE 24 Chapter 7 to minimize or eliminate infiltration of floodwaters into the facilities and discharge from the facilities into flood waters, and impairment of the facilities and systems.

(c) Water supply facilities. All new and replacement water supply facilities shall be designed in accordance with the water well construction standards in Chapter 62-532.500, F.A.C. and ASCE 24 Chapter 7 to minimize or eliminate infiltration of floodwaters into the systems.

(d) Limitations on placement of fill. Subject to the limitations of this ordinance, fill shall be designed to be stable under conditions of flooding including rapid rise and rapid drawdown of floodwaters, prolonged inundation, and protection against flood-related erosion and scour. In addition to these requirements, if intended to support buildings and structures (Zone A only), fill shall comply with the requirements of the *Florida Building Code*.

Section 34-32 Manufactures Homes

(a) General. All manufactured homes installed in flood hazard areas shall be installed by an installer that is licensed pursuant to section 320.8249, F.S., and shall comply with the requirements of Chapter 15C-1, F.A.C. and the requirements of this ordinance.

(b) Foundations. All new manufactured homes and replacement manufactured homes installed in flood hazard areas shall be installed on permanent, reinforced foundations that are designed in accordance with the foundation requirements of the *Florida Building Code Residential* Section R322.2 and this ordinance. Foundations for manufactured homes subject to Section 304.6 of this ordinance are permitted to be reinforced piers or other foundation elements of at least equivalent strength.

(c) Anchoring. All new manufactured homes and replacement manufactured homes shall be installed using methods and practices which minimize flood damage and shall be securely anchored to an adequately anchored foundation system to resist flotation,

collapse or lateral movement. Methods of anchoring include, but are not limited to, use of over-the-top or frame ties to ground anchors. This anchoring requirement is in addition to applicable state and local anchoring requirements for wind resistance.

(d) Elevation. Manufactured homes that are placed, replaced, or substantially improved shall comply with Section 304.5 or 304.6 of this ordinance, as applicable.

(e) General elevation requirement. Unless subject to the requirements of Section 304.6 of this ordinance, all manufactured homes that are placed, replaced, or substantially improved on sites located: (a) outside of a manufactured home park or subdivision; (b) in a new manufactured home park or subdivision; (c) in an expansion to an existing manufactured home park or subdivision; or (d) in an existing manufactured home park or subdivision upon which a manufactured home has incurred "substantial damage" as the result of a flood, shall be elevated such that the bottom of the frame is at or above the elevation required, as applicable to the flood hazard area, in the *Florida Building Code, Residential* Section R322.2 (Zone A).

(f) Elevation requirement for certain existing manufactured home parks and subdivisions. Manufactured homes that are not subject to Section 304.5 of this ordinance, including manufactured homes that are placed, replaced, or substantially improved on sites located in an existing manufactured home park or subdivision, unless on a site where substantial damage as result of flooding has occurred, shall be elevated such that either the:

- (1) Bottom of the frame of the manufactured home is at or above the elevation required in the *Florida Building Code, Residential* Section R322.2 (Zone A); or
- (2) Bottom of the frame is supported by reinforced piers or other foundation elements of at least equivalent strength that are not less than 48 inches in height above grade.

(g) Enclosures. Enclosed areas below elevated manufactured homes shall comply with the requirements of the *Florida Building Code, Residential* Section R322.2 for such enclosed areas.

(h) Utility equipment. Utility equipment that serves manufactured homes, including electric, heating, ventilation, plumbing, and air conditioning equipment and other service facilities, shall comply with the requirements of the *Florida Building Code, Residential* Section R322.

Section 34-33. Recreational Vehicles and Park Trailers

(a) Temporary placement. Recreational vehicles and park trailers placed temporarily in flood hazard areas shall:

- (1) Be on the site for fewer than 180 consecutive days; or
- (2) Be fully licensed and ready for highway use, which means the recreational vehicle or park model is on wheels or jacking system, is attached to the site only by quick-disconnect type utilities and security devices, and has no permanent attachments such as additions, rooms, stairs, decks and porches.

(b) Permanent placement. Recreational vehicles and park trailers that do not meet the limitations in Section 34-33(a) of this ordinance for temporary placement shall meet the requirements of Section 34-32 of this ordinance for manufactured homes.

Section 34-34 Tanks

(a) Underground tanks. Underground tanks in flood hazard areas shall be anchored to prevent flotation, collapse or lateral movement resulting from hydrodynamic and hydrostatic loads during conditions of the design flood, including the effects of buoyancy assuming the tank is empty.

