



***AMENDED**

AGENDA

FERNANDINA BEACH CITY COMMISSION
REGULAR MEETING
SEPTEMBER 6, 2016
6:00 P.M.
CITY HALL COMMISSION CHAMBERS
204 ASH STREET
FERNANDINA BEACH, FL 32034

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE / INVOCATION

Invocation by Reverend Noel Roberts of North 14th Street Baptist Church.

4. PROCLAMATION / PRESENTATION

4.1. PROCLAMATION – ARBOR DAY

Proclaims Friday, September 16, 2016 as “Arbor Day”. Ms. Reha London with the newly established Bartram Garden Club will be present to accept the Proclamation.

Documents:

[Arbor Day 2016.pdf](#)

4.2. PRESENTATION - NORTH FLORIDA TRANSPORTATION PLANNING ORGANIZATION

Representatives from the North Florida Transportation Planning Organization will provide an update regarding the Island-wide Bicycle and Pedestrian Focus Area Study.

Documents:

[North Florida TPO.pdf](#)

5. PUBLIC COMMENT REGARDING ITEMS NOT ON THE AGENDA OR ITEMS ON THE CONSENT AGENDA

6. CONSENT AGENDA

6.1. APPROVAL OF MINUTES

Special Meeting – July 26, 2016; Regular Meeting – August 2, 2016; Workshop Meeting – August 9, 2016.

Documents:

[Minutes Summary.pdf](#)
[July 26 Special Meeting.pdf](#)
[August 2 Regular Meeting.pdf](#)
[August 9 Workshop.pdf](#)

6.2. FACILITIES USE AGREEMENT – DRIVING DYNAMICS, INC.

RESOLUTION 2016-103 APPROVING A FACILITIES USE AGREEMENT WITH DRIVING DYNAMICS, INC. TO USE AIRPORT PROPERTY TO CONDUCT CORPORATE DRIVER TRAINING FROM OCTOBER 31, 2016 THROUGH NOVEMBER 1, 2016; AUTHORIZING EXECUTION; AND PROVIDING FOR AN EFFECTIVE DATE. *Synopsis: Approves a Facilities Use Agreement with Driving Dynamics, Inc. for corporate drivers training from October 31, 2016 through November 1, 2016.*

Documents:

[Resolution 2016-103.pdf](#)

6.3. CONTRACT RENEWAL – PURVIS GRAY & COMPANY AUDIT SERVICES

RESOLUTION 2016-104 APPROVING AN EXTENSION TO THE CONTRACT WITH PURVIS GRAY & COMPANY FOR AUDITING SERVICES; AUTHORIZING EXECUTION; AND PROVIDING FOR AN EFFECTIVE DATE. *Synopsis: Approves the option to extend the audit services contract with Purvis Gray & Company for two years through the fiscal year ending September 30, 2017.*

Documents:

[Resolution 2016-104.pdf](#)

7. RESOLUTIONS

7.1. BUDGET AMENDMENTS – SICK LEAVE PAYOUTS

RESOLUTION 2016-105 APPROVING AN AMENDMENT TO THE BUDGET FOR FISCAL YEAR 2015/2016; AND PROVIDING FOR AN EFFECTIVE DATE. *Synopsis: Approves the following budget amendments: a \$38,443 transfer from the Marina Reserve account to the Marina Salaries account (\$35,711) and to the Marina FICA account (\$2,732); a \$6,118 transfer from the Golf Reserves account to the Golf Salaries account (\$5,683) and to the Golf FICA account (\$435).*

Documents:

[Resolution 2016-105.pdf](#)

7.2. AWARD OF BID # 16-10 - GATE FUEL SERVICE, INC.

RESOLUTION 2016-106 AWARDED BID #16-10 TO GATE FUEL SERVICE, INC. FOR FISCAL YEAR 2016/2017 FOR THE MARINA DEPARTMENT; AUTHORIZING EXECUTION; AND PROVIDING FOR AN EFFECTIVE DATE. *Synopsis: Awards annual bid #16-10 for Marina Gasoline and Diesel Fuel to Gate Fuel Service, Inc. for FY 2016/2017.*

Documents:

[Resolution 2016-106.pdf](#)

7.3. CREATION OF PROPERTY ASSESSED CLEAN ENERGY PROGRAM

Approves creation of a Property Assessed Clean Energy Program through Florida Development Finance Corporation and Renovate America.

Documents:

[2016-107 Creation of PACE.pdf](#)

7.4. APPROVES DEVELOPMENT AGREEMENT

Approves a Development Agreement with LignoTech

Documents:

[2016-108 Development Agreement LignoTech Florida LLC.pdf](#)

8. ORDINANCES – SECOND READING

8.1. ANNUAL PAY & CLASSIFICATION PLAN

ORDINANCE 2016-20 ESTABLISHING AN UPDATED CLASSIFICATION PLAN FOR FISCAL YEAR 2016-2017, PURSUANT TO SECTION 120 OF THE CITY CHARTER AND SECTION 62-247 OF THE CODE OF ORDINANCES OF THE CITY; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE. *Synopsis: Establishes the Pay and Classification Plan for FY 2016/2017.*

Documents:

[Ordinance 2016-20.pdf](#)

8.2. CODE AMENDMENT – GENERAL EMPLOYEES’ PENSION PLAN

ORDINANCE 2016-21 AMENDING CHAPTER 62, PERSONNEL, ARTICLE III, GENERAL EMPLOYEES' PENSION PLAN, OF THE CODE OF ORDINANCES OF THE CITY OF FERNANDINA BEACH; AMENDING SECTION 62-71, DEFINITIONS; AMENDING SECTION 62-72, MEMBERSHIP; AMENDING SECTION 62-74, FINANCES AND FUND MANAGEMENT; AMENDING SECTION 62-76, BENEFIT AMOUNTS AND ELIGIBILITY; AMENDING SECTION 62-77, PRE-RETIREMENT DEATH; AMENDING SECTION 62-78, DISABILITY; AMENDING SECTION 62-80, OPTIONAL FORMS OF BENEFITS; AMENDING SECTION 62-84, MAXIMUM PENSION; AMENDING SECTION 62-87, REPEAL OR TERMINATION OF SYSTEM; AMENDING SECTION 62-96, DEFERRED RETIREMENT OPTION PLAN; AMENDING SECTION 62-97, PRIOR GOVERNMENT SERVICE; AMENDING SECTION 62-99, REEMPLOYMENT AFTER RETIREMENT; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH AND PROVIDING AN EFFECTIVE DATE. *Synopsis: Amends various sections of the City Code pertaining to the General Employees' Pension Plan.*

Documents:

[Ordinance 2016-21.pdf](#)

8.3. CODE AMENDMENT – FIREFIGHTERS’ AND POLICE OFFICERS’ PENSION PLAN

ORDINANCE 2016-22 AMENDING CHAPTER 62, PERSONNEL, ARTICLE IV, FIREFIGHTERS' AND POLICE OFFICERS' PENSION PLAN, OF THE CODE OF ORDINANCES OF THE CITY OF FERNANDINA BEACH; AMENDING SECTION 62-111, DEFINITIONS; AMENDING SECTION 62-114, FINANCES AND FUND MANAGEMENT; AMENDING SECTION 62-116, BENEFIT AMOUNTS AND ELIGIBILITY; AMENDING SECTION 62-117, PRE-RETIREMENT DEATH; AMENDING SECTION 62-118, DISABILITY; AMENDING SECTION 62-120, OPTIONAL FORMS OF BENEFITS; AMENDING SECTION 62-125, MAXIMUM PENSION; AMENDING SECTION 62-137, PRIOR POLICE OR FIRE SERVICE; AMENDING SECTION 62-138, DEFERRED RETIREMENT OPTION PLAN; ADDING SECTION 62-140, SUPPLEMENTAL BENEFIT COMPONENT FOR SPECIAL BENEFITS; CHAPTER 175 AND 185 SHARE ACCOUNTS; PROVIDING FOR CODIFICATION; PROVIDING

FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HERewith AND PROVIDING AN EFFECTIVE DATE. *Synopsis: Amends various sections of the City Code pertaining to the Firefighters' and Police Officers' Pension Plan.*

Documents:

[Ordinance 2016-22.pdf](#)

9. DISCUSSION – DIRECTION – ACTION ITEMS

9.1. CHARTER OFFICERS' PERFORMANCE EVALUATIONS

Documents:

[Charter Officers Performance Evaluations.pdf](#)

10. CITY MANAGER REPORTS

11. CITY ATTORNEY REPORTS

12. CITY CLERK REPORTS

13. MAYOR/COMMISSIONER COMMENTS

14. ADJOURNMENT

-
- A THREE (3) MINUTE TIME LIMIT MAY BE IMPOSED FOR ALL SPEAKERS (EXCEPT IN A QUASI-JUDICIAL HEARING). A "REQUEST TO SPEAK" FORM IS AVAILABLE ON THE COUNTER AT THE ENTRANCE TO THE COMMISSION CHAMBERS. THE FORM SHOULD BE GIVEN TO THE CITY CLERK UPON COMPLETION.
 - IN ACCORDANCE WITH STATE LAW, ITEMS NOT ON THE AGENDA MAY BE BROUGHT UP FOR DISCUSSION BUT NO ACTION MAY BE TAKEN BY THE CITY COMMISSION. IF APPROPRIATE THE ITEM MAY BE SCHEDULED ON A FUTURE AGENDA.
 - THE MAYOR WILL DETERMINE THE ORDER OF THE SPEAKERS AND MAY IMPOSE MORE RESTRICTIVE TIME LIMITS.
 - ONE PERSON WILL SPEAK AT A TIME AND ADDRESS COMMENTS TO THE MAYOR, NOT INDIVIDUAL CITY COMMISSION MEMBERS.
 - THE CITY COMMISSION MAY ASK QUESTIONS OF SPEAKERS WHO WILL HAVE ONE MINUTE TO RESPOND. ADDITIONAL TIME MAY BE GRANTED AT THE DISCRETION OF THE MAYOR OR BY A MOTION BY THE CITY COMMISSION.
 - SPEAKERS MAY FILE COPIES OF THEIR REMARKS WITH THE CITY CLERK WHO WILL MAKE THEM AVAILABLE TO THE COMMISSION.
 - FERNANDINA BEACH CITIZENS WILL SPEAK BEFORE NONRESIDENTS AND SPEAKERS WILL LIMIT REMARKS TO THE SPECIFIC SUBJECT MATTER.
 - DISCUSSION – DIRECTION - ACTION ITEMS MAY BE ACTED UPON BY THE CITY COMMISSION BY EITHER MOTION AND VOTE IN ACCORDANCE WITH ROBERTS RULES OF ORDER, OR BY A CONSENSUS OF THE CITY COMMISSION.
 - PURSUANT TO RESOLUTION 95-32, IF AN ITEM IS NOT ON THE AGENDA IT REQUIRES A FOUR-FIFTHS VOTE OF THE CITY COMMISSION DECLARING THE ITEM AN EMERGENCY

BEFORE ACTION CAN BE TAKEN.

- QUASI-JUDICIAL - DENOTES THAT THE ITEM MUST BE CONDUCTED AS A QUASI-JUDICIAL HEARING IN ACCORDANCE WITH CITY COMMISSION ESTABLISHED PROCEDURE AND FLORIDA STATUTES. ANY PERSON WISHING TO APPEAL ANY QUASI-JUDICIAL DECISION MADE BY THE COMMISSION WITH RESPECT TO ANY MATTER CONSIDERED AT SUCH MEETING OR HEARING WILL NEED A RECORD OF THE PROCEEDINGS, AND, FOR SUCH PURPOSES, 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 MADE.

Persons with disabilities requiring accommodations in order to participate should contact the City Clerk at (904) 310-3115 or TTY/TDD 711 (for the hearing or speech impaired).

CITY COMMISSION AGENDA ITEM
City of Fernandina Beach



SUBJECT: Proclamation of Arbor Day 2016

ITEM TYPE: Ordinance Resolution Other
 Proclamation Presentation

REQUESTED ACTION: **Proclaim Friday, September 16, 2016 as Arbor Day**

SYNOPSIS: Attached is a Proclamation for Arbor Day on Friday, September 16, 2016 at 10am. Ms. Reha London with the newly established Bartram Garden Club will accept the proclamation. The City's Arbor Day will take place along S. 3rd Street right-of-way where a screening planting will be installed along the railyard area. The planting will consist of Southern Red Cedar and American Sweet Gum trees. The public is invited to attend the event.

FISCAL IMPACT: None

2016/2017 CITY COMMISSION GOALS: Beach Safety Alachua Street
(As approved by Resolution 2016-51) Soccer Field Lighting Stormwater
 Downtown Density Opportunity
 ADA Improvements Departmental
 Consideration

CITY ATTORNEY COMMENTS: No additional comments.

CITY MANAGER RECOMMENDATION(S): I recommend that the City Commission proclaim Friday, September 16, 2016 as Arbor Day. *DM*

DEPARTMENT DIRECTOR Submitted by: Marshall McCrary *[Signature]* Date: 8/23/16
CDD Director
CONTROLLER Approved as to Budget Compliance Date:
CITY ATTORNEY Approved as to Form and Legality Date:
CITY MANAGER Approved Agenda Item for 09/06/16 *DM* Date: 8/23/16

COMMISSION ACTION: Approved As Recommended Disapproved
 Approved With Modification Postponed to Time Certain
 Other Tabled

Proclamation

WHEREAS, in 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for planting of trees, and

WHEREAS, the first Arbor Day was observed with the planting of more than a million trees in Nebraska and now observed throughout the nation and the world; and

WHEREAS, trees can reduce the erosion of our precious topsoil by wind and water, cut heating and cooling costs, moderate the temperature, clean the air, produce life- giving oxygen, and provide habitat for wildlife; and

WHEREAS, trees in our city increase property values, enhance the economic vitality of business areas, and beautify our community; and

WHEREAS, the City celebrates its 14th year as a designated Tree City USA community; and

WHEREAS, the City wishes to recognize the contributions towards continuing to maintain and improve the City's tree canopy made by Ms. Reha London of the Bartram Garden Club, and the Amelia Tree Conservancy; and

WHEREAS, Fernandina Beach observes Arbor Day each year in recognition of the importance of trees throughout our community.

NOW, THEREFORE, I, John A. Miller, by virtue of the authority vested in me as Mayor of the City of Fernandina Beach, Florida, do hereby proclaim Friday, September 16, 2016, as

“ARBOR DAY”

in Fernandina Beach, Florida, and urge all citizens to celebrate Arbor Day and to support efforts to protect our trees and woodlands.

Further, I urge all citizens to plant trees to gladden the heart and promote the well-being of this and future generations and encourage citizen to celebrate Arbor Day by attending the City's tree planting ceremony on Friday, September 16, 2016 at 10am at the 3rd Street Railyard where the City has installed a screening planting consisting of Southern Red Cedar and American Sweet Gum Trees.

IN WITNESS WHEREOF, I, John A. Miller, hereunto set my hand and cause the Official Seal of the City of Fernandina Beach, Florida, to be affixed this 6th day of September 2016.

CITY OF FERNANDINA BEACH

JOHN A. MILLER
Mayor - Commissioner

CITY COMMISSION AGENDA ITEM
City of Fernandina Beach



SUBJECT: Presentation by the North Florida Transportation Planning Organization

ITEM TYPE: Ordinance Resolution Other
 Proclamation Presentation

REQUESTED ACTION: none.

SYNOPSIS: The North Florida TPO has funded and completed an island-wide Bicycle and Pedestrian Focus Area Study. The results of the study will be shared through the requested presentation.

FISCAL IMPACT: None

2016/2017 CITY COMMISSION GOALS:
(As approved by Resolution 2016-51)

<input type="checkbox"/> Beach Safety	<input type="checkbox"/> Alachua Street
<input type="checkbox"/> Soccer Field Lighting	<input type="checkbox"/> Stormwater
<input type="checkbox"/> Downtown Density	<input type="checkbox"/> Opportunity
<input type="checkbox"/> ADA Improvements	<input checked="" type="checkbox"/> Departmental
<input type="checkbox"/> Consideration	

CITY ATTORNEY COMMENTS: No additional comments.

CITY MANAGER RECOMMENDATION(S): No additional comments *DM*

DEPARTMENT DIRECTOR	Submitted by: Marshall McCrary, CDD Director <i>DM</i>	Date: 8/23/16
CONTROLLER	Approved as to Budget Compliance	Date:
CITY ATTORNEY	Approved as to Form and Legality	Date:
CITY MANAGER	Approved Agenda Item for 09/06/16 <i>DM</i>	Date: 8/23/16

COMMISSION ACTION: Approved As Recommended Disapproved
 Approved With Modification Postponed to Time Certain
 Other Tabled

CITY COMMISSION AGENDA ITEM
City of Fernandina Beach



SUBJECT: Approval of City Commission Meeting Minutes

ITEM TYPE: Ordinance Resolution Other
 Proclamation Presentation

REQUESTED ACTION: **Approve Minutes**

SYNOPSIS: The following minutes are attached for the City Commission’s review and consideration for approval:

TYPE OF MEETING	DATE
Special Meeting	7/26/16
Regular Meeting	8/2/16
Workshop Meeting	8/9/16

FISCAL IMPACT:

2016/2017 CITY COMMISSION GOALS:
 (As approved by Resolution 2016-51)

<input type="checkbox"/> Beach Safety	<input type="checkbox"/> Alachua Street
<input type="checkbox"/> Soccer Field Lighting	<input type="checkbox"/> Stormwater
<input type="checkbox"/> Downtown Density	<input type="checkbox"/> Opportunity
<input type="checkbox"/> ADA Improvements	<input checked="" type="checkbox"/> Departmental
<input type="checkbox"/> Consideration	

CITY ATTORNEY COMMENTS:

CITY MANAGER RECOMMENDATION(S):

DEPARTMENT DIRECTOR	Submitted by: Caroline Best <i>CBest</i> City Clerk	Date: 8/12/16
CONTROLLER	Approved as to Budget Compliance	Date:
CITY ATTORNEY	Approved as to Form and Legality	Date:
CITY MANAGER	Approved Agenda Item for 09/06/16 <i>DWM</i>	Date: 8/12/16

COMMISSION ACTION: Approved As Recommended Disapproved
 Approved With Modification Postponed to Time Certain
 Other Tabled

The City Commission of the City of Fernandina Beach, Florida, met in a Special Meeting on Tuesday, July 26, 2016 at 5:00 pm in the Commission Chambers in City Hall. Present were Mayor John A. Miller presiding, Vice-Mayor Robin Lentz, Commissioners Len Kreger, Tim Poynter, and Roy G. Smith. Also present were City Manager Dale L. Martin, City Attorney Tammi Bach, and City Clerk Caroline Best.

Mayor Miller called the meeting to order and led the Pledge of Allegiance to the Flag.

4.1 RESOLUTION 2016-84 SETTING A TENTATIVE MILLAGE RATE FOR OPERATING EXPENSES FOR THE CITY FOR FISCAL YEAR 2016/2017; SETTING THE TENTATIVE MILLAGE RATE FOR VOTER APPROVED DEBT SERVICE: City Attorney Bach read Resolution 2016-84 by title only. **A motion was made by Commissioner Poynter, seconded by Vice-Mayor Lentz, to approve Resolution 2016-84.** Commissioner Kreger questioned if this was a slight increase per \$100,000 of value. Controller Patti Clifford replied about \$30.00 per \$100,000. City Attorney Bach briefly explained that the City can go down from this rate, but it cannot go above this millage rate. **Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.**

5. PUBLIC COMMENT: There were no public comments at this time.

6. DETERMINE UPCOMING BUDGET WORKSHOP DATES: Vice-Mayor Lentz inquired how many meetings. City Manager Martin questioned past practice of the City Commission and whether they wanted to have one longer meeting or to break it up. He reminded the City Commission that the Controller and he would meet individually with each Commissioner. Vice-Mayor Lentz explained she would like to break it up into two meetings preferably at 6:00 pm to allow people to attend the meeting. Commissioner Kreger concurred with Vice-Mayor Lentz. After a review and discussion of the possible meeting dates, *the consensus of the City Commission was the following dates:*

*City Commission Budget Meeting - August 9, 2016 at 6:00 PM
City Commission Budget Meeting - August 16, 2016 at 4:30PM*

There was a brief discussion about the upcoming budget meetings.

ADJOURNMENT: There being no further business to come before the Commission, the Special Meeting was adjourned at 5:08 pm.

ATTEST:

CAROLINE BEST
City Clerk

JOHN A. MILLER
Mayor-Commissioner

The City Commission of the City of Fernandina Beach, Florida, met in a Regular Meeting on Tuesday, August 2, 2016 at 6:00 pm in the City Commission Chambers. Present were Mayor John A. Miller presiding, Vice-Mayor Robin Lentz, Commissioners Len Kreger, Tim Poynter, and Roy G. Smith. Also present were City Manager Dale L. Martin, City Attorney Tammi Bach, and City Clerk Caroline Best.

Mayor Miller called the meeting to order and led the Pledge of Allegiance to the Flag. The invocation was then given by Utilities Director John Mandrick.

4.1 PRESENTATION – NASSAU COUNTY ECONOMIC DEVELOPMENT BOARD (NCEDB):

Ms. Laura DiBella, representative of the Nassau County Economic Development Board, expressed thanks to the community for this fiscal year. She pointed out the NCEDB could not do what they do without the City's support. She explained last year when she came before the City Commission all she wanted was the spirit of collaboration and to have open communication, and that has been very successful. She noted some funding has been set aside for the NCEDB and requested the City Commission consider reinstating where the NCEDB was last year. She pointed out the City is what sells the County and every time there is a prospect visit in the County they are brought to the City. She explained she looks forward to what is coming and a more fruitful relationship as time goes on.

5. PUBLIC COMMENT REGARDING ITEMS NOT ON THE AGENDA OR ITEMS ON THE CONSENT AGENDA:

CONCERNS: Mr. Chris Occhuizzo, 1585 Canopy Drive, referred to beach maintenance, and stated a special taxing unit was created and now residents have received a letter saying the taxes would be going up for the beach. He compared it to Walt Disney raising prices for Orlando residents and letting everyone else in for free, and explained he didn't like it. He also explained ever since the Kinder Morgan coal issue came up it seems there is a split growing between island residents interested in preserving the environment and those that believe growth (industrial, housing development, expanded commerce) is the island's future. He stated mostly likely it was somewhere in between. He pointed out the City Commission is challenged with navigating the desires of both viewpoints as well as considering budgets and other issues. He explained to guide the City Commission there is the City's Comprehensive Plan and read "enhances and protects the quality of life for residents". He expressed his opinion the City needs a clear, well defined vision of the quality of life for the City of Fernandina Beach residents. He urged caution with making any changes before that vision was in place.

6. CONSENT AGENDA: The following eight items were on the Consent Agenda and were approved by one motion.

6.1 APPROVAL OF MINUTES: According to the agenda support documents, the Minutes of the Regular Meeting of June 7, 2016; the Regular Meeting of June 21, 2016; the Workshop Meeting of June 28, 2016; and the Regular Meeting of July 5, 2016 were presented for approval. Staff recommended approval of the Minutes as presented. **A motion was made by Vice-Mayor Lentz, seconded by Commissioner Poynter, to approve the recommendation. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.**

6.2 RESOLUTION 2016-85 APPROVING A FACILITIES USE AGREEMENT FOR THE 117ACS GEORGIA AIR NATIONAL GUARD TO CONDUCT ANNUAL FIELD TRAINING FROM FEBRUARY 20, 2017 THROUGH MARCH 3, 2017: According to the agenda support documents, this Resolution approves the Facilities Use Agreement for the 117ACS Georgia Air National Guard to conduct annual field training at the Fernandina Beach Municipal Airport from February 20, 2017 through

March 3, 2017. Staff recommended approval of Resolution 2016-85. **A motion was made by Vice-Mayor Lentz, seconded by Commissioner Poynter, to approve the recommendation. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.**

6.3 RESOLUTION 2016-86 APPROVING A FACILITIES USE AGREEMENT FOR THE PUERTO RICO AIR NATIONAL GUARD TO CONDUCT ANNUAL FIELD TRAINING FROM APRIL 26, 2017 THROUGH MAY 14, 2017: According to the agenda support documents, this Resolution approves the Facilities Use Agreement for the Puerto Rico Air National Guard to conduct annual field training at the Fernandina Beach Municipal Airport from April 26, 2017 through May 14, 2017. Staff recommended approval of Resolution 2016-86. **A motion was made by Vice-Mayor Lentz, seconded by Commissioner Poynter, to approve the recommendation. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.**

6.4 RESOLUTION 2016-87 DECLARING CERTAIN TITLED CITY PROPERTY SURPLUS; AUTHORIZING THE CITY MANAGER TO DISPOSE OF SAID PROPERTY IN A MANNER CONSISTENT WITH THE CITY'S POLICIES AND PROCEDURES: According to the agenda support documents, this Resolution declares certain property as surplus, and authorizes the disposal of such. Staff recommended approval of Resolution 2016-87. **A motion was made by Vice-Mayor Lentz, seconded by Commissioner Poynter, to approve the recommendation. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.**

6.5 RESOLUTION 2016-88 AUTHORIZING AIRPORT IMPROVEMENT PROGRAM (AIP) GRANT AGREEMENT #3-12-0022-024-2016 WITH THE FEDERAL AVIATION ADMINISTRATION (FAA) FOR THE REHAB RUNWAY 4/22 GUIDANCE SIGNS AND RUNWAY 4 REIL PROJECT AT THE FERNANDINA BEACH MUNICIPAL AIRPORT: According to the agenda support documents, this Resolution authorizes FAA grant agreement # 3-12-0022-024-2016 for the Rehab Runway 4/22 Guidance Signs and Runway 4 REIL project. Staff recommended approval of Resolution 2016-88. **A motion was made by Vice-Mayor Lentz, seconded by Commissioner Poynter, to approve the recommendation. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.**

6.6 RESOLUTION 2016-89 AWARDED BID # 16-05 AND THE CONTRACT AGREEMENT TO T.C.A. ELECTRICAL CONTRACTORS, INC. FOR THE FEDERAL AVIATION ADMINISTRATION (FAA) AND FLORIDA DEPARTMENT OF TRANSPORTATION (FDOT) REHAB RUNWAY 4/22 GUIDANCE SIGNS AND RUNWAY 4 REIL PROJECT AT THE FERNANDINA BEACH MUNICIPAL AIRPORT: According to the agenda support documents, this Resolution awards ITB #16-05 contract agreement to T.C.A. Electrical Contractors, Inc. in the amount of \$70,050 for the FAA and FDOT Rehab Runway 4/22 Guidance Signs and Runway 4 REIL project. Staff recommended approval of Resolution 2016-89. **A motion was made by Vice-Mayor Lentz, seconded by Commissioner Poynter, to approve the recommendation. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.**

6.7 RESOLUTION 2016-90 AUTHORIZING PASSERO ASSOCIATES, LLC'S WORK ORDER 16-70 FOR ENGINEERING SERVICES FOR AIRPORT IMPROVEMENT PROGRAM (AIP) GRANT AGREEMENT #3-12-0022-024-2016 WITH THE FEDERAL AVIATION ADMINISTRATION (FAA) FOR THE REHAB RUNWAY 4/22 GUIDANCE SIGNS AND RUNWAY 4 REIL PROJECT AT THE FERNANDINA BEACH MUNICIPAL AIRPORT: According to the agenda support documents, this Resolution authorizes Passero Associates, LLC's Work Order 16-70 to provide engineering services for the FAA Rehab Runway 4/22 Guidance Signs and Runway 4 REIL project. Staff recommended approval

of Resolution 2016-90. **A motion was made by Vice-Mayor Lentz, seconded by Commissioner Poynter, to approve the recommendation. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.**

6.8 RESOLUTION 2016-91 AUTHORIZING PASSERO ASSOCIATES, LLC'S WORK ORDER 16-72 FOR UPDATING THE DISADVANTAGED BUSINESS ENTERPRISE PLAN (DBE) FOR THE FERNANDINA BEACH MUNICIPAL AIRPORT AS REQUIRED UNDER THE FEDERAL AVIATION ADMINISTRATION (FAA)'S AIRPORT IMPROVEMENT PROGRAM (AIP) GRANT AGREEMENT #3-12-0022-024-2016: According to the agenda support documents, this Resolution authorizes Passero Associates, LLC's Work Order 16-72 to update and report on the City's DBE Plan as part of the FAA Rehab Runway 4/22 Guidance Signs and Runway 4 Runway End Identifier Light (REIL) project. Staff recommended approval of Resolution 2016-91. **A motion was made by Vice-Mayor Lentz, seconded by Commissioner Poynter, to approve the recommendation. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.**

7.1 RESOLUTION 2016-77 APPROVING AN AMENDMENT TO THE BUDGET FOR FISCAL YEAR 2015-2016: According to the agenda support documents, this Resolution approves a budget transfer totaling \$19,000 within the Marina budget for FY 2015/2016. City Manager Martin explained these budget amendments were due to estimates in the budget related to electrical costs, and all the funds were being transferred within the Marina Department itself. **A motion was made by Commissioner Poynter, seconded by Commissioner Kreger, to approve Resolution 2016-77. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.**

7.2 RESOLUTION 2016-92 AUTHORIZING AN AGREEMENT WITH GAI CONSULTANTS, INC. TO UPDATE THE CITY'S STORMWATER MASTER PLAN; APPROVING AN AMENDMENT TO THE BUDGET FOR FISCAL YEAR 2015/2016: According to the agenda support documents, this Resolution approves the Professional Services Agreement with GAI Consultants, Inc. and a budget transfer within the Storm Water budget totaling \$130,000 for FY 2015/2016. City Manager Martin stated this was the agreement with GAI Consultants, which the City Commission had authorized him to enter negotiations following the Request for Qualifications and this was the company that was decided upon. He pointed out the company was ready to start once the Resolution is approved. **A motion was made by Vice-Mayor Lentz, seconded by Commissioner Kreger, to approve Resolution 2016-92.** Commissioner Kreger commented this is the third consultant to look at this and finally in 2016 there is a commitment from the City Commission to bring stormwater forward. He reminded the community the City received \$900,000 of State money, the permit to proceed, and \$625,000 cost share. He stated he was excited to see this moving forward. **Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.**

8.1 FIRST READING OF ORDINANCE 2016-20 ANNUAL PAY & CLASSIFICATION PLAN: City Attorney Bach read Ordinance 2016-20 by title only, which was as follows: "AN ORDINANCE OF THE CITY OF FERNANDINA BEACH, FLORIDA, ESTABLISHING AN UPDATED CLASSIFICATION PLAN FOR FISCAL YEAR 2016-2017, PURSUANT TO SECTION 120 OF THE CITY CHARTER AND SECTION 62-247 OF THE CODE OF ORDINANCES OF THE CITY; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE." **A motion was made by Commissioner Poynter, seconded by Commissioner Kreger, to approve Ordinance 2016-20. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.**

8.2 FIRST READING OF ORDINANCE 2016-21 CODE AMENDMENT - GENERAL EMPLOYEES' PENSION PLAN: City Attorney Bach read Ordinance 2016-21 by title only, which was

as follows: "AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, AMENDING CHAPTER 62, PERSONNEL, ARTICLE III, GENERAL EMPLOYEES' PENSION PLAN, OF THE CODE OF ORDINANCES OF THE CITY OF FERNANDINA BEACH; AMENDING SECTION 62-71, DEFINITIONS; AMENDING SECTION 62-72, MEMBERSHIP; AMENDING SECTION 62-74, FINANCES AND FUND MANAGEMENT; AMENDING SECTION 62-76, BENEFIT AMOUNTS AND ELIGIBILITY; AMENDING SECTION 62-77, PRE-RETIREMENT DEATH; AMENDING SECTION 62-78, DISABILITY; AMENDING SECTION 62-80, OPTIONAL FORMS OF BENEFITS; AMENDING SECTION 62-84, MAXIMUM PENSION; AMENDING SECTION 62-87, REPEAL OR TERMINATION OF SYSTEM; AMENDING SECTION 62-96, DEFERRED RETIREMENT OPTION PLAN; AMENDING SECTION 62-97, PRIOR GOVERNMENT SERVICE; AMENDING SECTION 62-99, REEMPLOYMENT AFTER RETIREMENT; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HERewith AND PROVIDING AN EFFECTIVE DATE." **A motion was made by Commissioner Poynter, seconded by Commissioner Kreger, to approve Ordinance 2016-21. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.**

8.3 FIRST READING OF ORDINANCE 2016-22 CODE AMENDMENT – FIREFIGHTERS' AND POLICE OFFICERS' PENSION PLAN: City Attorney Bach read Ordinance 2016-22 by title only, which was as follows: "AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, AMENDING CHAPTER 62, PERSONNEL, ARTICLE IV, FIREFIGHTERS' AND POLICE OFFICERS' PENSION PLAN, OF THE CODE OF ORDINANCES OF THE CITY OF FERNANDINA BEACH; AMENDING SECTION 62-111, DEFINITIONS; AMENDING SECTION 62-114, FINANCES AND FUND MANAGEMENT; AMENDING SECTION 62-116, BENEFIT AMOUNTS AND ELIGIBILITY; AMENDING SECTION 62-117, PRE-RETIREMENT DEATH; AMENDING SECTION 62-118, DISABILITY; AMENDING SECTION 62-120, OPTIONAL FORMS OF BENEFITS; AMENDING SECTION 62-125, MAXIMUM PENSION; AMENDING SECTION 62-137, PRIOR POLICE OR FIRE SERVICE; AMENDING SECTION 62-138, DEFERRED RETIREMENT OPTION PLAN; ADDING SECTION 62-140, SUPPLEMENTAL BENEFIT COMPONENT FOR SPECIAL BENEFITS; CHAPTER 175 AND 185 SHARE ACCOUNTS; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HERewith AND PROVIDING AN EFFECTIVE DATE." **A motion was made by Commissioner Smith, seconded by Commissioner Kreger, to approve Ordinance 2016-22. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.**

8.4 FIRST READING OF ORDINANCE 2016-19 COMPREHENSIVE PLAN AMENDMENT – CONSERVATION AND COASTAL MANAGEMENT ELEMENT POLICIES: City Attorney Bach read Ordinance 2016-19 by title only, which was as follows: "AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, AMENDING THE COMPREHENSIVE PLAN CONSERVATION AND COASTAL MANAGEMENT ELEMENT POLICIES 5.03.13 AND 5.14.09; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE." **A motion was made by Commissioner Poynter, seconded by Commissioner Smith, to approve Ordinance 2016-19.** Commissioner Kreger noted this has been a very contentious issue, and pointed out this change should have occurred years ago. He commented the intent of the Comprehensive Plan was to follow up with the Land Development Code (LDC) and consistently it hasn't happened. He stated this particular change of the Comprehensive Plan was acceptable as long as LDC changes are done concurrently. He explained all the stakeholders need to be

involved to come up with viable specific information for the LDC. He noted the mills did not get permits for some things, but they were not required to get permits and that was now past history. He suggested the mills step forward with the data that these things were built to code so that the community is satisfied. He referred to the recusal of Mr. Ross at the Planning Advisory Board (PAB) meeting and expressed his opinion that Mr. Ross can provide value to the PAB because we need to hear all sides.

Mr. Wayne Peterson, 206 South 12th Street, Vice-President of United Steelworkers 395 and lifelong resident, explained families in this part of town are working families and don't have time to come to City Commission meetings. He pointed out his twin brother and he both work for the local mills. He noted that decades ago someone thought it was a good idea to place a ban on hazard materials, but it was difficult for him to understand why. He commented in doing so the City would eventually phase out many businesses along the waterfront, but also it would phase out the mills. He expressed his hope the City Commission would help ensure the future for our families and requested the City Commission to adopt these changes.

Mr. Ben Yorkoff, 416 Elm Street, commented the idea of toxic waste being stored in the City was offensive to him. He pointed out when he did a Google search of Rayonier there were hundreds of Environmental Protection Agency (EPA) violations for the corporation. He recapped an event from Washington State where toxic waste was discovered in 2000 and explained it would take 22 years to clean it up. He presented a handout of these violations to the City Commission. He requested the City Commission to look at this corporation and how many EPA violations they have had.

Ms. Peggy Lehosit, 130 South 6th Street, expressed her concern about the daily potential for accidents. She pointed out on March 3, 2016 a truck carrying 6,000 gallons of anhydrous ammonia went off the road into a ditch, and a nearby shopping center had to be evacuated. She questioned the LignoTech tanks that would be hauling hazards materials over the floodplain. She explained on a frequent basis there is the opportunity for operator error or accidents. She expressed her concern that there is not a hazmat team on the island.

Mr. Russell Schweiss, 10 Gum Street, representing Rayonier Advanced Materials, commented while the LignoTech development agreement may have triggered this process the issue was much larger than LignoTech. He explained the provision in the Comprehensive Plan could only have been created with a blind eye toward what already exists in the City. He pointed out the entire working waterfront is largely in the floodplain and many City services that utilize hazardous materials are also located in the floodplain. He stated the proposal before the City Commission was not the whole picture, because there are LDC amendments to come. He provided further comments in support of the Ordinance, and his hope to have the ability to maintain existing storage and upgrade equipment as necessary. He noted some residents were in opposition to the LignoTech project, and requested the City Commission to think critically about the issues presented on both sides.

Mr. Rick Langford, 1753 Indigo Street, briefly explained the opportunities that Rayonier has afforded him and his family. He stated they don't go to work and violate permits and pollute the waterway. He pointed

out this barrier island has tourism, fishing, and the mills. He explained the EPA, the State and other regulatory agencies strictly oversee the processes at the mill and the employees know they have to do it. He requested the City Commission to adopt the change.

Mr. Frank Santry, 105 South 19th Street, explained he was not in opposition to the LignoTech project. He pointed out his concern was with putting hazardous materials in the floodplain. He stated significant freeboard standards and significant flood analysis would have to be applied this. He commented the limited provision before the City Commission, which permits hazardous materials only in the upcoming determination of heavy industrial zones is fine. He noted this needs to be conditioned upon LDC provisions incorporating specific limitations and safety standards.

Ms. Judith Lane, 2408 Los Robles Drive, Chair of the Planning Advisory Board (PAB), was available to answer questions. She commented after 8 ½ hours of going through this material the PAB provided the City Commission a recommendation. Mayor Miller pointed out the City boards are volunteers and they spent a lot of time and effort on items in order to advise the City Commission. He requested the community to keep that in mind when attending board meetings.

Ms. Faith Ross, 210 North 3rd Street, expressed her opinion that the proposed changes will not likely enhance what the public safety is for our community. She read into the record the concerns expressed by the Local Emergency Planning Committee from the Nassau County mitigation report as outlined in her handout to the City Commission. She pointed out the Ordinance does not contain any enforceable standards without the LDC text amendments. She offered some plain language changes to the Comprehensive Plan that would be easily understood by all. She commented it was unclear why Policy 5.14.09 needs to be changed.

Mr. Grier Newlin, 4452 Bean Street, former practicing attorney, commented he reviewed the proposed Ordinance and care must be taken in the drafting of legislation to assure that the legislation can be interpreted by the courts based upon the specific language contained in the law. He pointed out there were numerous undefined terms, which may result in the unenforceability of the Ordinance. He expressed his opinion hazardous materials, hazardous waste, NFIP, FEMA, environmentally sensitive lands, conservation lands, and area of special flood hazard require definitions in the Ordinance itself. He continued his concerns with the proposed Ordinance as outlined in his handout to the City Commission.

Ms. Anne Thomas, 402 Date Street, attorney with over 40 years' experience explained she previously was a staff attorney for a large community development department for a city of 88,000 people. She expressed her opinion that in the last six months there has been a systematic erosion of the Comprehensive Plan, and questioned who was directing that. She inquired why the City wanted to weaken the Comprehensive Plan. She expressed her opinion the Comprehensive Plan was redrafted hastily and without the kind of thought that should have gone into it. She commented PAB Member Mark Bennett made an effort to limit the effects to the soon to be defined heavy industrial areas, and expressed her support of this.

Mr. Merry Coalson, 111 South 4th Street, agreed with Mr. Newlin that if things aren't defined correctly there is plenty of room for litigation later. She stated local residents are not against industry, however they want it to be safe for the residents. She pointed out we don't settle for minimum standards in the schools so why would we accept a minimum standard for safety in this industry venture with Rayonier.

Mr. Philip Chapman, 2120 Florida Avenue, questioned does it make sense to put hazardous materials in a floodplain. He suggested the idea of highway 17 as a possible location for the factory, because there was plenty of land, rail access, and quicker access to Interstate 95 and 295. He commented the waste material could be put in rail cars and brought over by train to the factory. He expressed his opinion that a factory would only close when it was not profitable. He requested the City Commission to look at this from a simple common sense standpoint.

Mr. Colin Campbell, 600 North 8th Street, representing WestRock, expressed support of the City's proposal to the Comprehensive Plan. He explained they believe the revision strikes a balance between the need for protective floodplain management standards and the need for operational flexibility at businesses along the waterfront. He briefly commented about the longevity of the mill and their robust preventative maintenance and other loss control programs. He pointed out the mills have installed structural controls such as double walled tanks and secondary containment to prevent spills and releases from occurring. He explained environmental regulations require they add precautions to ensure no chemical spills or discharges occur that could damage our natural resources. He provided further comments in support of the proposed Ordinance and urged the City Commission to vote yes on the proposed Ordinance.

Commissioner Kreger commented he thought everyone was in agreement that the LDC was the key to this and hopefully everyone will be a part of the PAB process to draft a comprehensive LDC that works. **Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.**

The City Commission took a brief recess at this time.

