

City of Lake Alfred
120 E. Pomelo Street
Lake Alfred, FL 33850



Phone: (863) 291-5270
Fax: (863) 291-5317
www.mylakealfred.com

AGENDA
CITY COMMISSION MEETING
MONDAY AUGUST 22, 2016
7:30 P.M.
CITY HALL

CALL TO ORDER: MAYOR CHARLES LAKE

INVOCATION AND PLEDGE OF ALLEGIANCE: PASTOR CATHY THACKER

ROLL CALL: CITY CLERK AMEÉ BAILEY

CITY MANAGER & CITY ATTORNEY ANNOUNCEMENTS

RECOGNITION OF CITIZENS: ITEMS NOT ON AGENDA

PROCLAMATION – CIVILITY MONTH

CONSENT AGENDA:

- 1.) CITY COMMISSION MEETING MINUTES FOR AUGUST 8, 2016
- 2.) CITY COMMISSION ANNOUNCEMENTS

AGENDA

- 1.) ORDINANCE 1368-16: UTILITY RATE CHANGES
- 2.) PURCHASE: PUBLIC WORKS VEHICLE
- 3.) APPOINT CHAIR/VICE CHAIR: CRA BOARD

RECESS CITY COMMISSION AND CONVENE COMMUNITY REDEVELOPMENT AGENCY BOARD

COMMUNITY REDEVELOPMENT AGENCY (CRA) BOARD AGENDA

- 1.) CRA MEETING MINUTES FOR SEPTEMBER 9, 2015
- 2.) CRA RESOLUTION 01-16: CRA BOARD BYLAWS
- 3.) CRA RESOLUTION 02-16: CRA APPROPRIATION OF REMAINING FUNDS
- 4.) CRA RESOLUTION 03-16: CRA ANNUAL BUDGET

ADJOURN CRA BOARD AND RECONVENE CITY COMMISSION

RECOGNITION OF CITIZENS (PLEASE LIMIT YOUR COMMENTS TO 5 MINUTES.)

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COMMISSIONER QUESTIONS AND COMMENTS:

**MAYOR LAKE
VICE MAYOR DALEY
COMMISSIONER DUNCAN
COMMISSIONER DEARMIN
COMMISSIONER MAULTSBY
ADJOURN**



Proclamation

To recognize August 2016 as Civility Month.

WHEREAS, the open exchange of public discourse is essential to the democratic system of government; and

WHEREAS, as a cornerstone of democracy Americans have observed certain rules of behavior generally known as civility which is an integral component of a productive, functioning society in which all people are treated as equals regardless of age, gender, religion, racial or ethnic background, or creed; and

WHEREAS, civility, derived from the Latin words "civitas" meaning city and "civis" meaning citizen, is behavior worthy of citizens living in a community or in common with others; and

WHEREAS, displays of anger, rudeness, ridicule, impatience, lack of respect, and personal attacks detract from the open exchange of ideas, prevent fair discussion of the issues and can discourage individuals from participation in government; and

WHEREAS, civility can assist in reaching consensus on diverse issues and allow for mutually respectful ongoing relationships; and

WHEREAS, civility can uplift our daily life and make it more pleasant to live in an organized society; and

WHEREAS, the City, County, and Local Government Law Section of the Florida Bar urges the adoption of a pledge of civility by all citizens in the State of Florida.

THEREFORE, BE IT RESOLVED that the City of Lake Alfred formally recognize August 2016 as

"Civility Month"

in the City of Lake Alfred and urges all citizens to exercise civility toward each other.

IN WITNESS WHEREOF, I have hereunder set my hand this 22nd day of August, 2016.

Charles O. Lake, Mayor
City of Lake Alfred, Florida

**LAKE ALFRED CITY COMMISSION MEETING
AUGUST 22, 2016**

CONSENT AGENDA

1.) AUGUST 8, 2016 CITY COMMISSION MEETING MINUTES

ATTACHMENTS:

- Draft Minutes

ANALYSIS: Please review the minutes at your earliest convenience and if there are any questions, comments or concerns please contact the City Clerk, Ameen Bailey at (863) 291-5747.

2.) CITY COMMISSION ANNOUNCEMENTS

ANALYSIS: Each of the meetings/ events scheduled below may be constitute a public meeting at which two or more City Commissioners or Planning Board Members may attend and discuss issues that may come before the City Commissioners.

- Ridge League of Cities: September 8, 2016, Heartland Church, 225 Avenue B NW, Winter Haven

DRAFT MINUTES
CITY OF LAKE ALFRED
CITY COMMISSION MEETING
MONDAY, AUGUST 8, 2016
7:30 P.M.
CITY HALL

Call to Order: Mayor Charles Lake

Invocation and Pledge of Allegiance: Pastor Blocker

Roll Call: Those in attendance were Mayor Charles Lake, Vice Mayor Nancy Daley, Commissioner John Duncan, Commissioner Jack Dearmin, and Commissioner Albertus Maulsby.