(b) Above-ground tanks, not elevated. Above-ground tanks that do not meet the elevation requirements of Section 34-34(c) of this ordinance shall be permitted in flood hazard areas provided the tanks are anchored or otherwise designed and constructed to prevent flotation, collapse or lateral movement resulting from hydrodynamic and hydrostatic loads during conditions of the design flood, including the effects of buoyancy assuming the tank is empty and the effects of flood-borne debris.

(c) Above-ground tanks, elevated. Above-ground tanks in flood hazard areas shall be attached to and elevated to or above the design flood elevation on a supporting structure that is designed to prevent flotation, collapse or lateral movement during conditions of the design flood. Tank-supporting structures shall meet the foundation requirements of the applicable flood hazard area.

(d) Tank inlets and vents. Tank inlets, fill openings, outlets and vents shall be:

- (1) At or above the design flood elevation or fitted with covers designed to prevent the inflow of floodwater or outflow of the contents of the tanks during conditions of the design flood; and
- (2) Anchored to prevent lateral movement resulting from hydrodynamic and hydrostatic loads, including the effects of buoyancy, during conditions of the design flood.

Section 34-35 Other Development

(a) General requirements for other development. All development, including man-made changes to improved or unimproved real estate for which specific provisions are

not specified in this ordinance or the *Florida Building Code*, shall:

- (1) Be located and constructed to minimize flood damage;
- (2) Be anchored to prevent flotation, collapse or lateral movement resulting from hydrostatic loads, including the effects of buoyancy, during conditions of the design flood;
- (3) Be constructed of flood damage-resistant materials; and
- (4) Have mechanical, plumbing, and electrical systems above the design flood elevation or meet the requirements of ASCE 24, except that minimum electric service required to address life safety and electric code requirements is permitted below the design flood elevation provided it conforms to the provisions of the electrical part of building code for wet locations.

Section 3. The South Bay Code of Ordinances Chapter 6 Building and Construction Regulations is hereby amended by the following technical amendments to the *Florida Building Code, Residential*.

R322.2.1 Elevation requirements.

1. Buildings and structures in flood hazard areas not designated as Coastal A Zones shall have the lowest floors elevated to or above the base flood elevation plus 1 foot or the design flood elevation, whichever is higher.
2. Buildings and structures in flood hazard areas designated as Coastal A Zones shall have the lowest floors elevated to or above the base flood elevation plus 1 foot (305 mm), or to the design flood elevation, whichever is higher.
3. In areas of shallow flooding (AO Zones), buildings and structures shall have the lowest floor (including basement) elevated at least as high above the highest adjacent grade as the depth number specified in feet on the

FIRM plus 1 foot, or at least 3 feet ~~2 feet (610 mm)~~ if a depth number is not specified.

4. Basement floors that are below grade on all sides shall be elevated to or above the base flood elevation plus 1 foot or the design flood elevation, whichever is higher.

Exception: Enclosed areas below the design flood elevation, including basements whose floors are not below grade on all sides, shall meet the requirements of Section R322.2.2.

Section 4. Fiscal Impact Statement.

In terms of design, plan application review, construction and inspection of buildings and structures, the cost impact as an overall average is negligible in regard to the local technical amendments because all development has been subject to the requirements of the local floodplain management ordinance adopted for participation in the National Flood Insurance Program. In terms of lower potential for flood damage, there will be continued savings and benefits to consumers.

Section 5. Conflict and Repealer.

Any and all ordinances and regulations in conflict herewith are hereby repealed to the extent of any conflict.

Section 6. Applicability.

For the purposes of jurisdictional applicability, this ordinance shall apply in the City of South Bay. This ordinance shall apply to all applications for development, including building permit applications and subdivision proposals, submitted on or after

the effective date of this ordinance.

Section 7. Inclusion into the Code of Ordinances.

It is the intent of the City Commission that the provisions of this ordinance shall become and be made a part of the City of South Bay's Code of Ordinances, and that the sections of this ordinance may be renumbered or relettered and the word "ordinance" may be changed to "section," "article," "regulation," or such other appropriate word or phrase in order to accomplish such intentions.

Section 8. Severability.

If any section, subsection, sentence, clause or phrase of this ordinance is, for any reason, declared by the courts to be unconstitutional or invalid, such decision shall not affect the validity of the ordinance as a whole, or any part thereof, other than the part so declared.