9.1 BOARD APPOINTMENT - ARTS AND CULTURE NASSAU: According to the agenda support documents, there was one appointment to Arts and Culture Nassau. **A motion was made by Commissioner Kreger, seconded by Commissioner Poynter, to appoint Ms. Diane Withrow to Arts and Culture Nassau. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.**

10.1 FERNANDINA BEACH LAND BANK AND REAL ESTATE TRANSACTION FEE: City Attorney Bach explained a 2% real estate transaction fee is charged in Nantucket and Martha's Vineyard. She stated in Florida a fee has to be paid in exchange for a service that you directly benefit from. She provided further details from her PowerPoint presentation to clarify the differences between fee versus tax. Included in the presentation were some alternatives including the idea of increasing the City millage rate; having a special millage for a short finite period of time like Hillsborough County (Environmental Lands and Protection Millage); increase Parks; Recreation impact fees for acquiring lands for parks; or establish a new impact fee. City Attorney Bach explained any of the options could be put to the voters on a non-binding referendum.

Mr. Ron Sapp, 415 Alachua Street, briefly explained about 16 years ago he commented that every square inch of developable land on this island would be built and the City needed to find a way to preserve and save some lands. He stated that Commission set aside \$1 million dollars in a land bank paid for by ad valorem taxes and the next year a \$6 million dollar bond issue was put together and the citizens of the City approved that. He explained the City Commission has a tremendous opportunity to lead and to be part of the solution of how to preserve lands for future citizens. He commented a real estate transaction fee was a great way to do it, because you don't put the burden exclusively on the taxpayers of the City of Fernandina Beach. He encouraged the City Commission to take the next step.

Mr. Lynn Williams, 1899 South Fletcher Avenue, commented this was not a new idea where people wanted to get control on this sort of thing. He noted the Comprehensive Plan and the LDC can only do so much, He stated if the residents of the City own the land and have it in conservation in perpetuity it puts it safely away. He explained in 1983 Nantucket and Martha's Vineyard put in a real estate tax and they have been pleased to be able to buy more lands with 43% of the land being preserved. He commented last year the City did \$205 million dollars of real estate transactions and 2% of that would be \$4 million dollars. He pointed out adding millage on the people gets to be very hard on the people that live here, whereas the people coming to town they get to partake of the lands already put in conservation and would be helping to put more in conservation. He requested this matter be placed on referendum.

Ms. Margaret Kirkland, 1377 Plantation Point Drive, representing Amelia Tree Conservancy, explained they are in favor of investigating this land bank approach. She suggested that the City not just establish a land bank, but also establish multiple land trusts on the island to have green spaces. She agreed some plans would be a burden to homeowners on the island, whereas a transaction fee would be a much more reasonable thing. She provided further comments in support of this approach, which would conserve land to maintain the physical features of the island and maintain the character of the island as outlined in her handout.

Vice-Mayor Lentz requested clarification about fees and taxes in Florida. City Attorney Bach explained if it is a fee and not a tax you have to provide something in exchange for the fee. She stated talking with her colleagues charging a real estate transaction fee sounds like a tax. She pointed out the next best thing would be an impact fee, and a study would have to be done to do that. Vice-Mayor Lentz noted when someone pays the Parks and Recreation fee that is when they are building a new home. She commented that essentially is a real estate transaction so that seems to make the most sense rather than raising the millage a mil for every taxpayer. City Attorney Bach explained right now the Parks and Recreation fee is only charged to residential so new commercial development is not charged a Parks and Recreation fee. She stated if the City Commission was talking about a conservation land bank the Commission might want to think about a new impact fee.

Commissioner Kreger stated the impetuous is an attempt to save the islands' environment. He commented he thought an impact fee is very appropriate and on industry too. He explained this is an opportunity before the island is totally built out.

Commissioner Smith commented Commissioner Poynter brought it up last time and agreed you have to be careful with how this is done. He related an example of a current property owner selling their property to build a new house in the City then they would have to pay the impact fee. Vice-Mayor

Lentz pointed out with an additional residence there is the potential for more people and more impact.

Commissioner Poynter explained he was in favor of saving the environment, but his concern was that the burden was being shifted to anyone coming into the City to pay for it. He referred to the Greenway bond and stated the citizens paid for that. He commented he had no problem with a fee charged to raise money, but the community as a whole should do that not just the people moving in. It was noted the citizens were still paying the Greenway debt. There was some discussion and deliberation about this item.

Mayor Miller inquired if the study would include how much developable land was available, how much land costs, and how the money would be set aside for this. City Attorney Bach replied yes.

Ms. Judith Lane, 2408 Los Robles, suggested the study also include properties that could be annexed into the City. She pointed out there are a number of areas annexing into the City, and very often those areas have been clear cut.

Commissioner Poynter commented no one was going to quickly annex in so they can pay higher impact fees. He stated it would be interesting to see what the study is, because there was only so much land left in City that would be able to generate that income from. He explained that if you take it the other way with everyone sharing in that then you have the ability to raise money and buy land to protect it. After some discussion, Commissioner Smith pointed out that once the land is purchased it is taken off the tax roll and the City would have to maintain it. He commented it is nice to have the land, but the City still relies on taxes to run the City. He explained in the City a lot of things have been built without thinking about maintaining them, and there is a lot of money involved in that. City Attorney Bach inquired if the City Commission wanted a referendum or to direct the City Manager to look into a study. Commissioner Kreger commented it appears the consensus was to have the City Manager look at what it would cost to do an impact fee.

Mr. Sapp suggested the City Manager bring back some revenue numbers of if impact fees go up this much it would give the City this much. He commented his thought was impact fees would not generate the kind of money the City was hoping for to buy the land the City was hoping to buy. He pointed out land taken off the tax rolls for green and open space has value to a community too. Commissioner Smith concurred, but the City also has to maintain all that. There was further discussion and deliberation about how to proceed. ***The consensus of the City Commission was to direct the City Manager to look into a study to evaluate vacant land and potential impact fee revenue numbers and bring that information back to the City Commission.***

CITY MANAGER REPORTS:

COMMUNITY DEVELOPMENT WORK DAY: City Manager Martin reported he had his work day with the Community Development Department and worked with the building and permitting part of the department. He explained planning and code enforcement would be done at another date.

MEETINGS: City Manager Martin reported Commissioner Kreger and he met with Senator Bean last week. He commented it appears the City's interests match with State opportunities specifically related to utilities (water, wastewater, and stormwater) as well as economic development.

City Manager Martin stated he had a teleconference with the Fernandina Beach/St. Mary's water taxi advocates, and those discussions will continue. He pointed out there is a need to secure additional funding for operational support.

City Manager Martin explained he would meet with County officials tomorrow regarding the "beach tax" which was the Municipal Services Taxing Unit (MSTU).

City Manager Martin pointed out he would be meeting with Advance Disposal representatives on Monday.

WORK DAY: City Manager Martin reported his Parks and Recreation work day was scheduled for August 10th.

OUT OF OFFICE: City Manager Martin briefly explained he would be out of office to attend the Florida League of Cities August 18th through 21st, and the following week for vacation.

PROJECTS: City Manager Martin stated the Parks and Recreation audit was nearly complete, and he anticipated giving the City Commission the report this month. He explained the City received word the stormwater permit was approved by St. Johns for the North Fletcher improvements (underground piping of stormwater from North Fletcher down to Atlantic Avenue and into Egans Creek). He reported he requested an update of the projects under the direction of ATM (northern expansion, channel realignment, the southern reconfiguration, and the mooring field design). He stated all these projects were moving forward. He pointed out the Florida Department of Transportation (FDOT) officials will meet with the railroad later this month.

ARK OF NASSAU: City Manager Martin referred to an email regarding the ARK of Nassau seeking celebrity waiters for a luncheon at Ciao's restaurant, and reminded the City Commission that the event would be October 20th and 27th.

TRIVIA NIGHT: City Manager Martin expressed his thanks to everyone that participated in the inaugural Trivia Night at the Golf Course. He reported the next Trivia Night was scheduled for August 10th.

CITY ATTORNEY REPORTS: The City Attorney had no comments at this time.

CITY CLERK REPORTS:

CONDOLENCES: City Clerk Best extended her condolences to Ms. Marlene Chapman and Mr. Philip Chapman on the loss of Ms. Chapman's mother.

QUALIFYING: City Clerk Best reminded the community that this week was the 2016 General Election qualifying period and that qualifying would conclude on Friday at 5 pm.

VACANCY: City Clerk Best pointed out the CRA Advisory Board has an opening for one member and encouraged interested parties to fill out an application.

MAYOR/COMMISSIONER COMMENTS:

TRIVIA NIGHT: Vice-Mayor Lentz reported she had fun at Trivia Night. She encouraged the community to come out for the next Trivia Night.

SCHOOL: Vice-Mayor Lentz stated she was back to work full-time at Fernandina Beach Middle School. She reminded the community that next Wednesday was the first day of school in Nassau County.

THANKS: Commissioner Poynter thanked everyone for attending the meeting and speaking their concerns on LignoTech and the waterfront. He pointed out life is full of degrees of risk, and what we have to figure out is a good balance because industry is important, tourism is important, and housing is important.

FLORIDA INLAND NAVIGATION DISTRICT (FIND): Commissioner Smith commented it was nice meeting the FIND representatives, and explained he expressed his thanks to them for giving the City money.

TRIVIA NIGHT: Commissioner Smith commented Trivia Night was fun.

SCHOLARSHIPS: Commissioner Kreger reported he attended Elm Street Sportsman's Club where they awarded scholarships.

CONDOLENCES: Mayor Miller extended his condolences to the Chapman family on the loss of Ms. Marlene Chapman's mother.

LETTER: Mayor Miller reported the City received a letter from the Mayor of Orlando, Mr. Buddy Dryer. He read the letter into the record expressing thanks for the letter the City sent.

RESCUED KITTEN: Mayor Miller briefly commented about how the City helped rescue a kitten today that was trapped under a storm drain near a local hotel.

ADJOURNMENT: There being no further business to come before the City Commission, the meeting was adjourned at 6:46 pm.

ATTEST:

CAROLINE BEST
City Clerk

JOHN A. MILLER
Mayor-Commissioner

The City Commission of the City of Fernandina Beach, Florida, met in a Workshop on Tuesday, August 9, 2016 at 6:00 pm in the City Commission Chambers. Present were Mayor John A. Miller presiding, Vice-Mayor Robin Lentz, Commissioners Len Kreger, Tim Poynter, and Roy G. Smith. Also present were City Manager Dale L. Martin, City Attorney Tammi Bach, and City Clerk Caroline Best.

Mayor Miller called the meeting to order and led the Pledge of Allegiance to the Flag.

4. CITY MANAGER SUMMARY: City Manager Martin reported he worked with the Tax Collector today and presented a slide showing each department's percentage of the total budget. He explained the median tax bill for residents in the City was approximately \$780.00 (not including the voter debt or County taxes). He pointed out for public safety the median resident pays \$400.00 for Police and Fire coverage, which was a little over a dollar a day. He stated the City provides an exceptional value for its taxes. He referred to the graph handout and explained it shows the number of residential permits, the number of employees, and commercial permits from 2005 to present. He commented in order to maintain or enhance the level of service the City needs to start to restore some of the positions that were lost. He reminded the City Commission the millage rate was in excess of the rollback rate, but it was maintaining the same total millage rate that was levied for 2015/2016 (6.3044 mils).

5. DEPARTMENTAL BUDGET REVIEW:

5.1 City Commission: There was a review of the City Commission budget and it was noted the biggest difference from last year was in other current, which was where the non-profits are. The amount was going from \$40,000 this year to \$60,000 for 2016/2017 (\$10,000 discretionary and \$10,000 support of trolley operations). The trolley operation was running Thursday through Sunday and the City Commission requested to see an account of the operation.

Commissioner Kreger commented you cannot expand the City without increasing the levels of service.

5.2 City Clerk: City Clerk Best reported the City Clerk's budget increased 1.7% over last fiscal year. She explained there were increases in the contractual account related to purchases for social media archiving software, agenda management software, and advisory board management software. She pointed out these were City Commission driven, Statute driven, and goal oriented. She stated training and travel increased 2.7% to provide opportunities for staff to attend a few conferences. She recapped other areas of the City Clerk's budget including a decrease of 20.1% in books and dues.

5.3 City Manager: City Manager Martin explained the biggest change in his budget was the transition from the Deputy City Manager to the Community Development Department Director. He commented the other part of the budget was related to training, subscriptions, and professional services. He stated there was a 42% reduction in expense, but that was mainly from the transition.

5.4 Finance: Controller Patti Clifford stated Finance was adding a part-time person for a Purchasing Agent next year. She reported contractual went up with the new Tyler Technologies maintenance costs.

5.5 Information Technology: Controller Clifford reported there was one promotion included in the salaries line, but otherwise everything else was the same as far as personnel. She commented there was a large professional services budget (\$57,500), which includes an external IT audit. There was a brief discussion about this budget.

5.6 Human Resources: Controller Clifford pointed out HR was maintaining two full-time and one part-time staff position. She stated there were no significant changes in this budget. There was a brief discussion about this budget.

5.7 City Attorney: City Attorney Bach commented there was an increase in salaries based on projected increases. She pointed out Ms. Sellers was being promoted from Legal Assistant to Paralegal and would be an exempt employee. She stated the other change was in contractual to include software for contract management.

5.8 Non-Departmental: City Manager Martin explained this covers common City Hall operations, and there were no significant changes.

5.9 Fleet/Facilities Maintenance: Controller Clifford referred to Facilities Maintenance and commented there was a significant jump in salaries due to half of Mr. Glisson's time being added to the department. She pointed out there was one additional part-time person.

5.10 Police: Controller Clifford pointed out the addition of two full-time officers. It was noted there were funds budgeted for maintenance/repairs to the building. There was a brief discussion about this budget.

5.11 Fire: Controller Clifford stated there was an addition of two full-time firefighters. She pointed out overtime was lowered with the addition of the full-time staff. There was a review and brief discussion of the proposed Fire budget. Questions were raised about the increase for temporary and whether Nassau County would be covering the increase related to beach lifeguards. It was noted that the Fire Department was waiting to hear from the drone company related to a rescue assist drone.

5.12 Building/Planning/Code Enforcement: Controller Clifford pointed out Building was adding a Plans Examiner. She reminded the City Commission the Building/Permitting revenue is restricted and can only be used by this department. There was some discussion about the Building budget noting professional services increased, which was tied to the need to have structural assessments.

Controller Clifford explained the increase in the Planning salaries was to cover the planner that was recently hired as well as part of the director's salary. She stated in Code Enforcement in the salaries account there was a heavier allocation of staff, but no additional full-time personnel. She pointed out the part-time person was budgeted at 20 hours per week. There was some discussion about Code Enforcement noting the goal was to become more proactive.

5.13 Streets/Parks Maintenance: Controller Clifford explained there was an addition of two full-time positions, which were promotions from part-time. She pointed out overtime was increased based on projections from this year. It was noted professional services had money for pavement management analysis and developing a program for long term pavement replacement cycle. The budget included \$125,000 for the purchase of a dump truck and two mowers totaling \$18,000.

5.14 Parks & Recreation: Controller Clifford commented this budget was status quo with no change in the number of employees. There was some discussion about the request to have a full-time person at the front desk and it was noted it was not in the proposed budget. The contractual amount was up for the new software annual licensing. The City Commission continued its review of the Parks and Recreation budget noting there was an anticipated increase in utility costs. It was also noted there was \$10,000 budgeted for a two passenger Gem Cart. Controller Clifford pointed out how the budget was split to show the Peck

Center and the Martin Luther King Center separately. She referred to youth and explained the summertime camp counselors would be paid as temporary employees. She pointed out aquatics also has temporary employees for summertime. There was further review of the Parks and Recreation budget.

Budget review: Controller Clifford explained the last General Fund department was other services, which has a placeholder of \$25,000 for the allocation for the non-profits. She stated the other \$25,000 was what the City budgets for the aged and poor which comes before the City Commission for approval. She briefly explained the transfers out, contingencies, and reserves. She reminded the City Commission of the reserve policy to set aside a minimum of 20% in the unrestricted reserves and that was what the \$3,943,000 represents. She provided further clarification of items within the budget. She referred to page 87 other financing sources and clarified that was the other piece of debt the City would be getting this year to be spent next year. She stated page 88 lists the projects including \$300,000 for dredging and \$250,000 for a new Fire Rescue unit. She reviewed the details from the capital expansion fund and wastewater improvement fund.

5.15 Golf Course: Commissioner Kreger inquired how much money was put into the Golf Course this year. Controller Clifford reported it was anticipated at the end of this year the Golf Course would be in a deficit position of about \$700,000. Commissioner Kreger commented it seems to be an ongoing problem. He pointed out they have capital improvements while other capital improvements are being cut in the City. He stated the City can't keep pumping money into a Golf Course and letting other City items continue to be deferred. Commissioner Smith questioned what the deficit was last year. Controller Clifford replied \$810,000 and it was anticipated at the end of next year it would be \$770,000. There was a brief discussion about the Golf Course fees. The City Commission also had some general discussion about the Golf Course noting there are concerns about putting money into the course and that people also want to have a land bank and preserve areas. It was pointed out that not every function the City has needs to make money, because it falls back on the quality of life in the community.

Controller Clifford clarified the improvements at the Golf Course include the culvert access road. It was noted the City was accounting for purchases and reimbursements related to the fire at the Golf Course. There was a brief discussion about the proposed improvements at the Golf Course, and it was noted that staff would provide updated figures for doing the tee renovations in-house.

5.16 Airport: Controller Clifford pointed out the budget was being driven by the grants the City receives. She stated operating revenues were holding the same, and reported the Airport was in a healthy cash balance forward position so there were no problems with their matches for the grants. She explained the salary line includes the addition of the new manager. It was noted the proposed solar farm would not go forward at this time, because the solar farm would be fully taxable which makes the project cost prohibitive.

5.17 Utilities: Controller Clifford reported an increase in revenues this year for sanitation and anticipated a 3% increase for next year. She stated contractual would be going up a little bit, because the mulch grinding would be done one more time than this year. It was also noted the recycling event was growing each year. Controller Clifford explained for wastewater there was a 3% increase in rates. It was noted the bonds would be paid off in 20 years from the time of issue. Controller Clifford commented for water Mr. Mandrick's goal was to have one year of revenues in reserve. She pointed out other aspects of the Utilities budget including the gravity reline at \$250,000; a continuation of the solar array for \$100,000; a sewer expansion at Citrona for \$560,000; and replacement of the Vac-Con truck for \$400,000. It was noted that the City was trying to get back to a vehicle rotation program within three years so there aren't such large expenditures all at once. The stormwater fund was transferring \$100,000

to the General Fund next year. The budget included a Plant Operator position to raise the caliber of the staff and hopefully retain employees. The City Commission continued their review and discussion of the Utilities budget related to vehicle purchases. There was also a brief discussion about natural gas noting there was not a station on island, and that there is not a cost savings with natural gas vehicles until after 15 years.

Controller Clifford referred to stormwater and stated the City was anticipating the State grant of \$900,000 and the St. Johns Water Management District grant of \$545,000. City Manager Martin reported it was anticipated to complete the stormwater master plan by the end of this calendar year and then the rates would be reviewed. He stated new rates would be implemented for the last quarter of the year. Controller Clifford pointed out this budget anticipated paying for ½ of the new City engineer as well as two full-time employees. City Manager Martin stated the other ½ was in the City Manager's budget. Controller Clifford provided further details of the proposed Utilities budget.

5.18 Marina: Controller Clifford explained the Marina was anticipating less money in grants next year (\$100,000 decrease). She pointed out with the dredging the slip rental was expected to be down a bit. Commissioner Kreger commented considering the dredging costs there is a significant outlay of money, and hopefully the relocation will eliminate that need for dredging. Controller Clifford pointed out the Marina would end up in a negative position. She stated it was anticipated that the electric utilities would be \$36,000 for the current year against the budget of \$28,000. She explained next year was projected at \$37,500. She reviewed further details of the Marina budget including the mooring field expansion (\$300,000) and southern basin realignment (\$150,000). It was noted this was a conservative budget that only anticipated grant revenue of \$150,000.

Controller Clifford provided a brief recap of the internal service funds.

5.19 Capital Improvement Plan: Controller Clifford referred to page 26 and explained it goes over projects in the 300 fund. She stated page 27 has the projects that come out of impact fees. It was noted the 8 passenger Gem Cart would be used for ADA Greenway tours. There was a brief discussion about the bandshell noting that the specifics had not been decided at this point.

Commissioner Smith inquired about the MLK Camp Room expansion. Parks and Recreation Director Nan Voit stated plans were originally designed in 2007 and had been put on the shelf. She pointed out the room has deteriorated and was too small for the number of children at the facility now.

It was noted there was nothing on the Post Office line for next fiscal year, but the year after there was \$3.2 million. City Manager Martin explained he would continue to work with the City's lobbyist to figure out what the consideration process would be with the Federal Government if the City could acquire that building. There was a review of the five year capital improvement plan that started on page 28. The remodeling of Station 1 included changing the prior administrative space into bunk space. It was noted there was an ongoing mold issue with Station 2. There was some discussion about the City Commission's goal of having a cost benefit analysis of possibly moving Station 2 to be located at the Airport, which would put the station in a better position to respond to emergencies. There was also some discussion about having funding in the budget to evaluate Station 2 conditions rather than pushing it off to another budget cycle. There was a brief discussion about expensing anticipated grants in the appropriate line.

It was pointed out there was \$109,680 sitting in the CDBG economic development fund, and the City received permission to use those funds to do repairs to the dock pilings for the walkways surrounding

Brett's restaurant. The City Commission continued the review of the capital improvement plan and there was some discussion about the amount listed for Front Street. After that the City Commission reviewed the capital expansion fund and the water capital improvement fund.

Controller Clifford referred to page 34 and stated these were the improvements at the Golf Course over the next five years. It was noted there were funds set aside for the culvert and there was a similar expenditure on the Airport side in efforts to keep the events there. The City Commission then reviewed the improvements for the Airport. There was some discussion about the expansion of sewer on Citrona and annexations into the City. There was also some discussion about incentivizing properties on septic systems to connect to City sewer.

6. NON-PROFIT GRANT ALLOCATIONS: Controller Clifford reviewed the responses from the City Commission compared to staff's recommendations. It was noted the Shop with Cops program was already funded for next year. Vice-Mayor Lentz briefly explained that Micah's place was getting ready to expand and that was why it was a higher priority for her. After a brief discussion, Controller Clifford recapped the grant allocations as follows: \$2,000 for Episcopal Children Services; \$9,000 for Nassau Mental Health Starting Point; \$3,000 for Micah's Place; \$3,500 for Barnabas; and \$3,500 for Salvation Army. There was some discussion about the income guidelines for the aged and poor. City Manager Martin reported that the guidelines would be reviewed, because the City was not spending the full \$25,000 that was being allocated.

Commissioner Smith inquired about Keep Nassau Beautiful and the Nassau County Economic Development Board (NCEDB). Controller Clifford stated there was \$1,000 for Keep Nassau Beautiful that was budgeted in the sanitation fund and \$5,000 for NCEDB in the City Commission budget. There was some discussion about the efforts the NCEDB has been working on for the City.

Controller Clifford pointed out the City was sitting in a general fund reserve of just over 20% and the reserve policy says the City will budget 20%. She commented if the City Commission wanted to bring back the full-time position in Parks and Recreation that was \$34,200. She stated at the Golf Course they were anticipating increasing those specific revenues funds. She questioned if the City Commission wanted to add money to professional services to have Station 2 evaluated, add money to fix it, and where to get the money from. There was some discussion about how to proceed and it was noted the City Manager and the Fire Chief would come up with some recommendations for the City Commission. It was noted the City Commission was not in favor at this time to add a full-time person to Parks and Recreation. Commissioner Kreger commented the software improvements should come up with a reduction in people due to increased productivity. *The consensus of the City Commission was to meet for a Special Meeting on August 16th at 5:15 pm to make a decision on the points raised about the proposed budget.*

7. PUBLIC COMMENT: Mr. Phillip Chapman, 2140 Florida Avenue, pointed out the Fire Department is incredibly professional and they deserve the very best. He suggested saying to golfers to deal with not quite as good facilities, because our firefighters deserve it more than golfers.

Mr. Shawn McDowall, 95382 Springhill Road, explained he works for Affordable Transportation and expressed his concern about Uber coming in from other states and not complying with the guidelines. He reported his personal income compared to last year is down 12.1%. He commented as a transportation professional he provides service to everyone on the island including tourists, and they promote local businesses. He provided further comments expressing his concern with Uber competing with local transportation companies. Mayor Miller pointed out this would be on an upcoming agenda in September.

DRAFT

MINUTES
City Commission Workshop
August 9, 2016
Page 6 of 6

8. ADJOURNMENT: There being no further business to come before the City Commission, the Workshop was adjourned at 8:51 pm.

ATTEST:

CAROLINE BEST
City Clerk

JOHN A. MILLER
Mayor-Commissioner

CITY COMMISSION AGENDA ITEM
City of Fernandina Beach



SUBJECT: **Resolution 2016- 103**
Facilities Use Agreement – Driving Dynamics, Inc.

ITEM TYPE: Ordinance Resolution Other
 Proclamation Presentation

REQUESTED ACTION: **Approve Resolution 2016-103**

SYNOPSIS: Driving Dynamics, Inc. wishes to use the Fernandina Beach Municipal Airport from October 31, 2016 through November 1, 2016, to conduct corporate driver’s training on the pavement area of remote parking area between Runway 8/26 and Taxiway C.

Students will receive individualized training in driving techniques. The training activity will not affect normal operations of the Airport.

The Airport Advisory Commission reviewed this request at its August 11 meeting and offered no objections. The Federal Aviation Administration (FAA) will be notified of this event.

FISCAL IMPACT: The fee for the use of the facility is \$825.00 which will be deposited into the Airport Other Revenue Account # 420-369.9000.

2016/2017 CITY COMMISSION GOALS:
(As approved by Resolution 2016-51)

<input type="checkbox"/> Beach Safety	<input type="checkbox"/> Alachua Street
<input type="checkbox"/> Soccer Field Lighting	<input type="checkbox"/> Stormwater
<input type="checkbox"/> Downtown Density	<input type="checkbox"/> Opportunity
<input type="checkbox"/> ADA Improvements	<input checked="" type="checkbox"/> Departmental
<input type="checkbox"/> Consideration	

CITY ATTORNEY COMMENTS: No additional comments.

CITY MANAGER RECOMMENDATION(S): I recommend that the City Commission adopt proposed Resolution 2016-103 *DM*

DEPARTMENT DIRECTOR Submitted by: Dale L. Martin, City Manager Date: 8/12/16

CONTROLLER Approved as to Budget Compliance Date:
CITY ATTORNEY Approved as to Form and Legality *TEB* Date: *8/22/16*

CITY MANAGER Approved Agenda Item for 9/6/16 *DM* Date: 8/12/16

COMMISSION ACTION: Approved As Recommended Disapproved
 Approved With Modification Postponed to Time Certain
 Other Tabled

RESOLUTION 2016-103

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, APPROVING A FACILITIES USE AGREEMENT WITH DRIVING DYNAMICS, INC. TO USE AIRPORT PROPERTY TO CONDUCT CORPORATE DRIVER TRAINING FROM OCTOBER 31, 2016 THROUGH NOVEMBER 1, 2016; AUTHORIZING EXECUTION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Driving Dynamics, Inc. has requested to use airport property at the Fernandina Beach Municipal Airport to conduct corporate drivers training from October 31, 2016 through November 1, 2016; and

WHEREAS, such use of Airport property will be the pavement area of remote parking area between Runway 8/26 and Taxiway C, and the training activity will not affect normal operations of the Airport; and

WHEREAS, the fee for the use of the facility is \$825.00 which will be deposited into the Airport Other Revenue Account # 420-369.9000.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, THAT:

SECTION 1. The City Commission hereby approves the Facilities Use Agreement with Driving Dynamics, Inc., attached hereto as Exhibit "A", for corporate drivers training from October 31, 2016 through November 1, 2016.

SECTION 2. The City Manager and City Clerk are hereby authorized to execute said agreement, upon review and approval of the City Attorney.

SECTION 3. This Resolution shall become effective immediately upon passage.

ADOPTED this 6th day of September, 2016.

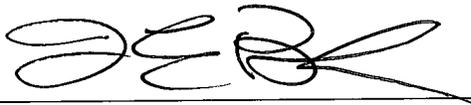
CITY OF FERNANDINA BEACH

John A. Miller
Mayor – Commissioner

ATTEST:

APPROVED AS TO FORM AND LEGALITY:

Caroline Best
City Clerk



Tammi E. Bach
City Attorney

CITY OF FERNANDINA BEACH FACILITIES USE AGREEMENT

This FACILITIES USE AGREEMENT (herein after called the AGREEMENT) is made and entered into this 12th day of July, by and between the CITY OF FERNANDINA BEACH, a Florida municipal corporation, whose address is 204 Ash Street, Fernandina Beach, FL 32034 (herein called "CITY"), and Driving Dynamics, Inc. whose address 256 Chapman Road, Suite 202, Newark, De 19702.

WHEREAS, CITY owns, controls and operates that certain public facility known as the Fernandina Beach Municipal Airport (herein called "FACILITY"); and

WHEREAS, USER has expressed a desire to use said FACILITY to Advanced Driver Safety Training classes.

NOW, THEREFORE, the parties agree as follows:

1. USER shall be permitted to use the FACILITY described above for the purpose of conducting its driver training during the period October 31 & November 01, 2016.
2. USER will set up and use the FACILITY on a continuous basis during this period The remote parking pavement area between Runway 8/26 and Taxiway C.
3. USER shall pay CITY the sum of ~~\$325.00~~ per day for use of FACILITY during the period designated, payable with returning this signed AGREEMENT.
4. As condition to USER's right to use the facilities herein, USER agrees to and shall comply with the following:
 - a. USER shall not exclude any person from its services because of race, sex, age, religion, disability, national origin or other prohibited discrimination.
 - b. USER shall have competent, responsible, and able supervision on the premises at all times that its service is operational.
 - c. USER shall not interfere with emergency operations of CITY or other authorized users of the FACILITY.
 - d. USER shall keep premises in a clean and sanitary condition, and be responsible for cleanup on a daily basis and removal of temporary structures at the site upon completion of the event and returning property to same condition as when received.
 - e. CITY shall have the right, acting through its agents or employees, to enter upon the premise at reasonable hours and times for the purpose of making inspections.
 - f. USER will obtain all required Federal, State, County and City permits including any applicable fees.
 - g. USER shall not undertake any alterations or changes in the construction of the facility premises, without prior written consent of CITY.
 - h. USER agrees to assume liability for and indemnify, hold harmless, and defend the CITY, its commissioners, mayor, officers, employees, agents, and attorneys of, from, and against all liability and expense, including reasonable attorney's fees, in connection with any and all claims, demands, damages, actions, causes of action, and suits in equity of whatever kind or nature, including claims for personal injury, property damage, equitable relief, or loss of use, arising directly or indirectly out of or in connection with any negligent and/or deliberate act or omission of USER, its officers, employees, agents, and representatives. USER's liability hereunder shall include all attorney's fees and costs incurred by the CITY in the enforcement of this indemnification provision. This includes claims made by the employees of USER against the CITY and USER hereby waives its entitlement, if any, to immunity under Section 440.11,

Florida Statutes. The obligations contained in this provision shall survive termination of this Agreement and shall not be limited by the amount of any insurance required to be obtained or maintained under this Agreement. Nothing contained in the foregoing indemnification shall be construed to be a waiver of any immunity or limitation of liability the CITY may have under the doctrine of sovereign immunity or Section 768.28, Florida Statutes.

- i. USER shall not rent, sublet, or assign space in the FACILITY premises without the prior written consent of CITY.
- j. USER has priority over the portion of the FACILITY as described during the time agreed upon in this AGREEMENT, and can use specified areas during the time of this AGREEMENT.
- k. CITY reserves the right to cancel this AGREEMENT at any time, without cause, by giving USER 30 days notice of such cancellation.
- l. USER shall maintain liability insurance, in amounts as deemed necessary and appropriate by the City Attorney, show the CITY as additional insured thereon, and shall provide proof of it to CITY, upon commencement of this AGREEMENT, and thereafter, as required by CITY. USER will provide insurance on all their equipment being used in the FACILITY.
- m. USER shall, at all times, abide by Federal, State, and local laws, in the operation of its programs or services at the FACILITY. Sale and/or consumption of alcohol not allowed on Airport property unless properly permitted by the City.

5. Term of Agreement: The term of the AGREEMENT is as noted in paragraphs 1 and 2 above, unless terminated sooner.

6. The addresses for giving notices are as follows:

USER: Driving Dynamics, Inc.
256 Chapman Road
Suite 202
Newark, DE 19702

CITY: City of Fernandina Beach
204 Ash Street
Fernandina Beach, FL 32034
Attn: City Manager

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this day and year first above written.

USER: Driving Dynamics, Inc.

CITY OF FERNANDINA BEACH

By: Paul Andreas
Paul Andreas

By: _____
Dale L. Martin
Its: City Manager

Its: Logistics Manager

Employer ID # 101

By: _____
Caroline Best
Its: City Clerk

Approved as to Form & Legality:
Tammi E. Bach
Tammi E. Bach, City Attorney



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/8/2016

✓ FEB

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Liberty Insurance Associates, Inc. 525 State Route 33 Millstone Twp. NJ 08535		CONTACT NAME: Kathleen Samodio PHONE (A/C, No, Ext): (732) 792-7000 E-MAIL ADDRESS: ksamodio@lianet.com FAX (A/C, No):	
INSURED Driving Dynamics, Inc. 256 Chapman Road, STE 202 Newark DE 19702		INSURER(S) AFFORDING COVERAGE INSURER A: Citizens Insurance of America INSURER B: Hanover Insurance INSURER C: INSURER D: INSURER E: INSURER F:	
		NAIC # 31534 22292	

COVERAGES **CERTIFICATE NUMBER:** 15/16 & 16/17 WC Rnw1 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Participant Legal Liab <input checked="" type="checkbox"/> Per Project Aggregate GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:			ZBY885271505	9/1/2015	9/1/2016	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ Included Employee Benefits \$ 1,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTIONS 0			UBY878487505	9/1/2015	9/1/2016	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NJ) If yes, describe in under DESCRIPTION OF OPERATIONS below		N/A	WHY906675203	4/9/2016	4/9/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 City of Fernandina Beach included as additional insured if required in a written contract with our named insured subject to the policy terms and conditions. Attached additional insured form CG2026 07/04, CG2010 07/04 and CG2033 07/04 applies for General Liability.

CERTIFICATE HOLDER Fernandina Beach Municipal Airport 204 Ash Street Fernandina Beach, FL 32034	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE K Samodio/ADAVID

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL GENERAL LIABILITY BROADENING ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SUMMARY OF COVERAGES

1.	Additional Insured by Contract, Agreement or Permit	Included
2.	Additional Insured – Primary and Non-Contributory	Included
3.	Blanket Waiver of Subrogation	Included
4.	Bodily Injury Redefined	Included
5.	Broad Form Property Damage – Borrowed Equipment, Customers Goods & Use of Elevators	Included
6.	Knowledge of Occurrence	Included
7.	Liberalization Clause	Included
8.	Medical Payments	Included
9.	Newly Acquired or Formed Organizations - Covered until end of policy period	Included
10.	Non-owned Watercraft	51 ft.
11.	Supplementary Payments Increased Limits	
	- Bail Bonds	\$2,500
	- Loss of Earnings	\$1000
12.	Unintentional Failure to Disclose Hazards	Included
13.	Unintentional Failure to Notify	Included

This endorsement amends coverages provided under the Commercial General Liability Coverage Part through new coverages, higher limits and broader coverage grants.

1. Additional Insured by Contract, Agreement or Permit

The following is added to **SECTION II – WHO IS AN INSURED**:

Additional Insured by Contract, Agreement or Permit

- a. Any person or organization with whom you agreed in a written contract, written agreement or permit that such person or organization to add an additional insured on your policy is an additional insured only with respect to liability for "bodily injury", "property damage", or "personal and advertising injury" caused, in whole or in part, by your acts or omissions, or the acts or omissions of those acting on your behalf, but only with respect to:

- (1) "Your work" for the additional insured(s) designated in the contract, agreement or permit;
- (2) Premises you own, rent, lease or occupy; or
- (3) Your maintenance, operation or use of equipment leased to you.
- b. The insurance afforded to such additional insured described above:
- (1) Only applies to the extent permitted by law; and
- (2) Will not be broader than the insurance which you are required by the contract, agreement or permit to provide for such additional insured

- (3) Applies on a primary basis if that is required by the written contract, written agreement or permit.
- (4) Will not be broader than coverage provided to any other insured.
- (5) Does not apply if the "bodily injury", "property damage" or "personal and advertising injury" is otherwise excluded from coverage under this Coverage Part, including any endorsements thereto.
- c. This provision does not apply:
- (1) Unless the written contract or written agreement was executed or permit was issued prior to the "bodily injury", "property damage", or "personal injury and advertising injury".
- (2) To any person or organization included as an insured by another endorsement issued by us and made part of this Coverage Part.
- (3) To any lessor of equipment:
- (a) After the equipment lease expires; or
- (b) If the "bodily injury", "property damage", "personal and advertising injury" arises out of sole negligence of the lessor
- (4) To any:
- (a) Owners or other interests from whom land has been leased which takes place after the lease for the land expires; or
- (b) Managers or lessors of premises if:
- (i) The occurrence takes place after you cease to be a tenant in that premises; or
- (ii) The "bodily injury", "property damage", "personal injury" or "advertising injury" arises out of structural alterations, new construction or demolition operations performed by or on behalf of the manager or lessor.
- (5) To "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services.
- This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" or the offense which caused the "personal and

advertising injury" involved the rendering of or failure to render any professional services by or for you.

- d. With respect to the insurance afforded to these additional insureds, the following is added to **SECTION III – LIMITS OF INSURANCE**:

The most we will pay on behalf of the additional insured for a covered claim is the lesser of the amount of insurance:

1. Required by the contract, agreement or permit described in Paragraph a.; or
2. Available under the applicable Limits of Insurance shown in the Declarations.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

2. Additional Insured – Primary and Non-Contributory

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 4. Other insurance:

Additional Insured – Primary and Non-Contributory

If you agree in a written contract, written agreement or permit that the insurance provided to any person or organization included as an Additional Insured under **SECTION II – WHO IS AN INSURED**, is primary and non-contributory, the following applies:

If other valid and collectible insurance is available to the Additional Insured for a loss covered under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary to other insurance that is available to the Additional Insured which covers the

Additional Insured as a Named Insured. We will not seek contribution from any other insurance available to the Additional Insured except:

- (1) For the sole negligence of the Additional Insured;
- (2) When the Additional Insured is an Additional Insured under another primary liability policy; or
- (3) when b. below applies.

If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

(1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

(a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(b) That is Fire insurance for premises rented to the Additional Insured or temporarily occupied by the Additional Insured with permission of the owner;

(c) That is insurance purchased by the Additional Insured to cover the Additional Insured's liability as a tenant for "property damage" to premises rented to the Additional Insured or temporarily occupied by the Additional with permission of the owner; or

(d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers

(3) When this insurance is excess over other Insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each

insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers

3. Blanket Waiver of Subrogation

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us**:

We waive any right of recovery we may have against any person or organization with whom you have a written contract that requires such waiver because of payments we make for damage under this coverage form. The damage must arise out of your activities under a written contract with that person or organization. This waiver applies only to the extent that subrogation is waived under a written contract executed prior to the "occurrence" or offense giving rise to such payments.

4. Bodily Injury Redefined

SECTION V – DEFINITIONS, Definition 3. "bodily injury" is replaced by the following:

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these at any time "Bodily injury" includes mental anguish or other mental injury resulting from "bodily injury".

5. Broad Form Property Damage – Borrowed Equipment, Customers Goods, Use of Elevators

a. **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Paragraph 2. **Exclusions** subparagraph j. is amended as follows:

Paragraph (4) does not apply to "property damage" to borrowed equipment while at a jobsite and not being used to perform operations.

Paragraphs (3), (4) and (6) do not apply to "property damage" to "customers goods" while on your premises nor do they apply to the use of elevators at premises you own, rent, lease or occupy.

b. The following is added to **SECTION V – DEFINITIONS**:

24. "Customers goods" means property of your customer on your premises for the purpose of being:

- a. worked on; or
- b. used in your manufacturing process.
- c. The insurance afforded under this provision is excess over any other valid and collectible property insurance (including deductible) available to the insured whether primary, excess, contingent

6. Knowledge of Occurrence

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 2. **Duties in the Event of Occurrence, Offense, Claim or Suit:**

- e. Notice of an "occurrence", offense, claim or "suit" will be considered knowledge of the insured if reported to an individual named insured, partner, executive officer or an "employee" designated by you to give us such a notice.

7. Liberalization Clause

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:**

Liberalization Clause

If we adopt any revision that would broaden the coverage under this Coverage Form without additional premium, within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

8. Medical Payments

- a. **SECTION I – COVERAGES, COVERAGE C – MEDICAL PAYMENTS**, Paragraph 1. **Insuring Agreement**, subparagraph a.(3)(b) is replaced by the following:
 - (b) The expenses are incurred and reported to us within three years of the date of the accident; and
- b. This coverage does not apply if **COVERAGE C – MEDICAL PAYMENTS** is excluded either by the provisions of the Coverage Part or by endorsement.

9. Newly Acquired Or Formed Organizations

SECTION II – WHO IS AN INSURED, Paragraph 3.a. is replaced by the following:

- a. Coverage under this provision is afforded until the end of the policy period.

10. Non-Owned Watercraft

SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. **Exclusions**, subparagraph g.(2) is replaced by the following:

g. Aircraft, Auto Or Watercraft

(2) A watercraft you do not own that is.

- (a) Less than 51 feet long; and
- (b) Not being used to carry persons or property for a charge;

This provision applies to any person who, with your consent, either uses or is responsible for the use of a watercraft.

11. Supplementary Payments Increased Limits

SECTION I – SUPPLEMENTARY PAYMENTS COVERAGES A AND B, Paragraphs 1.b. and 1.d. are replaced by the following:

1.b. Up to \$2,500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

1.d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$1000 a day because of time off from work

12. Unintentional Failure to Disclose Hazards

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 6. **Representations:**

We will not disclaim coverage under this Coverage Part if you fail to disclose all hazards existing as of the inception date of the policy provided such failure is not intentional.