Staff attendance: City Manager Ryan Leavengood, Assistant City Attorney Seth Claytor, City Clerk Ameé Bailey-Speck, Finance Director Amber Deaton, Parks and Recreation Director Richard Weed, Fire Chief Chris Costine, Police Chief Art Bodenheimer, and Lieutenant Gerald Dempsey.

CITY MANAGER ANNOUNCEMENTS

City Manager Leavengood stated the upcoming Lake Alfred Public Library events include story time, Lego Mania, adult coloring, jewelry class, and the Saturday movie. The Library will be hosting a Back to School Luau on Saturday August 13th from 5 to 7 pm. The Library will also be hosting the Mobile Career Source, SPCA Wellness Wagon and Friends of the Library book sale. Contact the Library for more information.

City Manager Leavengood presented updates on miscellaneous projects such as the Fire Department bay enclosure for bunker gear; Mackay House construction completion by LTO and grant documentation submission to the state; public parking signs and signs conversion around the City (Lions Park, Central Park, etc.), and additional labels on Wayfinding signs.

CITY ATTORNEY ANNOUNCEMENTS

No Announcements.

RECOGNITION OF CITIZENS

No citizen comments.

EMPLOYEE RECOGNITION: JESSICA NEVINS – 10 YEARS

Mayor Lake stated that Jessica Nevins is hard-working, meticulous, and a great team player who works with everyone in the department as she provides dispatch coverage for all shifts on a rotating basis. She has a great deal of integrity, is very loyal, and friendly to all the people she encounters. She assist with data entry for traffic citations and coordinates with the Clerk of Courts. The City of Lake Alfred is proud to have such a great asset on our staff. Jessica also recently joined the General Employees Retirement Board. Congratulations, Jessica on your ten-year achievement. We sincerely appreciate your commitment to the City of Lake Alfred.

DISTINGUISHED BUDGET AWARD PRESENTATION – AMBER DEATON, FINANCE

Mayor Lake stated that the City of Lake Alfred has received the Distinguished Budget Presentation Award for the current budget from the Government Finance Officers Association. This award is the highest form of recognition in government budgeting and represents a significant achievement by the City. It reflects the commitment of the City and staff to meeting the highest principles of government budgeting. In order to receive the award, the City had to satisfy nationally recognized guidelines for effective budget presentation including a policy document, financial plan, operations guide, and a communications device. This is the ninth consecutive year of achievement for the City. Congratulations.

In addition, when the Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual or department designated as being primary responsible for its having achieved the award. He present the Certificate to Amber Deaton and the Finance Department.

Finance Amber Deaton thanked the City Commission and City Manager for their support of the Finance Department.

CONSENT AGENDA

Commissioner Dearmin moved to approve the consent agenda, seconded by **Commissioner Maultsby**. The motion was approved by unanimous voice call vote.

MAYOR LAKE	AYE
VICE MAYOR DALEY	AYE
COMMISSIONER DEARMIN	AYE
COMMISSIONER DUNCAN	AYE
COMMISSIONER MAULTSBY	AYE

AGENDA

1.) ORDINANCE 1365-16: PROPERTY CONVEYANCE: 620 GRAPEFRUIT AVENUE

Assistant City Attorney Seth Claytor read the Ordinance title.

City Manager Leavengood stated the City currently owns and maintains the vacant residential property on 620 Grapefruit Avenue. The property was given to the City by Polk County following their acquisition due to delinquent property taxes.

The City has no operational need for the property and the proposed ordinance conveys the property to Habitat for Humanity for the construction of a single family home.

Staff recommends approval of Ordinance 1365-16 on second and final reading.

Commissioner Maultsby moved to approve Ordinance 1365-16 for the property conveyance at on 620 Grapefruit Avenue on second and final reading, seconded by **Commission Dearmin**. The motion was approved by unanimous voice call vote. There were no citizen comments.

MAYOR LAKE	AYE
VICE MAYOR DALEY	AYE
COMMISSIONER DEARMIN	AYE
COMMISSIONER DUNCAN	AYE
COMMISSIONER MAULTSBY	AYE

2.) ORDINANCE 1366-16: PARKS AND RECREATION BOARD

City Manager Leavengood stated in April of this year the City Commission adjusted the membership requirements for the Planning Board and Board of Adjustments. The proposed amendment makes similar changes to the Parks and Recreation Board adjusting the number of members from seven to five with up to two alternates. The current board has five members with two vacant seats.

Staff recommends approval of Ordinance 1366-16 on first reading.

Commission Duncan asked for clarification on the current number of members and if a change should happen before or after the Parks and Recreation Master Plan process.

City Manager Leavengood replied that Parks and Recreation Board handles fee and administrative duties. The Master Plan process will be open to all citizens.

Vice Mayor Daley moved to approve Ordinance 1366-16 on first reading, seconded by **Commission Duncan**. The motion was approved by unanimous voice call vote. There were no citizen comments.

MAYOR LAKE	AYE
VICE MAYOR DALEY	AYE
COMMISSIONER DEARMIN	AYE
COMMISSIONER DUNCAN	AYE
COMMISSIONER MAULTSBY	AYE

3.) ORDINANCE 1367-16: CITY COMMISSION COMPENSATION

Assistant City Attorney Seth Claytor read the Ordinance title.