Section 9. Effective Date.

This Ordinance shall take effect immediately upon final passage and adoption.

PASSED FIRST READING this ____ day of _____ 2017.

PASSED SECOND READING this ____ day of _____ 2017.

Joe Kyles, Mayor

Attested

By: _____
Jessica Figueroa, City Clerk

APPROVED AS TO FORM AND

LEGAL SUFFICIENCY:

Burnadette Norris-Week, Esquire
City Attorney

Moved by: _____

Seconded by: _____

VOTE:

Commissioner Berry	_____ (Yes)	_____ (No)
Commissioner McKelvin	_____ (Yes)	_____ (No)
Commissioner Scott	_____ (Yes)	_____ (No)
Vice-Mayor Wilson	_____ (Yes)	_____ (No)
Mayor Kyles	_____ (Yes)	_____ (No)

ORDINANCE 09-2017

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF SOUTH BAY, FLORIDA, REGARDING MEDICAL MARIJUANA; EXTENDING THE IMPOSITION OF A TEMPORARY MORATORIUM ON THE ESTABLISHMENT AND OPERATION OF MEDICAL MARIJUANA DISPENSING ORGANIZATIONS AND MEDICAL MARIJUANA TREATMENT CENTERS WITHIN THE CITY FOR AN ADDITIONAL PERIOD OF 180 DAYS; PROVIDING FOR APPLICABILITY; PROVIDING FOR DURATION; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Florida Legislature in 2014 enacted a medical marijuana law, the "Compassionate Medical Cannabis Act of 2014" (codified as Section 381.986, Florida Statutes) which authorized a limited number of large nurseries to cultivate, process, transport, and dispense non-euphoric, low THC cannabis and operate as "Dispensing Organizations" for individuals with certain specified serious ailments; and

WHEREAS, the Florida Legislature in 2016 amended the Compassionate Medical Cannabis Act (Section 381.986, Florida Statutes) to include the use of "medical marijuana" for eligible patients with terminal conditions; and

WHEREAS, the 2016 Amendment to Section 381.986, Florida Statutes, expanded the type of marijuana available to eligible patients beyond low THC cannabis to include all types of marijuana, and the statutory amendment has been

codified and has become effective in the State of Florida; and

WHEREAS, on November 8, 2016, Florida's voters voted in favor of an amendment to the Florida Constitution, titled "Use of Marijuana for Debilitating Medical Conditions" ("Amendment 2"); and

WHEREAS, by passage of Ordinance 06-2016 on January 3, 2017, the City Commission of the City of South Bay ("City") determined that additional time was needed to review, study, hold public hearings and prepare and adopt amendments to the Code of Ordinances consistent with guidance from the State of Florida on new Medical Marijuana Treatment Facilities and Dispensing Organizations; and

WHEREAS, since the passage of Ordinance 06-2016, multiple legislative bills have been introduced which, if enacted, and become law may substantially change the ability of the City of South Bay to regulate in this area; and

WHEREAS, the original moratorium will expire on July 3, 2017, which would be prior to the City Commission's next meeting on July 18, 2017; and

WHEREAS, an additional One Hundred Eighty (180) day extension of the moratorium is needed and such extension would be in the best interests of the residents of the City.

NOW THEREFORE BE IT ORDAINED, by the City Commission of the City of South Bay, Florida:

Section 1. Adoption of Representations.

The foregoing "Whereas clauses are hereby ratified and confirmed as being true, and the same are hereby made a specific part of this Resolution.

Section 2. Findings.

The recitals set forth in the "Whereas" clauses above are true and correct and are hereby adopted as findings by the City Commission for the adoption of this Ordinance.

Section 3. 180 Day Extension of Temporary Moratorium.

The City of South Bay hereby extends the time set forth in Ordinance 06-2016, that passed on January 3, 2017, for an additional a One Hundred Eighty (180) Day period regarding the establishment and operation of Medical Marijuana Dispensary Organizations and Medical Marijuana Treatment Centers (as referenced in Section 381.986, Florida Statutes and Constitutional Amendment 2 respectively). Further, while the moratorium is in effect, the City shall not accept, process or approve, any application relating to the establishment or operation of a Medical Marijuana Dispensing Organization or Medical Marijuana Treatment Center. Nothing in this temporary moratorium shall be construed to prohibit the permitted use of medical marijuana or low THC cannabis by a qualified or eligible patient, as determined by a licensed Florida physician pursuant to Amendment 2, Section 381.986, Florida Statutes or other Florida law as applicable.