13. Unintentional Failure to Notify

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 2. **Duties in the Event of Occurrence, Offense, Claim or Suit:**

Your rights afforded under this policy shall not be prejudiced if you fail to give us notice of an "occurrence", offense, claim or "suit", solely due to your reasonable and documented belief that the "bodily injury" or "property damage" is not covered under this policy.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



Government Finance Officers Association

BEST PRACTICE

Audit Procurement

BACKGROUND:

The Government Finance Officers Association (GFOA) has long recommended that state and local governmental entities obtain independent audits of their financial statements performed in accordance with the appropriate professional auditing standards. Properly performed audits play a vital role in the public sector by helping to preserve the integrity of the public finance functions and by maintaining citizens confidence in their elected leaders.

RECOMMENDATION:

GFOA makes the following recommendations regarding the selection of auditing services:

- The scope of the independent audit should encompass not only the fair presentation of the basic financial statements, but also the fair presentation of the financial statements of individual funds and component units. The cost of extending full audit coverage to the financial statements of individual funds and component units can be justified by the additional degree of assurance provided. Nevertheless, the selection of the appropriate scope of the independent audit ultimately remains a matter of professional judgment. Accordingly, those responsible for securing independent audits should make their decision concerning the appropriate scope of the audit engagement based upon their particular governments specific needs and circumstances, consistent with applicable legal requirements.
- Governmental entities should require in their audit contracts that the auditors of their financial statements conform to the independence standard promulgated in the General Accounting Offices *Government Auditing Standards* even for audit engagements that are not otherwise subject to generally accepted government auditing standards.
- Governmental entities should enter into multiyear agreements of at least five years in duration when obtaining the services of independent auditors. Such multiyear agreements can take a variety of different forms (e.g., a series of single-year contracts), consistent with applicable legal requirements. Such agreements allow for greater continuity and help to minimize the potential for disruption in connection with the independent audit. Multiyear agreements can also help to reduce audit costs by allowing auditors to recover certain "startup" costs over several years, rather than over a single year.
- Governmental entities should undertake a full-scale competitive process for the selection of independent auditors at the end of the term of each audit contract, consistent with applicable legal requirements. Ideally, auditor independence would be enhanced by a policy requiring that the independent auditor be replaced at the end of the audit contract, as is often the case in the private sector. Unfortunately, the frequent lack of competition among audit firms fully qualified to perform public-sector audits could make a policy of mandatory auditor rotation counterproductive. In such cases, it is recommended that a governmental entity actively seek the participation of all qualified firms, including the current auditors, assuming that the past performance of the current auditors has proven satisfactory. Except in cases where a

multiyear agreement has taken the form of a series of single-year contracts, a contractual provision for the automatic renewal of the audit contract (e.g., an automatic second term for the auditor upon satisfactory performance) is inconsistent with this recommendation.

- Professional standards allow independent auditors to perform certain types of nonaudit services for their audit clients. Any significant nonaudit services should always be approved in advance by a governmental entity's audit committee. Furthermore, governmental entities should routinely explore the possibility of alternative service providers before making a decision to engage their independent auditors to perform significant nonaudit services.
- The audit procurement process should be structured so that the principal factor in the selection of an independent auditor is the auditor's ability to perform a quality audit. In no case should price be allowed to serve as the sole criterion for the selection of an independent auditor.

References:

- *CPA Audit Quality: A Framework for Procuring Audit Services*, General Accounting Office, August 1987.
- *Audit Management Handbook*, Stephen J. Gauthier, GFOA, 1989.
- *An Elected Officials Guide to Auditing*, Stephen J. Gauthier, GFOA, 1992.
- *Governmental Accounting, Auditing and Financial Reporting (GAAFR)*, Stephen J. Gauthier, GFOA.

203 N. LaSalle Street - Suite 2700 | Chicago, IL 60601-1210 | Phone (312) 977-9700 - Fax (312) 977-4806

RESOLUTION 2016-104

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, APPROVING AN EXTENSION TO THE CONTRACT WITH PURVIS GRAY & COMPANY FOR AUDITING SERVICES; AUTHORIZING EXECUTION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City approved a contract with Purvis Gray & Company on November 20, 2012, via Resolution 2012-184 which expires with the conclusion of audit work for the fiscal year ended September 30, 2015; and

WHEREAS, the original agreement included a provision for a two year renewal option; and

WHEREAS, staff recommends the two year extension which has no increase in the annual fee; and

WHEREAS, the two year extension will provide services through the fiscal year ending September 30, 2017; and

WHEREAS, funding for audit services is budgeted in various City funds in the 3200 Audit accounts.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, THAT:

SECTION 1. The City Commission hereby approves the option to extend the audit services contract with Purvis Gray & Company for two years through the fiscal year ending September 30, 2017, attached hereto as Exhibit "A".

SECTION 2. The City Manager and City Clerk are authorized to sign the extension letter, upon review and approval of the City Attorney.

SECTION 3. This Resolution shall be effective immediately upon passage.

ADOPTED this 6th day of September, 2016.

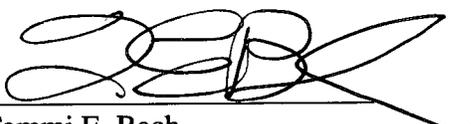
ATTEST:

CITY OF FERNANDINA BEACH

Caroline Best
City Clerk

John A. Miller
Commissioner - Mayor

APPROVED AS TO FORM AND LEGALITY:



Tammi E. Bach
City Attorney

August 9, 2016

AUG112016PM2:15

CITY CLERK'S OFFICE

AUDIT ENGAGEMENT LETTER

CITY OF FERNANDINA BEACH

Honorable Mayor and City Commissioners
City of Fernandina Beach
204 Ash Street
Fernandina Beach, Florida 32034

We are pleased to confirm our understanding of the services we are to provide the City of Fernandina Beach, Florida (the City) for the years ending September 30, 2016 and 2017. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City as of and for the years ending September 30, 2016 and 2017. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) GASB – Required Supplementary Pension and Other Postemployment Benefit Plan Information

We have also been engaged to report on supplementary information other than RSI that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Expenditures of Federal Awards and State Financial Assistance
- 2) Major Fund Budgetary Comparison Schedules

Certified Public Accountants

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309
MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major federal programs and/or state projects, and an opinion (or disclaimer of opinion) on compliance with federal/state statutes, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program/project in accordance with the *Single Audit Act Amendments of 1996*; Title 2 U.S. Code of *Federal Regulations* Part 200; *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards* (Uniform Guidance); and the Florida *Single Audit Act* (if required).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that: (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the *Single Audit Act Amendments of 1996*; the provisions of the Uniform Guidance; and the Florida *Single Audit Act* (if applicable), and will include tests of accounting records, a determination of major programs/projects in accordance with the Uniform Guidance and the Florida *Single Audit Act*, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Honorable Mayor and the City Commissioners. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from: (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or

Audit Procedures—General (Concluded)

(4) violations of laws or governmental regulations that are attributable to the City or to acts by management or employees acting on behalf of the City. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the City and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance and the Florida *Single Audit Act*, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program and state project. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance or the Florida *Single Audit Act*.

Audit Procedures—Internal Control (*Concluded*)

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, the Uniform Guidance, and the Florida *Single Audit Act*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance and the Florida *Single Audit Act* require that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with laws, regulations, and the terms and conditions of contracts and grant agreements applicable to major federal award programs and state projects. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* and the *Florida State Projects Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City's major programs/projects. The purpose of these procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs/projects in our report on compliance issued pursuant to the Uniform Guidance and the Florida *Single Audit Act*.

Other Services

We will also assist in preparing the financial statements and related notes of the City in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for: (1) establishing and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards and state financial assistance, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management Responsibilities (Continued)

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with: (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the City from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the City involving: (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the City complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance and the Florida *Single Audit Act*, it is management's responsibility to evaluate and monitor noncompliance with laws, regulations, and the terms and conditions of contracts and grant agreements; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review upon the completion of our fieldwork.

You are responsible for identifying all federal awards and state financial assistance received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards and state financial assistance (including notes and noncash assistance received) in conformity with the Uniform Guidance and the Florida *Single Audit Act*. You agree to include our report on the schedule of expenditures of federal awards and state financial assistance in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards and state financial assistance. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards and state financial assistance that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that: (1) you are responsible for presentation of the schedule of expenditures of federal awards and state financial assistance in accordance with the Uniform Guidance and the Florida *Single Audit Act*; (2) you believe the schedule of expenditures of federal awards and state financial assistance, including its form and content, is stated fairly in accordance with the Uniform Guidance and the Florida *Single Audit Act*; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards and state financial assistance.

Management Responsibilities (Concluded)

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that: (1) you are responsible for presentation of the supplementary information in accordance with U.S. generally accepted accounting principles; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. generally accepted accounting principles; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Finally, with regard to using the auditors' report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents. With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Management is responsible for the financial statements, schedule of expenditures of federal awards and state financial assistance, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying all federal awards and state financial assistance received, and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards and state financial assistance in accordance with the requirements of the Uniform Guidance and the Florida *Single Audit Act*.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards and state financial assistance, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards and state financial assistance, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards and state financial assistance, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Honorable Mayor and City Commissioners
City of Fernandina Beach
Fernandina Beach, Florida

-7-

August 9, 2016

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards and state financial assistance, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Purvis, Gray and Company, LLP, and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to your oversight grantor agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Purvis, Gray and Company, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the oversight agency. If we are aware that a federal and/or state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit in October 2016 and to issue our reports no later than April 2017. Mr. Ryan M. Tucker, CPA is the partner and Mrs. Barbara A Boyd, CPA is the senior manager on the engagement. These individuals are responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services, including costs of report reproduction, word processing, postage, travel, copies, telephone, etc. will be as follows:

September 30, 2016	\$66,500
September 30, 2017	\$66,500
Federal Single Audit, if applicable, each year	\$3,500
State Single Audit, if applicable, each year	\$3,500

Our invoices for these fees will be rendered each month as work progresses and are payable upon presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Honorable Mayor and City Commissioners
City of Fernandina Beach
Fernandina Beach, Florida

-8-

August 9, 2016

Engagement Administration, Fees, and Other (Concluded)

In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

We appreciate the opportunity to be of service to the City and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

PURVIS, GRAY AND COMPANY, LLP



Ryan M. Tucker, CPA
Partner



Barbara Boyd, CPA
Senior Manager

RMT/BB/pab
Enclosures

RESPONSE:

This letter correctly sets forth the understanding of the City of Fernandina Beach, Florida.

Signature: _____

Title: _____

Date: _____

APPROVED AS TO FORM AND LEGALITY:


CITY ATTORNEY

RESOLUTION 2016-105

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA APPROVING AN AMENDMENT TO THE BUDGET FOR FISCAL YEAR 2015/2016; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City adopts and operate under a budget for the fiscal year and the City Charter requires that the City Commission approve any budget amendment over \$7,500; and

WHEREAS, on August 7, 2012, Ordinance 2012-11 was adopted to clarify the City's sick leave sell-back policy adopted in 1999; and

WHEREAS, staff recommends amending the Fiscal Year 2015/2016 budget for unbudgeted costs related to sick leave payouts to employees that are now eligible listed on Exhibit "A"; and

WHEREAS, funds in the amount \$44,561 for said unbudgeted costs will be transferred from the Marina and Golf Reserve accounts. These amendments will increase the negative reserve amounts in these two funds; and

WHEREAS, staff recommends the following budget amendments to allow for sufficient funding for sick leave payouts to now eligible employees: a \$38,443 transfer from the Marina Reserve account, 480-7500-575.9500 to the Marina Salaries account, 480-7500-575.1200 (\$35,711) to the Marina FICA account, 480-7500-575.2100 (\$2,732); a \$6,118 transfer from the Golf Reserves account, 410-7260-572.9900 to the Golf Salaries account 410-7260-572.1200 (\$5,683) and to the Golf FICA account, 410-7260-572.2200 (\$435).

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, THAT:

SECTION 1. The City Commission hereby approves the following budget amendments: a \$38,443 transfer from the Marina Reserve account, 480-7500-575.9500 to the Marina Salaries account, 480-7500-575.1200 (\$35,711) to the Marina FICA account, 480-7500-575.2100 (\$2,732); a \$6,118 transfer from the Golf Reserves account, 410-7260-572.9900 to the Golf Salaries account 410-7260-572.1200 (\$5,683) and to the Golf FICA account, 410-7260-572.2200 (\$435).

SECTION 2. This Resolution shall become effective immediately upon passage.

ADOPTED this 6th day of September, 2016.

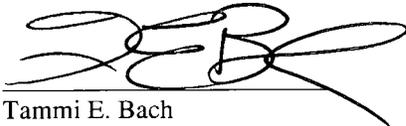
CITY OF FERNANDINA BEACH

John A. Miller
Commissioner - Mayor

ATTEST:

APPROVED AS TO FORM AND LEGALITY:

Caroline Best
City Clerk



Tammi E. Bach
City Attorney

**CITY OF FERNANDINA BEACH
REQUEST FOR BUDGET AMENDMENT**

BUDGET AMENDMENT NUMBER:

DATE: 7/25/2016

DEPARTMENT: Marina

REQUEST THAT THE ADOPTED BUDGET FOR THE FOLLOWING ACCOUNTS BE AMENDED:

FROM	TO	AMOUNT
480-7500-575.9500 Reserves	480-7500-575.1200 Salaries	35,711
480-7500-575.9500 Reserves	480-7500-575.2100 FICA	2,732

REASON FOR TRANSFER:

To transfer funds for unbudgeted costs related to two sick pay payouts and Ordinance 2012-11 The Marina is in a negative reserve position - this budget transfer increases the negative amount.

RECOMMENDATIONS/COMMENTS:

P. H. Clifford 8/29/16
CONTROLLER DATE

CITY MANAGER DATE

Resolution 2016-105
Exhibit "A"

Name	Title	Status	Hire Date	End Date	Rate of Pay	Eligible Sick Hours	Sick Leave Payout Amount Due to Employee
Michael Benjamin	Golf Professional	Layoff	3/16/1997	10/30/2010	\$19.70	300	\$5,683.00
Coleman Langshaw	Marina Director	Layoff	1/25/1996	1/14/2010	\$31.46	700	\$22,022.00
Kevin Little	Marina Dockmaster	Layoff	1/25/1996	1/14/2010	\$19.70	700	\$13,689.00
FICA							<u>\$3,167.00</u>

CITY COMMISSION AGENDA ITEM
City of Fernandina Beach



SUBJECT: **Resolution 2016-106**
Award of Bid # 16-10 - Gate Fuel Service, Inc.

ITEM TYPE: Ordinance Resolution Other
 Proclamation Presentation

REQUESTED ACTION: **Approve Resolution 2016-106**

SYNOPSIS: The City Marina solicited bids from vendors for Marina Gasoline and Diesel Fuel. Requests for sealed bids were advertised in the newspaper according to City purchasing policies and procedures. Bids were received and opened on July 15, 2016. This Resolution recommends awarding Bid #16-10 to the lowest bidder, Gate Fuel Service, Inc.

FISCAL IMPACT: Funds are budgeted and available in Marina Fuel for Resale account # 480-7500-575.5510.

2016/2017 CITY COMMISSION GOALS:
(As approved by Resolution 2016-51)

<input type="checkbox"/> Beach Safety	<input type="checkbox"/> Alachua Street
<input type="checkbox"/> Soccer Field Lighting	<input type="checkbox"/> Stormwater
<input type="checkbox"/> Downtown Density	<input type="checkbox"/> Opportunity
<input type="checkbox"/> ADA Improvements	<input checked="" type="checkbox"/> Departmental
<input type="checkbox"/> Consideration	

CITY ATTORNEY COMMENTS: No additional comments.

CITY MANAGER RECOMMENDATION(S): I recommend the City Commission adopt proposed Resolution 2016-106. *DEM*

DEPARTMENT DIRECTOR	Submitted by: Joe Springer, Marina Manager <i>JPS</i>	Date: 08/15/16
CONTROLLER	Approved as to Budget Compliance <i>PTC</i>	Date: 8/22/16
CITY ATTORNEY	Approved as to Form and Legality <i>REB</i>	Date: 8/16/16
CITY MANAGER	Approved Agenda Item for 09/06/16 <i>DEM</i>	Date: 08/15/16

COMMISSION ACTION: Approved As Recommended Disapproved
 Approved With Modification Postponed to Time Certain
 Other Tabled

RESOLUTION 2016-106

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, AWARDED BID #16-10 TO GATE FUEL SERVICE, INC. FOR FISCAL YEAR 2016/2017 FOR THE MARINA DEPARTMENT; AUTHORIZING EXECUTION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City's bid process was utilized to secure competitive bids for Marina Gasoline and Diesel Fuel; and

WHEREAS, after review and consideration of the five bids received, staff recommends awarding Bid #16-10 to the lowest bidder, Gate Fuel Service, Inc.; and

WHEREAS, funds are budgeted and available in Marina Fuel for Resale account #480-7500-575.5510.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, THAT:

SECTION 1. The City Commission awards annual bid #16-10 for Marina Gasoline and Diesel Fuel to Gate Fuel Service, Inc. for FY 2016/2017.

SECTION 2. The City Manager and the City Clerk are hereby authorized to execute all documentation pertaining to the award of this bid upon review and approval by the City Attorney.

SECTION 3. This Resolution shall take effect immediately upon passage.

ADOPTED this 6th day of September, 2016.

CITY OF FERNANDINA BEACH

John A. Miller
Commissioner - Mayor

ATTEST:

Caroline Best
City Clerk

APPROVED AS TO FORM & LEGALITY:



Tammi E. Bach
City Attorney

**INVITATION TO BID # 16- 10
MARINA GAS AND DIESEL
BID OPENING**

7/15/2016

Opened By: Wendy Gaskill & Joe Springer

DATE/TIME	7/13/2016 14:18	7/14/2016 12:12	7/5/2016 10:00	7/15/2016 1:26	7/14/2016 1:49
VENDOR NAME	LV Heirs	Petroleum Traders Corp	Lykins Energy Solutions	Gate Fuel Service Inc.	Indigo Energy Partners, LLC
LOCATION	Maccleddy, FL	Fort Wayne, IN	Milford, OH	Jacksonville, FL	Gainesville, GA
EXHIBITS	x	x	x	x	x
ADDENDUM 1	x	x	x	x	x

Dyed Ultra Low Sulfur Diesel

OPIS Gross Ave Rack (Jacksonville, FL)

+Profit	0.0179	-0.0229	0.0002	-0.0118	0.0036
+Freight	0.0275	0.0279	0.0265	0.029	0.0262
TOTAL	0.0454	0.005	0.0267	0.0172	0.0298
+Fuel Surcharge	none	30%	none	none	0.0039

Marine Non-Ethanol Midgrade 89 Oct

OPIS Gross Ave Rack (Jacksonville, FL)

+Profit	0.0179	-0.0248	0.003	-0.1746	-0.0411
+Freight	0.0275	0.0279	0.0265	0.026	0.0228
TOTAL	0.0454	0.0031	0.0295	-0.1486	-0.0183
+Fuel Surcharge	none	30%	none	none	0.0034

This is a preliminary summary of the bids as they were opened and announced at the bid opening.
Contractor/Vendor should not assume award until after final review/recommendation for award.

EXHIBITS

- EXHIBIT "A" Contact Sheet/Bid Form ✓
- EXHIBIT "B" Public Entity Crimes ✓
- EXHIBIT "C" Drug-Free Workplace Certification ✓
- EXHIBIT "D" E-Verify Statement ✓
- EXHIBIT "E" Conflict of Interest ✓
- EXHIBIT "F" Non-Collusion Affidavit ✓
- EXHIBIT "G" Disputes Disclosure ✓

EXHIBIT "A"

CONTACT SHEET/BID FORM, CITY OF FERNANDINA BEACH ITB #16-10
FERNANDINA HARBOR MARINA ANNUAL FUEL REQUIREMENTS

Price is in accordance with the Specifications and the General Conditions of the ITB as provided.

Dyed Ultra Low Sulfur Diesel

OPIS Gross Ave Rack (Jacksonville, FL)

≠ -0.0118 Profit

+ 0.029 Freight

+ N/A Fuel Surcharge

Marine Non-Ethanol Midgrade 89 Oct

OPIS Gross Ave Rack (Jacksonville, FL)

≠ -0.1746 Profit

+ 0.026 Freight

+ N/A Fuel Surcharge

Delivery documents must include the oil pricing information sheet (OPIS) for the product delivered.

Name: GATE FUEL SERVICE, INC.

Federal Taxpayer ID: 59-2874364

Mailing Address: P.O. Box 23627

City, State, & Zip Code: JACKSONVILLE, FL 32241

Telephone: 904-448-2992 Fax: 904-448-7041

Email Address: dponder@gatepetro.com

Submitted By: W. MICHAEL LOVE

Title: PRESIDENT

Vendor Accepts Credit Cards*: Yes No

*See preferred method of payment under "Payment" section of the General Conditions

Accounting Contact:

Name: Betsy Bonner Title: Billing Supervisor
Lorrie Miller Title: Credit

Email Address: bbonner@gatepetro.com Phone: 904-448-2990
lmiller@gatepetro.com Phone: 904-448-2921

ACKNOWLEDGEMENT OF ADDENDA (if applicable)

W. Michael Love Signature Date 7/14/2016 Addendum # 1 to # 1

THIS FORM MUST BE INCLUDED WITH PROPOSAL

EXHIBIT "B"

TO GENERAL CONDITIONS TO ITB #16-10

CITY OF FERNANDINA BEACH, FLORIDA SWORN STATEMENT UNDER F.S. SECTION 287.133(3) (A), ON PUBLIC ENTITY CRIMES

THIS FORM MUST BE SIGNED IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICER AUTHORIZED TO ADMINISTER OATHS.

1. This sworn statement is submitted with Bid, Proposal or Contract for ITB #16-10.
2. This sworn statement is submitted by (entity) GATE FUEL SERVICE, INC. whose business address is P.O. Box 23627 Jacksonville FL 32241 and (if applicable) Federal Employer Identification Number (FEIN) is 59-2874364 (If a Sole Proprietor and you have no FEIN, include the last four (4) digits of your Social Security Number: N/A.)
3. My name is W. Michael Love and my relationship to the entity named above is President.
4. I understand that a "public entity crime" as defined in Paragraph 287.133(a) (g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or with the United States, including, but not limited to, any proposal or contract for goods or services to be provided to any public entity or any agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.
5. I understand that "convicted" or "conviction" as defined in paragraph 287.133(a) (b), Florida Statutes, means finding of guilt or a conviction of a public entity crime with or without an adjudication of guilt, in any federal or state trial court of records relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, non-jury trial, or entry of a plea of guilty or nolo contendere.
6. I understand that an "affiliate" as defined in Paragraph 287.133(1) (a), Florida Statutes, means:
 1. A predecessor or successor of a person convicted of a public entity crime; or
 2. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The City of Fernandina Beach, Florida ownership by one of shares constituting a controlling income among persons when not for fair interest in another person, or a pooling of equipment or income among persons when not for fair market value under a length

EXHIBIT "C"

TO GENERAL CONDITIONS TO ITB #16-10 CITY OF FERNANDINA BEACH

DRUG-FREE WORKPLACE CERTIFICATION

The below-signed VENDOR certifies that it has implemented a drug-free workplace program. In order to have a drug-free workplace prepare, a business shall:

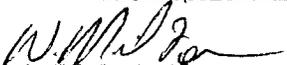
1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violation of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
3. Give each employee engaged in providing the commodities or services a copy of the statement specified in paragraph 1.
4. In the statement in paragraph 1., notify the employees that, as a condition of working on the commodities or contractual services that are under proposal, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of nolo contendere to, any violation occurring in the workplace no later than five (5) working days after such conviction.
5. Impose a sanction on, or require fine satisfactory participation in drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign this statement, I Certify that this VENDOR complies fully with the above drug-free workplace requirements.

VENDOR: GATE FUEL SERVICE, INC

CITY: JACKSONVILLE STATE: FL ZIP CODE: 32241

TELEPHONE NUMBER(S): 904-448-2992

SIGNATURE: 

NAME (TYPED OR PRINTED): W. MICHAEL LOVE TITLE: PRESIDENT

THIS FORM MUST BE INCLUDED WITH PROPOSAL

EXHIBIT "D"

ITB 16-10

CITY OF FERNANDINA BEACH

E-VERIFY STATEMENT

Bid/Proposal Number: ITB # 16-10

Project Description: MARINA GASOLINE AND DIESEL FUEL

VENDOR acknowledges and agrees to the following:

VENDOR shall utilize the U.S. Department of Homeland Security's E-Verify system, in accordance with the terms governing use of the system, to confirm the employment eligibility of:

1. All persons employed by the VENDOR during the term of the Contract to perform employment duties within Florida; and
2. All persons assigned by the VENDOR to perform work pursuant to the contract with the Department.

VENDOR: GATE FUEL SERVICE, INC

Authorized Signature: 

Title: PRESIDENT

Date: 7/14/2016

THIS FORM MUST BE INCLUDED WITH PROPOSAL

EXHIBIT "E"
CONFLICT OF INTEREST STATEMENT

This sworn statement is submitted with Bid, Proposal or Contract for ITB #16-10
MARINA GASOLINE AND DIESEL FUEL

This sworn statement is submitted by (entity) GATE FUEL SERVICE, INC whose business address is P.O. Box 23627 Jacksonville FL 32241 and (if applicable) Federal Employer Identification Number (FEIN) is 59-2874364 (If a Sole Proprietor and you have no FEIN, include the last four (4) digits of your Social Security Number: N/A.)

My name is W. Michael Love and my relationship to the entity named above is President.
The above named entity is submitting a Proposal for the City of Fernandina Beach RFP# 16-10 described as (MARINA GASOLINE AND DIESEL FUEL).

1. The Affiant has made diligent inquiry and provides the information contained in the Affidavit based upon his/her own knowledge.
2. The Affiant states that only one submittal for the above proposal is being submitted and that the above named entity has no financial interest in other entities submitting proposals for the same project.
3. Neither the Affiant nor the above named entity has directly or indirectly entered into any agreement, participated in any collusion, or otherwise taken any action in restraints of free competitive pricing in connection with the entity's submittal for the above proposal. This statement restricts the discussion of pricing data until the completion of negotiations if necessary and execution of the Contract for this project.
4. Neither the entity nor its affiliates, nor anyone associated with them, is presently suspended or otherwise ineligible from participation in contract letting by any local, State, or Federal Agency.
5. Neither the entity nor its affiliates, nor anyone associated with them have any potential conflict of interest due to any other clients, contracts, or property interests for this project.
6. I certify that no member of the entity's ownership or management is presently applying for an employee position or actively seeking an elected position with the City of Fernandina Beach.
7. I certify that no member of the entity's ownership or management, or staff has a vested interest in any aspect of the City of Fernandina Beach.
8. In the event that a conflict of interest is identified in the provision of services, I, on behalf of the above named entity, will immediately notify the City of Fernandina Beach.

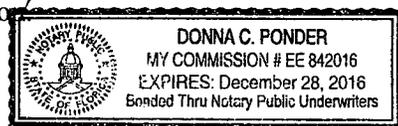
W. Michael Love 7/14/2016
Signature Date:

STATE OF FLORIDA
COUNTY OF DUVAL

PERSONALLY APPEARED BEFORE ME, the undersigned authority, who, after first being sworn by me, affixed his/her signature at the space provided above on this 14th day of JULY, 2016, and is personally known to me, or has provided _____ as identification

Donna C. Ponder
Notary Signature

My Commission expires:



THIS FORM MUST BE INCLUDED WITH PROPOSAL

EXHIBIT "F"

Non-Collusion Affidavit

This sworn statement is submitted with Bid, Proposal or Contract for ITB #16-10
Marina Gasoline and Diesel Fuel

This sworn statement is submitted by (entity) Gate Fuel Service, Inc. whose business address is P.O. Box 23027 Jacksonville FL 32241 and (if applicable) Federal Employer Identification Number (FEIN) is 59-2874364 (If a Sole Proprietor and you have no FEIN, include the last four (4) digits of your Social Security Number: N/A.)

My name is W. Michael Love and my relationship to the entity named above is President.

1. The above named is fully informed respecting the preparation and contents of the attached proposal and of all pertinent circumstances respecting such proposal;
2. Such Proposal is genuine and is not a collusive or sham proposal;
3. Neither the said Proposer nor any of its officers, partners, owners, agents, representatives, employees, or parties in interest, including this affiant, has in any way colluded, connived, or agreed, directly or indirectly, with any other Bidder, firm or person to submit a collusive or sham Proposal in connection with such Contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other Bidder, firm, or person to fix the price or prices in the attached proposal or any other Bidder, or to fix any overhead, profit or cost element of the proposal price or the proposal price of any other Bidder, or to secure through any collusion, connivance, or unlawful agreement any advantage against the City of Fernandina Beach, Florida or any person interested in the proposed Contract; and
4. The price or prices quoted in the attached proposal are fair and proper and are not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the Bidder or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

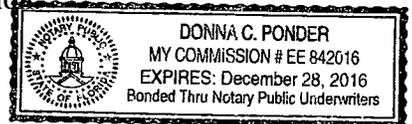
W. Michael Love 7/14/2016
Signature Date:

STATE OF FLORIDA
COUNTY OF DUVAL

PERSONALLY APPEARED BEFORE ME, the undersigned authority, who, after first being sworn by me, affixed his/her signature at the space provided above on this 14th day of July, 2016, and is personally known to me, or has provided _____ as identification

Donna C. Ponder
Notary Signature

My Commission expires:



THIS FORM MUST BE INCLUDED WITH PROPOSAL

EXHIBIT "G"

DISPUTES DISCLOSURE FORM

Answer the following questions by placing an "X" after "YES" or "NO". If you answer "YES", please explain in the space provided, or via attachment.

Has your company or any of its officers, received a reprimand of any nature or been suspended by the Department of Professional Regulations or any other regulatory agency or professional association within the last five (5) years?

YES ___ NO X

Has your company, or any member of your company, been declared in default, terminated or removed from a contract or job related to the services your company provides in the regular course of business within the last five (5) years?

YES _____ NO X

Has your company had against it or filed any request for equitable adjustment, contract claims, bid protest, or litigation in the past five (5) years that is related to the services your company provides in the regular course of business?

YES _____ NO X

If yes, state the nature of the request for equitable adjustment, contract claim, litigation, or protest, and state a brief description of the case, the outcome or status of the suit and the monetary amounts or extended contract time involved.

I hereby certify that all statements made are true and agree and understand that any misstatement or misrepresentation or falsification of facts shall be cause for forfeiture of rights for further consideration of this proposal for the City of Fernandina Beach.

GATE FUEL SERVICE, INC

VENDOR

7/14/2010

Date

W. Michael Love

Authorized Signature

W. MICHAEL LOVE PRESIDENT

Printed or Typed Name and Title

THIS FORM MUST BE INCLUDED WITH PROPOSAL



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/14/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MARSH USA, INC. TWO ALLIANCE CENTER 3560 LENOX ROAD, SUITE 2400 ATLANTA, GA 30326 700429-PETRO-GAWU-16-17	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS:	FAX (A/C, No):
	INSURER(S) AFFORDING COVERAGE	
INSURED GATE Fuel Service, Inc. 9540 San Jose Boulevard Jacksonville, FL 32257	INSURER A : Greenwich Insurance Company NAIC # 22322	
	INSURER B : XL Specialty Insurance Company 37885	
	INSURER C : Commerce & Industry Ins. Co 19410	
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** ATL-003997118-03 **REVISION NUMBER:** 7

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER			RGD943759304	06/30/2016	06/30/2017	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			RAD943759404	06/30/2016	06/30/2017	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 25,000			19086949 Umbrella Follows Form	06/30/2016	06/30/2017	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000
B	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N N N/A	RWD943536204	06/30/2016	06/30/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Re: City of Fernandina Beach, Florida - Bid #16-10, Marina Gasoline and Diesel Fuel
Certificate Holder is included as additional insured (except workers' compensation) where required by written contract. This insurance is primary and non-contributory over any existing insurance and limited to liability arising out of the operations of the named insured subject to policy terms and conditions and where required by written contract. Waiver of subrogation is applicable where required by written contract and subject to policy terms and conditions.

CERTIFICATE HOLDER City of Fernandina Beach Attn: City Clerk's Office - ITB # 16-10 204 Ash Street Fernandina Beach, FL 32034	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE of Marsh USA Inc. Stanton Reid
--	---

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WAIVER OF TRANSFER OF RIGHTS OF RECOVERY
AGAINST OTHERS TO US**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

Changes In Conditions

The **Transfer Of Rights Of Recovery Against Others To Us** Condition is changed by adding the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule below because of payments we make for "bodily injury" or "property damage" arising out of your ongoing operations or work you performed under a contract with that person or organization. This waiver applies only to the person or organization shown in the Schedule below:

SCHEDULE

Name of Person(s) or Organization(s):

Where required by written contract or agreement executed prior to loss (except where not permitted by law).

All other terms and conditions remain the same.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
ANY PERSON OR ORGANIZATION FOR WHOM THE NAMED INSURED HAS AGREED TO PROVIDE INSURANCE PRIOR TO LOSS AS PROVIDED BY THIS POLICY BUT ONLY TO THE LIMIT AND SCOPE OF INSURANCE AGREED TO BY THE NAMED INSURED	ALL LOCATIONS
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

ENDORSEMENT #

This endorsement, effective 12:01 a.m., 06-30-2016 forms a part of

Policy No. RGD9437593-04 issued to Gate Petroleum Company

by Greenwich Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY INSURANCE CLAUSE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PRODUCTS/COMPLETED OPERATIONS COVERAGE PART

It is agreed that to the extent that insurance is afforded to any Additional Insured under this policy, this insurance shall apply as primary and not contributing with any insurance carried by such Additional Insured, as required by written contract.

All other terms and conditions of this policy remain unchanged.

THE AMERICAN INSTITUTE OF ARCHITECTS



AIA Document A310

Bid Bond

KNOW ALL MEN BY THESE PRESENTS, that Gate Fuel Service Inc. as Principal, hereinafter called the Principal, and Travelers Casualty and Surety Company of America a corporation duly organized under the laws of the State of CT as Surety, hereinafter called the Surety, are held and bound unto City of Fernandina Beach as Obligee, hereinafter called the Obligee, in the sum of

Five Percent of Bid Amount Dollars(5%)

for the payment of which sum well and truly to be made, the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a bid for

City of Fernandina Beach Florida Bid #16-10 Marina Gasoline and Diesel Fuel

NOW, THEREFORE, if the Obligee shall accept the bid of the Principal and the Principal shall enter into a Contract with the Obligee in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or Contract Documents with good and sufficient surety for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof, or in the event of the failure of the Principal to enter such Contract and give such bond or bonds, if the Principal shall pay to the Obligee the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the Obligee may in good faith contract with another party to perform the Work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect.

Signed and Sealed this 15th day of July 2016

Jisa Lemah (Witness)

Gate Fuel Service Inc. W.M. De... (Principal) (Seal) PRESIDENT (Title)

[Signature] (Witness)

Travelers Casualty and Surety Company of America [Signature] (Surety) (Seal) Benjamin Powell Attorney in Fact (Title)



POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 229425

Certificate No. 006737940

KNOW ALL MEN BY THESE PRESENTS: That Farmington Casualty Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company are corporations duly organized under the laws of the State of Connecticut, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc., is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Fitzhugh K. Powell Jr., Robert T. Theus, Susan W. Jordan, Walter N. Myers, and Benjamin Powell

of the City of Jacksonville, State of Florida, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

Any and all consents required by the Department of Transportation, or the Central Florida Expressway Authority, State of Florida, incident to the release of retained percentages and/or final estimates.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 12th day of April, 2016.

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company



State of Connecticut
City of Hartford ss.

By: [Signature]
Robert L. Raney, Senior Vice President

On this the 12th day of April, 2016, before me personally appeared Robert L. Raney, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the 30th day of June, 2016.



[Signature]
Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

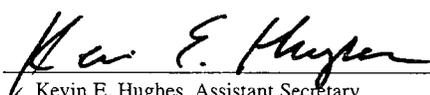
FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kevin E. Hughes, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 15 day of July, 2016


Kevin E. Hughes, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.travelersbond.com. Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.

CITY OF FERNANDINA BEACH, FLORIDA

**ADDENDUM ONE
FOR
INVITATION TO BID #16-10**

MARINA GASOLINE AND DIESEL FUEL

Prepared By:
City of Fernandina Beach
204 Ash Street
Fernandina Beach, FL 32034

ADDENDUM DATE: July 8, 2016

INTRODUCTION - The City of Fernandina Beach is accepting competitive sealed responses for **MARINA GASOLINE AND DIESEL FUEL**.

The responses are due by **2:30pm, July 15, 2016**.

Any submittal received after the above stated time and date will not be considered. It shall be the sole responsibility of the proposer to have its proposal delivered to the City of Fernandina Beach, by U.S. Mail, hand delivery or any other method available to him/her; however, facsimile or electronic submittals will not be accepted. Delay in delivery shall be the sole responsibility of the responder. Submittals received after the deadline will not be considered.

THIS ADDENDUM

The following changes are applicable to the original INVITATION TO BID documents and specifications of ITB 16-10.

This Addendum now becomes part of the original INVITATION TO BID and shall be acknowledged by attaching a copy of this Addendum, signed by an authorized representative of the person or company submitting a proposal, along with required Exhibits. Failure to do so may disqualify the bid.

NAME: W MICHAEL LOYE **TITLE:** PRESIDENT
ADDRESS: PO BOX 23627
CITY: JACKSONVILLE **STATE:** FL 32241
AUTHORIZED SIGNATURE: W. Michael Loye **DATE:** 7/14/16

**ADDENDUM ONE
FOR
INVITATION TO BID #16-10**

MARINA GASOLINE AND DIESEL FUEL

I. Changes to Request for Proposal: *None*

II. Questions: *See Below*

III. Attachments: *None*

II. Questions:

1. The Marina bid states on page 2 that the “vendor shall base the proposal on, “Opis Gross LOW Rack” but on page 15 it states “Opis Gross Average”

Which is it supposed to be based on, Opis LOW or Opis Average?

- ✓ a. Opis Gross **Average** Rack
2. Do you accept administrative fee for credit card payment? Or will you be able to pay for a different method?
- a. No, see the Invitation to Bid page 13, Section 15 - Payment.
3. When is the award date?
- a. It is anticipated to be presented for approval to the Commission in August. Check www.fbfl.us for the agenda.
4. Will the bid award be split by product or awarded all to one bidder?
- a. *One vendor is anticipated; see the Invitation to Bid page 5, Section 8 - AWARD OF INVITATION TO BID*
5. Have any addendums been released for this bid?
- a. *Addendum 1 is the only addendum at this time.*
6. What is your current turnaround on payment of invoices?
- a. We pay in accordance with the Florida Prompt Payment Act, 45 days.
7. Can you do better than 30 days for payment terms, i.e. Net 10 or Net 15?
- a. No
8. Do you currently receive a discount for prompt payment of invoices?
- a. No

9. Will you accept up to 5% bio diesel in your diesel fuel?
 - a. No

10. Is a pump required at any location? If so, which locations will require a pump?
 - a. No

11. What are the delivery hours?
 - a. No restrictions, anytime. 24/7/365

12. How many consecutive years has the current vendor been awarded?
 - a. 3 years

13. Will a firm fixed price be considered? If not, why?
 - a. No, per City Marina Manager.

14. If we were to insert any conditions into our alternate firm fixed bid, would they be taken into consideration or rejected? ~~Sample attached, please indicate which clauses would be acceptable and which clauses would be cause for rejection?~~
 - a. *Submit your proposal as the Invitation to Bid specifies. The City's terms and conditions will prevail.*

15. What information will you be reading out loud at the bid opening?
 - a. *Date and time the proposal is received, Company name and prices supplied on Exhibit "A."*

16. If we attend the bid opening, will we be able to review other submitted bids?
 - a. *No, Per section 119.071 (1)(b)(2) in the FL statue this is not public record at this time.*

17. If we do not attend the bid opening, how and when will we be notified of the low bidder and can we receive a copy of the bid tabulations?
 - a. *The bid tally will be posted to www.fbfl.us within 24 hours of the bid opening. Per section 119.071 (1)(b)(2) in the FL statue this is not public record at this time.*

18. Can I obtain the bid results from last year.
 - a. Please submit a Public Records Request through the City Clerk's Office at (904) 277-7305.

19. Delivery documents must include OPIS sheet for the date product is being delivered. There are 2 issues with this requirement.
 - Due to copyright issues no one is allowed to provide copies of OPIS
 - OPIS might not be available the time of delivery. Normally we don't get it until night or next day
 - a. If the print out is unavailable the same day as delivery provide it as soon as possible.

20. Performance bond and Payment bond – Please confirm that a Performance bond is required and not a payment bond.
 - a. Neither is applicable

 21. Term: Please advise what is the contract start date
 - a. October 1, 2016

 22. Pricing: Please confirm that pricing shall not include any taxes.
 - a. See page 4 of the Invitation to Bid Section 1, f.