City Manager Leavengood stated during last year's budget preparations staff proposed increasing the City Commission's compensation for the Mayor and Commission based upon a salary survey from similarly sized cities within the state of Florida. The survey showed that the current annual stipend given to the City Commission was less than half of the average from the surveyed cities. The City Manager reviewed the survey data.

The City Commission's compensation was last adjusted in 2005 to its current levels; \$3,600 for the Mayor & \$2,400 for Commissioners annually. The proposed increase to \$6,000 for the Mayor and \$5,000 for the City Commissioners would bring the stipend amount to approximately 80% of the surveyed average. A second option raised the salaries each by 50%.

Per the City Attorney's interpretation of the Charter, any increases would not take effect until after each Commissioner's current term has expired. Therefore, if approved, the increases would be phased in over three years. The proposed increases were incorporated into the

previously approved second year budget and are also included in the balanced FY 16/17 budget which is set to begin on October 1, 2016.

Vice Mayor Daley requested a voice roll call and submitted information on other cities in Polk County with lower populations and salaries. She stated the Commission only has to attend two meetings a month. She suggested that the City Commission could hold off on this item and clarify the charter prior to making any salary changes.

Commission Duncan asked if the cities in the survey were the same as those used for staff. He stated that Commissioners spend time outside the two meetings a month. He stated that a higher salary would encourage others to run for office. He asked about the phase-in of the salaries since it was different from previous increases and how it would affect someone who replaced a commissioner prior to an election.

City Manager Leavengood replied that the information was from last year's survey as presented in last year's budget. Staff evaluates the cities included in the survey and includes similar cities while excluding extremes such as coastal cities. The salary range in the survey is averaged and includes one city that pays their commission \$1 per year.

Assistant City Attorney Seth Claytor read charter language and stated that the attorney's office interpreted the charter to mean the increase would be effective after the next election of each commissioner's seat. It also avoids any appearance of impropriety or conflict of interest. Staff also discussed a charter revision. The attorney's offices advised the phase-in of the city compensation. Commissioners would have different salaries until 2019. The only way the attorney's office would be comfortable with the 2005 interpretation would be to submit a formal interpretation from the Attorney General. The request would include a memorandum with the City Attorneys interpretation, city charter and history.

City Manager Leavengood stated if the City Commission preferred the 2005 interpretation a charter amendment could clarify the language. The interpretation of the attorney is that the vote is for a future commission. An opinion from the Attorney General may not be received prior to the budget and the six (6) month timeframe required in the charter.

Mayor Lake stated the increases would occur over a three year period. He stated that people are surprised by the low salary and that the salary is a deterrent for future candidates. He also stated he spends more time than twice a month.

Commission Maultsby stated he did not understand the phase-in and commissioners having different salaries. He asked if the City Commission could approve the ordinance and request the Attorney General opinion.

Assistant City Attorney Seth Claytor stated that the Attorney's office could submit the request and suggested two separate motions if the City Commission wanted to have them submit the request.

Ron Schelfo, 640 East Lakeview Rd., stated he agreed with the City Attorneys interpretation, but the City Commission deserves the raise.

John O'Neil, 305 Cedar Glen Dr., stated that the raise is still under the average for similar cities. He stated that he was in favor of the raise and knew that the Commissioners put in a lot of time.

Nancy Timmer, 530 N. Pennsylvania Ave., stated that the raise should be postponed until the next election. She stated that the Commissioners should be paid more.

City Manager Leavengood suggested that if the Commission wanted an increase to proceed with the current ordinance with the phase-in. Then if the 2005 interpretation is the desired interpretation, the Commission could provide a separate motion to instruct the City Attorney to proceed with getting the Attorney General's opinion. The ordinance could then be amended at a later date to remove the phase-in component.

Commissioner Maultsby moved to approve Ordinance 1367-16 increasing the City Commission Compensation to \$6,000 for the Mayor and \$5,000 for the City Commissioners on first reading, seconded by **Commission Duncan**. The motion was approved by roll call vote.

MAYOR LAKE	AYE
VICE MAYOR DALEY	NAE
COMMISSIONER DEARMIN	AYE
COMMISSIONER DUNCAN	AYE
COMMISSIONER MAULTSBY	AYE

Commissioner Duncan moved to direct the City Attorney to submit a request to the Attorney General for an interpretation of the Charter on Commission Compensation, seconded by **Commission Dearmin**. The motion was approved by unanimous roll call vote.

Judy Schelfo, 640 East Lakeview Rd., stated that she agrees that there should be an increase, but that it should be phased-in.

MAYOR LAKE	AYE
VICE MAYOR DALEY	AYE
COMMISSIONER DEARMIN	AYE
COMMISSIONER DUNCAN	AYE
COMMISSIONER MAULTSBY	AYE

4.) BUDGET PRESENTATION: REVENUE & PAYROLL

City Manager Leavengood stated the proposed revenue and payroll sections for the upcoming FY 16/17 budget have been prepared using the previously approved second year budget. Proposed changes to revenue have been highlighted and are based on experience from the current and previous fiscal years or from anticipated changes based on future projections.