Section 4. Conflict & Repealer.

All ordinances, parts of ordinances or code provisions in conflict herewith ordinance are hereby repealed.

Section 5. Severability.

If any section, sentence, clause or any other provision of this Ordinance shall be held invalid or be found unconstitutional by a court of competent jurisdiction, such

invalidity or unconstitutionality shall not be construed so as to render invalid or unconstitutional the remaining sections, sentences, provisions or clauses of this Ordinance.

Section 6. Inclusion In Code.

It is the intention of the City Commission of the City of South Bay, if applicable, that the provisions of this Ordinance shall at some time in the future become and be made a part of the Code of Ordinances of the City of South Bay and that the sections of this Ordinance may be renumbered or re-lettered and the word "Ordinance" may be changed to "Chapter," "Section," "Article" or such other appropriate word or phrase, the use of which shall accomplish the intentions herein expressed; provided, however, that Section 1 hereof or the provisions contemplated thereby shall not be codified.

Section 7. Effective Date:

This Ordinance shall become effective as provided by law. The moratorium shall terminate one hundred eighty (180) days from July 3, 2017, unless the City Commission rescinds or extends the moratorium by subsequent ordinance.

PASSED FIRST READING this ____ day of _____ 2017.

PASSED SECOND READING this ____ day of _____ 2017.

Joe Kyles, Mayor

Attested

By: _____
Jessica Figueroa, City Clerk

**APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:**

Burnadette Norris-Week, Esquire
City Attorney

Moved by: _____

Seconded by: _____

VOTE:

Commissioner Berry	_____ (Yes)	_____ (No)
Commissioner McKelvin	_____ (Yes)	_____ (No)
Commissioner Scott	_____ (Yes)	_____ (No)
Vice-Mayor Wilson	_____ (Yes)	_____ (No)
Mayor Kyles	_____ (Yes)	_____ (No)



City of South Bay

South Bay City Hall
335 SW 2nd Avenue
South Bay, FL 33493
Telephone: 561-996-6751
Facsimile: 561-996-7950

www.southbaycity.com

Commission

Joe Kyles Sr.
Mayor

John Wilson
Vice Mayor

Esther E. Berry
Shanique S. Scott

Taranza McKelvi

Leondrae Camel,
City Manager

Jessica Figueroa, City Clerk

Bernadette Norris-Weeks
City Attorney

"An equal Opportunity
Affirmative Action Employer"

To: Honorable Mayor and Commissioners
From: Massih Saadatmand, Finance Director
Thru: Mr. Leondrae Camel, City Manager
Date: June 1, 2017
Ref: Weekly check register

Enclosed, please find the summary of check register as of June 1, 2017:

General Fund

• Utility:

At & T	\$ 717.95
DeltaCom	1,256.82
Comcast	269.03

• Clarke	1,188.00
• HCT	10,000.00
• Norris-Weeks	10,242.95
• PBC Sheriff	15,230.33
• Deposit Refund	257.00
• Purchased of supplies, materials and parts	1,467.73 ^A
• Payment for various services	1,903.50 ^C
• Payroll deductions	130.00 ^B
• Other	<u>3,135.00 ^D</u>

Total	<u>\$ 45,798.31</u>
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Capital Project

Board of PB County	\$ 22,609.04
Ryman Commercial Roofing	38,549.00
Weekley Asphalt	<u>118,633.40</u>

Total	<u>\$ 164,569.22</u>
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Sanitation Fund

Waste Management	<u>\$ 33,544.78</u>
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Revenues:

• FP & L (Franchise & Utility tax)	\$ 31,485.12
• Ad Valorem Tax	13,081.06
• Communication Tax	4,331.15
• Local Option Gas Tax	12,500.45
• PBC WU	270,223.20
• Other	18,839.50
• Revenue Sharing	13,841.65
• Sales Tax	<u>42,564.22</u>

Total	<u>\$ 406,866.35</u>
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AP Check Register Report
City Of South Bay (CSBFND)