 23. Pricing: The Opus Gross Low Rack Price (Jacksonville, FL) – date of delivery – is this a 10AM price, Midday price or end of day price
 - a. 10AM price. See Item #1 in this Addendum; quote “Opus Gross **Average** Rack” not “Opus Gross **LOW** Rack price.”
-

CITY COMMISSION AGENDA ITEM
City of Fernandina Beach



SUBJECT: Resolution 2016- 107
 Approving Creation of a Property Assessed Clean Energy Program (P.A.C.E.)
 Through Florida Development Finance Corporation (FDFC) and Renovate America

ITEM TYPE: Ordinance Resolution Other
 Proclamation Presentation

REQUESTED ACTION: Approve Resolution 2016- 107

SYNOPSIS: In 2010, the Florida Legislature adopted HB 7179 (Section 163.08, Fla. Stat.) (the "Bill"), allowing local governments to create Property Assessed Clean Energy (PACE) programs in order to provide the up-front financing for energy conservation and efficiency (e.g., energy-efficient heating, cooling, or ventilation systems), renewable energy (e.g., solar panels), and wind resistance (e.g., impact resistant windows) improvements (the "Qualifying Improvements"). PACE programs assist residents and business owners in strengthening the hurricane resistance of their homes and businesses, reducing their carbon footprint and energy costs and by stimulating the local economy by creating construction jobs. Homeowners within Fernandina Beach would benefit from the creation of a PACE program to help finance the substantial up-front costs associated with increasing the resiliency and energy efficiency of their homes. If this Resolution is approved, it authorizes Renovate America, a PACE provider, to accept applications, establish and utilize a non-ad valorem assessment process, and enter into financing agreements with property owners within Fernandina Beach. By agreeing to create a PACE district pursuant to Section 163.08 and 163.01(7), Fernandina Beach may utilize the PACE District to enable PACE financing to be offered to homeowners without the substantial administrative and start-up costs that Fernandina Beach would incur if it were to set up its own program. Other communities may join the district via interlocal agreement as provided in Section 163.08 and 163.01(7), creating economies of scale that will benefit the homeowners of Fernandina Beach.

Renovate America, Inc. ("Renovate America") is the nation's largest provider of residential PACE financing and is working in partnership with the Florida Development Finance Corporation. The Florida Development Finance Corporation ("FDFC") is authorized by state law to provide financing for PACE programs statewide and has already been approved to issue up to Two Billion Dollars (\$2,000,000,000) of PACE bond financing. The Interlocal Agreement creates a special district under Section 163.01(7), Fla. Stats. and will be designated the Florida Resiliency and Energy District ("FRED") and will designate FDFC and its PACE Program to provide the financing for FRED that will be offered to property owners in Fernandina Beach and to other members of the District. The Town of Lake Clarke Shores located in Palm Beach County, Florida approved a similar resolution on August 23, 2016 and with the City of Fernandina Beach will be a co-founder of the FRED upon execution of the Interlocal Agreement. The City of Fernandina Beach, as a co-founder of the Florida Resiliency and Energy District and as a participant in all attendant duties of the management and administration of the District, will enter into a Participation Agreement allowing the City to share in the growth of the District.

The City of Fernandina Beach's endorsement of this FRED and this PACE program is NON-EXCLUSIVE, meaning the City can participate with other PACE program providers (Ygrene, Renew Financial, Evest, etc.). The City can terminate its participation in the Interlocal Agreement without cause and with 10-days written notice. However, if the City terminated its participation in FRED, any outstanding debt (property owners with assessments already) would still be collected as non-ad valorem assessments by FRED until all the existing assessments are paid off.

FISCAL IMPACT: N/A

2016/2017 CITY COMMISSION GOALS: Beach Safety Alachua Street
 (As approved by Resolution 2016-51) Soccer Field Lighting Stormwater
 Downtown Density Opportunity
 ADA Improvements Departmental
 Consideration

CITY ATTORNEY COMMENTS: See above.

CITY COMMISSION AGENDA ITEM
City of Fernandina Beach



CITY MANAGER RECOMMENDATION(S): I recommend that the City Commission adopt proposed Resolution 2016-. *DLM*

DEPARTMENT DIRECTOR Submitted by: Tammi E. Bach *TEB* Date: 8/26/16
City Attorney

CONTROLLER Approved as to Budget Compliance Date:

CITY ATTORNEY Approved as to Form and Legality *TEB* Date: *9/1/16*

CITY MANAGER Approved Agenda Item for 9/06/16 *DLM* Date: 8/26/16

COMMISSION ACTION: Approved As Recommended Disapproved
 Approved With Modification Postponed to Time Certain
 Other Tabled

RESOLUTION 2016-

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, APPROVING THE CREATION OF A PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM AND ENTERING INTO AN INTERLOCAL AGREEMENT WITH THE TOWN OF LAKE CLARKE SHORES, FLORIDA AND THE FLORIDA DEVELOPMENT FINANCE CORPORATION TO CREATE A PACE DISTRICT UNDER FLORIDA LAW; UPON EXECUTION, AUTHORIZING RENOVATE AMERICA TO OFFER PACE FINANCING IN FERNANDINA BEACH; ENTERING INTO A PARTICIPATION AGREEMENT WITH THE FLORIDA DEVELOPMENT FINANCE CORPORATION; PROVIDING FOR AUTHORIZATION OF CITY OFFICIALS; PROVIDING DIRECTIONS TO CITY CLERK; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in 2010, the Florida Legislature adopted HB 7179 (Section 163.08, Fla. Stat.) (the "Bill"), allowing local governments to create Property Assessed Clean Energy (PACE) programs in order to provide the up-front financing for energy conservation and efficiency (e.g., energy-efficient heating, cooling, or ventilation systems), renewable energy (e.g., solar panels), and wind resistance (e.g., impact resistant windows) improvements (the "Qualifying Improvements"); and

WHEREAS, PACE programs assist residents and business owners in strengthening the hurricane resistance of their homes and businesses, reducing their carbon footprint and energy costs and by stimulating the local economy by creating construction jobs; and

WHEREAS, homeowners within Fernandina Beach, would benefit from the creation of a PACE program to help finance the substantial up-front costs associated with increasing the resiliency and energy efficiency of homes; and

WHEREAS, Fernandina Beach desires to authorize a PACE provider to accept applications, establish and utilize a non-ad valorem assessment process, and enter into financing agreements with property owners within Fernandina Beach; and

WHEREAS, creating a PACE district pursuant to Section 163.08 and 163.01(7) will enable Fernandina Beach to utilize the PACE District to enable PACE financing to be offered to homeowners without the substantial administrative and start-up costs that Fernandina Beach would incur if it were to set up its own program; and

WHEREAS, creating a PACE district will enable other communities to join the district via Interlocal Agreement as provided in Section 163.08 and 163.01(7), creating economies of scale that will benefit the homeowners of Fernandina Beach; and

WHEREAS, Renovate America, Inc. ("Renovate America") is the nation's largest provider of

residential PACE financing and is working in partnership with the Florida Development Finance Corporation; and

WHEREAS, the Florida Development Finance Corporation (“FDFC”) is authorized by state law to provide financing for PACE programs statewide and has already been approved to issue up to Two Billion Dollars (\$2,000,000,000) of PACE bond financing; and

WHEREAS, the Interlocal Agreement, in substantially the form attached hereto as Exhibit “A”, will, upon execution by all parties, create a special district under Section 163.01(7), Fla. Stats. and will be designated the Florida Resiliency and Energy District (“FRED”) and will designate FDFC and its PACE Program to provide the financing for FRED that will be offered to property owners in Fernandina Beach and to other members of FRED; and

WHEREAS, the Town of Lake Clarke Shores located in Palm Beach County, Florida approved a similar resolution on August 23, 2016 and with the City of Fernandina Beach will be a co-founder of the FRED upon execution of the Interlocal Agreement; and

WHEREAS, creating FRED will enable Renovate America, as a PACE administrator for the FDFC PACE Program, to offer it’s PACE financing program to Fernandina Beach property owners; and

WHEREAS, the City of Fernandina Beach, as a Founder of the Florida Resiliency and Energy District and as a participant in all attendant duties of the management and administration of the District, will enter into a Participation Agreement allowing the City to share in the growth of the District; and

WHEREAS, the City Commission of Fernandina Beach, Florida finds that this Resolution is in the best interest and welfare of the residents of Fernandina Beach.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, THAT:

Section 1. Recitals. The foregoing recitals are true and correct and are hereby adopted, confirmed, and incorporated herein by reference.

Section 2. Creation of PACE program and the Florida Resiliency and Energy District. The City Commission hereby approves the Interlocal Agreement creating the Florida Resiliency and Energy District (FRED), pursuant to Section 168.08 and 163.01(7) with the Florida Development Finance Corporation (FDFC) and Town of Lake Clarke Shores, Florida in substantially the form as attached hereto as Exhibit “A”, and authorizes the Mayor to execute the final agreements, subject to approval as to form and legality by the City Attorney.

Section 3. Authorization of Applications and Levy of Assessments. Upon creation of FRED, the City Commission, hereby authorizes, FDFC’s PACE administrator, Renovate America, to accept applications for financing Qualifying Improvements within the Fernandina Beach municipal boundaries on a non-exclusive basis and hereby authorizes FRED to levy non-ad valorem

assessments for such Qualifying Improvements, subject to limitations and conditions including execution of a Non-Ad Valorem Assessment Collection Agreement, and applicable federal, state, county, and municipal law, rules, regulations, ordinances, and policies.

Section 4. Participation Agreement. The City Commission hereby approves the Addendum to the Interlocal Agreement (the "Participation Agreement") with the Florida Development Finance Corporation, attached hereto as Exhibit "B", and authorizes the Mayor to execute the final agreement, subject to approval as to form by the City Attorney.

Section 5. Authorization of City Officials. The Mayor, the City Manager and the City Attorney are authorized to take all steps necessary to implement the terms and conditions of this Resolution and to execute the Interlocal Agreement creating the Florida Resiliency and Energy District, and to execute the Participation Agreement authorizing Renovate America, as the provider of PACE financing for FDFC, to be the administrator for the District, in substantially the form as attached hereto as Exhibits "A" and "B." The Mayor is authorized to execute any required agreements and/or documents to implement the terms and conditions of this Resolution, subject to the approval as to form and legality by the City Attorney.

Section 6. Effective Date. This Resolution shall be effective immediately upon adoption.

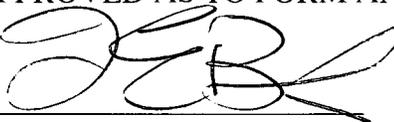
ADOPTED this 6th day of September, 2016.

CITY OF FERNANDINA BEACH

John A. Miller
Commissioner - Mayor

ATTEST:

APPROVED AS TO FORM AND LEGALITY:



Caroline Best
City Clerk

Tammi E. Bach
City Attorney

About Renovate America

Renovate America provides the premier energy efficiency financing solution in the country. The company's HERO Program uses the Property Assessed Clean Energy (PACE) model to allow property owners to pay for improvements that reduce energy or water consumption, over time through a line item on their taxes. With over \$1.7 billion in financed improvements, Renovate America is the nationwide market leader.

Florida law (Fl. Statutes §163.08), allows local property owners access to HERO financing without the need for government funding through Renovate America's network of trained, local home improvement contractors and private capital providers. This unique public-private partnership relies on a comprehensive technology platform that offers consumers a seamless experience.

A ROBUST NEW MARKET FOR ENERGY AND WIND HARDENING

The majority of homeowners who choose HERO had a system in their home fail or need replacement or an upgrade. Competitive fixed rate assessments are paid back over five to 20-year terms based on the useful life of the product through a property tax line item. Those terms are often longer than credit cards or home equity lines of credit would allow, bringing monthly payments within reach. And unlike any other form of financing, any remaining balance may be able to transfer to the new buyer when a home is sold.

That access and affordability makes a variety of energy-saving products attractive, including solar panel installations, whole-home heating and cooling (HVAC) systems, energy-saving windows and doors, roofing and insulation. Under Florida law, HERO can also be used to strengthen homes against hurricanes. Improvements that are eligible include reinforced roofs, decks, windows and doors.

UNPARALLELED CONSUMER PROTECTIONS

Renovate America is leading the industry, working with other PACE providers to offer unparalleled consumer protections, including:

- Contractors—most of them locally-owned small businesses—must be bonded, licensed and insured, screened, and certified by the program.
- Installed products must be rated as efficient by the DOE, EPA, or a state or local government agency.
- Prices subject to market value pricing protections.
- Special program protections for property owners over the age of 64.
- Payment to the contractor is withheld until the homeowner signs off that the work is complete.
- Written disclosures are confirmed verbally with the property owner prior to acceptance of financing.

ADDED VALUE

A recent study published in the Journal of Structured Finance (Winter 2016) showed that on average homes with HERO improvements sell at a price premium that can range from \$199 to more than \$8,800. That means energy and water projects recover and often exceed the investment, compared to recent studies showing popular kitchen and bathroom remodels recover only 58 percent to 66 percent of their costs. Homeowners may also benefit immediately from efficiency-oriented improvements through lower utility bills and potential tax benefits.

Florida Resiliency and Energy District (FRED)

WHAT IS FRED?

FRED, upon founding by 2 member local governments, will be a PACE Special District created under FL. Statutes 163.01(7), which under the FL. PACE Act is allowed to offer PACE financing to localities.

FRED will offer PACE financing in partnership with Renovate America and the Florida Development Finance Corporation ("FDFC"). FDFC is authorized under state law (Chapter 288, Part X) as a special development finance authority and as a state-wide bond financing entity for PACE. Action taken by the FDFC Board and Staff to further the FDFC PACE Program (the "FDFC PACE Program" or "Program") in Florida includes the successful validation of \$2 billion in bonding authority, adoption of a PACE Policy (PACE Procedures are still a work-in-progress) and pre-screening of multiple PACE Providers such as Renovate America, who have a complete turnkey operation and a track record of successful mass adoption of energy efficiency in the housing sector. FDFC staff is supported by an established core PACE Program Team of professionals and set of bond-validated documents.

After creation, FRED will be able to offer financing throughout Florida to localities which execute a membership agreement.

WHY BECOME A FOUNDING MEMBER?

FRED will allow Renovate America's award-winning HERO program to be available to property owners in Fernandina Beach. By being a founding member, Fernandina Beach will:

- Serve on the board of FRED (1 or 2 appointments out of 3 total) with all the powers of a political subdivision of the state.
- FRED provides liability and indemnification protection for Fernandina Beach – no legal or financial exposure to the City or its residents.
- By investing in and directing FRED as a Founding Member, Fernandina Beach will benefit by participating in the growth of FRED statewide. Pursuant to a Participation Agreement, Fernandina Beach will receive a .05% fee tied to the bond issuances of FRED for up to a period of 4 years.
- All start-up, initial, and ongoing operational and administrative costs will be borne by FRED, not Fernandina Beach.

FAQS ABOUT HERO & FRED

What are the interest rates?

Interest rates vary by term, which is in 5 year increments up to 20 years. Our interest rates, which are fixed for each term, range from 6.5% to 8.5% (final rates are TBD in Florida.)

How is PACE financing repaid?

Payments are collected on a property owner's property tax bill. The payments are fixed and fully amortizing, and there is no prepayment penalty.

Will commercial PACE be available to businesses?

FRED will be launching a commercial PACE program with multiple providers, including Renovate America. We expect to work closely with Fernandina Beach on its CPACE needs and requirements.

Does joining FRED preclude other PACE competitors from offering PACE in Fernandina Beach?

No. While FRED will determine its own PACE providers, such as Renovate America, it does not prevent Fernandina Beach from allowing other PACE providers to operate in the City.

	RESOLUTION 2016-107
	EXHIBIT A

**INTERLOCAL AGREEMENT RELATING TO THE
CREATION OF THE FLORIDA RESILIENCY AND ENERGY
DISTRICT, A PROPERTY ASSESSED CLEAN ENERGY
DISTRICT, AND AUTHORIZING FINANCING PURSUANT
THERE TO**

BY AND AMONG

THE TOWN OF LAKE CLARKE SHORES, FLORIDA, AND

THE CITY OF FERNANDINA BEACH, FLORIDA, AND

THE FLORIDA DEVELOPMENT FINANCE CORPORATION, FLORIDA, IN ITS

LIMITED CAPACITY DESCRIBED HEREIN

AND ANY SUBSEQUENT PARTIES HERETO

DATED AS OF _____, 2016

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INTERLOCAL AGREEMENT RELATING TO THE CREATION OF THE FLORIDA
RESILIENCY AND ENERGY DISTRICT, A PROPERTY ASSESSED CLEAN ENERGY
DISTRICT, AND AUTHORIZING FINANCING THERETO

THIS INTERLOCAL AGREEMENT (“Interlocal Agreement”) is made and entered into as of _____, 2016, by and among the government units executing the Interlocal Agreement, each one constituting a public agency or legal entity under Part I, Chapter 163, Florida Statutes, , comprising the Town of Lake Clarke Shores, a municipality and local government of the State of Florida and the City of Fernandina Beach, a municipality and local government of the State of Florida (the “Public Agency” or “Public Agencies”) and, in the limited capacity described herein, the Florida Development Finance Corporation, a public body corporate and politic, a public instrumentality and a public agency organized and existing under the laws of the State of Florida (“FDFC”) and, together collective referred to herein as the “Parties” .

W I T N E S S E T H:

WHEREAS, pursuant to Section 163.08, Florida Statutes, as amended (the “Florida PACE Act”), the Florida Legislature found that in order to make qualifying renewable energy, energy efficiency and conservation and wind resistance improvements more affordable and assist real property owners who wish to undertake such improvements, there is a compelling State of Florida (“State”) interest in enabling property owners to voluntarily finance such improvements with local government assistance; and

WHEREAS, under the Florida PACE Act, the Florida Legislature determined that the actions authorized under the Florida PACE Act, including, but not limited to, the financing of qualifying improvements through the execution of financing agreements between property owners and local governments and the resulting imposition of voluntary non-ad valorem assessments are reasonable and necessary to serve and achieve a compelling state interest and are necessary for the prosperity and welfare of the State and its property owners and inhabitants; and

WHEREAS, the Town of Lake Clarke Shores, Florida, and the City of Fernandina Beach, Florida, wish to create an entity to finance PACE projects for themselves and for other local governments pursuant to Section 163.08(2)(a); and

WHEREAS, the Town of Lake Clarke Shores pursuant to Resolution 16-____ enacted ____, 2016, approved the form and authorized the execution of this Interlocal Agreement; and

WHEREAS, the City of Fernandina Beach, pursuant to Resolution ____ enacted ____, 2016, approved the form and authorized the execution of this Interlocal Agreement; and

WHEREAS, the Town of Lake Clarke Shores and the City of Fernandina Beach desire to enter into an agreement under Section 163.01(7), Florida Statutes, to create a special district that constitutes (1) a separate legal entity within the meaning of Section 163.01, Florida Statutes, also known as the Florida Interlocal Cooperation Act of 1969 (the “Interlocal Act”) and (2) a “local government” within the meaning of the Florida PACE Act and (3) a special district in furtherance of the objectives of the Florida PACE Act; and

WHEREAS, the separate legal entity created under this Interlocal Agreement shall be known as the Florida Resiliency and Energy District (“the District” or “FRED”) which may, pursuant to section 163.08(2)(a), finance energy related “qualifying improvements” through voluntary assessments; and

WHEREAS, the “Interlocal Act” also permits the FDFC and FRED, as public agencies under the Interlocal Act, to enter into interlocal agreements with each other to provide for the performance of service functions to cooperate on a basis of mutual benefit in the best interest of the real property owners within the boundaries of FRED; and

WHEREAS, FDFC has determined that there is a substantial need within the State for a financing program which can provide funds to property owners and inhabitants to enable them to finance qualifying improvements under the Florida PACE Act on a cost-effective basis; and

WHEREAS, the Florida Legislature determined that FDFC has the authority to issue revenue bonds for the purpose of financing said qualifying improvements pursuant to Section 288.9606(7), Florida Statutes; and

WHEREAS, FDFC acts as a special development financing authority that specializes in providing financing support to fund capital projects that support economic development and job creation on a state-wide basis; and

WHEREAS, the Florida PACE Act is an economic development tool that provides communities with an additional option for financing, stimulates production of qualifying products, promotes competition, seeks to increase property values, lower energy consumption, mitigate wind damage, and create jobs; and

WHEREAS, on December 4, 2015, the FDFC Board of Directors adopted Resolution No. 15-09, as amended and supplemented from time to time (the “Bond Resolution”), authorizing the issuance of revenue bonds (“Bonds”) in order to finance qualifying improvements under the Florida PACE Act, which revenue bonds shall be secured by and payable from the proceeds of voluntary non-ad valorem assessments levied against the real properties that are benefitted by such qualifying improvements (the “Assessments”), all in accordance with the provisions of the Florida PACE Act and other applicable provisions of law and in accordance with FDFC’s Property Assessed Clean Energy (“PACE”) Program (the “FDFC PACE Program”); and

WHEREAS, on July 18, 2014, in accordance with Chapter 75, Florida Statutes, the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida issued an Amended Final Judgment validating the issuance of the Bonds by FDFC and on October 15, 2015, the Supreme Court of the State of Florida affirmed such Final Judgment; and

WHEREAS, on December 4, 2015, the FDFC Board of Directors adopted Resolution No. 15-10 setting forth its policies and procedures relating to the FDFC PACE Program; and

WHEREAS, on December 4, 2015, the FDFC Board of Directors adopted Resolution No. 15-11 approving Renovate America, Inc. (“Renovate America”) as its first PACE administrator for the FDFC PACE Program; and

WHEREAS, on _____ __, 201_, the FDFC Board of Directors adopted Resolution No. __-__ approving the form and authorizing the execution of this Interlocal Agreement; and

WHEREAS, FDFC anticipates adding other PACE providers as PACE residential and commercial administrators to provide a competitive marketplace in Florida for any potential residential and commercial property owners interested in the FDFC PACE Program; and

WHEREAS, FRED and FDFC agree, pursuant to Section 163.01(14), that FRED, as a separate legal entity authorized to provide financing pursuant to Section 163.08, Florida Statutes, may contract with FDFC to serve the financing function of the District and therefore serve the residents of the District and potentially other property owners of the State; and

WHEREAS, under this Interlocal Agreement, the parties agree to have Renovate America, as a qualified administrator under the FDFC PACE Program, serve as the administrator for the District and take on all costs and responsibilities for administering and operating the program; and

WHEREAS, the District will utilize the FDFC PACE Program to implement PACE exclusively on behalf of the District; and

WHEREAS, FDFC will utilize its authority under law to provide, authorize, and issue revenue bonds to finance PACE projects within and on behalf of property owners within the District; and

WHEREAS, the FRED will immediately benefit from this arrangement because it will be able to access a turnkey FDFC PACE Program which includes \$2,000,000,000.00 in judicially validated bonding authority for PACE financing and a trained PACE program

staff; and

WHEREAS, it is the intent of FRED, pursuant to Section 163.08, and at the request of FDFC or its approved PACE administrators, to be able to either: (1) add additional jurisdictions upon the mutual agreement of FRED and FDFC or (2) direct jurisdictions to FDFC to evaluate the option of joining the FDFC PACE Program.

NOW THEREFORE, THE PARTIES TO THIS INTERLOCAL AGREEMENT AGREE AS FOLLOWS:

SECTION 1. AUTHORITY FOR INTERLOCAL AGREEMENT. This Interlocal Agreement is adopted pursuant to the provisions of the Interlocal Act, the Florida PACE Act, and other applicable provisions of law. At all times prior to and during the term of this Interlocal Agreement, the Town of Lake Clarke Shores, Florida, and the City of Fernandina Beach, Florida, constitute local governments as that term is defined in the Florida PACE Act and the Interlocal Act and the Florida Finance and Development Corporation constitutes a “public agency” as that term is defined in the Florida Interlocal Act. That portion of this Agreement creating the separate legal entity pursuant to Section 163.01(7), Florida Statutes, is among and between the Founding Members, and that portion of the Agreement allowing the FDFC PACE Program to provide the financing duties of the district is pursuant to Section 163.01(14), Florida Statutes.

SECTION 2. DEFINITIONS. The following definitions shall govern the interpretation of this Interlocal Agreement:

"Annual Assessment Resolution" means a resolution adopted by the District that (A) imposes new Assessments against those property owners entering into financing agreements with the FDFC under the FDFC PACE Program since adoption of the last Annual Resolution, and (B) approves an electronic assessment roll to be submitted to the Tax Collector for the next tax bill containing the required collection information for all property owners with outstanding Assessments under the FDFC PACE Program, in each case limited to those property owners within the boundaries of the local governments that comprise the District.

"Assessments" means the non-ad valorem assessments levied by the District against the properties that are benefitted by the qualifying improvements in accordance with the Florida PACE Act and the FDFC PACE Program.

"Bond Resolution" means Resolution No. 15-09 of the FDFC adopted on December 4, 2015 relating to the Bonds and the FDFC PACE Program, as amended and supplemented from time to time.

"Bonds" means bonds that are issued by FDFC from time to time pursuant to the

Bond Resolution.

“Contracted FDFC services” means the services provided by FDFC pursuant to this Interlocal Agreement.

“District” or **“FRED”** means the Florida Resiliency and Energy District (FRED), a Property Assessed Clean Energy special district, and local government formed pursuant to the Interlocal Act, the Florida PACE Act and this Interlocal Agreement.

“FDFC” means Florida Development Finance Corporation, a public body corporate and politic, a public instrumentality and a local agency organized and existing under the laws of the State of Florida.

“FDFC PACE Program” means the FDFC’s Property Assessed Clean Energy (PACE) Program adopted pursuant to the Bond Resolution and its Policies and Procedures.

“FDFC PACE Program Resolution” means Resolution No. __-__ adopted by the FDFC Board of Directors approving the form and authorizing the execution of this Interlocal Agreement.

“Florida PACE Act” means Section 163.08, Florida Statutes, as may be amended from time to time.

“Founding Members” means the Town of Lake Clarke Shores, Florida, and the City of Fernandina Beach, Florida. The term does not include FDFC.

“Interlocal Act” means Section 163.01, Florida Statutes, as amended.

“Interlocal Agreement” means this Interlocal Agreement Relating to the creation of the Florida Resiliency and Energy District, a Property Assessed Clean Energy District, including any amendments or supplements hereto, executed and delivered in accordance with the terms hereof.

“Limited Purpose Party Membership Agreement” means an agreement between a Subsequent Party and the District defining the terms and conditions of membership within the District.

“Party” or **“Parties”** means the Town of Lake Clarke Shores, Florida, and the City of Fernandina Beach, and the Florida Development Finance Corporation Florida, and their respective assigns; provided, however, the FDFC is a party only for the contracted FDFC services

“Property Appraiser” means the county property appraiser for real property within the boundaries of each Founding Member or Subsequent Party.

“Public Agency” means cities or counties of the State of Florida, or any Subsequent Party.

“Resolution of Enactment” means Resolution No. 16-____ adopted by the Town of Lake Clarke Shores, authorizing the creation of a PACE program within its boundaries and authorizing the creation of a PACE District by Interlocal Agreement with FDFC finding that the PACE Program provides a special benefit to residential property within its boundaries and authorizing the levy of special assessments on benefited property consistent with the common powers provided in the Interlocal Agreement.

“Resolution of Intent” means a resolution adopted by the District pursuant to the Uniform Assessment Collection Act providing notice to all owners of real property within the boundaries of District that non-ad valorem assessments may be imposed pursuant to the Florida PACE Act and will be collected pursuant to the Uniform Assessment Collection Act, Sections 197.3632 and 197.3635, Florida Statutes, if the property owner chooses to utilize the FDFC PACE Program and any FDFC approved PACE administrator to finance qualifying improvements.

“State” means the State of Florida.

“Subsequent Party” or **“Subsequent Parties”** means additional government units constituting Public Agencies under the Interlocal Act and local governments as defined under the Florida PACE Act which join the District upon application to the District and the affirmative vote of a majority of the Board of Directors for the District and upon execution of a Limited Purpose Party Membership Agreement between the District and a Subsequent Party.

“Tax Collector” means the county tax collector for real property within the boundaries of each Founding Member or Subsequent Party.

“Uniform Assessment Collection Act” means Sections 197.3632 and 197.3635, Florida Statutes, as amended and supplemented from time to time.

SECTION 3. INTERPRETATION. Words importing the singular number shall include the plural in each case and vice versa, and words importing persons shall include firms and corporations. The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof,” and any similar terms, shall refer to this Interlocal Agreement; the term “heretofore” shall mean before the effective date of this Interlocal Agreement; and the term “hereafter” shall mean after the effective date of this Interlocal Agreement. This Interlocal Agreement shall not be construed more strongly against any party regardless that such party, or its counsel, drafted this Interlocal Agreement.

SECTION 4. PURPOSE. The purpose of this Interlocal Agreement is for the Founding Members to create the District known as the Florida Resiliency and Energy

District (“the District” or “FRED”), pursuant to the Interlocal Act and the Florida PACE Act, and, by also agreeing to contract with the Florida Development Finance Corporation and its FDFC PACE Program Resolution, the Resolution of Enactment and the Florida PACE Act to facilitate the financing of qualifying improvements for property owners within the District. The District shall be a separate legal entity, pursuant to Section 163.01(7), Florida Statutes and a local government within the meaning of the Florida PACE Act.

SECTION 5. QUALIFYING IMPROVEMENTS. The District shall allow the financing of qualifying improvements by and through the FDFC PACE Program as defined in Section 163.08, Florida Statutes, under authority of Section 163.01(14), Florida Statutes.

SECTION 6. ENABLING ORDINANCE OR RESOLUTION. The Founding Members and Subsequent Parties to this Interlocal Agreement agree to approve and keep in effect such resolutions and ordinances as may be necessary to approve, create and maintain the District. Said ordinances and resolutions shall include all of the provisions as may be required or desirable under the Interlocal Act and the Florida PACE Act for the creation and operation of FRED as a separate legal entity and a local government. The District shall be created upon the execution and delivery of this Interlocal Agreement by the Parties.

SECTION 7. DISTRICT BOUNDARIES; DISTRICT ADMISSION.
(A). The boundaries of the District shall initially be the legal boundaries of the Founding Members, and shall be expanded to include all areas within the legal boundaries of, or service area designated by the Limited Purpose Party Membership Agreement entered into by each local government (the “jurisdictional boundaries”) that becomes a Subsequent Party to this Interlocal Agreement. As contemplated in this Interlocal Agreement, the District shall levy voluntary assessments on the benefitted properties within the jurisdictional boundaries of the District to finance the costs of qualifying improvements for those benefitted properties. Upon petition by the landowners of individual residential or commercial properties desiring to be benefitted, those properties receiving financing for qualifying improvements shall be assessed from time to time, in accordance with the applicable law. Notwithstanding a Founding Member’s termination of participation in this Interlocal Agreement, or Subsequent Party’s termination of participation, those properties that have received financing for qualifying improvements shall continue to be a part of the District, until such time that all outstanding debt has been satisfied. (B). To the extent permitted by the Interlocal Act, the District may admit any public agency or local government (as such terms are defined in the Interlocal Act and the Florida PACE Act, respectively) as a Subsequent Party to the District upon application of each public agency or local government to the District and the affirmative vote of a majority of the Board of Directors for the District. This Interlocal Agreement need not be amended to admit any such public agency or local government, and the approval of the respective governing boards of the existing Parties to the District shall

not be required to admit a Subsequent Party. Each Subsequent Party shall execute, deliver, duly authorize, and record in the public records of each Subsequent Party a Limited Purpose Party Membership Agreement as a precondition to membership in the District.

SECTION 8. GOVERNING BOARD OF THE DISTRICT. The District shall be governed by a governing board (the “Board,”) which shall at a minimum be comprised of three (3) individuals, all of whom are elected officials, city managers, or their designees, of the Founding Members, and each representing an individual local government within the jurisdictional boundaries of the Parties to this Interlocal Agreement. The next Subsequent Party to join the District (of, if they decline, the next Subsequent Party), shall have the option to request to become a member of the Board and replace one member of the [City Commission/City Council/County Commission] that has 2 members on the Board until only one member of each [City Commission/City Council/County Commission] remains on the Board. Notwithstanding the foregoing, the maximum number of members on the Board may be increased by a majority vote of the Board to a maximum of 5 members, with the proviso that as much as possible the composition of Board membership reflect the geographic regions of the state of Florida. After the Board is constituted, the Executive Director may recommend procedures for setting terms, Board qualifications and responsibilities, and the means of appointment of members to the Board. In the event a Board member is no longer eligible or able to serve on the Board, the Public Agency represented by the Board member, so long as it continues to be a Party to this Interlocal Agreement, shall have the right to request appointment of a replacement to fulfill the remaining term of that member. FDFC shall have no right to appoint any member of the Board. The Board, upon the advice of the Executive Director of FDFC, may also establish an Advisory PACE Council constituting additional representatives of members of the District.

SECTION 9. DECISIONS OF THE BOARD. Decisions of the Board shall be made by majority vote of the Board. The Board, upon recommendation of the Executive Director, may adopt rules of procedure for the Board. In the absence of the adoption of such rules of procedure, the most current version of Roberts Rules of Order shall apply to the extent it is not inconsistent with Florida law.

SECTION 10. DISTRICT ADMINISTRATION; DISTRICT STAFF AND ATTORNEY; ADMINISTRATORS

(A). Financing. As a condition of this Interlocal Agreement, the Founding Members, and any Party joining the District consents to FDFC and FDFC PACE Program financing for the District, and FDFC as the PACE Program Sponsor agrees to provide a turnkey PACE program for each jurisdiction that is a Party to this Interlocal Agreement. Notwithstanding any other section of this Interlocal Agreement, the Executive Director of FDFC or his or her appointee shall also be the Executive Director of FRED. The Executive Director shall have sole authority to appoint staff, counsel, professionals,

consultants, and all other positions to fulfill the functions of the District per the PACE Act for the District, and all costs and expenses shall be borne by FDFC and the District.

(B). Administrators. As a condition of this Interlocal Agreement, the initial administrator for the District per the FDFC Resolution 15-11 shall be Renovate America.

(C). Additional Administrators. The Program Development Period, which serves as a soft launch period for the FDFC PACE Program, will end on July 1, 2017, whereby additional qualified administrators for residential PACE programs may be presented to the District. Within 30 days after execution of this Interlocal Agreement, FDFC may present to the District qualified administrators for commercial PACE programs that will be available to serve jurisdictions that are a Party to this Interlocal Agreement. All PACE administrators (“PACE Administrators” or “Administrators”) must undergo a vetting process by the FDFC. Once vetted, the PACE Administrators must be presented to the FDFC Board and approved by resolution. In order for an approved PACE provider to provide administrator services through the FDFC PACE Program, it must execute a PACE Administration Agreement. Each member of the District shall receive notice of all approved PACE Administrators (except for residential PACE Providers during the “soft launch” period above). Within thirty (30) days of such notice, the member of the District shall notify the Executive Director of any objection or refusal to allow an approved PACE Administrators to offer PACE financing within the jurisdictional boundaries of such member. The City of Fernandina Beach and the Executive Director shall work diligently to resolve any issues with the approved PACE Provider within an additional thirty (30) days. After the additional 30 days, any individual member of the District may choose, by resolution of the member’s governmental body communicated to the District and FDFC, to object and refuse to allow a new Administrator(s) to offer PACE financing within the jurisdictional boundaries of such member. After the expiration of 60 days, the new Administrator(s) shall be able to offer its PACE program within the boundaries of all non-objecting members. Notwithstanding any of the foregoing, the only authorized FDFC PACE residential Program Administrator for the District shall be Renovate America until July 1, 2017. After July 1, 2017, any objection to PACE administrators shall be determined and finalized prior to entering into this Interlocal Agreement.

(D). Any member of the District may terminate the right of a PACE Administrator to offer financing within their jurisdictional boundaries following the same notice and objection procedures stated above.

SECTION 11. FINANCING AGREEMENT. The Parties agree that FDFC and FRED, and their designees, may enter into financing agreements, pursuant to Section 163.08(8), Florida Statutes, with property owner(s) who obtain financing through the District.

SECTION 12. POWERS OF THE DISTRICT. With the approval of a majority vote of the Board, the District may exercise any or all of the powers granted to

the District under the Interlocal Act and the Florida PACE Act, which include, without limitation, the following:

(A). To finance qualifying improvements through contracts with property owners in the District, and the District shall impose and levy assessments as a local government in accordance with Section 163.08 to repay the financing received; provided, however, i) FDFC shall provide the form of the financing agreement and ii) that FDFC shall, have independent discretionary authority to authorize and approve the issuance of revenue bonds to finance such improvements without further approval or authorization from the District, and subject to Section 10, to select and approve Administrators for the District;

(B). In its own name to make and enter into contracts on behalf of the District;

(C). Subject to Section 10(a), to employ agencies, employees, or consultants for the District;

(D). To acquire, construct, manage, maintain, or operate buildings, works, or improvements for the District;

(E) To acquire, hold, or dispose of property for the District;

(F) To incur debts, liabilities, or obligations, provided, however, that such debts, liabilities, or obligations shall not constitute debts, liabilities, or obligations of the State, FDFC, the Founding Members, or any Subsequent Party to this Interlocal Agreement;

(G) To adopt resolutions and policies prescribing the powers, duties, and functions of the officers of the District, the conduct of the business of the District, and the maintenance of records and documents of the District;

(H) To maintain an office at such place or places as it may designate within the District or within the boundaries of a Party to this Interlocal Agreement;

(I) To cooperate with or contract with other governmental agencies as may be necessary, convenient, incidental, or proper in connection with any of the powers, duties, or purposes authorized by the Florida PACE Act, and to accept funding from local, state and federal agencies;

(J) To exercise all powers necessary, convenient, incidental, or proper in connection with any of the powers, duties, or purposes authorized in the Florida PACE Act or Florida statutes governing the District; and

(K) To apply for, request, receive and accept gifts, grants, or assistance funds from

any lawful source to support any activity authorized under Florida Statutes and this Interlocal Agreement.

SECTION 13. TERM.

(A). This Interlocal Agreement shall remain in full force and effect from the date of its execution; provided, however, that any Party may terminate its involvement in the District and its participation in this Interlocal Agreement upon ten (10) days' written notice to the other Parties. Should a Party terminate its participation in this Interlocal Agreement, be dissolved, abolished, or otherwise cease to exist, the District and this Interlocal Agreement shall continue until such time as all remaining Parties agree to terminate this Interlocal Agreement.

(B). At its discretion, and with reasonable notice, FDFC may terminate its role as FDFC PACE Program Sponsor for the District.

(C). Notwithstanding a Party's termination of participation in this Interlocal Agreement, to ensure continued collection of Assessments for qualifying improvements acquired within the service area of the terminating Party, such terminating Party shall enter into a written agreement with the District for such Party to consent to the levy of annual Assessments by the District or for such party to levy annual Assessments on those properties that have received financing for qualifying improvements within the legal boundaries of the terminating Party, until such time that all outstanding debt related to such qualifying improvements has been satisfied. The proceeds of the Assessments shall be paid to the designee of the District pursuant to such written agreement.

SECTION 14. CONSENT. This Interlocal Agreement and any required resolution or ordinance of an individual Party shall be considered the Party's consent to the creation of the District as required by the Interlocal Act and the Florida PACE Act.

SECTION 15. NOTICE OF INTENT; IMPOSITION OF SPECIAL ASSESSMENTS; COORDINATION.

(A) In accordance with the Uniform Assessment Collection Act and the Florida PACE Act, the District hereby agrees to impose Assessments within its jurisdictional boundaries and to utilize the Uniform Assessment Collection Act for collection of such Assessments from each property owner that voluntarily enters into a financing agreement pursuant to the Florida PACE Act and the FDFC PACE Program. Specifically, the District shall:

(1) advertise a public hearing to consider adoption of a Resolution of Intent, thus providing notice to the owners of real property within the jurisdictional boundaries of the District that non-ad valorem assessments may be imposed pursuant to the Florida PACE Act and may be collected pursuant to the Uniform

Assessment Collection Act, and such advertisement to be substantially in the form and within the timing requirements set forth in EXHIBIT A attached ~~hereto~~

(2) after holding the public hearing referred to in (1) above, adopt a Resolution of Intent, substantially in the form attached hereto as EXHIBIT B, and mail an executed copy to FDFC, the Tax Collector and the Property Appraiser;

(3) enter into a written agreement with the Tax Collector and the Property Appraiser regarding costs associated with use of the Uniform Assessment Collection Act, to the extent such agreement is not already in place;

(4) prior to September 15 of each calendar year, adopt an Annual Assessment Resolution, substantially in the form attached hereto as EXHIBIT C, which imposes new Assessments against those property owners entering into financing agreements with FDFC and FRED since adoption of the last Annual Resolution, and certifies an electronic assessment roll to be submitted to the Tax Collector for the next tax bill, in each case based on information provided by FDFC;

(5) remit Assessment proceeds received on behalf of the District from the Tax Collector directly to the District, FDFC or its designee;

(6) take all actions necessary to enforce collection of the Assessments pursuant to the Uniform Assessment Collection Act; and

(7) on its own behalf and at the request of FDFC, re-impose the Assessments as necessary to the extent required by changes in State law or subsequent judicial decisions.

(B) Each approved Administrator shall be responsible for all other actions required by the Florida PACE Act and their Administration Agreement with FDFC under the FDFC PACE Program, including but not limited to:

(1) assisting each Party to the Interlocal Agreement with preparing all documents required for the District to impose the Assessments pursuant to the Florida PACE Act and the Uniform Assessment Collection Act, including finalization of the documents attached as exhibits hereto and assistance with the written agreement with the Tax Collector and Property Appraiser, if requested by each Party;

(2) providing a copy of the Resolution of Intent, together with any other documents required by the Florida PACE Act or the Uniform Assessment Collection Act, to the Florida Department of Revenue;

(3) ensuring that each property owner that voluntarily enters into a financing agreement with FDFC has met all of the financial and other

requirements provided for by the Florida PACE Act and the FDFC PACE Program;

(4) providing the requisite notifications to all real property owners participating in the District;

(5) recording a summary or memorandum of the financing agreement with the property owner in accordance with the Florida PACE Act;

(6) tracking payment information for each property owner participating in the District and maintaining the related assessment rolls for all such participating parcels within the boundaries of the District;

(7) working with the District to ensure the submission of the electronic assessment roll relating to the District each year to the Tax Collector; and

(8) administering all other aspects of the District including the payment of Bonds with proceeds derived from the Assessments,

(C) The District shall fully cooperate and coordinate with the Tax Collector and Property Appraiser with respect to the levying and collection of assessments and comply with all other requirements of the Florida PACE Act and the Uniform Assessment Collection Act.