Proposed changes to payroll have been highlighted and include a two percent (2%) cost of living adjustment (COLA) and other increases based upon the updated salary survey and previously approved payroll goals and objectives.

Following all highlighted and proposed changes the FY 16/17 & FY 17/18 budgets are balanced with a millage rate of 7.239 which is a quarter of a mil (.25) reduction from the current rate of 7.489. If approved, the proposed payroll and revenue sections will be included in the preparation of the final budget for consideration at public hearings in September along with any changes that the Commission may determine or that may otherwise be necessary.

City Manager Leavengood reviewed the budget summary and details (see attached). The budget is balanced with contingency funds. The CRA has enough in the budget to start discussing projects such as those in the Parks and Recreation Master Plan. The projected second year budget is less due to capital projects such as resurfacing.

The FY 16/17 and FY 17/18 budget revenues are based on previous experience. Numbers that are in white were previous approved for the 16/17 budget and then extended into the 17/18 budget. The CRA line items show the amount from the County and the City. A value in green denotes an increase in the revenue or decrease in expenditure while the orange denotes a decrease in revenue or increase in the expenditure. Most items are increases such as the ad valorem, growth / new construction related items, revenue from investments, and state revenue sharing. He reviewed the changes in sanitation which were due to restructuring of surcharges rather than changes in rates. The transfer fees cover projects such as the Parks and Recreation Master Plan, resurfacing projects, purchase of fire extrication equipment, and Ramona Avenue project. The CRA allocation is for the inmate crew.

On the enterprise side, most increases are due to growth. The City receives more profit proportionally from the water service than the sewer service. Some items were adjusted in anticipation of changes due to the rate changes from the rate study.

CITY OF LAKE ALFRED FY 2016/2017 BUDGET SUMMARY		
	2016/2017	2017/2018
General Fund		
Revenues	4,754,513	4,540,238
Expenditures	4,747,958	4,526,692
Contingency	6,555	13,546
Enterprise Fund		
Revenues	2,440,500	2,410,500
Expenditures	2,404,865	2,316,001
Contingency	35,635	94,499
Community Redevelopment Agency		
Revenues	57,207	57,207
Expenditures	57,207	57,207
Contingency	-	-
Stormwater		
Revenues	57,000	57,000
Expenditures	52,360	52,360
Contingency	4,640	4,640
	<u>FY 2016/2017</u>	<u>FY 2017/2018</u>
TOTAL BUDGET:	\$7,252,013	\$7,007,738

City Manager Leavengood reviewed the personnel and payroll goals. Items in blue are complete with items in green proposed for this fiscal year (see attached). The proposal includes a 2% COLA for staff, increase to starting salaries to 80% of the market, converting non-base pay salary components from a flat rate to a percentage, establishing the Service Worker II as the baseline position, utilization of a full-time inmate crew to assist with maintenance and workload, and additional Service Worker in Public Works. He reviewed the salary survey in which items in

green are 80% or above the market, yellow is borderline, and orange is first priority. The budget is balanced with the proposed grade and step increases. He reviewed the salary schedule and proposed payroll based on the goals. Items in green represent an increase.

Several **Commissioners** asked about the City Commission section in payroll stating the holiday pay should not be included although it was included in the previous ordinance.

City Manager Leavengood stated the holiday would be removed from the payroll and ordinance. Staff recommends approval of the proposed Revenue & Payroll Sections to be included in the FY 16/17 Budget for consideration.

Commissioner Maultsby asked about the County funds for demolition and if the City can increase funding.

City Manager Leavengood stated that the City can increase this funding and the abatement process can also assist in removing structures. He will work with Community Development Director Valerie Vaught to review the list of structures and funds needed.

Commissioner Dearmin moved to approve the proposed Revenue & Payroll Sections to be included in the FY 16/17 Budget for consideration with the proposed changes to the payroll section, seconded by **Commission Duncan**. The motion was approved by unanimous voice call vote. There were no citizen comments.

MAYOR LAKE	AYE
VICE MAYOR DALEY	AYE
COMMISSIONER DEARMIN	AYE
COMMISSIONER DUNCAN	AYE
COMMISSIONER MAULTSBY	AYE

5.) **RESOLUTION 07-16: CITY MANAGER EMPLOYMENT AGREEMENT**

Assistant City Attorney Seth Claytor read the Resolution title.

City Manager Leavengood stated the City Manager is one of three contracted employees that reports directly to the City Commission and whose services are provided for through an agreement (Auditor, City Attorney). The City Manager's employment agreement allows for changes to the agreement to be made following the performance evaluation and in advance of the adoption of the annual operating budget. The most recent evaluation was completed in May of 2016 with an overall ranking of 4.91 out of 5 with the final budget for FY 16/17 set to be approved on September 26th, 2016. At the request of the City Commission following the latest evaluation I have proposed several provisions within the agreement for consideration.