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Check Number	Vendor Number	Vendor Name	Check Date	Check Amount
9947	AT&T MOBILITY	AT&T MOBILITY -ROC	5/25/2017	717.95
9948	DELTACOM 1058	EARTHLINK	5/25/2017	1,256.82
9949	EL LATINO	EL LATINO	5/25/2017	192.00 C
9950	GREG VANN BUCKLE	GREGORY VANN BUCKLE	5/25/2017	900.00 D
9951	JOHN WILSON	JOHN WILSON	5/25/2017	125.00 J
9952	LATONIA MCFARLAND	LATONIA MCFARLAND	5/25/2017	150.00 X
9953	LOWE'S	LOWE'S	5/25/2017	747.30 A
9954	ROLFE & LOBELLO, P.A.	ROLFE & LOBELLO, P.A.	5/25/2017	130.00 B
Non-Electronic Transactions:				4,219.07
Total Transactions:				4,219.07

AP Check Register Report

City Of South Bay (CSBFND)

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Page 1

Check Number	Vendor Number	Vendor Name	Check Date	Check Amount	
9931	BELLE GLADE CHEVROLET	BELLE GLADE CHEVROLET	5/19/2017	83.51	A
9932	BURNADETTE NORRIS-W	BURNADETTE NORRIS-WEEKS	5/19/2017	10,242.95	
9933	CLARKE	CLARKE	5/19/2017	1,188.00	
9934	FPHRA	FPHRA	5/19/2017	500.00	D
9935	HCT	HARVEY, COVINGTON & THOMAS	5/19/2017	10,000.00	
9936	JOHN DEERE FINANCIAL	JOHN DEERE FINANCIAL	5/19/2017	496.63	C
9937	JP ELECTRONIC	JEFF PAULO D/B/A JP ELECTRONICS &	5/19/2017	181.00)
9938	LAKE HARDWARE	LAKE HARDWARE	5/19/2017	9.89	A
9939	LIFESAFETY	LIFESAFETY	5/19/2017	210.00	D
9940	MAILFINANCE	MAILFINANCE	5/19/2017	342.00	C
9941	PBC SHERIFF'S OFFICE	PALM BEACH COUNTY SHERIFF'S OFFICE	5/19/2017	15,230.33	
9942	ROBBIE TIRE	ROBBIE TIRE	5/19/2017	297.88	A
9943	SEASON TO SEASON, LLC	SEASON TO SEASON, LLC	5/19/2017	180.00	C
9944	SEMINOLE SUPPLY CO	SEMINOLE SUPPLY CO	5/19/2017	11.43	A
9945	U & ME RECORDS MANAC	U & ME RECORDS MANAGEMENT	5/19/2017	303.02	C
9946	XEROX CORP	XEROX CORPORATION	5/19/2017	208.85	L
Non-Electronic Transactions:				39,485.49	
Total Transactions:				39,485.49	

AP Check Register Report
City Of South Bay (CSBFND)

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Check Number	Vendor Number	Vendor Name	Check Date	Check Amount
9927	COMCAST	COMCAST	5/11/2017	269.03
9928	GREG VANN BUCKLE	GREG VANN BUCKLE	5/11/2017	900.00
9929	JENNETTE WHITE	JENNETTE WHITE	5/11/2017	107.00
9930	OFFICE DEPOT CREDIT	OFFICE DEPOT CREDIT PLAN	5/11/2017	317.72
Non-Electronic Transactions:				1,593.75
Total Transactions:				1,593.75

AP Check Register Report
City Of South Bay (CSBFND)

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Check Number	Vendor Number	Vendor Name	Check Date	Check Amount
9926	SAM KING CATERING	SAMUEL KING	5/11/2017	500.00
Non-Electronic Transactions:				500.00
Total Transactions:				500.00

AP Check Register Report
City Of South Bay (CSBFND)

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Page 1

Check Number	Vendor Number	Vendor Name	Check Date	Check Amount
103	PBC BOARD OF COUNTY	PALM BEACH COUNTY ENGINEERING & PUBLIC WO	5/19/2017	22,609.04
104	RYMAN COMMERCIAL RC	RYMAN COMMERCIAL ROOFING	5/19/2017	38,549.00
105	WEEKLY ASPHALT PAVIN	WEEKLEY ASPHALT PAVING, INC.	5/19/2017	103,411.18
Non-Electronic Transactions:				164,569.22
Total Transactions:				164,569.22

AP Check Register Report
City Of South Bay (CSBFND)

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Page 1

Check Number	Vendor Number	Vendor Name	Check Date	Check Amount
00142	WASTE MANAGEMENT	WASTE MANAGEMENT	5/19/2017	33,544.78
Non-Electronic Transactions:				33,544.78
Total Transactions:				33,544.78