SECTION 16. UNDERLYING POWERS; SEPARATE INTERLOCAL AGREEMENTS.

(A) For purposes of this Interlocal Agreement and the District, the Parties acknowledge that FDFC currently does not have the power to levy the Assessments. FDFC shall not be a member of the District. FDFC shall be a party to this Interlocal Agreement solely for the purpose of providing administrative assistance in the implementation of the FDFC PACE Program. The levy of the Assessments within the District is an exercise of the sovereign powers of the Founding Members and Subsequent Parties to this Interlocal Agreement.

(B) In order to maintain the integrity of the Assessments imposed by the District the FDFC may, at its sole option, terminate its participation in this Interlocal Agreement and enter into a separate Interlocal Agreement or contract which provides the services described herein related to the FDFC PACE Program.

SECTION 17. FEES AND COSTS.

(A) All fees and costs related to the recording of this Interlocal Agreement, the Resolution of Intent process and any other fees and costs incurred by any Party with

respect to the Assessments and the FDFC PACE Program will be paid for solely by FDFC and reimbursed to FDFC through the FDFC PACE Program by the respective FDFC-approved PACE Administrator(s).

(B) To advance the purposes of the Florida PACE Act, to minimize participation costs, and because each property owner is voluntarily undertaking to achieve and underwrite the compelling State interests described in the Florida PACE Act, the District shall seek either (i) the waiver or reduction by the Tax Collector and Property Appraiser of their fees or (b) a flat _____dollar (\$.00) fee per year per tax parcel for such purposes which shall be paid by the District and reimbursed to the District through the FDFC PACE Program by the respective FDFC-approved PACE administrator.

SECTION 18. FILING. A copy of this Interlocal Agreement shall be filed by the District for record with the Clerk of the Circuit Court in and for such jurisdictions as may be required by Section 163.01(11), Florida Statutes.

SECTION 19. LIMITED LIABILITY.

(A) To the extent permitted by Florida Law and subject to the limitations of Section 768.28, Florida Statutes, FDFC shall defend, indemnify and hold each other Party to this Interlocal Agreement, and its directors, officials, officers, employees and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages or injuries of any kind, in law or equity, to property or persons, including wrongful death, to the extent arising out of the willful misconduct or gross negligence of FDFC or its directors, officials, officers, employees and agents in connection with the FDFC PACE Program, including without limitation, the payment of expert witness fees and attorneys' fees and other related costs and expenses, but excluding payment of consequential damages. Each Party other than FDFC, shall defend, indemnify and hold FDFC and its directors, officials, officers, employees and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages or injuries of any kind, in law or equity, to property or persons, including wrongful death, to the extent arising out of the willful misconduct or grossly negligent acts of such Party or its directors, officials, officers, employees and agents in connection with its obligations under this Interlocal Agreement, including without limitation, the payment of expert witness fees and attorneys' fees and other related costs and expenses, but excluding payment of consequential damages. In no event shall any Party's officials, officers or employees be held directly liable for any damages or liability resulting from this Interlocal Agreement. All Subsequent Party or Subsequent Parties' liabilities shall be governed by the Limited Purpose Party Membership Agreement.

(B) No Party or any agent, board member, officer, official, advisor or employee of such Party shall be liable for any action taken pursuant to this Interlocal Agreement in good faith or for any omission, except to the extent provided in Section 19(A) above, or

for any act of omission or commission by any other Party hereto or its agents, officers, officials or employees. The terms of this Section 19 shall survive termination or expiration of this Interlocal Agreement.

(C) Neither this Interlocal Agreement nor any Bonds issued by FDFC on behalf of the District under the FDFC PACE Program shall be deemed to constitute a general debt, liability, or obligation of or a pledge of the faith and credit of FRED, FDFC, or any Party, the State of Florida, or any political subdivision or agency thereof. The issuance of any Bonds by FDFC on behalf of the FDFC PACE Program shall not directly, indirectly, or contingently obligate any Party, FDFC, the State of Florida, or any political subdivision or agency thereof to levy or to pledge any form of taxation whatsoever therefor, or to make any appropriation for their payment.

(D) The District, FDFC, and each Party are and shall be subject to Sections 768.28 and 163.01(9), Florida Statutes, and any other provisions of Florida law governing sovereign immunity. Nothing in this Interlocal Agreement is intended to inure to the benefit of any third-party for the purpose of allowing any claim, which would otherwise be barred under the doctrine of sovereign immunity or by operation of law.

SECTION 20. INDEMNIFICATION. To the extent permitted by Florida Law and subject to the limitations of Section 768.28, Florida Statutes, the Parties agree that the Limited Purpose Party Membership Partnership Agreement for the District shall always indemnify and hold harmless FDFC, the Parties, and the District. The Parties understand and acknowledge that the indemnification provisions included in the Administrative Agreement between FDFC and its approved Administrators extend to each Party and Subsequent Party which are members of the District.

SECTION 21. AMENDMENTS. This Interlocal Agreement may be amended only by a writing approved by each Party.

SECTION 22. ASSIGNMENT. This Interlocal Agreement may be assigned, in whole or in part, by any Party at any time with the prior written consent of each other Party hereto, which consent shall not unreasonably be withheld.

SECTION 23. EXECUTION IN COUNTERPARTS. This Interlocal Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

SECTION 24. SEVERABILITY. In the event that any provision of this Interlocal Agreement shall, for any reason, be determined invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, the other provisions of this Interlocal Agreement shall remain in full force and effect.

SECTION 25. APPLICABLE LAW. This Interlocal Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

SECTION 26. JOINT EFFORT. The preparation of this Interlocal Agreement has been a joint effort of the Parties hereto and the resulting document shall not, solely as a matter of judicial construction, be construed more severely against one of the Parties than the other.

SECTION 27. EFFECTIVE DATE. This Interlocal Agreement shall become effective on the later of (A) the date hereof, or (B) the date the last Founding Member and FDFC executes this Interlocal Agreement and the filing requirements of Section 17 hereof are satisfied.

[SIGNATURE PAGES FOLLOW]

[PUBLIC AGENCY SIGNATURE PAGE TO INTERLOCAL AGREEMENT]

IN WITNESS WHEREOF, this Interlocal Agreement has been executed by and on behalf of the Town of Lake Clarke Shores, Florida by its Mayor, its seal affixed hereto, as attested by its Clerk as of the _____ day of _____, 2016.

ATTEST:

By: _____

TOWN OF LAKE CLARKE SHORES, FLORIDA

By: _____
Robert M.W. Shalhoub, its Mayor

APPROVED AS TO FORM

By: _____
Charles F. Schoech, Town Attorney

IN WITNESS WHEREOF, this Interlocal Agreement has been executed by and on behalf of the City of Fernandina Beach, Florida by its Mayor and City Manager, its seal affixed hereto, as attested by its City Clerk as of the _____ day of September, 2016.

CITY OF FERNANDINA BEACH, FLORIDA

John A. Miller
Mayor/Commissioner

Dale L. Martin, City Manager

ATTEST:

Caroline Best, City Clerk

APPROVED AS TO FORM AND LEGALITY:



Tammi E. Bach, City Attorney

[FDFC SIGNATURE PAGE TO INTERLOCAL AGREEMENT]

IN WITNESS WHEREOF, this Interlocal Agreement has been executed by and on behalf of the FDFC by the authorized signatory identified below.

**FLORIDA DEVELOPMENT FINANCE
CORPORATION**

By: 
Name: BILL SPIVEY
Title: EXECUTIVE DIRECTOR

EXHIBIT A

FORM OF PUBLIC HEARING NOTICE FOR RESOLUTION OF INTENT

NOTICE OF INTENT TO USE UNIFORM METHOD OF COLLECTING NON-AD VALOREM ASSESSMENTS

The Florida Resiliency and Energy District (the “District” or “FRED”) hereby provides notice, pursuant to Section 197.3632(3)(a), Florida Statutes, of its intent to use the uniform method of collecting non-ad valorem special assessments to be levied by it over a number of years to fund the cost of qualifying renewable energy, energy efficiency and conservation and wind resistance improvements for those property owners who wish to undertake such improvements within the jurisdictional boundaries of the District as authorized by Sections 163.08 and 197.3632, Florida Statutes, which will allow such assessments to be collected annually, commencing in November 20[17], in the same manner as provided for ad valorem taxes.

The Governing Board of the District will consider the adoption of a resolution electing to use the uniform method of collecting such assessments authorized by Sections 163.08 and 197.3632, Florida Statutes, at a public hearing to be held on [PUBLIC HEARING DATE] at [PUBLIC HEARING TIME], or as soon thereafter as the matter may be heard, in the [STREET ADDRESS OF PUBLIC HEARING LOCATION], Florida. Such resolution will state the need for the levy by the District and will contain a legal description of the boundaries of the District. Copies of the proposed form of resolution may be obtained from [CONTACT AND PHONE NUMBER]. All interested persons are invited to attend.

In the event any person decides to appeal any decision by the Governing Board of the District with respect to any matter relating to the consideration of the resolution at the above-referenced public hearing, a record of the proceeding may be needed and in such an event, such person may need to ensure that a verbatim record of the public hearing is made, which record includes the testimony and evidence on which the appeal is to be based. In accordance with the Americans with Disabilities Act, persons needing a special accommodation or an interpreter to participate in this proceeding should contact the [ADA CONTACT DEPARTMENT, ADDRESS AND PHONE NUMBER] prior to the date of the hearing.

Publication Dates (may vary based on publication frequency):

[once, 28 days prior to the public hearing]

[once, 21 days prior to the public hearing]

[once, 14 days prior to the public hearing]

[once, 7 days prior to the public hearing]

:

EXHIBIT B

FORM OF RESOLUTION OF INTENT

RESOLUTION NO. _____

A RESOLUTION OF FLORIDA RESILIENCY AND ENERGY DISTRICT ELECTING TO USE THE UNIFORM METHOD OF COLLECTING NON-AD VALOREM SPECIAL ASSESSMENTS LEVIED WITHIN ITS JURISDICTIONAL BOUNDARIES; STATING A NEED FOR SUCH LEVY; PROVIDING FOR THE MAILING OF THIS RESOLUTION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Florida Resiliency and Energy District (“FRED”) is contemplating the imposition of special assessments to fund the cost of qualifying renewable energy, energy efficiency and conservation and wind resistance improvements for those property owners who wish to undertake such improvements within its jurisdictional boundaries as authorized by Sections 197.3632 and 197.3635, Florida Statutes (the “PACE Assessments”); and

WHEREAS, FRED intends to use the uniform method for collecting the PACE Assessments because this method will allow such special assessments to be collected annually commencing in November 20[17], in the same manner as provided for ad valorem taxes; and

WHEREAS, FRED held a duly advertised public hearing prior to the adoption of this Resolution, proof of publication of such hearing being attached hereto as Exhibit A and incorporated herein by reference.

NOW, THEREFORE BE IT RESOLVED:

1. Commencing with the Fiscal Year beginning on October 1, 20[17], and with the tax statement mailed for such Fiscal Year and continuing thereafter until discontinued by FRED, FRED intends to use the uniform method of collecting non-ad valorem assessments authorized in sections 197.3632 and 197.3635, Florida Statutes, as amended, for collecting the PACE Assessments within its jurisdictional boundaries. A legal description of such area subject to the assessment is attached hereto as Exhibit A and incorporated herein by reference.

2. FRED hereby determines that the levy of the PACE Assessments is needed to fund the cost of qualifying renewable energy, energy efficiency and conservation and wind resistance improvements for those property owners who wish to undertake such improvements within its jurisdictional boundaries.

3. Pursuant to Section 163.08(4), Florida Statutes, the property appraiser(s) and the tax collector(s) serving the area within the jurisdictional boundaries of FRED have agreed that FRED may have until August 15, 20[17] to adopt this Resolution, such agreements being attached hereto as Exhibit B and incorporated herein by reference.]

4. Upon adoption, the Secretary of FRED is hereby directed to send a copy of this Resolution by United States mail to the Florida Department of Revenue, the applicable tax collector, and the applicable property appraiser by [August 15, 20[17]].

5. This Resolution shall be effective upon adoption.

DULY ADOPTED this _____ day of _____, 20[16].

**[FLORIDA RESILIENCY AND ENERGY DISTRICT SIGNATURE PAGE TO
INTERLOCAL AGREEMENT]**

IN WITNESS WHEREOF, this Interlocal Agreement has been executed by and on behalf of the FRED by the authorized signatory identified below.

**FLORIDA RESILIENCY AND ENERGY
DISTRICT**

By: _____
Name: _____
Title: _____

(SEAL)

ATTEST:

Clerk

EXHIBIT C

FORM OF ANNUAL ASSESSMENT RESOLUTION

[TO COME]

EXHIBIT B

**AGREEMENT BETWEEN THE CITY OF FERNANDINA
BEACH, FLORIDA, AND RENOVATE AMERICA, PACE
ADMINISTRATOR FOR THE FLORIDA RESILIENCY AND
ENERGY DISTRICT**

1. PARTIES AND DATE.

This Agreement is effective as of the 1st day of September, 2016 (“the Effective Date”, by and among the City of Fernandina Beach, Florida (“the City”), and Renovate America, Inc., a Delaware Corporation (“Renovate America”), in its capacity as the PACE administrator for the Florida Resiliency and Energy District (“FRED” or “the District”). This agreement may be referred to herein as the “Agreement.”

2. RECITALS.

- 2.1** The City, the City of Fernandina Beach, and the Florida Development Finance Corporation (“FDFC”) have entered into an Interlocal Agreement Relating to the Creation of the Florida Resiliency and Energy District, a Property Assessed Clean Energy District, and Authorizing Financing Pursuant Thereto (“the Interlocal Agreement”), creating FRED to levy assessments for PACE financing throughout Florida.
- 2.2** In establishing FRED, the FDFC PACE Program (the “Program”) has selected Renovate America to be its initial PACE for the District to offer the FDFC PACE Program financing to property owners in the City and other jurisdictions throughout Florida. Under the Program, Renovate America will offer its HERO program to Florida property owners who wish to finance energy efficiency, renewable energy, and wind-hardening improvements to their properties.
- 2.3** The City, as a founding member of FRED, shall have representation on the FRED Board of Directors (“Board”) pursuant to the terms of the Interlocal Agreement and shall have responsibilities and duties as a founding member of the District with respect to FRED’s establishment, administration, and operation, as well as ongoing duties to support the PACE assessments levied by FRED.
- 2.4** The City and Renovate America desire to enter into this Agreement to establish the terms and conditions pursuant to which administrative services for FRED and the Renovate America HERO program will be provided to the City and all jurisdictions which have elected or will elect to participate in the HERO Program administered by Renovate America.

3. SCOPE OF SERVICES AND TERM.

3.1 Scope of Program Administration Services and Term of Agreement

3.1.1 The City agrees to provide administrative services, both through its own actions as a founding member and the actions of its appointed members to the Board, to provide District and Program administrative services as are necessary and desirable for the HERO Program offered by Renovate America. The City agrees to appoint a representative(s) to the Board and such service on the Board by a representative(s) of the City shall be continuous and uninterrupted for a period of four (4) years.

3.1.2 Renovate America agrees to work closely with the City and its representatives on the Board and shall be reasonably available to the City and its Board representatives.

3.2 Term. The term of this Agreement shall expire on the earliest of: (i) four years from the Effective Date, (ii) the date on which the City no longer has appointed representatives on the Board, or (iii) Renovate America no longer operates as a PACE administrator for FRED. Notwithstanding this section, all terms governing duties and responsibilities of the Parties with respect to membership and administration of FRED shall be subject to the terms of the Interlocal Agreement.

4. DONATION IN LIEU OF COMPENSATION TO ENHANCE RESILIENCY, ENERGY EFFICIENCY, AND RENEWABLE ENERGY EFFORTS IN FERNANDINA BEACH

In lieu of any payments for the administration services provided by the City, the City and Renovate America agree that a donation in lieu of fees shall be provided, as outlined below, to be used by the City to enhance resiliency, energy efficiency, and renewable energy efforts in the City.

4.1. Commencing on the Effective Date of the Agreement, and subject to Section 3.2 above, the City shall receive donated amounts based on the face value of all Bonds issued under the Program for residential properties for the Renovate America HERO Program of 0.05% (5 basis points).

4.2 Each donated amount shall be transmitted to the City semi-annually from the issuance of Bonds for which such donated amount is calculated.

4.3 The donations are in lieu of any direct or indirect right or claim of reimbursement for fees for services or for reimbursement for out-of-pocket costs or other expenses from the City, and the City waives all right to such claims. The donations are in furtherance of the goals expressed above, but do not represent any restriction,

limitation, or constraint on the City by Renovate America on use or expenditures of the donation.

4.4 The City shall have the right to audit Renovate America's records to ensure the accuracy of the donations. Renovate America shall keep complete and accurate records relating to the calculation of the donated amounts, including without limitation, the documentation showing how the donated amounts are calculated and the data upon which such calculations are based. All such records shall be maintained in accordance with applicable law.

4.5 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be reasonably necessary, appropriate or convenient to attain the purposes of this Agreement.

5. EQUITABLE RELIEF AND SEVERABILITY

(a) Availability of Injunctive Relief. The City and Renovate America agree that either Party may petition a court for provisional relief, including injunctive relief, as permitted by the Rules, including, but not limited to, where either the City or Renovate America alleges or claims a violation of this Agreement between the City and Renovate America. The City and Renovate America understand that any breach or threatened breach of this Agreement will cause irreparable injury and that money damages will not provide an adequate remedy therefor and both the City and Renovate America hereby consent to the issuance of an injunction, but only after the party intended to be enjoined has been given notice of the alleged breach and a reasonable opportunity to cure such breach. The City and Renovate America shall be entitled to any and all other remedies provided by law in addition to injunctive relief.

(b) Survival. The provision of this Section, and the entitlement of one Party to obtain damages, or such other appropriate legal or equitable remedies, for a breach by the other Party, shall survive termination of this Agreement.

6. ENTIRE AGREEMENT.

This Agreement contains the entire Agreement of the City and Renovate America with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements.

7. GOVERNING LAW.

This Agreement shall be governed by the laws of the State of Florida. Venue shall be in Nassau County.

8. TIME OF ESSENCE.

City, its directors, members, officials, officers, employees, agents or volunteers. Renovate America shall pay and satisfy any judgment, award or decree that may be rendered against the City or its elected officials, directors, members, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. Renovate America shall reimburse the City and its directors, members, officials, officers, employees, agents and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Renovate America's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the City, its directors, officials, officers, employees, agents or volunteers.

14.2 To the extent permitted by Florida law, and subject to the limitations of Section 768.28 Florida Statutes, the City shall defend, indemnify and hold Renovate America, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any negligent or wrongful acts or omissions or willful misconduct of the City, its officials, officers, employees, agents, consultants, contractors and subcontractors, arising out of or in connection with the performance of the Program administration services, the HERO Program or this Agreement, including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses. The City shall defend, at the City's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against Renovate America, its directors, officials, officers, employees, agents or volunteers. The City shall pay and satisfy any judgment, award or decree that may be rendered against Renovate America or its directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. The City shall reimburse Renovate America and its directors, officials, officers, employees, agents and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. The City's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Renovate America, its directors, officials, officers, employees, agents or volunteers.

15. APPLICATION OF THIS AGREEMENT.

This Agreement shall apply solely to the provision of Program administrative services within those cities within FRED and the State of Florida that have elected to participate in Renovate America's HERO Program.

SIGNATURE PAGES TO FOLLOW

**AGREEMENT BETWEEN THE CITY OF FERNANDINA
BEACH, FLORIDA, AND RENOVATE AMERICA, PACE
ADMINISTRATOR FOR THE FLORIDA RESILIENCY AND
ENERGY DISTRICT**

1. PARTIES AND DATE.

This Agreement is effective as of the 1st day of September, 2016 (“the Effective Date”, by and among the City of Fernandina Beach, Florida (“the City”), and Renovate America, Inc., a Delaware Corporation (“Renovate America”), in its capacity as the PACE administrator for the Florida Resiliency and Energy District (“FRED” or “the District”). This agreement may be referred to herein as the “Agreement.”

2. RECITALS.

- 2.1** The City, the City of Fernandina Beach, and the Florida Development Finance Corporation (“FDFC”) have entered into an Interlocal Agreement Relating to the Creation of the Florida Resiliency and Energy District, a Property Assessed Clean Energy District, and Authorizing Financing Pursuant Thereto (“the Interlocal Agreement”), creating FRED to levy assessments for PACE financing throughout Florida.
- 2.2** In establishing FRED, the FDFC PACE Program (the “Program”) has selected Renovate America to be its initial PACE for the District to offer the FDFC PACE Program financing to property owners in the City and other jurisdictions throughout Florida. Under the Program, Renovate America will offer its HERO program to Florida property owners who wish to finance energy efficiency, renewable energy, and wind-hardening improvements to their properties.
- 2.3** The City, as a founding member of FRED, shall have representation on the FRED Board of Directors (“Board”) pursuant to the terms of the Interlocal Agreement and shall have responsibilities and duties as a founding member of the District with respect to FRED’s establishment, administration, and operation, as well as ongoing duties to support the PACE assessments levied by FRED.
- 2.4** The City and Renovate America desire to enter into this Agreement to establish the terms and conditions pursuant to which administrative services for FRED and the Renovate America HERO program will be provided to the City and all jurisdictions which have elected or will elect to participate in the HERO Program administered by Renovate America.

3. SCOPE OF SERVICES AND TERM.

3.1 Scope of Program Administration Services and Term of Agreement

3.1.1 The City agrees to provide administrative services, both through its own actions as a founding member and the actions of its appointed members to the Board, to provide District and Program administrative services as are necessary and desirable for the HERO Program offered by Renovate America. The City agrees to appoint a representative(s) to the Board and such service on the Board by a representative(s) of the City shall be continuous and uninterrupted for a period of four (4) years.

3.1.2 Renovate America agrees to work closely with the City and its representatives on the Board and shall be reasonably available to the City and its Board representatives.

3.2 Term. The term of this Agreement shall expire on the earliest of: (i) four years from the Effective Date, (ii) the date on which the City no longer has appointed representatives on the Board, or (iii) Renovate America no longer operates as a PACE administrator for FRED. Notwithstanding this section, all terms governing duties and responsibilities of the Parties with respect to membership and administration of FRED shall be subject to the terms of the Interlocal Agreement.

4. DONATION IN LIEU OF COMPENSATION TO ENHANCE RESILIENCY, ENERGY EFFICIENCY, AND RENEWABLE ENERGY EFFORTS IN FERNANDINA BEACH

In lieu of any payments for the administration services provided by the City, the City and Renovate America agree that a donation in lieu of fees shall be provided, as outlined below, to be used by the City to enhance resiliency, energy efficiency, and renewable energy efforts in the City.

4.1. Commencing on the Effective Date of the Agreement, and subject to Section 3.2 above, the City shall receive donated amounts based on the face value of all Bonds issued under the Program for residential properties for the Renovate America HERO Program of 0.05% (5 basis points).

4.2 Each donated amount shall be transmitted to the City semi-annually from the issuance of Bonds for which such donated amount is calculated.

4.3 The donations are in lieu of any direct or indirect right or claim of reimbursement for fees for services or for reimbursement for out-of-pocket costs or other expenses from the City, and the City waives all right to such claims. The donations are in furtherance of the goals expressed above, but do not represent any restriction,

limitation, or constraint on the City by Renovate America on use or expenditures of the donation.

4.4 The City shall have the right to audit Renovate America's records to ensure the accuracy of the donations. Renovate America shall keep complete and accurate records relating to the calculation of the donated amounts, including without limitation, the documentation showing how the donated amounts are calculated and the data upon which such calculations are based. All such records shall be maintained in accordance with applicable law.

4.5 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be reasonably necessary, appropriate or convenient to attain the purposes of this Agreement.

5. EQUITABLE RELIEF AND SEVERABILITY

(a) Availability of Injunctive Relief. The City and Renovate America agree that either Party may petition a court for provisional relief, including injunctive relief, as permitted by the Rules, including, but not limited to, where either the City or Renovate America alleges or claims a violation of this Agreement between the City and Renovate America. The City and Renovate America understand that any breach or threatened breach of this Agreement will cause irreparable injury and that money damages will not provide an adequate remedy therefor and both the City and Renovate America hereby consent to the issuance of an injunction, but only after the party intended to be enjoined has been given notice of the alleged breach and a reasonable opportunity to cure such breach. The City and Renovate America shall be entitled to any and all other remedies provided by law in addition to injunctive relief.

(b) Survival. The provision of this Section, and the entitlement of one Party to obtain damages, or such other appropriate legal or equitable remedies, for a breach by the other Party, shall survive termination of this Agreement.

6. ENTIRE AGREEMENT.

This Agreement contains the entire Agreement of the City and Renovate America with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements.

7. GOVERNING LAW.

This Agreement shall be governed by the laws of the State of Florida. Venue shall be in Nassau County.

8. TIME OF ESSENCE.

Time is of the essence for each and every provision of this Agreement.

9. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding on the successors and assigns of the Parties.

10. ASSIGNMENT OR TRANSFER.

Renovate America shall not assign, hypothecate or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City, provided, however, Renovate America may assign this Agreement in connection with a merger or the sale of all or substantially all of its assets provided that the successor entity expressly assumes all of the obligations and confirms all of the representations and warranties of Renovate America hereunder. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

11. AMENDMENT: MODIFICATION.

No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by the Parties.

12. WAIVER.

No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel, or otherwise.

13. NO THIRD PARTY BENEFICIARIES.

There are no intended third party beneficiaries of any right or obligation assumed by the parties.

14. INDEMNIFICATION.

14.1 Renovate America shall defend, indemnify and hold the City, its directors, members, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged negligent or wrongful acts or omissions or willful misconduct of Renovate America, its directors, officials, officers, employees, agents, consultants, contractors and subcontractors, arising out of or in connection with the performance of the Program administration services, the HERO Program or this Agreement, including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses. Renovate America shall defend, at Renovate America's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against the

City, its directors, members, officials, officers, employees, agents or volunteers. Renovate America shall pay and satisfy any judgment, award or decree that may be rendered against the City or its elected officials, directors, members, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. Renovate America shall reimburse the City and its directors, members, officials, officers, employees, agents and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Renovate America's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the City, its directors, officials, officers, employees, agents or volunteers.

14.2 To the extent permitted by Florida law, and subject to the limitations of Section 768.28 Florida Statutes, the City shall defend, indemnify and hold Renovate America, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any negligent or wrongful acts or omissions or willful misconduct of the City, its officials, officers, employees, agents, consultants, contractors and subcontractors, arising out of or in connection with the performance of the Program administration services, the HERO Program or this Agreement, including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses. The City shall defend, at the City's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against Renovate America, its directors, officials, officers, employees, agents or volunteers. The City shall pay and satisfy any judgment, award or decree that may be rendered against Renovate America or its directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. The City shall reimburse Renovate America and its directors, officials, officers, employees, agents and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. The City's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Renovate America, its directors, officials, officers, employees, agents or volunteers.

15. APPLICATION OF THIS AGREEMENT.

This Agreement shall apply solely to the provision of Program administrative services within those cities within FRED and the State of Florida that have elected to participate in Renovate America's HERO Program.

SIGNATURE PAGES TO FOLLOW

IN WITNESS WHEREOF, the City and Renovate America, having all legal power and authority to do so, hereby have made and executed this Agreement as of the date first written above.

CITY OF FERNANDINA BEACH, FLORIDA

RENOVATE AMERICA, INC.

By: _____
Name: John A. Miller
Title: Mayor/Commissioner

By: _____
Name: SCOTT D. MCKINLAY
Title: Executive Vice President

By: _____
Dale L. Martin, City Manager

ATTEST:

Print Name:
Title: _____

ATTEST:

Caroline Best, City Clerk

APPROVED AS TO FORM AND LEGALITY:



Tammi E. Bach, City Attorney

RESOLUTION 2016-

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, APPROVING A DEVELOPMENT AGREEMENT WITH RAYONIER PERFORMANCE FIBERS, LLC AND LIGNOTECH, FLORIDA, LLC; AUTHORIZING EXECUTION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, LignoTech Florida, LLC approached City staff about future development and permitting of their proposed lignin plant and has been working with City staff since February 2016 to draft a development agreement for consideration by the City Commission; and

WHEREAS, the Florida Legislature finds and declares that: (a) the lack of certainty in the approval of development can result in a waste of economic and land resources, discourage sound capital improvement planning and financing, escalate the cost of housing and development, and discourage commitment to comprehensive planning; and

WHEREAS, the Florida Legislature also finds that assurance to a developer that upon receipt a development permit they may proceed in accordance with existing laws and policies, subject to the conditions of a development agreement, strengthens the public planning process, encourages sound capital improvement planning and financing, assists in assuring there are adequate capital facilities for the development, encourages private participation in comprehensive planning, and reduces the economic costs of development; and

WHEREAS, in conformity with, in furtherance of, and to implement the Community Planning Act and the Florida State Comprehensive Planning Act of 1972, it is the intent of the Florida Legislature to encourage a stronger commitment to comprehensive and capital facilities planning, ensure the provision of adequate public facilities for development, encourage the efficient use of resources, and reduce the economic cost of development; and

WHEREAS, this intent is effected by authorizing the City to enter into development agreements with developers, subject to the procedures and requirements of §§163.3220-163.3243;

WHEREAS, §§163.3220-163.3243 shall be regarded as supplemental and additional to the powers conferred upon local governments by other laws and shall not be regarded as in derogation of any powers now existing; and

WHEREAS, the Florida Development Agreement Act requires that the City hold two (2) public hearings advertised in a general circulation newspaper.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, THAT:

SECTION 1. The City Commission hereby approves the Development Agreement with Rayonier Performance Fibers, LLC and LignoTech Florida, LLC, attached hereto as Exhibit "A".

SECTION 2. The City Manager and City Clerk are hereby authorized to execute the Development Agreement, upon review and approval of the City Attorney.

SECTION 3. This Resolution shall become effective immediately upon passage.

ADOPTED this 6th day of September, 2016.

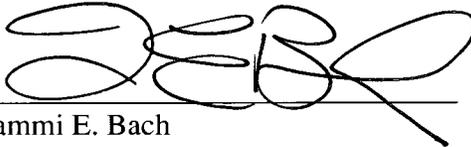
ATTEST:

CITY OF FERNANDINA BEACH

Caroline Best
City Clerk

John A. Miller
Mayor – Commissioner

APPROVED AS TO FORM AND LEGALITY:



Tammi E. Bach
City Attorney

DEVELOPMENT AGREEMENT

for the project known as Fernandina Lignin Plant (the “Facility”) located at 6 Gum Street,
Fernandina Beach, Florida.

THIS DEVELOPMENT AGREEMENT (this “Agreement”) is entered into and made as of the ___ day of September, 2016, by and among the CITY OF FERNANDINA BEACH, a Florida municipal corporation (“City”), RAYONIER PERFORMANCE FIBERS, LLC, a Delaware limited liability company (“Owner”) and LIGNOTECH FLORIDA LLC, a Delaware limited liability company (“Developer”), each of City, Owner and Developer being at times referred to herein as a “Party”, and collectively, “Parties”.

WITNESSETH

WHEREAS, Sections 163.3220 – 163.3243, Florida Statutes, which set forth the Florida Local Government Development Agreement Act (“Act”), authorize City to enter into binding development agreements with persons having legal or equitable interest in real property located within the corporate limits of the City; and

WHEREAS, Owner holds legal title to certain real property that is the subject of this Agreement, said real property consisting of approximately 6.37 acres being located in Nassau County, Florida, situated within the corporate limits of the City of Fernandina Beach, and being more particularly described in Exhibit A attached hereto and incorporated herein by reference (the “Subject Property”); and

WHEREAS, Developer, Owner and City desire to facilitate the orderly development of the Facility upon the Subject Property (the “Proposed Development”) in compliance with the laws and regulations of the City and other applicable state and federal laws and regulations; and

WHEREAS, consistent with Section 163.3233(1), Florida Statutes, the City’s laws and policies governing the development of land (including, without limitation, the Comprehensive Plan and the Land Development Code) at the time of the execution of this Agreement shall govern the development of Subject Property for the duration of this Agreement; and

WHEREAS, in full compliance with applicable law, the City Commission approved this Agreement and authorized and directed its execution by the appropriate officials of the City;

WHEREAS, it is the purpose of this Agreement to clearly set forth the understanding and agreement of the Parties concerning the matters contained herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. **Recitals and Definitions.** The recitals herein contained are true and correct and are incorporated herein by reference.

2. **Ownership.** Owner is the legal and equitable owner of the Subject Property.

3. **Duration.** The duration of the term of this Agreement (the “Term”) is binding and runs with the land for a period of ten (10) years, subject to extension by mutual written agreement of the Parties hereto.

4. **Permits, Conditions, Fees.** City agrees to issue to Owner and/or Developer all required building permits, approvals or other required permits and Certificates of Occupancy for the construction, use and occupancy of the Proposed Development, subject to Owner’s and/or Developer’s compliance with all applicable codes, ordinances, regulations, the Site Plan (hereinafter defined) and this Agreement. Specifically, as contemplated by the Comprehensive Plan, Land Development Code, Code of Ordinances and this Agreement, the foregoing process shall be comprised of the following steps:

(a) **Pre-Application Conference with City Manager.** For the purposes outlined in Section 11.01.02 of the Code.

(b) **Technical Review Committee (TRC) Meeting.** To consist of review of preliminary site plan. TRC has determined that full site plan review is warranted based on the facts and circumstances, and has directed Owner/Developer into the formal Site Plan application and review process.

(c) **Site Plan Approval Phase.** Site Plan review and approval process carries a maximum fee of \$3,000, which has been paid by Owner/Developer. As used herein, the term “Site Plan” shall mean a site plan meeting the requirements set forth in 11.01.04 of the Code.

(d) **Building Permit Fee Schedule.** The Proposed Development will be subject to the building permit fee schedule attached hereto as Exhibit B.

(e) **Other Permits.** The Proposed Development will be incorporated into the Owner’s permits required for development of the Subject Property.

(f) **Impact Fees.** Prior to City’s issuance of the Building Permit with respect to the

Facility, Owner or Developer shall be responsible for payment of the following impact fees (it being acknowledged that no other impact fees will be assessed or made payable in connection with the Facility).

1. **Municipal Impact Fees** – One-time fee shall equal the total non-residential floor area square footage multiplied by \$0.831 per square foot. Municipal Impact Fees are collected at the following rates per square foot of non-residential construction for the following municipal services: Police at \$0.145; Fire at \$0.291 and Public Facilities at \$0.395.
2. **Utilities Impact Fees** – One-time water impact fee shall equal \$959.00 per 350 gallons of designed daily water usage (*e.g.*, for designed estimated daily water usage of 175 gallons, the applicable one-time fee would be \$479.50), and a one-time sewer impact fee of \$2,321.00 per 300 gallons (*e.g.*, for designed estimated daily sewer usage of 150 gallons, the applicable one-time fee would be \$1,160.50).

5. **Description of Public Facilities.** City sanitary sewer and potable water is available to the Proposed Development on the effective date of this Agreement, and City, Owner and Developer understand and agree that the Proposed Development will connect to these public facilities. Sufficient public streets and rights-of-way currently exist to service the Proposed Development.

6. **Development Phases.** The Proposed Development is currently contemplated to be completed over two distinct phases occurring within the Term; provided, however, completion of the Proposed Development in more or fewer phases occurring within the term is acceptable provided that building permitting is obtained with respect to each distinct phase (it being expressly acknowledged and agreed that the initial approvals given under subsections 4(a)-(c) shall cover all phases of the Proposed Development). The Proposed Development is an industrial use and will not contain any residential densities to increase population. The Proposed Development intensity is limited to a floor area ratio of no greater than 0.75 of the Subject Property. Building height limitations are exempt for mill operations per Land Development Section 4.02.03(E) Note 5.7.

7. **Consistency with Comprehensive Plan and Land Development Code.** City hereby confirms, acknowledges and agrees that the Proposed Development is consistent with City's Comprehensive Plan and Land Development Code. The parties hereby understand and agree that review and approval by the City Technical Review Committee of any site plans is required for all phases of development which are not included in the Site Plan submissions made pursuant to Section 4(c) above.

8. **Tree Ordinance Exemption.** City, Owner and Developer hereby confirm, acknowledge and agree that the Subject Property and the Proposed Development are exempt from the requirements of LDC Section 4.05.02(D)(5).

9. **Proposed Development Design Basis.** For clarity with regard to flood resistant design, detailed engineering will proceed and the future permitting application will include the building elevations to be installed at a minimum base flood elevation (100-year elevation) of 9.0 feet NAVD88 plus one foot of freeboard. Any hazardous material or hazardous waste will be stored within tanks or vessels, the lowest extremity of which shall be located at a minimum above the base flood elevation of 9.0 feet NAVD88 plus three feet of freeboard.

10. Failure of this Agreement to address particular permit, condition, term or restriction shall not relieve Owner or Developer from the necessity of complying with the laws governing any permitting requirements, conditions, term or restriction pursuant to §163.3227(1)(i), Fla. Stats.

11. **Notices.** Where notice is herein required to be given, it shall be by certified mail return receipt requested, hand delivery or nationally recognized courier, such as Federal Express or UPS. E-mail delivery of documents shall not replace or be in lieu of the aforementioned process. Said notice shall be sent to the following, as applicable:

OWNER:

Rayonier Performance Fibers, LLC
10 Gum Street
Fernandina Beach, FL 32035
Attn: General Manager

With copy to:

Rayonier Advanced Materials
1301 Riverplace Boulevard
Suite 2300
Jacksonville, FL 32207
Attn: General Counsel

DEVELOPER:

LignoTech Florida LLC
6 Gum Street
Fernandina Beach, FL 32035
Attn: Managing Director

CITY:

City Manager
204 Ash Street Fernandina Beach, FL 32034

With copy to:

City Attorney 204 Ash Street
Fernandina Beach, FL 32034

Should any Party identified above change, it shall be said party's obligation to notify the remaining parties of the change in a fashion as is required for notices herein.

12. **Captions.** The captions used herein are for convenience only and shall not be relied upon in construing this Agreement.

13. **Binding Effect.** This Agreement shall run with the land, shall be binding upon and inure to the benefit of the Parties hereto and their successors and assigns in interest. This Agreement shall become effective upon its execution and recordation with the Public Records of Nassau County, Florida. This Agreement does not, and is not intended to, prevent or impede City from exercising its legislative authority as the same may affect the Subject Property.

14. **Severability.** If any part of this Agreement is found invalid or unenforceable in any court, such invalidity or unenforceability shall not affect the other parts of this Development Agreement, if the rights and obligations of the parties contained herein are not materially prejudiced and if the intentions of the parties can be affected. To that end, this Development Agreement is declared severable.

15. **Covenant Running with the Land.** This Agreement shall run with the Subject Property and inure to and be for the benefit of the parties hereto and their respective successors and assigns and any person, firm, corporation, or entity who may become the successor in interest to the Subject Property or any portion thereof.

16. **Recordation of Agreement.** The parties hereto agree that an executed original of this Agreement shall be recorded by City, at Owner's or Developer's expense, in the Public Records of Nassau County, Florida.

17. **Applicable Law/Venue.** This Agreement and the provisions contained herein shall be construed, controlled, and interpreted according to the laws of the State of Florida.

Venue of any litigation relating to this Agreement shall be in the courts of Nassau County, Florida.

18. **Effective Date.** The Effective Date of this Agreement shall be the day this Agreement is recorded in the Public Records of Nassau County, Florida.

[signatures begin on following page]

IN WITNESS WHEREOF, Owner, Developer and City have executed this Agreement.

**RAYONIER PERFORMANCE FIBERS,
LLC**

ATTEST:

By:

Signature of Witness # 1

Signature

Print or type name

Print or type name

Signature of Witness #2

As:

Print or type

Print or type name

**STATE OF FLORIDA
COUNTY OF _____**

The foregoing instrument was acknowledged before me this _____ day of _____,
201__, by _____, and _____, of _____,
_____, who is/are personally known to me or who has/have produced _____
_____ as identification and who did not (did) take an oath.

Signature of Notary

(NOTARY SEAL)

Print or type name

LIGNOTECH FLORIDA LLC

ATTEST:

By:

Signature of Witness # 1

Signature

Print or type name

Print or type name

Signature of Witness #2

As:

Print or type

Print or type name

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 201__, by _____, and _____, of _____, who is/are personally known to me or who has/have produced _____ as identification and who did not (did) take an oath.

Signature of Notary

(NOTARY SEAL)

Print or type name

**CITY OF FERNANDINA BEACH,
FLORIDA**

ATTEST:

By:

Signature of Witness # 1

Signature

Print or type name

Print or type name

Signature of Witness #2

As:

Print or type

Print or type name

APPROVED AS TO FORM AND LEGALITY:



CITY ATTORNEY

**STATE OF FLORIDA
COUNTY OF _____**

The foregoing instrument was acknowledged before me this _____ day of _____,
201__, by _____, and _____, of _____,
_____, who is/are personally known to me or who has/have produced _____
_____ as identification and who did not (did) take an oath.

Signature of Notary

(NOTARY SEAL)

Print or type name

EXHIBIT A

DESCRIPTION OF SUBJECT PROPERTY

The Subject Property is located in Fernandina Beach, Florida in Nassau County, being an approximately 6.37-acre portion of existing tax parcel 00-00-31-1840-0000-0000, as more fully depicted below. This portion of the existing parcel is owned by Rayonier Performance Fibers, LLC and it will be leased to the owner of the Proposed Development, LignoTech Florida LLC.



EXHIBIT B

FEE SCHEDULE



FEES: Permit fees vary depending on the type of permit and the associated scope of work.

IMPORTANT NOTES: The building permit fee may not be the only fee you face for certain work. New commercial and residential construction will be assessed Impact Fees through the permitting process to collect Police, Fire, Public Facilities and Parks & Recreation (residential only) impact fees. Additionally, the City's Utilities Department will assess impact and tap fees for connection to the City's water and sewer system.