The proposed updated employment agreement includes a cleanup of the language and several primary provisions with a few secondary options including:

- 6% Salary increase
- 2% incentive pay for obtaining and maintaining certification as an ICMA credentialed manager.
- FICA allowance
- Deferred compensation match to 457(b) retirement account.

The proposed provisions have been included in the preparation of the FY 16/17 Budget.

Commissioner Maultsby asked about the percent increase and phase-in.

City Manager Leavengood stated the base starting salary is \$87,567 with 6% it would increase to \$92,821. The salary would be at 80% of the market. This does not include the step increases. His actual salary would be just over \$100,000.

Vice Mayor Daley moved to approve Resolution 07-16 City Manager Employment Agreement, seconded by **Commission Dearmin**. The motion was approved by unanimous voice call vote. There were no citizen comments.

MAYOR LAKE	AYE
VICE MAYOR DALEY	AYE
COMMISSIONER DEARMIN	AYE
COMMISSIONER DUNCAN	AYE
COMMISSIONER MAULTSBY	AYE

City Manager Leavengood thanked the City Commission for their support of his employment agreement and the investment in the city staff as the City's biggest asset.

RECOGNITION OF CITIZENS

No citizen Comments.

COMMISSIONER QUESTIONS AND COMMENTS

Vice Mayor Daley stated she was glad the City was in the position to pay the City Manager more money. She received a letter from the Ridge League of Cities regarding the campaign of Leo Longworth as second Vice President. She would forward information to the City Manager to distribute.

She congratulated the City Manager and Parks and Recreation Director for the Mackay House plaque dedications ceremony and renovation completion. She congratulated the Finance Team for the award. She asked about The Lakes subdivision sign and coordinating with HOA to remove or replace.

City Manager Leavengood stated staff will discuss with the developer.

Commissioner Duncan stated that school is starting and to watch for kids. He asked about moving forward with CRA spending and stated he was happy about lowering the millage. He responded to the Mayor regarding the art sculpture for the City and that he is coordinating with the City Manager.

City Manager Leavengood stated the funding was higher than expected and staff can start looking at CRA projects. He also budgeted \$50,000 for projects related to the Parks and Recreation Master Plan based on a citizen comment. This can be paired with the CRA funding to accomplish more projects.

Commissioner Dearmin thanked the City Manager and staff for their work. He is proud that the City will have Discovery High School.

Commissioner Maultsby thanked City Manager and staff for a job well done.

Mayor Lake stated he videoed the development of Discovery Academy High School which is almost complete. He asked if the Police Department could have some officer at the school crossings. He attended the Auburndale Chamber event to meet state and local candidates, who will also be attending the Lake Alfred Chamber breakfast next week. He mentioned the learning opportunity from the Water Ventures exhibit and the upcoming Polk Regional Water Cooperative meeting. He thanked the City Manager for the new signs.

With there being no further business to discuss, Mayor Lake adjourned the meeting at 9:25 pm.

Respectfully Submitted,

Ameé Bailey
City Clerk

**LAKE ALFRED CITY COMMISSION MEETING
AUGUST 22, 2016**

AGENDA

1.) ORDINANCE 1368-16: UTILITY RATE STRUCTURE

ISSUE: The City Commission will consider an ordinance updating the City's water and sewer rate structure.

ATTACHMENTS:

- Ordinance 1368-16: Utility Rate Structure
- Schedule of Rate Changes
- 2016 Water and Sewer Rate Study (Raftelis)

ANALYSIS: The City's existing rate structure for water and sewer service provides a stable revenue source for the utility with very little variation in the amount billed per customer based on usage. The City's sewer rates and structure has not been changed since 1990; the water rates and structure has not been changed since 1999. The current system does not encourage conservation and the customers that use the least amount of water are essentially subsidizing the utility bill for higher water users by paying a flat rate.

In January of 2016 the City entered into a continuing service agreement with Raftelis financial consultants for the performance of a utility rate study. The goal was to restructure the system to be more equitable by lowering the base rate and charging based upon usage while still providing a stable revenue source for the City.

In June of 2016 the City Commission was presented with the results of the utility rate study that provided for a reduction in the base sewer charge from \$40.54 to \$29.50 and a reduction in the base water charge from \$12.95 to \$8.95. The proposed ordinance adopts the rate structure as well as cleans up other language within the code pertaining to utilities. The proposed rate structure will not result in an increase in revenue to the City (revenue neutral). Under the proposed rate structure just over half of the residences are expected to see a decrease in their utility bill with a breakeven point between 4,000-5,000 gallons of usage per month.

Usage	Existing Rates	Proposed Rates	Difference	Cumulative % Single Family Bills
0	\$53.49	\$38.45	(\$15.04)	11.1%
1,000	\$53.49	\$41.82	(\$11.67)	17.1%
2,000	\$53.49	\$45.19	(\$8.30)	25.8%
3,000	\$53.49	\$48.56	(\$4.93)	37.3%
4,000	\$53.49	\$51.93	(\$1.56)	48.4%
5,000	\$53.49	\$55.30	\$1.81	58.0%
6,000	\$53.49	\$58.88	\$5.39	65.4%
10,000	\$57.49	\$73.20	\$15.71	82.7%
15,000	\$62.49	\$80.50	\$18.01	90.1%

STAFF RECOMMENDATION: Approve Ordinance 1368-16 on first reading.

ORDINANCE 1368-16

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF LAKE ALFRED, FLORIDA AMENDING SECTION 58 OF CHAPTER 2, ARTICLE II WATER SERVICES AND ARTICLE III SEWER SERVICES, OF THE CODE OF ORDINANCES OF THE CITY OF LAKE ALFRED, FLORIDA BY PROVIDING REVISED RATES, FEES AND CHARGES AND USAGE BLOCKS FOR WATER AND SEWER UTILITY SERVICES FOR WATER AND SEWER CUSTOMERS; PROVIDING FOR CODIFICATION, CONFLICTS, SEVERABILITY, THE ADMINISTRATIVE CORRECTION OF SCRIVENER'S ERRORS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Lake Alfred City Commission has determined it is in the best interest of the citizens to review and amend the water and sewer utility rates, fees, charges and related usage blocks; and

WHEREAS, the City of Lake Alfred last changed the sewer rates via the passage of Ordinance 714-90 on December 10, 1990; and

WHEREAS, the City of Lake Alfred last changed the water rates for customers within the city-limits of the City via the passage of Ordinance 856-98 on January 5, 1998 and outside the city-limits via the passage of Ordinance 861-99 on March 15, 1999; and

WHEREAS, on January 4, 2016 the City Commission approved entering into a Continuing Service Agreement and Task Order #1 with Raftelis Financial Consultants, Inc. to perform a water and sewer utility rate study, and

WHEREAS, on June 20, 2016 Raftelis Financial Consultants, Inc. presented the results of the water and sewer utility rate study to the City Commission, and

WHEREAS, upon review of the study and existing Code of Ordinances, the City Commission desires to amend Section 58 of Chapter 2, Articles II and III of the Code of Ordinances of the City of Lake Alfred to establish new water and sewer utility rates, and designate the City Manager as the administrator of the City's water and sewer utility system, and to revise classifications and definitions, and the connection schedule for the City's water and sewer system; and

NOW THEREFORE, BE IT ORDAINED by the City Commission of the City of Lake Alfred, Florida that this Ordinance is hereby passed for the protection and welfare of the citizens of Lake Alfred, and that:

SECTION 1. CODE OF ORDINANCES. Section 58 of Chapter 2, Article II and Article III of the Code of Ordinances for the City of Lake Alfred is hereby amended as identified in Exhibit "A" attached hereto and made a part hereof (deletions are shown in ~~strike through~~ and additions are shown in underline format).

SECTION 2. CONFLICTS. All ordinances in conflict herewith are hereby repealed to the extent necessary to give this Ordinance full force and effect, provided however, that nothing

herein shall be interpreted so as to repeal any existing ordinance or resolution relating to means of securing compliance with the City's Code of Ordinances, unless such repeal is explicitly set forth herein.

SECTION 3. SEVERABILITY. If any section, subsection, sentence, clause or phrase of this Ordinance is, for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The City of Lake Alfred, Florida, hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional.

SECTION 4. CODIFICATION. It is the intention of the City Commission that the provisions of this Ordinance shall become and be made a part of the Code of Ordinances of the City of Lake Alfred; and that sections of this Ordinance may be renumbered or re-lettered and the word "ordinance" may be changed to, "section", or such other appropriate word or phrase in order to accomplish such intentions; and regardless of whether such inclusion in the Code of Ordinances of the City of Lake Alfred is accomplished, sections of this Ordinance may be renumbered or re-lettered and the correction of typographical and/or scrivener's errors which do not affect the intent may be authorized by the City Manager or his or her designee, without need of public hearing, by filing a corrected or re-codified copy of same with the City Clerk.

SECTION 5. EFFECTIVE DATE. This ordinance shall take effect immediately upon adoption after a second and final reading provided however that the rates, fees, and charges established herein shall not take effect until October 1, 2016 and apply to bills in the first full billing cycle after October 1, 2016 it being the intent not to impose pro-rated rates, fees, and charges established herein and effective on October 1, 2016.

INTRODUCED AND PASSED on first reading at a regular meeting of the Lake Alfred City Commission held this 22nd day of August, 2016.

PASSED AND FINALLY ADOPTED on second reading at the meeting of the Lake Alfred City Commission duly assembled on the 13th day September, 2016.

**CITY OF LAKE ALFRED
CITY COMMISSION**

By: _____
Charles O. Lake, Mayor

ATTEST:

By: _____
Ameé Bailey-Speck, City Clerk

APPROVED AS TO FORM:

By: _____
Frederick J. Murphy Jr., City Attorney

Ordinance 1368-16
Exhibit "A"

Language stricken is shown in ~~strike through~~ format; language added is shown in underlined format.

PART II - CODE OF ORDINANCES
ARTICLE II. – WATER SERVICE
DIVISION 1. - GENERALLY

Sec. 58-31. - Water used for irrigation.