Exterior projects within the City's Historic Districts require receipt of a Certificate of Approval prior to permitting. A "Planning / HDC" application will need to be submitted prior to submitting a permit application.

KEY CONTACTS: The Building Department will guide your application through appropriate reviews with other departments. For instances of new construction and the installation of irrigation systems, please contact the City's Utilities Department at 904-310-3420 to discuss fees associated with connection to the City's water and sewer system.

Permit Type	Fee
General Building*	
- first \$1,000 job cost	\$100
- each additional \$1,000	\$7
Plan Review	50% of permit fee
General Building	
- < \$1,000 with no plan review	\$50
<i>*General Building Permit fee totals are building permit fee + plan review fee (1/2 the building permit fee) + zoning review (\$50)</i>	
Roofing	
- first \$2,000 job cost (1 square no permit)	\$100
- each additional \$1,000	\$7
Fence - Structural	
- first \$1,000 job cost	\$50
- each additional \$1,000	\$7
Grade, Excavate + Fill	
- first \$1,000 job cost	\$100
- each additional \$1,000	\$7

City of Fort Lauderdale Community Development Department - 204 Ash Street Fort Lauderdale, FL 33304
 P: 904-310-3125 F: 904-310-3460 www.fortlaud.com/cdd
 Revised October 2015
 Page 1 of 3

Permit Type	Fee
Plumbing	
- first \$1,000 job cost	\$100
- each additional \$1,000	\$7
- < \$1,000 with no plan review, one inspection	\$50
PLUS	
- waste outlet	\$8
- fixture	\$8
- floor drain	\$7
- water heater	\$5
- pool, in-ground	\$100
- pool, above-ground	\$100
- pool, commercial	\$175
Electrical	
- first \$1,000 job cost	\$100
- each additional \$1,000	\$7
- temporary pole	\$75
- < \$1,000 with no plan review, one inspection	\$50
Mechanical	
- first \$1,000 job cost	\$100
- each additional \$1,000	\$7
- < \$1,000 with no plan review, one inspection	\$50
Gas	
- base fee	\$100
- installation of tank	\$75
- installation of meter	\$50
- each appliance	\$15
- < \$1,000 with no plan review, one inspection	\$50

Miscellaneous Permits and Fees

Driveway Permit	\$35
Zoning Permit	\$50
- non-structural fence	
- exempted accessory building (< 12' ridge height, ≤ 150 s.f., non-aluminum)	
- residential deck (≤ 12" above grade and ≤ 150 s.f.)	
Sign Permit	
- value \$0 - \$100	\$60
- value \$101 - \$500	\$70
- value \$501 - \$1000	\$80
- each additional \$1,000	\$7
- if plan review required	plus 50% of permit fee
(electrical permit fees may also be applicable)	

Impact Fees (new construction and additions)

- School (per new residential unit)	\$3,268
- Municipal*	
- Police	\$0.145
- Fire	\$0.291
- Public Facilities	\$0.395
- Parks & Recreation (residential only)	\$1.95

*Municipal impact fees are calculated by heated area for residential projects and floor area for non-residential projects:

Residential heated area is the floor area of a residential structure that is designed to be provided with heat and/or air conditioning and is not gross floor area of the structure.

Nonresidential floor area is the total area of all floors of a non-residential building as measured to the exterior walls and including halls, stairways, elevator shafts, attached garages, porches and balconies, open areas, docks or walkways not covered by a roof and which are used for some business related purpose.

Mixed Use projects: If a building permit is requested for mixed uses, then the impact fee shall be determined by apportioning the space committed to residential or non-residential use and applying the above definitions/fees.

- Utilities Impact Fees

(See Utilities Department for final calculations – fees are assessed independent of Building Department permitting.)

- Water / per Equivalent Residential Unit (ERU)	\$959
- Sewer / per Equivalent Residential Unit (ERU)	\$2,321

New home construction will require the following:

- general building permit
- roofing permit
- trade permits
- driveway permit
- address assignment (\$10) – this is done through the Fire Department at 904-277-7331.
- zoning review fee (\$50)
- municipal impact fees (\$2,781 /conditioned sq.ft.)
- school impact fee (\$3,268)
- utilities impact fees - Utility impact fees and connection fees are assessed and collected independent of and prior to permitting. Contact the Utilities Department at 904-310-3420 for more information.

CITY COMMISSION AGENDA ITEM
City of Fernandina Beach



SUBJECT: **Ordinance 2016-20**
Annual Pay and Classification Plan for FY 2016/2017

ITEM TYPE: Ordinance Resolution Other
 Proclamation Presentation

REQUESTED ACTION: **Approve Ordinance 2016-20 at Second Reading.**

SYNOPSIS: This Ordinance updates the *Pay and Classification Plan per Section 62-247* of the City's Code of Ordinances which states, "The classification plan shall be that as established by the city commission each year by ordinance and may be amended by the city commission from time to time in its discretion, by Ordinance, as it may deem necessary to ensure that the plan reflects the current job classification of all positions in the city service."

Due to the recent evaluation of the City departments during the budget process, staff recommends the following changes to better reflect the positions needed by the City:

- City Manager's Office/Stormwater Fund – add the position of Manager/Engineer
- City Attorney's Office – add the position of Paralegal
- Airport – eliminate the position of Airport Administrator
- Information Technology (IT) – add the position of IT Manager
- Finance/Utility Administration – add the position of Purchasing Agent

This Ordinance was approved at First Reading by the City Commission at its Regular Meeting on August 2, 2016.

Note: There was a scrivener's error in the First Reading of this Ordinance in that the Code Enforcement Manager position reflected a pay grade of 133 and should have been 134 in accordance with the current Pay and Classification Plan adopted by Ordinance on September 15, 2015, for FY 2015/2016. This reflects no actual change to this position for the Pay and Classification Plan for FY 2016/2017.

FISCAL IMPACT: The proposed Ordinance creates no pay range changes or changes to position grades.

2016/2017 CITY COMMISSION GOALS: (As approved by Resolution 2016-51)

<input type="checkbox"/> Beach Safety	<input type="checkbox"/> Alachua Street
<input type="checkbox"/> Soccer Field Lighting	<input type="checkbox"/> Stormwater
<input type="checkbox"/> Downtown Density	<input type="checkbox"/> Opportunity
<input type="checkbox"/> ADA Improvements	<input checked="" type="checkbox"/> Departmental
<input type="checkbox"/> Consideration	

CITY ATTORNEY COMMENTS: No additional comments.

CITY MANAGER RECOMMENDATION(S): I recommend that the City Commission approve proposed Ordinance 2016-20 at Second Reading. *DM*

DEPARTMENT DIRECTOR	Submitted by: Robin Marley Human Resources	Date: 08/15/16
CONTROLLER	Approved as to Budget Compliance <i>AHC</i>	Date: 8/19/16
CITY ATTORNEY	Approved as to Form and Legality <i>TJB</i>	Date: 8/22/16
CITY MANAGER	Approved Agenda Item for 09/06/2016 <i>DM</i>	Date: 08/15/16

CITY COMMISSION AGENDA ITEM
City of Fernandina Beach



COMMISSION ACTION:

- | | |
|---|--|
| <input type="checkbox"/> Approved As Recommended | <input type="checkbox"/> Disapproved |
| <input type="checkbox"/> Approved With Modification | <input type="checkbox"/> Postponed to Time Certain |
| <input type="checkbox"/> Other | <input type="checkbox"/> Tabled |
-

ORDINANCE 2016-20

AN ORDINANCE OF THE CITY OF FERNANDINA BEACH, FLORIDA, ESTABLISHING AN UPDATED CLASSIFICATION PLAN FOR FISCAL YEAR 2016-2017, PURSUANT TO SECTION 120 OF THE CITY CHARTER AND SECTION 62-247 OF THE CODE OF ORDINANCES OF THE CITY; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Section 120 of the City Charter states, “the city commission shall fix, by ordinance, the salary or compensation of the city attorney, the department heads, the city manager and the city commission. The city manager shall fix the number and compensation of all other officers and employees. The salaries so fixed shall be uniform for like service in each grade of the city service, as the same shall be graded or classified by the city manager, and approved by the city commission.”; and

WHEREAS, Section 62-247 of the City’s Code of Ordinances states, “The classification plan shall be that as established by the city commission each year by ordinance and may be amended by the city commission from time to time in its discretion, by ordinance, as it may deem necessary to ensure that the plan reflects the current job classification of all positions in the city service.”; and

WHEREAS, the City recognizes that the compensation plan is intended to provide all employees with an equitable and competitive pay, relative to pay received by other employees performing similar work in other areas of the City’s organization and also relative to rates received by other employees in the labor market from which City employees are recruited.

WHEREAS, it is in the best interest of the City to amend the Classified Service Titles and Pay Grades to reflect the current organizational needs and responsibilities of the City;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA:

SECTION 1. CLASSIFIED SERVICE TITLES AND PAY GRADES. The Classified Service Titles and Pay Grades are shown below.

Exempt Classifications	Pay Grade
Accountant	135
Accountant, Payroll	130
Accounting Supervisor	138
Administrative Coordinator	131
Administrative Services Manager	137
Airport Manager	137
Airport Operations Manager	134
Aquatics/Greenway Supervisor	131

Exempt Classifications (continued)	Pay Grade
Assistant to City Manager	133
Building Official	141
Community Development Director	143
Controller	145
Deputy Building Official	139
Deputy City Clerk	132
Deputy City Manager	146
Deputy Fire Chief	142
Deputy Police Chief	144
Division Chief	142
Fire Chief	144
Grants Administrator	137
HR Generalist	131
Human Resources Director	143
<u>IT Manager</u>	<u>140</u>
Legal Assistant	132
Maintenance Director	140
<u>Manager/Engineer</u>	<u>146</u>
Marina Director	137
Network Administrator	139
<u>Paralegal</u>	<u>137</u>
Parks & Recreation Director	141
Parks & Recreation Manager	136
Planner I	134
Planner II	136
Police Captain	143
Police Chief	146
Police Lieutenant	141
<u>Purchasing Agent</u>	<u>132</u>
Recreation Programs Supervisor	131
Senior Planner	138
Systems Administrator	136
Utilities Director	146
Utility Billing Supervisor	135
Utility Operations Superintendent	138

Non-Exempt Classifications	Pay Grade
Accounting Clerk	128
Administrative Specialist	128
Airport Administrator	135
Airport Operations Specialist	131
Building Inspector	135
Camp Leader	117
Chief Plant Operator, Utilities	133
Code Compliance Officer	131
Code Enforcement Manager	134
Communications Officer Supervisor	129
Customer Service Specialist	126
Deputy Wastewater Superintendent	136
Electrician/HVAC Technician	131
Engineer I	132
Fire Inspector	134
Fire/Rescue Captain	138
Fire/Rescue Engineer	133
Fire/Rescue Lieutenant	136
Firefighter /EMT	131
Firefighter/Paramedic	131
Foreman	131
Heavy Equipment Operator	128
Help Desk Specialist	130
Information Technology Technician	132
Intern I	117
Intern II	125
Irrigation/Maintenance Tech	126
Maintenance Assistant	122
Maintenance Tech	127
Maintenance Worker	123
Marina Assistant Dock Master	124
Marina Dockhand	123
Marina Dock Master	126
Master Mechanic	130
Mechanic	127
Meter Reader	126

Non-Exempt Classifications (continued)	Pay Grade
Ocean-Rescue Lifeguard Trainee	124
Ocean-Rescue Lifeguard	125
Office Assistant	123
Permit Specialist	128
Plans Examiner	136
Plant Operator	130
Police Detective	22
Police Officer	22
Police Reserve Officer	122
Police Sergeant	26
Police Service Aide	125
Pool Lifeguard	117
Records Coordinator	129
Recreation Aide	117
Recreation Leader	124
Service Tech (Auto)	124
Sign Technician	127
Sr. Electrician/HVAC Technician	133
Sr. Maintenance Worker	125
Sr. Plans Examiner	138
Sr. Police Reserve Officer	130
Sr. Water Safety Instructor/Lifeguard	120
Staff Assistant	126
Street Maintenance Tech	126
Utility Billing Specialist	128
Warehouse Tech	128
Water Collector	124
Water Fitness Instructor	126
Water Locator	123
Water Safety Instructor	119
Water Tech I	126
Water Tech II	128
WW Plant Operator Trainee	126
WW Systems Tech I	126
WW Systems Tech II	128
Youth Program Supervisor	128

SECTION 2. CONSOLIDATED PAY PLAN. The Classified Service Pay Schedule for Department Heads and General Employees (Appendix "A") and Fire Employees (Appendix "B") and the Police Officer Pay Schedule (Appendix "C") are hereby adopted for the budget year 2016-2017.

SECTION 3. SEVERABILITY. If any section, subsection, sentence, clause, phrase of this Ordinance, or the particular application thereof, shall be held invalid by any court, administrative agency or other body with appropriate jurisdiction, the remaining sections, subsections, sentences, clauses and phrases under application shall not be affected thereby.

SECTION 4. EFFECTIVE DATE. This Ordinance shall be effective on October 1, 2016, after its second reading, public hearing and final adoption.

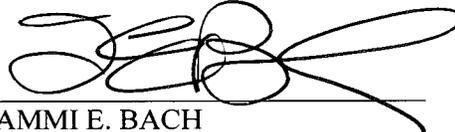
ADOPTED by the City Commission this 6th day of September, 2016.

CITY OF FERNANDINA BEACH

JOHN A. MILLER
Mayor - Commissioner

ATTEST:

APPROVED AS TO FORM AND LEGALITY:



TAMMI E. BACH
City Attorney

CAROLINE BEST
City Clerk

Date of First Reading: August 2, 2016
Date of Second Reading and Public Hearing: September 6, 2016
Date of Final Passage:

Appendix "A"

Classified Service Pay Scale

General Employees

Effective October 1, 2016

Grade	Minimum	Hrly min	Midpoint	Hrly Mid	Maximum	Hrly Max
117	\$16,962	8.15	\$21,839	10.50	\$26,715	12.84
118	\$17,835	8.57	\$22,962	11.04	\$28,090	13.50
119	\$18,729	9.00	\$24,113	11.59	\$29,498	14.18
120	\$19,644	9.44	\$25,292	12.16	\$30,939	14.87
121	\$20,644	9.93	\$26,579	12.78	\$32,514	15.63
122	\$21,644	10.41	\$27,867	13.40	\$34,090	16.39
123	\$22,251	10.70	\$29,042	13.96	\$35,833	17.23
124	\$23,900	11.49	\$30,771	14.79	\$37,643	18.10
125	\$25,071	12.05	\$32,279	15.52	\$39,486	18.98
126	\$26,384	12.68	\$33,941	16.32	\$41,498	19.95
127	\$27,667	13.30	\$35,622	17.13	\$43,576	20.95
128	\$29,029	13.96	\$37,375	17.97	\$45,721	21.98
129	\$30,498	14.66	\$39,266	18.88	\$48,034	23.09
130	\$31,988	15.38	\$41,185	19.80	\$50,381	24.22
131	\$33,594	16.15	\$43,252	20.79	\$52,911	25.44
132	\$35,271	16.96	\$45,411	21.83	\$55,551	26.71
133	\$37,039	17.81	\$47,687	22.93	\$58,336	28.05
134	\$38,894	18.70	\$50,076	24.08	\$61,258	29.45
135	\$40,840	19.63	\$52,582	25.28	\$64,323	30.92
136	\$42,875	20.61	\$55,202	26.54	\$67,529	32.47
137	\$45,018	21.64	\$57,961	27.87	\$70,903	34.09
138	\$47,266	22.72	\$60,855	29.26	\$74,444	35.79
139	\$49,623	23.86	\$63,890	30.72	\$78,157	37.58
140	\$52,100	25.05	\$67,079	32.25	\$82,058	39.45
141	\$54,715	26.31	\$70,445	33.87	\$86,176	41.43
142	\$57,458	27.62	\$73,977	35.57	\$90,496	43.51
143	\$60,332	29.01	\$77,677	37.34	\$95,023	45.68
144	\$63,360	30.46	\$81,575	39.22	\$99,791	47.98
145	\$66,500	31.97	\$85,750	41.23	\$105,000	50.48
146	\$69,825	33.57	\$89,885	43.21	\$109,946	52.86
147	\$73,316	35.25	\$111,648	53.68	\$149,975	72.10

Appendix "B"

CLASSIFIED SERVICE PAY SCALE

FIRE DEPARTMENT*

Effective October 1, 2016

Title	Grade	Min Annual	Hrly Min	Midpoint	Hrly Mid	Max Annual	Hrly Max
Firefighter/EMT and FF/Paramedic	131	\$33,594	\$11.54	\$43,253	\$14.85	\$52,911	\$18.17
Fire/Rescue Engineer	133	\$37,039	\$12.72	\$47,688	\$16.38	\$58,336	\$20.03
Fire/Rescue Lieutenant	136	\$42,875	\$14.72	\$55,202	\$18.96	\$67,529	\$23.19
Fire/Rescue Captain	138	\$47,266	\$16.23	\$60,855	\$20.90	\$74,444	\$25.56

*Firefighters are non-exempt (hourly) employees. Approximation of annual compensation is determined on the basis of normally scheduled hours worked (2912 annually) times the hourly rate.

Appendix "C"

CLASSIFIED SERVICE PAY SCALE

POLICE DEPARTMENT*

Effective October 1, 2016

Title	Grade	Min Annual	Hrly Min	Midpoint	Hrly Mid	Max Annual	Hrly Max
Police Officers and Police Detectives	22	\$38,504	\$17.63	\$46,705	\$21.39	\$54,906	\$25.14
Police Sergeants	26	\$51,804	\$23.72	\$61,938	\$28.36	\$72,072	\$33.00

*Police Officers are non-exempt (hourly) employees. Approximation of annual compensation is determined on the basis of normally scheduled hours worked (2184 annually) times the hourly rate.

August 24, 2016
Newsheader Edition

CANNED
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NOTICE OF PUBLIC HEARING
CITY COMMISSION
CITY OF FERNANDINA BEACH

NOTICE IS HEREBY GIVEN that a Public Hearing is scheduled for **Tuesday, September 6, 2016, at 6:00 PM** in the City Commission Chambers, 204 Ash Street Fernandina Beach, Florida to consider the following application:

ORDINANCE 2016-20

AN ORDINANCE OF THE CITY OF FERNANDINA BEACH, FLORIDA, ESTABLISHING AN UPDATED CLASSIFICATION PLAN FOR FISCAL YEAR 2016-2017, PURSUANT TO SECTION 120 OF THE CITY CHARTER AND SECTION 62-247 OF THE CODE OF ORDINANCES OF THE CITY; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

Interested parties may appear at said hearing and be heard as to the advisability of any action, which may be considered. Any persons with disabilities requiring accommodations in order to participate in this program or activity should contact 310-3115, TTY/TDD 711 or through the Florida Relay Service at 1-800-955-8771 at least 24 hours in advance to request such accommodation.

IF ANY PERSON DECIDES TO APPEAL ANY DECISION MADE BY THE BOARD/COMMISSION WITH RESPECT TO ANY MATTER CONSIDERED AT SUCH HEARING, S/HE WILL 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.

For information, please contact the Staff of the City Clerk's Office, 204 Ash Street, between the hours of 8:00 AM – 5:00 PM, Monday through Friday, (904) 310-3115.

CITY COMMISSION AGENDA ITEM
City of Fernandina Beach



SUBJECT: **Ordinance 2016-21**
Code Amendment - General Employees' Pension Plan

ITEM TYPE: Ordinance Resolution Other
 Proclamation Presentation

REQUESTED ACTION: **Approve Ordinance 2016-21 at Second Reading.**

SYNOPSIS: The proposed Ordinance amends the City of Fernandina Beach General Employees' Pension Plan to be in compliance with changes to the Internal Revenue Code and its associated regulations. The proposed amendments also clarify certain language in the Plan document.

Included with the Ordinance as back-up documentation is a letter from the Plan Attorney, Scott Christiansen, P.A., which provides a brief overview and reasoning behind the proposed amendments.

Also included is a letter from Doug Lozen with Foster & Foster, the Plan's actuarial consultant, which states that there is no financial impact associated with the proposed amendments to the Plan.

This Ordinance was approved at First Reading by the City Commission at its Regular Meeting on August 2, 2016.

FISCAL IMPACT: None.

2016/2017 CITY COMMISSION GOALS: (As approved by Resolution 2016-51)

<input type="checkbox"/> Beach Safety	<input type="checkbox"/> Alachua Street
<input type="checkbox"/> Soccer Field Lighting	<input type="checkbox"/> Stormwater
<input type="checkbox"/> Downtown Density	<input type="checkbox"/> Opportunity
<input type="checkbox"/> ADA Improvements	<input checked="" type="checkbox"/> Departmental
<input type="checkbox"/> Consideration	

CITY ATTORNEY COMMENTS: No additional comments.

CITY MANAGER RECOMMENDATION(S): I recommend that the City Commission approve proposed Ordinance 2016-21 at Second Reading. *DM*

DEPARTMENT DIRECTOR	Submitted by: Robin Marley Human Resources Director <i>RJM</i>	Date: 08/15/16
CONTROLLER	Approved as to Budget Compliance	Date:
CITY ATTORNEY	Approved as to Form and Legality <i>TEB</i>	Date: 8/16/16
CITY MANAGER	Approved Agenda Item for 09/06/16 <i>DM</i>	Date: 08/15/16

COMMISSION ACTION: Approved As Recommended Disapproved
 Approved With Modification Postponed to Time Certain
 Other Tabled

ORDINANCE 2016-21

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, AMENDING CHAPTER 62, PERSONNEL, ARTICLE III, GENERAL EMPLOYEES' PENSION PLAN, OF THE CODE OF ORDINANCES OF THE CITY OF FERNANDINA BEACH; AMENDING SECTION 62-71, DEFINITIONS; AMENDING SECTION 62-72, MEMBERSHIP; AMENDING SECTION 62-74, FINANCES AND FUND MANAGEMENT; AMENDING SECTION 62-76, BENEFIT AMOUNTS AND ELIGIBILITY; AMENDING SECTION 62-77, PRE-RETIREMENT DEATH; AMENDING SECTION 62-78, DISABILITY; AMENDING SECTION 62-80, OPTIONAL FORMS OF BENEFITS; AMENDING SECTION 62-84, MAXIMUM PENSION; AMENDING SECTION 62-87, REPEAL OR TERMINATION OF SYSTEM; AMENDING SECTION 62-96, DEFERRED RETIREMENT OPTION PLAN; AMENDING SECTION 62-97, PRIOR GOVERNMENT SERVICE; AMENDING SECTION 62-99, REEMPLOYMENT AFTER RETIREMENT; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HERewith AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA;

SECTION 1: That Chapter 62, Personnel, Article III, General Employees' Pension Plan, of the City of Fernandina Beach Code of Ordinances, Section 62-71, Definitions, is being amended by amending the definitions of "Actuarial Equivalent", "Credited Service", and "Spouse", to read as follows:

* * * * *

Actuarial equivalent means a benefit or amount of equal value, based upon the RP 2000 Combined Healthy Unisex Mortality Table and an interest rate of ~~eight percent per annum~~ equal to the investment return assumption set forth in the last actuarial valuation approved by the Board. This definition may only be amended by the City pursuant to the recommendation of the board using assumptions adopted by the board with the advice of the plan's actuary, such that benefit calculations are not subject to City discretion.

* * * * *

Credited service means the total number of years and fractional parts of years as a general employee, and, as to Plan A members for all years after the effective date, years and fractional parts of years as a general employee with member contributions, when required, omitting, as to all members, intervening years or fractional parts of years when such member was not employed by the city as a general employee. A member may voluntarily leave his accumulated contributions in the fund for a period of five years after leaving the employ of the city pending the possibility of being reemployed as a general employee, without losing credit for the time that he was a member of the system. If a vested member leaves the employ of the city, his accumulated contributions will be returned only upon his written request. If a member who is not vested is not reemployed as a general employee with the city within five years, his accumulated contributions, if one-thousand dollars (\$1,000.00) or less, shall be returned. If a member who is not vested is not reemployed within five (5) years, his accumulated contributions, if more than one-thousand dollars (\$1,000.00), will be returned only upon the written request of the member and upon completion of a written election to receive a cash lump sum or to rollover the lump sum amount on forms designated by the board. Upon return of a member's accumulated contributions, all of his rights and benefits under the system are forfeited and terminated.

In the event that a member of this system has also accumulated credited service in the city firefighters' and police officers' pension plan, such other credited service shall be combined with credited service in this system for determining vesting and for determining eligibility for early or normal retirement in this system. Such other credited service shall not be considered in determining benefits under this system except that, for those members who terminate membership in this system but continue employment with the city as a police officer or firefighter, any benefit to be paid from this system shall be based on the benefit accrual rate (based on whether the member was a Plan A or Plan B member) in effect for this plan on the date that the employee actually terminates employment with the city, and all years of employment with the city as a member of either system shall be used in calculating average final compensation for benefits from this system.

The years or parts of a year that a member performs "Qualified Military Service" consisting of voluntary or involuntary "service in the uniformed services" as defined in the Uniformed Services Employment and Reemployment Rights Act (USERRA) (P.L.103-353), after separation from employment as a general employee to perform training or service, shall be added to his years of credited service for all purposes, including vesting, provided that:

- (1) The member is entitled to reemployment under the provisions of USERRA.
- (2) The member returns to his employment as a general employee within one (1) year following the earlier of the date of his military discharge or his release from service, unless otherwise required by USERRA.
- (3) The member deposits into the fund the same sum that the member would have contributed, if any, if he had remained a general employee during his absence. The maximum credit for military service pursuant to this subdivision shall be five (5) years. The member must deposit all missed contributions within a period equal to three times the period of military service, but not more than five (5) years, following re-employment or he will forfeit the right to receive credited service for his military service pursuant to this paragraph.
- (4) This paragraph is intended to satisfy the minimum requirements of USERRA. To the extent that this paragraph does not meet the minimum standards of USERRA, as it may be amended from time to time, the minimum standards shall apply.

In the event a member dies on or after January 1, 2007, while performing USERRA Qualified Military Service, the beneficiaries of the member are entitled to any benefits (other than benefit accruals relating to the period of qualified military service) as if the member had resumed employment and then died while employed.

Beginning January 1, 2009, to the extent required by section 414(u)(12) of the code, an individual receiving differential wage payments (as defined under section 3401(h)(2) of the code) from an employer shall be treated as employed by that employer, and the differential wage payment shall be treated as compensation for purposes of applying the limits on annual additions under section 415(c) of the code. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

Leave conversions of unused accrued paid time off shall not be permitted to be applied toward the accrual of credited service either during each plan year of a member's employment with the City or in the plan year in which the member terminates employment.

* * * * *

Spouse means the lawful wife or husband of a member or retiree member's or retiree's spouse under applicable law at the time benefits become payable.

* * * * *

SECTION 2: That Chapter 62, Personnel, Article III, General Employees' Pension Plan, of the City of Fernandina Beach Code of Ordinances, Section 62-72, Membership, subsection (2), is being amended to read as follows:

* * * * *

- (2) Election to become a member. Any general employee who is not a member of the system on ~~the effective date of this ordinance July 7, 2007~~, may elect to become a member by filing a written election with the board within sixty (60) days from ~~the effective date of this ordinance July 7, 2007~~. Any general employee so electing shall begin to accrue credited service as a member beginning on the date of his election. No credited service shall be allowed for any period of employment prior to the date of election unless such credited service is purchased pursuant to section 62-97.

* * * * *

SECTION 3: That Chapter 62, Personnel, Article III, General Employees' Pension Plan, of the City of Fernandina Beach Code of Ordinances, Section 62-74, Finances and Fund Management, subsection (f)(2)c., is being amended to read as follows:

* * * * *

- c. In addition, the board may, upon recommendation by the board's investment consultant, make investments in group trusts meeting the requirements of Internal Revenue Service Revenue Ruling 81-100, ~~and Revenue Ruling 2011-1, IRS Notice 2012-6 and Revenue Ruling 2014-24~~ or successor rulings or guidance of similar import, and operated or maintained exclusively for the commingling and collective investment of monies, provided that the funds in the group trust consist exclusively of trust assets held under plans qualified under section 401(a) of the code, individual retirement accounts that are exempt under section 408(e) of the code, eligible governmental plans that meet the requirements of section 457(b) of the code, and governmental plans under 401(a)(24) of the code. For this purpose, a trust includes a custodial account or a separate tax favored account maintained by an insurance company that is treated as a trust under section 401(f) or under section 457(g)(3) of the code. While any portion of the assets of the fund are invested in such a group trust, such group trust is itself adopted as a part of the system or plan.
1. Any collective or common group trust to which assets of the fund are transferred pursuant to subsection c. shall be adopted by the board as part of the plan by executing appropriate participation, adoption agreements, and/or trust agreements with the group trust's trustee.
 2. The separate account maintained by the group trust for the plan pursuant to subsection c. shall not be used for, or diverted to, any purpose other than for the exclusive benefit of the members and beneficiaries of the plan.
 3. For purposes of valuation, the value of the separate account maintained by the group trust for the plan shall be the fair market value of the portion of the group trust held for the plan, determined in accordance with generally recognized valuation procedures.

* * * * *

SECTION 4: That Chapter 62, Personnel, Article III, General Employees' Pension Plan, of the City of Fernandina Beach Code of Ordinances, Section 62-76, Benefit Amounts and Eligibility, subsection (a), Normal Retirement Date, is being amended to read as follows:

* * * * *

(a) *Normal retirement age and date.* A member's normal retirement ~~date shall be the first day of the month coincident with or next following~~ age is the earlier of:

- (1) The attainment of age 55 and the completion of 25 years of credited service;
- (2) The attainment of age 65 and the completion of six years of credited service; or
- (3) Upon completion of 35 years of credited service, regardless of age.

~~A member may retire on his normal retirement date or on the first day of any month thereafter, and each member shall become 100 percent vested in his accrued benefit on the member's normal retirement date. Normal retirement under the system is retirement from employment with the city on or after the normal retirement date. Each member shall become one hundred percent (100%) vested in his accrued benefit at normal retirement age. A member's normal retirement date shall be the first day of the month coincident with or next following the date the member retires from the City after attaining normal retirement age.~~

* * * * *

SECTION 5: That Chapter 62, Personnel, Article III, General Employees' Pension Plan, of the City of Fernandina Beach Code of Ordinances, Section 62-77, Pre-Retirement Death, subsection (b)(2) is being amended to read as follows:

* * * * *

- (b)(2) If the deceased member was eligible for normal or early retirement, the spouse beneficiary shall receive a benefit payable for ten years, beginning on the first day of the month following the member's death or at the deceased member's otherwise normal ~~or early~~ retirement date, at the option of the spouse beneficiary. The benefit shall be calculated as for normal retirement based on the deceased member's credited service and average final compensation as of the date of his death and reduced as for early retirement, if applicable.

* * * * *

SECTION 6: That Chapter 62, Personnel, Article III, General Employees' Pension Plan, of the City of Fernandina Beach Code of Ordinances, Section 62-78, Disability, subsection (a), Disability Benefits In-Line of Duty, and subsection (b), Disability Benefits Not-in-Line of Duty, are being amended to read as follows:

* * * * *

(a) *Disability benefits in-line of duty.* Any member who shall become totally and permanently disabled to the extent that he is unable, by reason of a medically determinable physical or mental impairment, to render useful and efficient service as a general employee, which disability was directly caused by the performance of his duty as a general employee, shall, upon establishing the disability to the satisfaction of the board, be entitled to a monthly pension computed in the same manner as for a normal retirement benefit based on the member's average final compensation and credited service on his disability retirement date, but in any event the minimum amount paid to the member shall be 42 percent of his average final compensation. Terminated persons, either vested or non-vested, are not eligible for disability benefits, ~~except that those terminated by the city for medical reasons may apply for a disability within 30 days after termination.~~ Notwithstanding the

previous sentence, if a member is terminated by the city for medical reasons, the terminated person may apply for a disability benefit if the application is filed with the board within thirty (30) days from the date of termination. If a timely application is received, it shall be processed and the terminated person shall be eligible to receive a disability benefit if the board otherwise determines that he is totally and permanently disabled as provided for above.

(b) *Disability benefits not-in-line of duty.* Any member with ten years or more credited service who shall become totally and permanently disabled to the extent that he is unable, by reason of a medically determinable physical or mental impairment, to render useful and efficient service as a general employee, which disability is not directly caused by the performance of his duties as a general employee, shall, upon establishing the disability to the satisfaction of the board, be entitled to a monthly pension computed in the same manner as for a normal retirement benefit based on the member's average final compensation and credited service on his disability retirement date, but in any event the minimum amount paid to the member shall be 25 percent of his average final compensation. Terminated persons, either vested or non-vested, are not eligible for disability benefits, ~~except that those terminated by the city for medical reasons may apply for a disability within 30 days after termination.~~ Notwithstanding the previous sentence, if a member is terminated by the city for medical reasons, the terminated person may apply for a disability benefit if the application is filed with the board within thirty (30) days from the date of termination. If a timely application is received, it shall be processed and the terminated person shall be eligible to receive a disability benefit if the board otherwise determines that he is totally and permanently disabled as provided for above.

* * * * *

SECTION 7: That Chapter 62, Personnel, Article III, General Employees' Pension Plan, of the City of Fernandina Beach Code of Ordinances, Section 62-80, Optional Forms of Benefits, subsections (a)(4) and (b), are being amended to read as follows:

* * * * *

- (4) For members who do not participate in the DROP pursuant to Section 62-96, the member may elect a percentage of benefit in a lump sum as follows:
- a. Ten percent of the total actuarial equivalent value of the benefit paid as a lump sum benefit with the remaining 90 percent paid under the normal form or as per (1), (2) or (3) above.
 - b. Fifteen percent of the total actuarial equivalent value of the benefit paid as a lump; sum benefit with the remaining 85 percent paid under the normal form or as per (1), (2) or (3) above.
 - c. Twenty percent of the total actuarial equivalent value of the benefit paid as a lump sum benefit with the remaining 80 percent paid under the normal form or as per (1), (2) or (3) above.
 - d. Twenty-five of the total actuarial equivalent value of the benefit paid as a percent lump sum benefit with the remaining 75 percent paid under the normal form or as per (1), (2) or (3) above.

(b) The member, upon electing any option described in this section, will designate the joint pensioner (as provided in subsection (a)(2) of this section) or beneficiary (or beneficiaries) to receive the benefit, if any, payable under the system in the event of the member's death, and will have the power to change such designation from time to time. Such designation will name a joint pensioner or one or more primary beneficiaries where applicable. If a member has elected an option

with a joint pensioner or beneficiary and member's retirement income benefits have commenced, the member may thereafter change his designated beneficiary at any time, but may only change his joint pensioner if the designated joint pensioner and the member were married at the time of member's retirement and are divorced subsequent thereto and the joint pensioner is alive at the time of the change. In the absence of proof of good health of the joint pensioner being replaced, the actuary will assume that the joint pensioner has deceased for purposes of calculating the new payment.

* * * * *

SECTION 8: That Chapter 62, Personnel, Article III, General Employees' Pension Plan, of the City of Fernandina Beach Code of Ordinances, Section 62-84, Maximum Pension, subsections (f), (h), (l)(2) are being amended, and subsection (m) is being added to read as follows:

* * * * *

(f) *Less than Ten (10) Years of Participation ~~or Service~~.* The maximum retirement benefits payable under this section to any member who has completed less than ten (10) years of ~~credited service with the City~~ participation shall be the amount determined under subsection (a) of this section multiplied by a fraction, the numerator of which is the number of the member's years of ~~credited service~~ participation and the denominator of which is ten (10). The reduction provided by this subsection cannot reduce the maximum benefit below 10% of the limit determined without regard to this subsection. The reduction provided for in this subsection shall not be applicable to pre-retirement disability benefits paid pursuant to Sec. 62-78, or pre-retirement death benefits paid pursuant to Sec. 62-77.

* * * * *

(h) *Ten Thousand Dollar (\$10,000) Limit; Less Than Ten Years of Service.* Notwithstanding anything in this section 62-84, the retirement benefit payable with respect to a member shall be deemed not to exceed the limit set forth in this subsection (h) of Sec. 62-84 if the benefits payable, with respect to such member under this system and under all other qualified defined benefit pension plans to which the City contributes, do not exceed ten thousand dollars (\$10,000) for the applicable limitation year ~~and or~~ for any prior limitation year, and the City has not at any time maintained a qualified defined contribution plan in which the member participated; provided, however, that if the member has completed less than ten (10) years of credited service with the City, the limit under this subsection (h) of Sec. 62-84 shall be a reduced limit equal to ten thousand dollars (\$10,000) multiplied by a fraction, the numerator of which is the number of the member's years of credited service and the denominator of which is ten (10).

* * * * *

(l)(2) No member of the system shall be allowed to receive a retirement benefit or pension which is in part or in whole based upon any service with respect to which the member is already receiving, or will receive in the future, a retirement benefit or pension from a different employer's retirement system or plan. This restriction does not apply to social security benefits or federal benefits under Chapter ~~67~~ 1223, Title 10, U.S. Code.

(m) *Effect of Direct Rollover on 415(b) Limit.* If the plan accepts a direct rollover of an employee's or former employee's benefit from a defined contribution plan qualified under Code Section 401(a) which is maintained by the employer, any annuity resulting from the rollover amount that is determined using a more favorable actuarial basis than required under Code Section 417(e) shall be included in the annual benefit for purposes of the limit under Code Section 415(b).

SECTION 9: That Chapter 62, Personnel, Article III, General Employees' Pension Plan, of the City of Fernandina Beach Code of Ordinances, Section 62-87, Repeal or Termination of System, is being amended to add a final paragraph, to read as follows:

* * * * *

If, after twenty-four (24) months after the date the plan terminated or the date the board received written notice that the contributions thereunder were being permanently discontinued, the city or the board of the fund affected has not complied with all the provisions in this section, the Florida Department of Management Services will effect the termination of the fund in accordance with this section.

SECTION 10: That Chapter 62, Personnel, Article III, General Employees' Pension Plan, of the City of Fernandina Beach Code of Ordinances, Section 62-96, Deferred Retirement Option Plan, is being amended to read as follows:

Sec. 62-96. Deferred retirement option plan.

- (a) *Definitions.* As used in this section 62-96, the following definitions apply:
- (1) DROP means the City of Fernandina Beach General Employees' Deferred Retirement Option Plan.
 - (2) DROP account means the account established for each DROP participant under subsection (c).
 - (3) "Total return of the assets" -- For purposes of calculating earnings on a member's DROP account pursuant to subsection (c)(2)b.2., for each fiscal year quarter, the percentage increase (or decrease) in the interest and dividends earned on investments, including realized and unrealized gains (or losses), of the total Plan assets.
- (b) *Participation.*
- (1) *Eligibility to participate.* In lieu of terminating his employment as a general employee, any member who is eligible for early or normal retirement under the system may elect to defer receipt of such service retirement pension and to participate in the DROP.
 - (2) *Election to participate.* A member's election to participate in the DROP must be made in writing in a time and manner determined by the board and shall be effective on the first day of the first calendar month which is at least fifteen (15) business days after it is received by the board.
 - (3) *Period of participation.* A member who elects to participate in the DROP under subsection (b)(2), shall participate in the DROP for a period not to exceed 60 months beginning at the time his election to participate in the DROP first becomes effective. An election to participate in the DROP shall constitute an irrevocable election to resign from the service of the city not later than the date provided for in the previous sentence. A member may participate only once.
 - (4) *Termination of participation.*

- a. A member's participation in the DROP shall cease at the earlier of:
 - 1. The end of his period of participation in the DROP as determined under subsection (b)(3); or
 - 2. Termination of his employment as a general employee.
- b. Upon the member's termination of participation in the DROP, pursuant to subsection 1 above, all amounts provided for in subsection (c)(2), including monthly benefits and investment earnings and losses or interest, as applicable, shall cease to be transferred from the system to his DROP account. Any amounts remaining in his DROP account shall be paid to him in accordance with the provisions of subsection (d) when he terminates his employment as a general employee.
- c. A member who terminates his participation in the DROP under this subsection (b)(4) shall not be permitted to again become a participant in the DROP.

(5) *Effect of DROP participation on the system.*

- a. A member's credited service and his accrued benefit under the system shall be determined on the date his election to participate in the DROP first becomes effective. For purposes of determining the accrued benefit, the member's salary for the purposes of calculating his average final compensation shall include an amount equal to any lump sum payments which would have been paid to the member and included as salary as defined herein, had the member retired under early or normal retirement and not elected DROP participation. Member contributions attributable to any lump sums used in the benefit calculation and not actually received by the member shall be deducted from the first payments to the member's DROP account. The member shall not accrue any additional credited service or any additional benefits under the system (except for any additional benefits provided under any cost-of-living adjustment for retirees in the system) while he is a participant in the DROP. After a member commences participation, he shall not be permitted to again contribute to the system nor shall he be eligible for disability nor shall his estate or beneficiary be eligible for pre-retirement death benefits, except as provided for in section 62-99, Reemployment after retirement.
- b. No amounts shall be paid to a member from the system while the member is a participant in the DROP. Unless otherwise specified in the system, if a member's participation in the DROP is terminated other than by terminating his employment as a general employee, no amounts shall be paid to him from the system until he terminates his employment as a general employee. Unless otherwise specified in the system, amounts transferred from the system to the member's DROP account shall be paid directly to the member only on the termination of his employment as a general employee.

(c) *Funding.*

- (1) *Establishment of DROP account.* A DROP account shall be established for each member participating in the DROP. A member's DROP account shall consist of

amounts transferred to the DROP under subsection (c)(2), and earnings or interest on those amounts.