- (a) From and after September 20, 1991, it shall be unlawful to use city water for irrigation purposes in distribution lines installed after September 20, 1991, unless such water has been first separately metered and measured through a water meter approved by the city, and a backflow preventer valve approved by the city.
- (b) Irrigation is defined as an underground watering system used exclusively to irrigate lawns, flora and fauna.

Sec. 58-32. - Production of sale of water limited; analysis.

- (a) No person shall produce for sale or sell or distribute water for domestic purposes for any of the inhabitants of the city where city water for such purposes is available. It is not intended by this section to prohibit the production and sale of water within the city for irrigation purposes.
- (b) In cases within the city where persons may already be engaged in the business of producing and selling or distributing water to the inhabitants of the city for domestic purposes, such distributor shall cause such water to be analyzed by the state department of health at least once every month; and the results of such analyses shall be filed with the city clerk. If any analysis shall show water to be unfit for human consumption, or to be below the requirements of the state department of health, the producer of such water shall, upon notification of such unfitness, immediately cease the distribution to inhabitants of the city.

Sec. 58-33. - Commission's power to regulate; city manager as administrator of utility.

Every consumer of water of the city shall be governed by and subject to the rules and regulations with reference to the use and consumption of water supplied by the city. The city commission reserves the right to require all water used to be metered and to make such rules and regulations relative to the installation of meters and charges as it may deem necessary and proper.

The city manager shall be the administrator of the city's water utility system and has the authority to make any adjustments pertaining to water and sewer bills deemed to be in the best interest of the city.

Secs. 58-34—58-55. - Reserved.

DIVISION 2. - RATES AND CHARGES

Sec. 58-56. - Classification and definitions of water users.

The users of water of the city shall be divided into the following ~~five classes~~: Residential; Non-Residential; and Multi-Family

“Residential” means premises with a primary potential for use as living quarters by an individual or single family. Each residential unit constitutes a single unit of living quarters within the lot or other identifiable unit of space.

“Non-Residential” means premises with a primary potential for use as a commercial, industrial, governmental, or any other non-residential activity or use. The premises may contain multiple units of non-residential use or activity so long as the meter size is ready to serve the potential needs of said units as determined by the city manager or his designee.

“Multi-Family” means two or more residential units situated on one or more lots or other identifiable units of space that are connected to a single master meter which is responsible for the base charge and usage for each residential unit connected to the meter. This shall include but not be limited to duplexes, triplexes, apartments, etc. All parameters within a rate block shall be multiplied by the number of units connected to the master meter (e.g. 5 residential units connected to a master meter would have a Block 1 range of up to 25,000 gallons (5 x 5,000 gallons).

~~commercial; domestic; multiple-unit user; users of spray water; and users of water for irrigation:~~

~~Commercial users shall include packinghouses, canning plants and other manufacturing establishments or other similar businesses.~~

~~Domestic users shall include all household, mercantile and proprietors of small businesses. Each occupant occupying a separate apartment, business or dwelling unit shall be deemed a separate domestic water user and subject to the rates established for domestic users. Each user of water, regardless whether if such users' water is metered on a separate meter or not, shall be subject to a minimum charge.~~

~~Multiple unit user is a user occupying a building consisting of two or more apartments, businesses or dwellings, or a combination, which portion is served by a single meter.~~

~~Users of spray water are those who use water exclusively in mixing sprays for citrus groves.~~

~~Users of water for irrigation are those who use water in large quantities for the irrigation of groves or farms or for any other agricultural purposes.~~

Sec. 58-57. - Rates; inside and outside city; automatic escalator.

(1)The following rates are established for water supplied and metered by the city to the users designated in section 58-56:

Description	Water Rates	
	Gallons Included	Monthly Rate
Base Service Charge		
Residential (per unit)	0	\$8.95
Non-Residential		
5/8-inch	0	\$8.95
1-inch	0	\$22.38
1.5-inch	0	\$44.75
2-inch & Above	0	\$71.60
Usage Charges		
Residential		
Block 1	0 - 5,000	\$1.04
Block 2	5,001 - 10,000	\$1.25
Block 3	Above 10,000	\$1.46
Non-Residential	All Usage	\$1.30

(2) Water users with separately metered irrigation systems shall pay a separate base service and usage charges for irrigation.

(3) Water users outside the city limits shall be charged an additional twenty-five percent (25%) surcharge for all rate components in subsection (1) above.

(4) All rate components set forth within subsection (1) above shall automatically increase on October 1st of every odd calendar year by three percent (3%) from each preceding biennial cycle's rates (e.g. 2017, 2019, etc.) A schedule of all rates effective October 1, 2016 and each October 1, 2017, 2018, 2019, and 2020 is attached hereto as Schedule 1-R and is incorporated in this Ordinance by reference. A current Schedule of all rates, fees and charges shall be on file in the City Clerk's office.