(2) *Transfers from retirement system.*

- a. As of the first day of each month of a member's period of participation in the DROP, the monthly retirement benefit he would have received under the system had he terminated his employment as a general employee and elected to receive monthly benefit payments thereunder shall be transferred to his DROP account, except as otherwise provided for in subsection (b)(4)b. A member's period of participation in the DROP shall be determined in accordance with the provisions of subsections (b)(3) and (b)(4), but in no event shall it continue past the date he terminates his employment as a general employee.
- b. Except as otherwise provided in subsection (b)(4)b., a member's DROP account under this subsection (c)(2) shall be debited or credited ~~after each fiscal year quarter~~ with either:
 1. Interest at an effective rate of six and one-half percent per annum compounded monthly, determined on the last business day of the prior month's ending balance and credited to the member's DROP account as of such date (to be applicable to all current and future DROP participants); or
 2. Earnings, to be credited or debited to the member's DROP account, determined as of the last business day of each fiscal year quarter and debited or credited as of such date, determined as follows:

The average daily balance in a member's DROP account shall be credited or debited at a rate equal to the actual net rate of investment return realized by the system for that quarter. "Net investment return" for the purpose of this paragraph is the total return of the assets in which the member's DROP account is invested by the board net of brokerage commissions, management fees and transaction costs.

For purposes of calculating earnings on a member's DROP account pursuant to this subsection (c)(2)b.2., brokerage commissions, transaction costs, and management fees shall be determined for each quarter by the investment consultant pursuant to contracts with fund managers as reported in the custodial statement. The investment consultant shall report these quarterly contractual fees to the board. The investment consultant shall also report the net investment return for each manager and the net investment return for the total plan assets.

Upon electing participation in the DROP, the member shall elect to receive either interest or earnings on his account to be determined as provided above. The member may, in writing, elect to change his election only once during his DROP participation. An election to change must be made prior to the end of a fiscal year (September 30) and shall be effective beginning the following fiscal year (October 1).

c. A member's DROP account shall only be credited or debited with earnings or interest and monthly benefits while the member is a participant in the DROP. A member's final DROP account value for distribution to the member upon termination of participation in the DROP shall be the value of the account at the end of the quarter immediately preceding termination of participation for participants electing the net plan return and at the end of the month immediately preceding termination of participation for participants electing the flat interest rate return, ~~plus interest or earnings earned as of that date~~ plus any monthly periodic additions made to the DROP account subsequent to the end of the previous quarter or month, as applicable and prior to distribution. If a member fails to terminate employment after participating in the DROP for the permissible period of DROP participation, then beginning with the member's 1st month of employment following the last month of the permissible period of DROP participation, the member's DROP account will no longer be credited or debited with earnings or interest, nor will monthly benefits be transferred to the DROP account. All such non-transferred amounts shall be forfeited and continue to be forfeited while the member is employed by the city. A member employed by the city after the permissible period of DROP participation will be eligible for pre-retirement death or disability benefits, and will accrue additional credited service only as provided for in section 62-99.

(d) *Distribution of DROP accounts on termination of employment.*

(1) *Eligibility for benefits.* A member shall receive the balance in his DROP account in accordance with the provisions of this subsection (d) upon his termination of employment as a general employee. Except as provided in subsection (d)(5), no amounts shall be paid to a member from the DROP prior to his termination of employment as a general employee.

(2) *Form of distribution.*

a. Unless the member elects otherwise, distribution of his DROP account shall be made in a lump sum, subject to the direct rollover provisions set forth in subsection (d)(6). Elections under this paragraph shall be in writing and shall be made in such time or manner as the board shall determine.

b. If a member dies before his benefit is paid, his DROP account shall be paid to his beneficiary in such optional form as his beneficiary may select. If no beneficiary designation is made, the DROP account shall be distributed to the member's estate.

(3) *Date of payment of distribution.*

Except as otherwise provided in this subsection (d), distribution of a member's DROP account shall be made as soon as administratively practicable following the member's termination of employment. Distribution of the amount in a member's DROP account will not be made unless the member completes a written request for distribution and a written election, on forms designated by the board, to either receive a cash lump sum or a rollover of the lump sum amount.

(4) *Proof of death and right of beneficiary or other person.* The board may require and rely upon such proof of death and such evidence of the right of any beneficiary or other person to receive the value of a deceased member's DROP

account as the board may deem proper and its determination of the right of that beneficiary or other person to receive payment shall be conclusive.

(5) *Distribution limitation.* Notwithstanding any other provision of subsection this (d), all distributions from the DROP shall conform to the “Minimum Distribution Of Benefits” provisions as provided for herein.

(6) *Direct rollover of certain distributions.* This subsection applies to distributions made on or after January 1, 2002. Notwithstanding any provision of the DROP to the contrary, a distributee may elect to have any portion of an eligible rollover distribution paid in a direct rollover as otherwise provided under the system in section 62-92.

(e) *Administration of DROP.*

(1) *Board administers the DROP.* The general administration of the DROP, the responsibility for carrying out the provisions of the DROP and the responsibility of overseeing the investment of the DROP's assets shall be placed in the board. The members of the board may appoint from their number such subcommittees with such powers as they shall determine; may adopt such administrative procedures and regulations as they deem desirable for the conduct of their affairs; may authorize one or more of their number or any agent to execute or deliver any instrument or make any payment on their behalf; may retain counsel, employ agents and provide for such clerical, accounting, actuarial and consulting services as they may require in carrying out the provisions of the DROP; and may allocate among themselves or delegate to other persons all or such portion of their duties under the DROP, other than those granted to them as trustee under any trust agreement adopted for use in implementing the DROP, as they, in their sole discretion, shall decide. A trustee shall not vote on any question relating exclusively to himself.

(2) *Individual accounts, records and reports.* The board shall maintain records showing the operation and condition of the DROP, including records showing the individual balances in each member's DROP account, and the board shall keep in convenient form such data as may be necessary for the valuation of the assets and liabilities of the DROP. The board shall prepare and distribute to members participating in the DROP and other individuals or file with the appropriate governmental agencies, as the case may be, all necessary descriptions, reports, information returns, and data required to be distributed or filed for the DROP pursuant to the Code and any other applicable laws.

(3) *Establishment of rules.* Subject to the limitations of the DROP, the board from time to time shall establish rules for the administration of the DROP and the transaction of its business. The board shall have discretionary authority to construe and interpret the DROP (including but not limited to determination of an individual's eligibility for DROP participation, the right and amount of any benefit payable under the DROP and the date on which any individual ceases to be a participant in the DROP). The determination of the board as to the interpretation of the DROP or its determination of any disputed questions shall be conclusive and final to the extent permitted by applicable law.

(4) *Limitation of liability.*

a. The trustees shall not incur any liability individually or on behalf of any other individuals for any act or failure to act, made in good faith in relation to the DROP or the funds of the DROP.

- b. Neither the board nor any trustee of the board shall be responsible for any reports furnished by any expert retained or employed by the board, but they shall be entitled to rely thereon as well as on certificates furnished by an accountant or an actuary, and on all opinions of counsel. The board shall be fully protected with respect to any action taken or suffered by it in good faith in reliance upon such expert, accountant, actuary or counsel, and all actions taken or suffered in such reliance shall be conclusive upon any person with any interest in the DROP.
 - c. Neither the board, nor any trustee of the board, the city commission, nor any individual city commissioner, shall incur any liability for the adoption of this section 62-96, or for any determination of compliance or noncompliance with the Internal Revenue Code, or Regulations of the Internal Revenue Service.
- (f) *General provisions.*
- (1) The DROP is not a separate retirement plan. Instead, it is a program under which a member who is eligible for normal retirement under the system may elect to accrue future retirement benefits in the manner provided in this Section 62-96 for the remainder of his employment, rather than in the normal manner provided under the plan. Upon termination of employment, a member is entitled to a lump sum distribution of his or her DROP account balance or may elect a rollover. The DROP account distribution is in addition to the member's monthly benefit.
 - (2) Notional account. The DROP account established for such a member is a notional account, used only for the purpose of calculation of the DROP distribution amount. It is not a separate account in the system. There is no change in the system's assets, and there is no distribution available to the member until the member's termination from the DROP. The member has no control over the investment of the DROP account.
 - (3) No employer discretion. The DROP benefit is determined pursuant to a specific formula which does not involve employer discretion.
 - (4) IRC limit. The DROP account distribution, along with other benefits payable from the system, is subject to limitation under Internal Revenue Code Section 415(b).
 - (+ 5) Amendment of DROP. The DROP may be amended by an ordinance of the city at any time and from time to time, and retroactively if deemed necessary or appropriate, to amend in whole or in part any or all of the provisions of the DROP. However, except as otherwise provided by law, no amendment shall make it possible for any part of the DROP's funds to be used for, or diverted to, purposes other than for the exclusive benefit of persons entitled to benefits under the DROP. No amendment shall be made which has the effect of decreasing the balance of the DROP account of any member.
 - (2 6) Facility of payment. If a member or other person entitled to a benefit under the DROP is unable to care for his affairs because of illness or accident or is a minor, the board shall direct that any benefit due him shall be made only to a duly appointed legal representative. Any payment so made shall be a complete discharge of the liabilities of the DROP for that benefit.
 - (3 7) Information. Each member, beneficiary or other person entitled to a benefit, before any benefit shall be payable to him or on his account under the DROP, shall file with the board the information that it shall require to establish his rights and benefits under the DROP.

(4 8) *Prevention of escheat.* If the board cannot ascertain the whereabouts of any person to whom a payment is due under the DROP, the board may, no earlier than three years from the date such payment is due, mail a notice of such due and owing payment to the last known address of such person, as shown on the records of the board or the city. If such person has not made written claim therefor within three months of the date of the mailing, the board may, if it so elects and upon receiving advice from counsel to the DROP, direct that such payment and all remaining payments otherwise due such person be canceled on the records of the DROP. Upon such cancellation, the DROP shall have no further liability therefor except that, in the event such person or his beneficiary later notifies the board of his whereabouts and requests the payment or payments due to him under the DROP, the amount so applied shall be paid to him in accordance with the provisions of the DROP.

(5 9) *Written elections, notification.*

- a. Any elections, notifications or designations made by a member pursuant to the provisions of the DROP shall be made in writing and filed with the board in a time and manner determined by the board under rules uniformly applicable to all employees similarly situated. The board reserves the right to change from time to time the manner for making notifications, elections or designations by members under the DROP if it determines after due deliberation that such action is justified in that it improves the administration of the DROP. In the event of a conflict between the provisions for making an election, notification or designation set forth in the DROP and such new administrative procedures, those new administrative procedures shall prevail.
- b. Each member or retiree who has a DROP account shall be responsible for furnishing the board with his current address and any subsequent changes in his address. Any notice required to be given to a member or retiree hereunder shall be deemed given if directed to him at the last such address given to the board and mailed by registered or certified United States mail. If any check mailed by registered or certified United States mail to such address is returned, mailing of checks will be suspended until such time as the member or retiree notifies the board of his address.

(6 10) *Benefits not guaranteed.* All benefits payable to a member from the DROP shall be paid only from the assets of the member's DROP account and neither the city nor the board shall have any duty or liability to furnish the DROP with any funds, securities or other assets except to the extent required by any applicable law.

(7 11) *Construction.*

- a. The DROP shall be construed, regulated and administered under the laws of Florida, except where other applicable law controls.
- b. The titles and headings of the subsections in this section 62-96 are for convenience only. In the case of ambiguity or inconsistency, the text rather than the titles or headings shall control.

(8 12) *Forfeiture of retirement benefits.* Nothing in this section shall be construed to remove DROP participants from the application of any forfeiture provisions applicable to the system. DROP participants shall be subject to forfeiture of all retirement benefits, including DROP benefits.

- (9 13) *Effect of DROP participation on employment.* Participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants.

SECTION 11: That Chapter 62, Personnel, Article III, General Employees' Pension Plan, of the City of Fernandina Beach Code of Ordinances, Section 62-97, Prior Government Service, subsection (5), is being amended to read as follows:

* * * * *

- (5) In no event, however, may credited service be purchased pursuant to this section for prior service with any other governmental agency, if such prior service forms or will form the basis of a retirement benefit or pension from a different employer's retirement system or plan as set forth in section 62-84, subsection ~~(k)(2)~~ (l)(2).

* * * * *

SECTION 12: That Chapter 62, Personnel, Article III, General Employees' Pension Plan, of the City of Fernandina Beach Code of Ordinances, Section 62-99, Reemployment After Retirement, is being amended to read as follows:

Sec. 62-99. Reemployment after retirement.

(a) Any retiree who is retired under this system, except for disability retirement as previously provided for, may be reemployed by any public or private employer, except the city, and may receive compensation from that employment without limiting or restricting in any way the retirement benefits payable under this system. Reemployment by the city shall be subject to the limitations set forth in this section.

(b) *After normal retirement.* Any retiree who is retired under normal retirement pursuant to this system and who is reemployed as a general employee after that retirement and, by virtue of that reemployment, is eligible to participate in this system, shall upon being reemployed select one of the following options:

- (1) The retiree may elect to discontinue receipt of benefits. Upon reemployment, the retiree shall be deemed to be fully vested and the additional credited service accrued during the subsequent employment period shall be used in computing a second benefit amount attributable to the subsequent employment period, which benefit amount shall be added to the benefit determined upon the initial retirement to determine the total benefit payable upon final retirement. Calculations of benefits upon initial retirement shall be based upon the benefit accrual rate, average final compensation, and credited service as of that date ~~and the retirement benefit amount for any subsequent employment period shall be based upon the benefit accrual rate, average final compensation (based only on the subsequent employment period and not including any period of DROP participation), and credited service as of the date of the subsequent retirement (not including any period of DROP participation) and the retirement benefit amount for any subsequent employment period shall be based upon the benefit accrual rate, average final compensation, and credited service as of the date of the subsequent retirement (based only on the subsequent employment period).~~ and the retirement benefit amount for any subsequent employment period shall be based upon the benefit accrual rate, average final compensation, and credited service as of the date of the subsequent retirement (based only on the subsequent employment period). The amount of any death or disability benefit received as a result of a subsequent period of employment shall be reduced by the amount of accrued benefit eligible to be paid for a prior period of employment. The optional form of benefit and any joint pensioner selected upon initial retirement shall not be subject to change upon

subsequent retirement except as otherwise provided herein, but the member may select a different optional form and joint pensioner applicable to the subsequent retirement benefit; or

- (2) The retiree may continue to receive retirement benefits previously earned if he is at least age sixty-two (62), otherwise the system shall discontinue receipt of benefits until the retiree reaches age sixty-two and not be an active member of the system. If this option is selected, the subsequent employment period shall have no effect upon average final compensation, years of credited service or retirement benefits. Regardless of any other provision of this system, any ~~retired and~~ reemployed retiree electing to continue to receive retirement benefits shall not be ~~required to be reinstated as~~ an active member of the system.

(c) Any retiree who is retired under normal retirement pursuant to this system and who is reemployed by the city after that retirement and, by virtue of that reemployment is ineligible to participate in this system, shall, during the period of such reemployment, continue to receive retirement benefits previously earned if he is at least age sixty-two (62), otherwise discontinue receipt of benefits until he reaches age sixty-two (62). Former DROP participants shall begin receipt of benefits under these circumstances.

(d) *After early retirement.* Any retiree who is retired under early retirement pursuant to this system and who subsequently becomes an employee of the city in any capacity shall discontinue receipt of benefits from the system. If by virtue of that reemployment, the retiree is eligible to participate in this system, the retiree shall be deemed to be fully vested and the additional credited service accrued during the subsequent employment period shall be used in computing a second benefit amount attributable to the subsequent employment period, which benefit amount shall be added to the benefit determined upon the initial retirement to determine the total benefit payable upon final retirement. Calculations of benefits upon retirement shall be based upon the benefit accrual rate, average final compensation, credited service and early retirement reduction factor as of that date and the retirement benefit amount for any subsequent employment period shall be based upon the benefit accrual rate, average final compensation (based only on the subsequent employment period), and credited service as of the date of subsequent retirement. The amount of any death or disability benefit received as a result of a subsequent period of employment shall be reduced by the amount of accrued benefit eligible to be paid for a prior period of employment. The optional form of benefit and any joint pensioner selected upon initial retirement shall not be subject to change upon subsequent retirement except as otherwise provided herein, but the member may select a different optional form and joint pensioner applicable to the subsequent retirement benefit. Retirement pursuant to an early retirement incentive program shall be deemed early retirement for purposes of this section if the member was permitted to retire prior to the customary retirement date provided for in the system at the time of retirement.

(e) *Reemployment of terminated vested persons.* Reemployed terminated vested persons shall not be subject to the provisions of this section until such time as they begin to actually receive benefits. Upon receipt of benefits, terminated vested persons shall be treated as normal or early retirees for purposes of applying the provisions of this section and their status as an early or normal retiree shall be determined by the date they elect to begin to receive their benefit.

(f) *DROP participants.* Members or retirees who are or were in the deferred retirement option plan shall, following termination of employment after DROP participation, have the options provided for in this section for reemployment.

* * * * *

SECTION 13: Specific authority is hereby granted to codify and incorporate this Ordinance in the existing Code of Ordinances of the City of Fernandina Beach.

SECTION 14: If any section, subsection, sentence, clause, phrase of this ordinance, or the particular application thereof shall be held invalid by any court, administrative agency, or other body with appropriate jurisdiction, the remaining section, subsection, sentences, clauses, or phrases under application shall not be affected thereby.

SECTION 15: All Ordinances or parts of Ordinances in conflict herewith be and the same are hereby repealed.

SECTION 16: That this Ordinance shall become effective upon adoption.

ADOPTED this _____ day of _____, 2016.

CITY OF FERNANDINA BEACH

JOHN A. MILLER
Mayor - Commissioner

ATTEST:

APPROVED AS TO FORM AND LEGALITY

CAROLINE BEST
City Clerk

TAMMI E. BACH
City Attorney

Date of First Reading: 08/02/16
Date of Publication:
Date of Second Reading and Public Reading:
Date of Adoption:

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SECTION 16: That this Ordinance shall become effective upon adoption.

ADOPTED this 6th day of September, 2016.

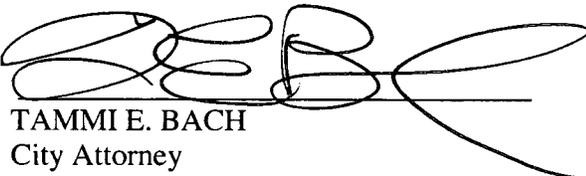
CITY OF FERNANDINA BEACH

JOHN A. MILLER
Mayor - Commissioner

ATTEST:

APPROVED AS TO FORM AND LEGALITY:

CAROLINE BEST
City Clerk



TAMMI E. BACH
City Attorney

Date of First Reading: 08/02/16
Date of Publication: 08/24/16
Date of Second Reading and Public Hearing: 09/06/16
Date of Adoption:

August 24, 2016
Newsleader Edition

CANNED
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NOTICE OF PUBLIC HEARING
CITY COMMISSION
CITY OF FERNANDINA BEACH

NOTICE IS HEREBY GIVEN that a Public Hearing is scheduled for **Tuesday, September 6, 2016, at 6:00 PM** in the City Commission Chambers, 204 Ash Street Fernandina Beach, Florida to consider the following application:

ORDINANCE 2016-21

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, AMENDING CHAPTER 62, PERSONNEL, ARTICLE III, GENERAL EMPLOYEES' PENSION PLAN, OF THE CODE OF ORDINANCES OF THE CITY OF FERNANDINA BEACH; AMENDING SECTION 62-71, DEFINITIONS; AMENDING SECTION 62-72, MEMBERSHIP; AMENDING SECTION 62-74, FINANCES AND FUND MANAGEMENT; AMENDING SECTION 62-76, BENEFIT AMOUNTS AND ELIGIBILITY; AMENDING SECTION 62-77, PRE-RETIREMENT DEATH; AMENDING SECTION 62-78, DISABILITY; AMENDING SECTION 62-80, OPTIONAL FORMS OF BENEFITS; AMENDING SECTION 62-84, MAXIMUM PENSION; AMENDING SECTION 62-87, REPEAL OR TERMINATION OF SYSTEM; AMENDING SECTION 62-96, DEFERRED RETIREMENT OPTION PLAN; AMENDING SECTION 62-97, PRIOR GOVERNMENT SERVICE; AMENDING SECTION 62-99, REEMPLOYMENT AFTER RETIREMENT; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HERewith AND PROVIDING AN EFFECTIVE DATE.

Interested parties may appear at said hearing and be heard as to the advisability of any action, which may be considered. Any persons with disabilities requiring accommodations in order to participate in this program or activity should contact 310-3115, TTY/TDD 711 or through the Florida Relay Service at 1-800-955-8771 at least 24 hours in advance to request such accommodation.

IF ANY PERSON DECIDES TO APPEAL ANY DECISION MADE BY THE BOARD/COMMISSION WITH RESPECT TO ANY MATTER CONSIDERED AT SUCH HEARING, S/HE WILL 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.

For information, please contact the Staff of the City Clerk's Office, 204 Ash Street, between the hours of 8:00 AM – 5:00 PM, Monday through Friday, (904) 310-3115.

April 22, 2016

Ms. Teresa Bryan
Fernandina Beach General Employees' Pension Plan
204 Ash Street
Fernandina Beach, Florida 32034

Re: Fernandina Beach General Employees' Pension Plan - Proposed Ordinance

Dear Teresa:

Enclosed please find a proposed ordinance amending the City of Fernandina Beach General Employees' Pension Plan. With changes to the Internal Revenue Code (IRC) and its associated Regulations, as well as guidance from the Internal Revenue Service (IRS), the following amendments to the pension plan are proposed:

1. Section 62-71, Definitions, is being amended for IRC changes and requirements, to amend the definitions of:
 - a. Actuarial Equivalent - to amend the definition to incorporate the Mortality Table and interest rate currently being used by the plan's actuary
 - b. Credited Service - to clarify IRC regulations on leave conversions
 - c. Spouse - To clarify the definition in accordance with a recent US Supreme Court ruling
2. Section 62-72, Membership, has been amended to clearly state the effective date of th provision in subsection (2).
3. Section 62-74, Finances and Fund Management, is being amended to further incorporate recent IRC requirements with regard to investments in commingled funds.
4. Section 62-76. Benefit amounts and eligibility. is being amended to change the Normal Retirement Date to include IRC required language regarding Normal Retirement Age and Normal Retirement Date.
5. Section 62-77, Pre-Retirement Death, subsection (b)(2), is being amended to remove unnecessary language.

6. Section 62-78, Disability, is being amended to more clearly identify those individuals who may be eligible to apply for a disability pension who have been terminated by the City due to medical reasons.
7. Section 62-80, Optional Forms of Benefits, has been amended to:
 - a. Amend the optional form of benefit known as a partial lump sum option (PLOP), to clarify that the percentage chosen is calculated as a percent of the total actuarial equivalent value of the member's benefit.
 - b. Amend subsection (b) to clarify that if proof of good health of a joint pensioner who is being replaced is not provided, the actuary will assume that the joint pensioner is deceased for purposes of calculating the revised benefit amount.
8. Section 62-84, Maximum Pension, has had several subsections amended to comply with IRC changes.
9. Section 62-87, Repeal or Termination of System is being amended to add language that had inadvertently been omitted when the provision was adopted in 2010.
10. Section 62-96, Deferred Retirement Option Plan, is being amended in accordance with recent direction from the IRS in connection with the issuance of several recent Favorable Determination Letters to clarify investment returns on DROP accounts and add several sections clarifying the DROP provisions as required by the IRS.

We have also amended the provisions regarding when interest is calculated and paid, which will avoid a participant's forfeiture of interest accrued during the first or second month of the quarter should the member terminate DROP participation at the end of the first or second month of the quarter.
11. Section 62-97, Prior Government Service, subsection (5), is being amended to correct a reference.
12. Section 62-99, Reemployment After Retirement, is being amended to clearly reflect recent IRC guidance on the ability to continue to receive retirement benefits from the system upon reemployment after normal or early retirement.

Ms. Teresa Bryan
April 22, 2016
Page 3

By copy of this letter to the Board's actuary, Foster & Foster, Inc., I am requesting that they provide you with a letter indicating the cost, if any, associated with the adoption of this ordinance. Please provide a copy of the document to the members of the Board for review at the next meeting. If you have any questions with regard to this ordinance, please feel free to give me a call.

Yours very truly,

A handwritten signature in black ink, appearing to read "Scott R. Christiansen", written over a horizontal line.

Scott R. Christiansen

SRC/dm
enclosure

cc: Doug Lozen, with enclosure

May 31, 2016

VIA EMAIL

Ms. Teresa Bryan
Human Resources Generalist
City of Fernandina Beach
204 Ash Street
Fernandina Beach, FL 32034-4230

Re: City of Fernandina Beach
General Employees' Pension Plan

Dear Teresa:

In response to Scott Christiansen's letter dated April 22, 2016, we have reviewed the proposed Ordinance (identified on page 16 as dm/fb/gen/04-21-16.ord) to including but not limited to, the following proposed changes:

1. Section 62-71, Definitions, is being amended for IRC changes and requirements.
2. Section 62-72, Membership, has been amended to clearly state the effective date of the provision in subsection (2).
3. Section 62-74, Finances and Fund Management, is being amended to further incorporate recent IRC requirements with regard to investments in commingled funds.
4. Section 62-76, Benefit amounts and eligibility, is being amended to change the Normal Retirement Date to include IRC required language regarding Normal Retirement Age and Normal Retirement Date.
5. Section 62-77, Pre-Retirement Death, subsection (b)(2), is being amended to remove unnecessary language.
6. Section 62-78, Disability, is being amended to more clearly identify those individuals who may be eligible to apply for a disability pension who have been terminated by the City due to medical reasons.
7. Section 62-80, Optional Forms of Benefits, has been amended to:
 - a. Amend the optional form of benefit known as a partial lump sum option (PLOP), to clarify that the percentage chosen is calculated as a percent of the total actuarial equivalent value of the member's benefit.
 - b. Amend subsection (b) to clarify that if proof of good health of a joint pensioner who is being replaced is not provided, the actuary will assume that the joint pensioner is deceased for purposes of calculating the revised benefit amount.

Teresa Bryan
May 31, 2016
Page 2

8. Section 62-96, Deferred Retirement Option Plan, is being amended in accordance with recent direction from the IRS in connection with the issuance of several recent Favorable Determination Letters to clarify investment returns on DROP accounts and add several sections clarifying the DROP provisions as required by the IRS.

We have also amended the provisions regarding when interest is calculated and paid, which will avoid a participant's forfeiture of interest accrued during the first or second month of the quarter should the member terminate DROP participation at the end of the first or second month of the quarter.

9. Section 62-99, Reemployment After Retirement, is being amended to clearly reflect recent IRC guidance on the ability to continue to receive retirement benefits from the system upon reemployment after normal or early retirement.

Because the changes do not result in a change in the valuation results, it is our opinion that a formal Actuarial Impact Statement is not required. However, since the Division of Retirement must be aware of the current provisions of all public pension programs, it is recommended that you send a copy of this letter and a copy of the fully executed Ordinance to the following office:

Mr. Keith Brinkman
Bureau of Local Retirement Systems
Division of Retirement
P. O. Box 9000
Tallahassee, FL 32315-9000

If you have any questions, please let me know.

Sincerely,



Douglas H. Lozen, EA, MAAA

cc via email: Scott Christiansen, Board Attorney

CITY COMMISSION AGENDA ITEM
City of Fernandina Beach



SUBJECT: **Ordinance 2016-22**
Code Amendment - Firefighters' and Police Officers' Pension Plan

ITEM TYPE: Ordinance Resolution Other
 Proclamation Presentation

REQUESTED ACTION: **Approve Ordinance 2016-22 at Second Reading.**

SYNOPSIS: The proposed Ordinance amends the City of Fernandina Beach Firefighters' and Police Officers' Pension Plan to be in compliance with the recent adoption by the Florida Legislature of Chapter 2015-39, Laws of Florida, and changes to the Internal Revenue Code and its associated regulations, as well as guidance from the Internal Revenue Service. The proposed amendments also clarify certain language in the Plan document.

Included with the Ordinance as back-up documentation is a letter from the Plan Attorney, Scott Christiansen, P.A., which provides a brief overview and reasoning behind the proposed amendments.

Also included is a letter from Doug Lozen with Foster & Foster, the Plan's actuarial consultant, which states that there is no financial impact associated with the proposed amendments to the Plan.

This Ordinance was approved at First Reading by the City Commission at its Regular Meeting on August 2, 2016.

FISCAL IMPACT: None.

2016/2017 CITY COMMISSION GOALS:
(As approved by Resolution 2016-51)

<input type="checkbox"/> Beach Safety	<input type="checkbox"/> Alachua Street
<input type="checkbox"/> Soccer Field Lighting	<input type="checkbox"/> Stormwater
<input type="checkbox"/> Downtown Density	<input type="checkbox"/> Opportunity
<input type="checkbox"/> ADA Improvements	<input checked="" type="checkbox"/> Departmental
<input type="checkbox"/> Consideration	

CITY ATTORNEY COMMENTS: No additional comments.

CITY MANAGER RECOMMENDATION(S): I recommend that the City Commission approve proposed Ordinance 2016-22 at Second Reading. *DLM*

DEPARTMENT DIRECTOR Submitted by: Robin Marley Human Resources Director *RJM* Date: 08/15/16

CONTROLLER Approved as to Budget Compliance Date: *8/16/16*
CITY ATTORNEY Approved as to Form and Legality *TEB* Date: *8/16/16*

CITY MANAGER Approved Agenda Item for 09/06/16 *DLM* Date: 08/15/16

COMMISSION ACTION: Approved As Recommended Disapproved
 Approved With Modification Postponed to Time Certain
 Other Tabled

ORDINANCE 2016-22

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, AMENDING CHAPTER 62, PERSONNEL, ARTICLE IV, FIREFIGHTERS' AND POLICE OFFICERS' PENSION PLAN, OF THE CODE OF ORDINANCES OF THE CITY OF FERNANDINA BEACH; AMENDING SECTION 62-111, DEFINITIONS; AMENDING SECTION 62-114, FINANCES AND FUND MANAGEMENT; AMENDING SECTION 62-116, BENEFIT AMOUNTS AND ELIGIBILITY; AMENDING SECTION 62-117, PRE-RETIREMENT DEATH; AMENDING SECTION 62-118, DISABILITY; AMENDING SECTION 62-120, OPTIONAL FORMS OF BENEFITS; AMENDING SECTION 62-125, MAXIMUM PENSION; AMENDING SECTION 62-137, PRIOR POLICE OR FIRE SERVICE; AMENDING SECTION 62-138, DEFERRED RETIREMENT OPTION PLAN; ADDING SECTION 62-140, SUPPLEMENTAL BENEFIT COMPONENT FOR SPECIAL BENEFITS; CHAPTER 175 AND 185 SHARE ACCOUNTS; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA;

SECTION 1: That Chapter 62, Personnel, Article IV, Firefighters' and Police Officers' Pension Plan, of the City of Fernandina Beach Code of Ordinances, Section 62-111, Definitions, is hereby amended to amend the definitions of "*Actuarial Equivalent*", "*Credited Service*", "*Firefighter*", and "*Spouse*", to read as follows:

* * * * *

Actuarial equivalent means a benefit or amount of equal value, based upon the RP 2000 Combined Healthy Unisex Mortality Table and an interest rate of eight percent per annum equal to the investment return assumption set forth in the last actuarial valuation approved by the Board. This definition may only be amended by the City pursuant to the recommendation of the board using assumptions adopted by the board with the advice of the plan's actuary, such that benefit calculations are not subject to City discretion.

* * * * *

Credited service means the total number of years and fractional parts of years of service as a police officer or firefighter with member contributions, when required, omitting intervening years or fractional parts of years when such member was not employed by the city as a police officer or firefighter.

A member may voluntarily leave his accumulated contributions in the fund for a period of five years after leaving the employ of the police or fire department pending the possibility of being reemployed as a police officer or firefighter, without losing credit for the time that he was a member of the system. If a vested member leaves the employ of the police or fire department, his accumulated contributions will be returned only upon his written request. If a member who is not vested is not reemployed as a police officer or firefighter with the police or fire department within five years, his accumulated contributions, if one-thousand dollars (\$1,000.00) or less, shall be returned. If a member who is not vested is not reemployed within five (5) years, his accumulated contributions, if more than one-thousand dollars (\$1,000.00), will be returned only upon the written request of the member and upon completion of a written election to receive a cash lump sum or to rollover the lump sum amount on forms designated by the board. Upon return of a member's accumulated contributions, all of his rights and benefits under the system are forfeited and terminated. Upon any reemployment, a police officer or firefighter shall not receive credit for the

years and fractional parts of years of service for which he has withdrawn his accumulated contributions from the fund, unless the police officer or firefighter repays into the fund the contributions he has withdrawn, with interest, as determined by the board, within 90 days after his reemployment.

The years or fractional parts of a year that a member performs "Qualified Military Service" consisting of voluntary or involuntary "service in the uniformed services" as defined in the Uniformed Services Employment and Reemployment Rights Act (USERRA) (P.L.103-353), after separation from employment as a police officer or firefighter with the city to perform training or service, shall be added to his years of credited service for all purposes, including vesting, provided that:

- (1) The member is entitled to reemployment under the provisions of USERRA.
- (2) The member returns to his employment as a police officer or firefighter within one year from the earlier of the date of his military discharge or his release from active service, unless otherwise required by USERRA.
- (3) The maximum credit for military service pursuant to this paragraph shall be five years.
- (4) This paragraph is intended to satisfy the minimum requirements of USERRA. To the extent that this paragraph does not meet the minimum standards of USERRA, as it may be amended from time to time, the minimum standards shall apply.

In the event a member dies on or after January 1, 2007, while performing USERRA Qualified Military Service, the beneficiaries of the member are entitled to any benefits (other than benefit accruals relating to the period of qualified military service) as if the member had resumed employment and then died while employed.

Beginning January 1, 2009, to the extent required by section 414(u)(12) of the code, an individual receiving differential wage payments (as defined under section 3401(h)(2) of the code) from an employer shall be treated as employed by that employer, and the differential wage payment shall be treated as compensation for purposes of applying the limits on annual additions under section 415(c) of the code. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

Leave conversions of unused accrued paid time off shall not be permitted to be applied toward the accrual of credited service either during each plan year of a member's employment with the City or in the plan year in which the member terminates employment.

In the event that a member of this system has also accumulated credited service in the Fernandina Beach General Employees' Pension Plan, such other credited service shall be combined with credited service in this system for determining vesting and for determining eligibility for early or normal retirement in this system. Such other credited service shall not be considered in determining benefits under this system except that, for those members who terminate membership in this system but continue employment with the city as a general employee, any benefit to be paid from this system shall be based on the benefit accrual rate in effect for this plan on the date that the employee actually terminates employment with the city, but only years of employment with the city as a member of this system for police officers and firefighters, shall be used in calculating average final compensation for benefits from this system.

* * * * *

Firefighter means an actively employed full-time person employed by the city, including his initial probationary employment period, who is certified as a firefighter as a condition of employment in accordance with the provisions of Section 633.35 408, Florida Statutes, and whose duty it is to extinguish fires, to protect life and to protect property. The term includes all certified, supervisory, and command personnel whose duties include, in whole or in part, the supervision, training,

guidance, and management responsibilities of full-time firefighters, part-time firefighters, or auxiliary firefighters but does not include part-time firefighters or auxiliary firefighters.

* * * * *

Spouse means the ~~lawful wife or husband of a member or retiree~~ member's or retiree's spouse under applicable law at the time benefits become payable.

* * * * *

SECTION 2: That Chapter 62, Personnel, Article IV, Firefighters' and Police Officers' Pension Plan, of the City of Fernandina Beach Code of Ordinances, Section 62-114, Finances and Fund Management, subsection (f)(2)c., is hereby amended to read as follows:

* * * * *

- (f)(2) c. In addition, the board may, upon recommendation by the board's investment consultant, make investments in group trusts meeting the requirements of Internal Revenue Service Revenue Ruling 81-100, and Revenue Ruling 2011-1, IRS Notice 2012-6 and Revenue Ruling 2014-24 or successor rulings or guidance of similar import, and operated or maintained exclusively for the commingling and collective investment of monies, provided that the funds in the group trust consist exclusively of trust assets held under plans qualified under section 401(a) of the code, individual retirement accounts that are exempt under section 408(e) of the code, eligible governmental plans that meet the requirements of section 457(b) of the code, and governmental plans under 401(a)(24) of the code. For this purpose, a trust includes a custodial account or a separate tax favored account maintained by an insurance company that is treated as a trust under section 401(f) or under section 457(g)(3) of the code. While any portion of the assets of the fund are invested in such a group trust, such group trust is itself adopted as a part of the system or plan.
1. Any collective or common group trust to which assets of the fund are transferred pursuant to subsection c. shall be adopted by the board as part of the plan by executing appropriate participation, adoption agreements, and/or trust agreements with the group trust's trustee.
 2. The separate account maintained by the group trust for the plan pursuant to subsection c. shall not be used for, or diverted to, any purpose other than for the exclusive benefit of the members and beneficiaries of the plan.
 3. For purposes of valuation, the value of the separate account maintained by the group trust for the plan shall be the fair market value of the portion of the group trust held for the plan, determined in accordance with generally recognized valuation procedures.

* * * * *

SECTION 3: That Chapter 62, Personnel, Article IV, Firefighters' and Police Officers' Pension Plan, of the City of Fernandina Beach Code of Ordinances, Section 62-116, Benefit Amounts and Eligibility, subsection (a), Normal Retirement Date, is hereby amended to read as follows:

* * * * *

(a) Normal retirement age and date. ~~A member's normal retirement date shall be the first day of the month coincident with, or next following the earlier of the attainment of age 55 and the completion of six years of credited service or the completion of 25 years of credited service, regardless of age. A member may retire on his normal retirement date or on the first day of any month thereafter, and each member shall become 100 percent vested in his accrued benefit on the member's normal retirement date. Normal retirement under the system is retirement from employment with the city on or after the normal retirement date.~~ A member's normal retirement age is the earlier of the attainment of age 55 and the completion of six years of credited service, or the completion of 25 years of credited service, regardless of age. Each member shall become one hundred percent (100%) vested in his accrued benefit at normal retirement age. A member's normal retirement date shall be the first day of the month coincident with or next following the date the member retires from the City after attaining normal retirement age.

* * * * *

SECTION 4: That Chapter 62, Personnel, Article IV, Firefighters' and Police Officers' Pension Plan, of the City of Fernandina Beach Code of Ordinances, Section 62-117, Pre-Retirement Death, subsection (b)(2), is hereby amended to read as follows:

* * * * *

(2) If the deceased member was eligible for normal or early retirement, the spouse beneficiary shall receive a benefit payable for ten years, or an actuarially equivalent benefit payable for the life of the spouse beneficiary, beginning on the first day of the month following the member's death or at the deceased member's otherwise normal ~~or early~~ retirement date, at the option of the spouse beneficiary. Such election shall be irrevocable. The benefit shall be calculated as for normal retirement based on the deceased member's credited service and average final compensation as of the date of his death and reduced as for early retirement, if applicable.

* * * * *

SECTION 5: That Chapter 62, Personnel, Article IV, Firefighters' and Police Officers' Pension Plan, of the City of Fernandina Beach Code of Ordinances, Section 62-118, Disability, subsection (a), Disability Benefits In-Line of Duty, subsection (c), Disability Benefits Not-in-Line of Duty, and subsection (g), Worker's Compensation, are hereby amended to read as follows:

* * * * *

(a) Disability benefits in-line of duty. Any member who shall become totally and permanently disabled to the extent that he is unable, by reason of a medically determinable physical or mental impairment, to render useful and efficient service as a police officer or firefighter, which disability was directly caused by the performance of his duty as a police officer or firefighter, shall, upon establishing the same to the satisfaction of the board, be entitled to a monthly pension equal to 3.25 percent of his average final compensation multiplied by the total years of credited service, but in any event the minimum amount paid to the member shall be 42 percent of the average final compensation of the member. Terminated persons, either vested or non-vested, are not eligible for disability benefits, ~~except that those terminated by the city for medical reasons may apply for a disability within thirty days after termination.~~ Notwithstanding the previous sentence, if a member is terminated by the city for medical reasons, the terminated person may apply for a disability benefit if the application is filed with the board within thirty (30) days from the date of termination. If a timely application is received, it shall be processed and the terminated person shall be eligible to receive a disability benefit if the board otherwise determines that he is totally and permanently disabled as provided for above.

* * * * *

(c) *Disability benefits not in line of duty.* Any member with ten years or more credited service who shall become totally and permanently disabled to the extent that he is unable, by reason of a medically determinable physical or mental impairment, to render useful and efficient service as a police officer or firefighter, which disability is not directly caused by the performance of his duties as a police officer or firefighter shall, upon establishing the same to the satisfaction of the board, be entitled to a monthly pension equal to 3.25 percent of his average final compensation multiplied by the total years of credited service. Terminated persons, either vested or non-vested, are not eligible for disability benefits, ~~except that those terminated by the city for medical reasons may apply for a disability within thirty days after termination.~~ Notwithstanding the previous sentence, if a member is terminated by the city for medical reasons, the terminated person may apply for a disability benefit if the application is filed with the board within thirty (30) days from the date of termination. If a timely application is received, it shall be processed and the terminated person shall be eligible to receive a disability benefit if the board otherwise determines that he is totally and permanently disabled as provided for above.

* * * * *

(g) *Workers' compensation.* When a retiree is receiving a disability pension and workers' compensation benefits pursuant to Chapter 440, Florida Statutes, for the same disability, and the total monthly benefits received from both exceed 100 percent of the member's average monthly wage, as defined in Chapter 440, Florida Statutes, excluding overtime, the disability pension benefit shall be reduced so that the total monthly amount received by the retiree does not exceed 100 percent of such average monthly wage. The amount of any lump sum workers' compensation payment shall be converted to an equivalent monthly benefit payable for ten years certain by dividing the lump sum amount by 83.9692. Notwithstanding the foregoing, in no event shall the disability pension benefit be reduced below the greater of 42 percent of average final compensation or two and three-quarters percent of average final compensation times years of credited service.

* * * * *

SECTION 6: That Chapter 62, Personnel, Article IV, Firefighters' and Police Officers' Pension Plan, of the City of Fernandina Beach Code of Ordinances, Section 62-120, Optional Forms of Benefits, subsections (a)(4), and (b), are hereby amended to read as follows:

* * * * *

- (a)(4) For members who do not participate in the DROP pursuant to Section 62-138, the member may elect a percentage of benefit in a lump sum as follows:
- a. Ten (10) percent of the total actuarial equivalent value of the benefit paid as a lump sum benefit with the remaining ninety (90) percent paid under the normal form or as per (1), (2) or (3) above.
 - b. Fifteen (15) percent of the total actuarial equivalent value of the benefit paid as a lump sum benefit with the remaining eighty-five (85) percent paid under the normal form or as per (1), (2) or (3) above.
 - c. Twenty (20) percent of the total actuarial equivalent value of the benefit paid as a lump sum benefit with the remaining eighty (80) percent paid under the normal form or as per (1), (2) or (3) above.
 - d. Twenty-five (25) percent of the total actuarial equivalent value of the benefit paid as a lump sum benefit with the remaining seventy-five (75) percent paid under the normal form or as per (1), (2) or (3) above.

(b) The member, upon electing any option of this section, will designate the joint pensioner (subsection (a)(2) above) or beneficiary (or beneficiaries) to receive the benefit, if any, payable under the system in the event of member's death, and will have the power to change such designation from time to time. Such designation will name a joint pensioner or one or more primary beneficiaries where applicable. A member may change his beneficiary at any time. If a member has elected an option with a joint pensioner and the member's retirement income benefits have commenced, the member may thereafter change his designated beneficiary at any time, but may only change his joint pensioner twice. Subject to the restriction in the previous sentence, a member may substitute a new joint pensioner for a deceased joint pensioner. In the absence of proof of good health of the joint pensioner being replaced, the actuary will assume that the joint pensioner has deceased for purposes of calculating the new payment.

* * * * *

SECTION 7: That Chapter 62, Personnel, Article IV, Firefighters' and Police Officers' Pension Plan, of the City of Fernandina Beach Code of Ordinances, Section 62-125, Maximum Pension, subsections (f), (h), (l)(2), and by adding subsection (m), to read as follows:

* * * * *

(f) *Less than Ten (10) Years of Participation ~~or Service~~.* The maximum retirement benefits payable under this section to any member who has completed less than ten (10) years of ~~credited service with the City~~ participation shall be the amount determined under subsection (a) of this section multiplied by a fraction, the numerator of which is the number of the member's years of ~~credited service~~ participation and the denominator of which is ten (10). The reduction provided by this subsection cannot reduce the maximum benefit below 10% of the limit determined without regard to this subsection. The reduction provided for in this subsection shall not be applicable to pre-retirement disability benefits paid pursuant to Sec. 62-118, or pre-retirement death benefits paid pursuant to Sec. 62-117.

* * * * *

(h) *Ten Thousand Dollar (\$10,000) Limit; Less Than Ten Years of Service.* Notwithstanding anything in this section 62-125, the retirement benefit payable with respect to a member shall be deemed not to exceed the limit set forth in this subsection (h) of Sec. 62-125 if the benefits payable, with respect to such member under this system and under all other qualified defined benefit pension plans to which the City contributes, do not exceed ten thousand dollars (\$10,000) for the applicable limitation year ~~and or~~ for any prior limitation year, and the City has not at any time maintained a qualified defined contribution plan in which the member participated; provided, however, that if the member has completed less than ten (10) years of credited service with the City, the limit under this subsection (h) of Sec. 62-125 shall be a reduced limit equal to ten thousand dollars (\$10,000) multiplied by a fraction, the numerator of which is the number of the member's years of credited service and the denominator of which is ten (10).

* * * * *

(l)(2) No member of the system shall be allowed to receive a retirement benefit or pension which is in part or in whole based upon any service with respect to which the member is already receiving, or will receive in the future, a retirement benefit or pension from a different employer's retirement system or plan. This restriction does not apply to social security benefits or federal benefits under Chapter ~~67~~ 1223, Title 10, U.S. Code.

(m) *Effect of Direct Rollover on 415(b) Limit.* If the plan accepts a direct rollover of an employee's or former employee's benefit from a defined contribution plan qualified under Code Section 401(a) which is maintained by the employer, any annuity resulting from the rollover amount

that is determined using a more favorable actuarial basis than required under Code Section 417(e) shall be included in the annual benefit for purposes of the limit under Code Section 415(b).

SECTION 8: That Chapter 62, Personnel, Article IV, Firefighters' and Police Officers' Pension Plan, of the City of Fernandina Beach Code of Ordinances, Section 62-137, Prior Police or Fire Service, subsection (5), is hereby amended to read as follows:

* * * * *

- (5) In no event, however, may credited service be purchased pursuant to this section for prior service as a police officer with any other municipal, county or state law enforcement department or as a firefighter for any other municipal, county, state or special district fire department in the State of Florida, if such prior service forms or will form the basis of a retirement benefit or pension from a different employer's retirement system or plan as set forth in section 62-125, subsection ~~(4)(2)~~ (1)(2).

* * * * *

SECTION 9: That Chapter 62, Personnel, Article IV, Firefighters' and Police Officers' Pension Plan, of the City of Fernandina Beach Code of Ordinances, Section 62-138, Deferred Retirement Option Plan, is hereby amended to read as follows:

Sec. 62-138. Deferred retirement option plan.

- (a) *Definitions.* As used in this section 62-140, the following definitions apply:"
 - (1) "DROP" -- The City of Fernandina Beach Firefighters' and Police Officers' Deferred Retirement Option Plan.
 - (2) "DROP account" -- The account established for each DROP participant under subsection (c).
 - (3) "Total return of the assets" -- For purposes of calculating earnings on a member's DROP account pursuant to subsection (c)(2)b.2., for each fiscal year quarter, the percentage increase (or decrease) in the interest and dividends earned on investments, including realized and unrealized gains (or losses), of the total Plan assets.
- (b) *Participation.*
 - (1) *Eligibility to participate.* In lieu of terminating his employment as a police officer or firefighter, any member who is eligible for normal retirement under the system may elect to defer receipt of such service retirement pension and to participate in the DROP.
 - (2) *Election to participate.* A member's election to participate in the DROP must be made in writing in a time and manner determined by the board and shall be effective on the first day of the first calendar month which is at least fifteen (15) business days after it is received by the board.
 - (3) *Period of participation.* A member who elects to participate in the DROP under subsection (b)(2), shall participate in the DROP for a period not to exceed 60 months beginning at the time his election to participate in the DROP first becomes effective. An election to participate in the DROP shall constitute an irrevocable election to resign from the service of the city not later than the date provided for in the previous sentence. A member may participate only once.

(4) *Termination of participation.*

- a. A member's participation in the DROP shall cease at the earlier of:
 1. the end of his permissible period of participation in the DROP as determined under subsection (b)(3); or
 2. termination of his employment as a firefighter or police officer.
- b. Upon the member's termination of participation in the DROP, pursuant to subsection 1. above, all amounts provided for in subsection (c)(2), including monthly benefits and investment earnings and losses or interest, as applicable, shall cease to be transferred from the system to his DROP account. Any amounts remaining in his DROP account shall be paid to him in accordance with the provisions of subsection (d) when he terminates his employment as a firefighter or police officer.
- c. A member who terminates his participation in the DROP under this subsection (b)(4) shall not be permitted to again become a participant in the DROP.

(5) *Effect of DROP participation on the system.*

- a. A member's credited service and his accrued benefit under the system shall be determined on the date his election to participate in the DROP first becomes effective. For purposes of determining the accrued benefit, the member's salary for the purposes of calculating his average final compensation shall include an amount equal to any lump sum payments which would have been paid to the member and included as salary as defined herein, had the member retired under normal retirement and not elected DROP participation. Member contributions attributable to any lump sums used in the benefit calculation and not actually received by the member shall be deducted from the first payments to the member's DROP account. The member shall not accrue any additional credited service or any additional benefits under the system (except for any supplemental benefit payable to DROP participants or any additional benefits provided under any cost-of-living adjustment for retirees in the system) while he is a participant in the DROP. After a member commences participation, he shall not be permitted to again contribute to the system nor shall he be eligible for disability or pre-retirement death benefits, except as provided for in section 62-139, Reemployment after retirement.
- b. No amounts shall be paid to a member from the system while the member is a participant in the DROP. Unless otherwise specified in the system, if a member's participation in the DROP is terminated other than by terminating his employment as a firefighter or police officer, no amounts shall be paid to him from the system until he terminates his employment as a firefighter or police officer. Unless otherwise specified in the system, amounts transferred from the system to the member's DROP account shall be paid directly to the member only on the termination of his employment as a firefighter or police officer.

(c) *Funding.*

(1) *Establishment of DROP account.* A DROP account shall be established for each member participating in the DROP. A member's DROP account shall consist of amounts transferred to the DROP under subsection (c)(2), and earnings or interest on those amounts.

(2) *Transfers from retirement system.*

a. As of the first day of each month of a member's period of participation in the DROP, the monthly retirement benefit he would have received under the system had he terminated his employment as a firefighter or police officer and elected to receive monthly benefit payments thereunder shall be transferred to his DROP account, except as otherwise provided for in subsection (b)(4)b. A member's period of participation in the DROP shall be determined in accordance with the provisions of subsections (b)(3) and (b)(4), but in no event shall it continue past the date he terminates his employment as a firefighter or police officer.

b. Except as otherwise provided in subsection (b)(4)b., a member's DROP account under this subsection (c)(2) shall be debited or credited ~~after each fiscal year quarter~~ with either:

1. Interest at an effective rate of six and one-half percent per annum compounded monthly, determined on the last business day of the prior month's ending balance and credited to the member's DROP account as of such date (to be applicable to all current and future DROP participants); or

2. Earnings, to be credited or debited to the member's DROP account, determined as of the last business day of each fiscal year quarter and debited or credited as of such date, determined as follows:

The average daily balance in a member's DROP account shall be credited or debited at a rate equal to the net investment return realized by the system for that quarter. "Net investment return" for the purpose of this paragraph is the total return of the assets in which the member's DROP account is invested by the board net of brokerage commissions, management fees and transaction costs.

For purposes of calculating earnings on a member's DROP account pursuant to this subsection (c)(2)b.2., brokerage commissions, transaction costs, and management fees shall be determined for each quarter by the investment consultant pursuant to contracts with fund managers as reported in the custodial statement. The investment consultant shall report these quarterly contractual fees to the board. The investment consultant shall also report the net investment return for each manager and the net investment return for the total plan assets.

Upon electing participation in the DROP, the member shall elect to receive either interest or earnings on his account to be determined as provided above. The member may, in writing, elect to change his election only once during his DROP participation. An election to change must be made prior to the end of a fiscal year (September 30) and shall be effective beginning the following fiscal year (October 1).

c. A member's DROP account shall only be credited or debited with earnings or interest and monthly benefits while the member is a participant in the DROP.

A member's final DROP account value for distribution to the member upon termination of participation in the DROP shall be the value of the account at the end of the quarter immediately preceding termination of participation ~~date~~ for participants electing the net plan return and at the end of the month immediately preceding termination of participation for participants electing the flat interest rate return, plus any monthly periodic additions made to the DROP account subsequent to the end of the previous quarter or month, as applicable and prior to distribution. If a member fails to terminate employment after participating in the DROP for the permissible period of DROP participation, then beginning with the 1st month of employment following the last month of the permissible period of DROP participation, the member's DROP account will no longer be credited or debited with earnings or interest, nor will monthly benefits be transferred to the DROP account. All such non-transferred amounts shall be forfeited and continue to be forfeited while the member is employed by the fire or police department and no cost-of-living adjustments shall be applied to the member's credit during such period of continued employment. A member employed by the fire or police department after the permissible period of DROP participation will be eligible for pre-retirement death or disability benefits, and will accrue additional credited service only as provided for in section 62-139.

(d) *Distribution of DROP accounts on termination of employment.*

(1) *Eligibility for benefits.* A member shall receive the balance in his DROP account in accordance with the provisions of this subsection (d) upon his termination of employment as a firefighter or police officer. Except as provided in subsection (d)(5), no amounts shall be paid to a member from the DROP prior to his termination of employment as a firefighter or police officer.

(2) *Form of distribution.*

- a. Unless the member elects otherwise, distribution of his DROP account shall be made in a lump sum, subject to the direct rollover provisions set forth in subsection (d)(6). Elections under this paragraph shall be in writing and shall be made in such time or manner as the board shall determine.
- b. If a member dies before his benefit is paid, his DROP account shall be paid to his beneficiary in such optional form as his beneficiary may select. If no beneficiary designation is made, the DROP account shall be distributed to the member's estate.

(3) *Date of payment of distribution.*

Except as otherwise provided in this subsection (d), distribution of a member's DROP account shall be made as soon as administratively practicable following the member's termination of employment. Distribution of the amount in a member's DROP account will not be made unless the member completes a written request for distribution and a written election, on forms designated by the board, to either receive a cash lump sum or a rollover of the lump sum amount.

(4) *Proof of death and right of beneficiary or other person.* The board may require and rely upon such proof of death and such evidence of the right of any beneficiary or other person to receive the value of a deceased member's DROP account as the board may deem proper and its determination of the right of that beneficiary or other person to receive payment shall be conclusive.

- (5) *Distribution limitation.* Notwithstanding any other provision of this subsection (d), all distributions from the DROP shall conform to the “Minimum Distribution Of Benefits” provisions as provided for herein.
- (6) *Direct rollover of certain distributions.* This subsection applies to distributions made on or after January 1, 2002. Notwithstanding any provision of the DROP to the contrary, a distributee may elect to have any portion of an eligible rollover distribution paid in a direct rollover as otherwise provided under the system in section 62-134.
- (e) *Administration of DROP.*
 - (1) *Board administers the DROP.* The general administration of the DROP, the responsibility for carrying out the provisions of the DROP and the responsibility of overseeing the investment of the DROP's assets shall be placed in the board. The members of the board may appoint from their number such subcommittees with such powers as they shall determine; may adopt such administrative procedures and regulations as they deem desirable for the conduct of their affairs; may authorize one or more of their number or any agent to execute or deliver any instrument or make any payment on their behalf; may retain counsel, employ agents and provide for such clerical, accounting, actuarial and consulting services as they may require in carrying out the provisions of the DROP; and may allocate among themselves or delegate to other persons all or such portion of their duties under the DROP, other than those granted to them as trustee under any trust agreement adopted for use in implementing the DROP, as they, in their sole discretion, shall decide. A trustee shall not vote on any question relating exclusively to himself.
 - (2) *Individual accounts, records and reports.* The board shall maintain records showing the operation and condition of the DROP, including records showing the individual balances in each member's DROP account, and the board shall keep in convenient form such data as may be necessary for the valuation of the assets and liabilities of the DROP. The board shall prepare and distribute to members participating in the DROP and other individuals or file with the appropriate governmental agencies, as the case may be, all necessary descriptions, reports, information returns, and data required to be distributed or filed for the DROP pursuant to the Code and any other applicable laws.
 - (3) *Establishment of rules.* Subject to the limitations of the DROP, the board from time to time shall establish rules for the administration of the DROP and the transaction of its business. The board shall have discretionary authority to construe and interpret the DROP (including but not limited to determination of an individual's eligibility for DROP participation, the right and amount of any benefit payable under the DROP and the date on which any individual ceases to be a participant in the DROP). The determination of the board as to the interpretation of the DROP or its determination of any disputed questions shall be conclusive and final to the extent permitted by applicable law.
 - (4) *Limitation of liability.*
 - a. The trustees shall not incur any liability individually or on behalf of any other individuals for any act or failure to act, made in good faith in relation to the DROP or the funds of the DROP.

- b. Neither the board nor any trustee of the board shall be responsible for any reports furnished by any expert retained or employed by the board, but they shall be entitled to rely thereon as well as on certificates furnished by an accountant or an actuary, and on all opinions of counsel. The board shall be fully protected with respect to any action taken or suffered by it in good faith in reliance upon such expert, accountant, actuary or counsel, and all actions taken or suffered in such reliance shall be conclusive upon any person with any interest in the DROP.
 - c. Neither the board, nor any trustee of the board, the City of Fernandina Beach, City Commission, nor any individual City Commissioner, shall incur any liability for the adoption of this section 62-140, or for any determination of compliance or non-compliance with the Internal Revenue Code, or Regulations of the Internal Revenue Service.
- (f) *General provisions.*
- (1) The DROP is not a separate retirement plan. Instead, it is a program under which a member who is eligible for normal retirement under the system may elect to accrue future retirement benefits in the manner provided in this Section 62-138 for the remainder of his employment, rather than in the normal manner provided under the plan. Upon termination of employment, a member is entitled to a lump sum distribution of his or her DROP account balance or may elect a rollover. The DROP account distribution is in addition to the member's monthly benefit.
 - (2) Notional account. The DROP account established for such a member is a notional account, used only for the purpose of calculation of the DROP distribution amount. It is not a separate account in the system. There is no change in the system's assets, and there is no distribution available to the member until the member's termination from the DROP. The member has no control over the investment of the DROP account.
 - (3) No employer discretion. The DROP benefit is determined pursuant to a specific formula which does not involve employer discretion.
 - (4) IRC limit. The DROP account distribution, along with other benefits payable from the system, is subject to limitation under Internal Revenue Code Section 415(b).
 - (+ 5) *Amendment of DROP.* The DROP may be amended by an ordinance of the city at any time and from time to time, and retroactively if deemed necessary or appropriate, to amend in whole or in part any or all of the provisions of the DROP. However, except as otherwise provided by law, no amendment shall make it possible for any part of the DROP's funds to be used for, or diverted to, purposes other than for the exclusive benefit of persons entitled to benefits under the DROP. No amendment shall be made which has the effect of decreasing the balance of the DROP account of any member.
 - (2 6) *Facility of payment.* If a member or other person entitled to a benefit under the DROP is unable to care for his affairs because of illness or accident or is a minor, the board shall direct that any benefit due him shall be made only to a duly appointed legal representative. Any payment so made shall be a complete discharge of the liabilities of the DROP for that benefit.
 - (3 7) *Information.* Each member, beneficiary or other person entitled to a benefit, before any benefit shall be payable to him or on his account under the DROP, shall file with the board the information that it shall require to establish his rights and benefits under the DROP.

- (4 ~~8~~) *Prevention of escheat.* If the board cannot ascertain the whereabouts of any person to whom a payment is due under the DROP, the board may, no earlier than three years from the date such payment is due, mail a notice of such due and owing payment to the last known address of such person, as shown on the records of the board or the city. If such person has not made written claim therefor within three months of the date of the mailing, the board may, if it so elects and upon receiving advice from counsel to the DROP, direct that such payment and all remaining payments otherwise due such person be canceled on the records of the DROP. Upon such cancellation, the DROP shall have no further liability therefor except that, in the event such person or his beneficiary later notifies the board of his whereabouts and requests the payment or payments due to him under the DROP, the amount so applied shall be paid to him in accordance with the provisions of the DROP.
- (5 ~~9~~) *Written elections, notification.*
- a. Any elections, notifications or designations made by a member pursuant to the provisions of the DROP shall be made in writing and filed with the board in a time and manner determined by the board under rules uniformly applicable to all employees similarly situated. The board reserves the right to change from time to time the manner for making notifications, elections or designations by members under the DROP if it determines after due deliberation that such action is justified in that it improves the administration of the DROP. In the event of a conflict between the provisions for making an election, notification or designation set forth in the DROP and such new administrative procedures, those new administrative procedures shall prevail.
 - b. Each member or retiree who has a DROP account shall be responsible for furnishing the board with his current address and any subsequent changes in his address. Any notice required to be given to a member or retiree hereunder shall be deemed given if directed to him at the last such address given to the board and mailed by registered or certified United States mail. If any check mailed by registered or certified United States mail to such address is returned, mailing of checks will be suspended until such time as the member or retiree notifies the board of his address.
- (6 ~~10~~) *Benefits not guaranteed.* All benefits payable to a member from the DROP shall be paid only from the assets of the member's DROP account and neither the city nor the board shall have any duty or liability to furnish the DROP with any funds, securities or other assets except to the extent required by any applicable law.
- (7 ~~11~~) *Construction.*
- a. The DROP shall be construed, regulated and administered under the laws of Florida, except where other applicable law controls.
 - b. The titles and headings of the subsections in this section 62-140 are for convenience only. In the case of ambiguity or inconsistency, the text rather than the titles or headings shall control.
- (8 ~~12~~) *Forfeiture of retirement benefits.* Nothing in this section shall be construed to remove DROP participants from the application of any forfeiture provisions applicable to the system. DROP participants shall be subject to forfeiture of all retirement benefits, including DROP benefits.

- (9 13) *Effect of DROP participation on employment.* Participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants.

SECTION 10: That Chapter 62, Personnel, Article IV, Firefighters' and Police Officers' Pension Plan, of the City of Fernandina Beach Code of Ordinances, Section 62-140, Supplemental Benefit Component for Special Benefits; Chapter 175 and 185 Share Accounts, is hereby added to read as follows:

Sec. 62-140. Supplemental benefit component for special benefits; Chapter 175 and 185 share accounts.

There is hereby established an additional plan component to provide special benefits in the form of a supplemental retirement, termination, death and disability benefits to be in addition to the benefits provided for in the previous Sections of this Plan, such benefit to be funded solely and entirely by F.S. Chapter 175 and 185, premium tax monies for each plan year which are allocated to this supplemental component as provided for in F.S. §§175.351 and 185.35. Amounts allocated to this supplemental component ("Share Plan"), if any, shall be further allocated to the members and DROP participants as follows:

(a) *Individual Member Share Accounts.* The board shall create individual "member share accounts" for all actively employed plan members and DROP participants and maintain appropriate books and records showing the respective interest of each member or DROP participant hereunder. Each member or DROP participant shall have a member share account for his share of the F.S. Chapter 175 and 185 tax revenues described above, forfeitures and income and expense adjustments relating thereto. The board shall maintain separate member share accounts, however, the maintenance of separate accounts is for accounting purposes only and a segregation of the assets of the trust fund to each account shall not be required or permitted.

(b) *Share Account Funding.*

(1) Individual member share accounts shall be established as of September 30, 2016 for all members and DROP participants who were actively employed as of October 1, 2015. Individual member share accounts shall be credited with an allocation as provided for in the following subsection (c) of any premium tax monies which have been allocated to the share plan for that plan year, beginning with the plan year ending September 30, 2016.

(2) Any forfeitures as provided in subsection (d), shall be used as part of future allocations to the individual member share accounts in accordance with the formula set forth in subsection (c)(1).

(c) *Allocation of Monies to Share Accounts.*

(1) *Allocation of Chapter 175 and 185 Contributions.*

a. Effective as of September 30, 2016, the amount of any premium tax monies allocated to the share plan shall be allocated to individual member share accounts as provided for in this subsection. Members retiring on or after October 1, 2015 and prior to September 30, 2016 shall receive an allocation. In addition, all premium tax monies allocated to the share plan in any subsequent plan year shall also be allocated as provided for in this subsection.

Available premium tax monies shall be allocated to individual member share accounts at the end of each plan year on September 30 (a "valuation date").

- b. On each valuation date, each current actively employed member of the plan not participating in the DROP, each DROP participant and each retiree who retires or DROP participant who has terminated DROP participation in the plan year ending on the valuation date (including each disability retiree), or beneficiary of a deceased member(not including terminated vested persons) who is otherwise eligible for an allocation as of the valuation date shall receive a share allocation as follows:
- c. The total funds subject to allocation on each valuation date shall be allocated to each member share account of those eligible for an allocation in an amount equal to a fraction of the total amount, the numerator of which shall be the individual's total years and fractional parts of years of credited service as of the valuation date, and the denominator of which shall be the sum of the total years and fractional parts of years of credited service as of the valuation date of all individuals to whom allocations are being made. Beneficiaries shall receive an allocation based on the years of credited service of the deceased member or DROP participant.
- d. Re-employed retirees shall be deemed new employees and shall receive an allocation based solely on the credited service in the reemployment period.

- (2) Allocation of Investment Gains and Losses. On each valuation date, each individual member share account shall be adjusted to reflect the net earnings or losses resulting from investments during the year. The net earnings or losses allocated to the individual member share accounts shall be the same percentage which is earned or lost by the total plan investments, including realized and unrealized gains or losses, net of brokerage commissions, transaction costs and management fees.

Net earnings or losses are determined as of the last business day of the fiscal year, which is the valuation date, and are debited or credited as of such date.

For purposes of calculating net earnings or losses on a member's share account pursuant to this subsection, brokerage commissions, transaction costs, and management fees for the immediately preceding fiscal year shall be determined for each year by the investment consultant pursuant to contracts with fund managers as reported in the custodial statement. The investment consultant shall report these annual contractual fees to the board. The investment consultant shall also report the net investment return for each manager and the net investment return for the total plan assets.

- (3) Allocation of Costs, Fees and Expenses. On each valuation date, each individual member share account shall be adjusted to allocate its pro rata share of the costs, fees and expenses of administration of the share plan. These fees shall be allocated to each individual member share account on a proportionate basis taking the costs, fees and expenses of administration of the share plan as a whole multiplied by a fraction, the numerator of which is the total assets in each individual member share account (after adding the annual investment gain or loss) and the denominator of which is the total assets of the fund as a whole as of the same date.

- (4) No Right to Allocation. The fact of allocation or credit of an allocation to a member's share account by the board shall not vest in any member, any right, title, or interest in the assets of the trust or in the Chapter 175 and 185 tax revenues except at the time or times, to the extent, and subject to the terms and conditions provided in this Section.

(5) Members and DROP participants shall be provided annual statements setting forth their share account balance as of the end of the plan year.

(d) Forfeitures. Any member who has less than six (6) years of service credit and who is not otherwise eligible for payment of benefits after termination of employment with the city as provided for in subsection (e) shall forfeit his individual member share account. Forfeited amounts shall be included and used as part of the Chapter 175 and 185 tax revenues for future allocations to individual member share accounts on each valuation date in accordance with the formula set forth in subsection (c)(1).

(e) Eligibility For Benefits. Any member (or his beneficiary) or DROP participant who terminates employment as a police officer or firefighter with the City or who dies, upon application filed with the board, shall be entitled to be paid the value of his individual member share account, subject to the following criteria:

(1) Retirement Benefit.

a. A member shall be entitled to one hundred percent (100%) of the value of his share account upon normal or early retirement pursuant to Section 62-116, or if the member enters the DROP, upon termination of employment.

b. Such payment shall be made as provided in subsection (f).

(2) Termination Benefit.

a. In the event that a member's employment as a police officer or firefighter is terminated by reason other than retirement, death or disability, he shall be entitled to receive the value of his share account only if he is vested in accordance with Section 62-119.

b. Such payment shall be made as provided in subsection (f).

(3) Disability Benefit.

a. In the event that a member is determined to be eligible for either an in-line of duty disability benefit pursuant to Section 62-118, subsection (a) or a not-in-line of duty disability benefit pursuant to Section 62-118, subsection (c), he shall be entitled to one hundred percent (100%) of the value of his share account.

b. Such payment shall be made as provided in subsection (f).

(4) Death Benefit.

a. In the event that a member or DROP participant dies while actively employed as a police officer or firefighter, one hundred percent (100%) of the value of his member share account shall be paid to his designated beneficiary as provided in Section 62-117.

b. Such payment shall be made as provided in subsection (f).

(f) Payment of Benefits. If a member or DROP participant terminates employment for any reason or dies and he or his beneficiary is otherwise entitled to receive the balance in the member's share account, the member's share account shall be valued by the plan's actuary on the next valuation date as provided for in subsection (c) above, following termination of employment. Payment of the

calculated share account balance shall be payable as soon as administratively practicable following the valuation date, but not later than one hundred fifty (150) days following the valuation date and shall be paid in one lump sum payment. No optional forms of payments shall be permitted.

(g) *Benefits Not Guaranteed.* All benefits payable under this Section 62-140 shall be paid only from the assets accounted for in individual member share accounts. Neither the City nor the board shall have any duty or liability to furnish any additional funds, securities or other assets to fund share account benefits. Neither the board nor any trustee shall be liable for the making, retention, or sale of any investment or reinvestment made as herein provided, nor for any loss or diminishment of the member share account balances, except due to his or its own negligence, willful misconduct or lack of good faith. All investments shall be made by the board subject to the restrictions otherwise applicable to fund investments.

(h) *Notional account.* The member share account is a notional account, used only for the purpose of calculation of the share distribution amount. It is not a separate account in the system. There is no change in the system's assets, and there is no distribution available to the member or DROP participant until the member's or DROP participant's termination from employment. The member or DROP participant has no control over the investment of the share account.

(i) *No employer discretion.* The share account benefit is determined pursuant to a specific formula which does not involve employer discretion.

(j) *Maximum Additions.* Notwithstanding any other provision of this Section, annual additions under this Section shall not exceed the limitations of Section 415(c) of the code pursuant to the provisions of Section 62-125, subsection (k).

(k) *IRC limit.* The share account distribution, along with other benefits payable from the system, is subject to limitation under Internal Revenue Code Section 415(b).

SECTION 11: Specific authority is hereby granted to codify and incorporate this Ordinance in the existing Code of Ordinances of the City of Fernandina Beach.

SECTION 12: If any section, subsection, sentence, clause, phrase of this ordinance, or the particular application thereof shall be held invalid by any court, administrative agency, or other body with appropriate jurisdiction, the remaining section, subsection, sentences, clauses, or phrases under application shall not be affected thereby.

SECTION 13: All Ordinances or parts of Ordinances in conflict herewith be and the same are hereby repealed.

SECTION 14: That this Ordinance shall become effective upon adoption.

ADOPTED this _____ day of _____, 2016.

CITY OF FERNANDINA BEACH

JOHN A. MILLER
Mayor - Commissioner

calculated share account balance shall be payable as soon as administratively practicable following the valuation date, but not later than one hundred fifty (150) days following the valuation date and shall be paid in one lump sum payment. No optional forms of payments shall be permitted.

(g) *Benefits Not Guaranteed.* All benefits payable under this Section 62-140 shall be paid only from the assets accounted for in individual member share accounts. Neither the City nor the board shall have any duty or liability to furnish any additional funds, securities or other assets to fund share account benefits. Neither the board nor any trustee shall be liable for the making, retention, or sale of any investment or reinvestment made as herein provided, nor for any loss or diminishment of the member share account balances, except due to his or its own negligence, willful misconduct or lack of good faith. All investments shall be made by the board subject to the restrictions otherwise applicable to fund investments.

(h) *Notional account.* The member share account is a notional account, used only for the purpose of calculation of the share distribution amount. It is not a separate account in the system. There is no change in the system's assets, and there is no distribution available to the member or DROP participant until the member's or DROP participant's termination from employment. The member or DROP participant has no control over the investment of the share account.

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SECTION 13: All Ordinances or parts of Ordinances in conflict herewith be and the same are hereby repealed.

SECTION 14: That this Ordinance shall become effective upon adoption.

ADOPTED this 6th day of September, 2016.

CITY OF FERNANDINA BEACH

JOHN A. MILLER
Mayor - Commissioner

ATTEST:

APPROVED AS TO FORM AND LEGALITY

CAROLINE BEST
City Clerk



TAMMI E. BACH
City Attorney

Date of First Reading: 08/02/16
Date of Publication: 08/24/16
Date of Second Reading and Public Hearing: 09/06/16
Date of Adoption:

August 24, 2016
Newspaper Edition

CANNED
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NOTICE OF PUBLIC HEARING
CITY COMMISSION
CITY OF FERNANDINA BEACH

NOTICE IS HEREBY GIVEN that a Public Hearing is scheduled for Tuesday, September 6, 2016, at 6:00 PM in the City Commission Chambers, 204 Ash Street Fernandina Beach, Florida to consider the following application:

ORDINANCE 2016-22

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, AMENDING CHAPTER 62, PERSONNEL, ARTICLE IV, FIREFIGHTERS' AND POLICE OFFICERS' PENSION PLAN, OF THE CODE OF ORDINANCES OF THE CITY OF FERNANDINA BEACH; AMENDING SECTION 62-111, DEFINITIONS; AMENDING SECTION 62-114, FINANCES AND FUND MANAGEMENT; AMENDING SECTION 62-116, BENEFIT AMOUNTS AND ELIGIBILITY; AMENDING SECTION 62-117, PRE-RETIREMENT DEATH; AMENDING SECTION 62-118, DISABILITY; AMENDING SECTION 62-120, OPTIONAL FORMS OF BENEFITS; AMENDING SECTION 62-125, MAXIMUM PENSION; AMENDING SECTION 62-137, PRIOR POLICE OR FIRE SERVICE; AMENDING SECTION 62-138, DEFERRED RETIREMENT OPTION PLAN; ADDING SECTION 62-140, SUPPLEMENTAL BENEFIT COMPONENT FOR SPECIAL BENEFITS; CHAPTER 175 AND 185 SHARE ACCOUNTS; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HERewith AND PROVIDING AN EFFECTIVE DATE.

Interested parties may appear at said hearing and be heard as to the advisability of any action, which may be considered. Any persons with disabilities requiring accommodations in order to participate in this program or activity should contact 310-3115, TTY/TDD 711 or through the Florida Relay Service at 1-800-955-8771 at least 24 hours in advance to request such accommodation.

IF ANY PERSON DECIDES TO APPEAL ANY DECISION MADE BY THE BOARD/COMMISSION WITH RESPECT TO ANY MATTER CONSIDERED AT SUCH HEARING, S/HE WILL 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.

For information, please contact the Staff of the City Clerk's Office, 204 Ash Street, between the hours of 8:00 AM - 5:00 PM, Monday through Friday, (904) 310-3115.

April 20, 2016

Ms. Teresa Bryan
Fernandina Beach Firefighters' & Police
204 Ash Street
Fernandina Beach, Florida 32034

Re: Firefighters' and Police Officers' Pension Plan - Proposed Ordinance

Dear Teresa:

Enclosed please find a proposed ordinance amending the City of Fernandina Beach Firefighters' and Police Officers' Pension Plan. With the recent adoption by the Florida Legislature of Chapter 2015-39, Laws of Florida, and changes to the Internal Revenue Code (IRC) and its associated Regulations, as well as guidance from the Internal Revenue Service (IRS), the following amendments to the pension plan are proposed:

1. Section 62-111, Definitions, is being amended for IRC changes and requirements, to amend the definitions of:
 - a. Actuarial Equivalent - to amend the definition to incorporate the Mortality Table and interest rate currently being used by the plan's actuary
 - b. Credited Service - to clarify IRC regulations on leave conversions
 - c. Firefighter - to update a reference in Florida Statutes.
 - d. Spouse - To clarify the definition in accordance with a recent US Supreme Court ruling
2. Section 62-114, Finances and Fund Management, is being amended to further incorporate recent IRC requirements with regard to investments in commingled funds.
3. Section 62-116, Benefit amounts and eligibility, is being amended to change the Normal Retirement Date to include IRC required language regarding Normal Retirement Age and Normal Retirement Date.
4. Section 62-117, Pre-Retirement Death, subsection (b)(2), is being amended to remove unnecessary language.

5. Section 62-118, Disability, is being amended to more clearly identify those individuals who may be eligible to apply for a disability pension who have been terminated by the City due to medical reasons. Subsection 7, Workers' Compensation, is also being amended to clearly identify the new minimum benefit accrual rate of 2.75%, as provided for in Chapter 175, Florida Statutes.
6. Section 62-120, Optional Forms of Benefits, has been amended to:
 - a. Amend the optional form of benefit known as a partial lump sum option (PLOP), to clarify that the percentage chosen is calculated as a percent of the total actuarial equivalent value of the member's benefit.
 - b. Amend subsection (b) to clarify that if proof of good health of a joint pensioner who is being replaced is not provided, the actuary will assume that the joint pensioner is deceased for purposes of calculating the revised benefit amount.
7. Section 62-125, Maximum Pension, has had several subsections amended to comply with IRC changes.
8. Section 62-137, Prior Police or Fire Service, subsection (5), is being amended to correct a reference.
9. Section 62-138, Deferred Retirement Option Plan, is being amended in accordance with recent direction from the IRS in connection with the issuance of several recent Favorable Determination Letters to clarify investment returns on DROP accounts and add several sections clarifying the DROP provisions as required by the IRS.

We have also amended the provisions regarding when interest is calculated and paid, which will avoid a participant's forfeiture of interest accrued during the first or second month of the quarter should the member terminate DROP participation at the end of the first or second month of the quarter.

10. Section 62-140, Supplemental Benefit Component for Special Benefits; Chapter 175 and 185 Share Accounts, is a new Section being added to the plan. This Section creates a 'Share Plan', or defined contribution component, and the addition of a share plan is a requirement of recently adopted Chapter 2015-39, Laws of Florida, for all pension plans that are subject to the provisions of Chapters 175 and 185, Florida Statutes.

Ms. Teresa Bryan

April 20, 2016

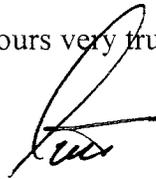
Page 3

This Share Plan provides for a share account for each member of the plan. The Share Plan is to be funded solely and entirely by Chapter 175 and 185, Florida Statutes, premium tax monies for each plan year that funding is made available to it in accordance with governing Florida Statutes and/or mutual agreement between the City and the Unions. This supplemental benefit, therefore, may or may not be funded.

If the share plan is funded, at retirement, termination (vested), disability or death, there is an additional lump sum benefit paid to the eligible member. In this ordinance available share plan funding is allocated to the members' accounts based on a formula which provides an allocation based on years of credited service. Other allocation methods (i.e. equal allocation) could be considered if requested by the Unions. Each share account receives its proportionate share of the income or loss on the assets in the plan.

By copy of this letter to the Board's actuary, Foster & Foster, Inc., I am requesting that they provide you with a letter indicating the cost, if any, associated with the adoption of this ordinance. Please provide a copy of this ordinance to each member of the Board for review at the next meeting. If you have any questions with regard to this ordinance, please feel free to give me a call.

Yours very truly,

A handwritten signature in black ink, appearing to read "Scott R. Christiansen", written over a horizontal line.

Scott R. Christiansen

SRC/dm
enclosure

cc: Doug Lozen, with enclosure

June 10, 2016

Ms. Teresa Bryan
Human Resources Generalist
City of Fernandina Beach
204 Ash Street
Fernandina Beach, FL 32034-4230

Re: City of Fernandina Beach
Police Officers' and Firefighters' Pension Plan

Dear Teresa:

In response to Scott Christiansen's letter dated April 20, 2016, we have reviewed the proposed Ordinance (identified on page 18 as dm/fb/pf/04-20-16.ord) and have determined that its adoption will have no impact on the assumptions used in determining the funding requirements of the program. The Ordinance describes the following Plan changes:

- Amendments and clarifications based on changes in Florida Law and the Internal Revenue Code, as well as guidance from the Internal Revenue Service.
- Amendment of DROP provisions to provide for monthly interest crediting on fixed-interest DROP schedules.
- Creation of a Share Plan.

Because the changes do not result in a change in the valuation results, it is our opinion that a formal Actuarial Impact Statement is not required. However, since the Division of Retirement must be aware of the current provisions of all public pension programs, it is recommended that you send a copy of this letter and a copy of the fully executed Ordinance to the following offices:

Mr. Keith Brinkman
Bureau of Local Retirement Systems
Division of Retirement
P. O. Box 9000
Tallahassee, FL 32315-9000

Ms. Sarah Carr
Municipal Police and Fire
Pension Trust Funds
Division of Retirement
P.O. Box 3010
Tallahassee, FL 32315-3010

If you have any questions, please let me know.

Sincerely,



Douglas H. Lozen, EA, MAAA

cc: Scott Christiansen, Board Attorney

CITY COMMISSION AGENDA ITEM
City of Fernandina Beach



SUBJECT: **Discussion**
Charter Officers' Performance Evaluations

ITEM TYPE: Ordinance Resolution Other
 Proclamation Presentation

REQUESTED ACTION: **At the pleasure of the Commission**

SYNOPSIS: In accordance with Resolution 2002-160, the City Commission shall evaluate the performance of each Charter Employee on an annual basis. Evaluations shall take the form of one-on-one meetings between individual City Commissioners and the Charter Employee or Commissioners shall complete an evaluation form, and/or request a meeting of the full commission to discuss any concerns regarding the Charter Employees performance of duties.

Charter employee evaluations, or one-on-one performance appraisal meetings, whichever the individual Commissioner prefers, provides Commissioners the opportunity to open dialog with Charter employees, to discuss possible areas for performance improvement, executive objectives, and organizational expectations.

FISCAL IMPACT: Salary increases up to 3.5% are included in the FY 2016/2017 budget for all exempt employees including Charter Employees.

2016/2017 CITY COMMISSION GOALS: (As approved by Resolution 2016-51)

<input type="checkbox"/> Beach Safety	<input type="checkbox"/> Alachua Street
<input type="checkbox"/> Soccer Field Lighting	<input type="checkbox"/> Stormwater
<input type="checkbox"/> Downtown Density	<input type="checkbox"/> Opportunity
<input type="checkbox"/> ADA Improvements	<input checked="" type="checkbox"/> Departmental
<input type="checkbox"/> Consideration	

CITY ATTORNEY COMMENTS: See Synopsis.

CITY MANAGER RECOMMENDATION(S):

DEPARTMENT DIRECTOR	Submitted by: Tammi E. Bach City Attorney	Date: 08/22/16
CONTROLLER	Approved as to Budget Compliance	Date:
CITY ATTORNEY	Approved as to Form and Legality	Date:
CITY MANAGER	Approved Agenda Item for 09/06/16 	Date: 08/22/16

COMMISSION ACTION: Approved As Recommended Disapproved
 Approved With Modification Postponed to Time Certain
 Other Tabled