~~(1) Water users inside the city limits:~~

~~a. For one through 6,000 gallons of water metered to each user (whether domestic, commercial, multiple-unit, spray water or water for irrigation), the user shall pay \$12.95 per month, per connected unit.~~

~~b. For each additional 100 gallons of water used by each user over and above the first 6,000 gallons, each of such users shall pay \$0.10 per 100 gallons per connected unit up to 15,000 additional gallons; \$0.12 per 100 gallons per connected unit up to 30,000 additional gallons; \$0.14 per 100 gallons up to 60,000 gallons per connected unit; \$0.16 per 100 gallons above 100,000 gallons.~~

~~(2) Water users outside the city limits:~~

~~a. For one through 6,000 gallons of water metered to each user (whether domestic, commercial, multiple-unit, spray water or water for irrigation), said user shall pay \$17.50 per month, per connected unit.~~

~~b. For each additional 100 gallons of water used by each of said users over and above the first 6,000 gallons, each of such users shall pay \$0.15 per hundred gallons, per connected unit up to 15,000 additional gallons; \$0.17 per hundred gallons, per connected unit up to 30,000 additional gallons; \$0.19 per hundred gallons up to 60,000 gallons per connected unit; \$0.21 per hundred gallons above 100,000 gallons.~~

Sec. 58-58-58-59. – Reserved.

Sec. 58-59. – Fire suppression system; payment.

~~(a) The city shall make a separate charge of \$25.00 per year for each building using a fire suppression system which is attached to the city water system. This fee shall be charged in addition to any water used for domestic, commercial or industrial purposes. These yearly charges shall be payable in advance on or before October 1 each year.~~

~~(b) The city fire inspector shall make an annual inspection of the fire suppression systems prior to October 1 of each year and shall submit a list of connected fire suppression systems to the office of the city clerk.~~

Sec. 58-60. - Meter installation; deposits, service charges; contractors, builders, renters; reactivation.

(a) Meters shall be installed at each unit for the use of contractors and builders when the building operation is begun, and the base service and usage charges shall be paid monthly for each unit. ~~all water used shall be charged at the applicable rate at the end of a 90-day~~

~~period. If water service remains after the 90-day period, the building shall be transferred to regular monthly billing periods.~~

- (b) ~~Where meters are installed for residential purposes within the city~~ A unit connected to the city's water system shall ~~deposit a the~~ sum equal to ~~twothree~~ times the ~~anticipatedbase~~ monthly fees ~~for each unit shall be deposited~~ with the city as a guarantee that water bills incurred ~~byfor such usesaid unit~~ will be paid; ~~Contractors or builders engaged in a building operation pursuant to subsection (a) above shall deposit \$150 for each unit with the city as a guarantee that water bills incurred for such use will be paid. Any remaining surplus of funds after all utility bills are paid by the respective unit shall be returned to the person making the deposit when such person deactivates their account. but if there be a surplus remaining in the deposit after all bills are paid by such users, such surplus shall be returned to the person making the deposit at such time as such person gives up possession and/or ownership of the residential property.~~
- (c) A service charge of \$35.00 shall be collected for each ~~customerwater user~~ to activate or deactivate services from the city's water system. ~~A transfer of service within the city's water system shall incur a single service charge. A service charge of \$10.00 shall be collected for each transfer within the city's water system.~~
- (d) ~~A unit that activates services with the city's water system that was previously deactivated within the twelve (12) month period immediately preceding the activation shall constitute a "reactivation" of service and shall pay an amount equal to the cumulative monthly water Base Service Charges for the period of time the service was deactivated as provided for within Section 58-57(1). Notwithstanding the foregoing, units that have changed ownership or executed a lease or rental agreement within the preceding twelve (12) month period and have provided the City with proof satisfactory to the City Manager or his designee of such change of ownership and/or lease or rental agreement shall be exempt from this provision.~~

Sec. 58-61. ~~---~~ TappingMeter installation fees.

The following charges shall be made for all water meter installation connections, which meters shall be furnished by the city; and such meters shall remain the property of the city:

Size of Meter (in inches)	<u>TappingMeter Installation Fee</u>
¾	\$ 500.00
1	575.00
1½	820.00
2	875.00
3	*
4	*
6	*

* To be determined by the ~~utilities director~~ city manager or his designee.

Sec. 58-62. - Temporary water connection charge.

Temporary service fee: The city shall allow temporary water/wastewater service connections for the purpose of cleaning and maintenance.

~~Residential~~ Service: • 15 days • \$50.00 • • Commercial/Non-Residential Service: • 30

Residential Service:	15 days	\$50.00
Commercial <u>Non-Residential</u> Service:	30 days	\$100.00

Secs. 58-63 - 58-85. - Reserved.

ARTICLE III. - SEWER SERVICE

Sec. 58-121. - Commission's power to regulate; city manager as administrator of utility.

Every consumer or user of sanitary sewer services of the city shall be governed by and subject to the following rules and regulations with reference to the use of sanitary sewer services supplied by the city, and the city commission reserves the right to require all properties for which there is sanitary sewer service available to be connected to the sanitary sewers immediately upon such service's becoming available to such property and to make such rules and regulations relative to use of such sanitary sewer service in connection with and charges for such service as it may deem necessary and proper.

The city manager shall be the administrator of the city's sewer utility system and has the authority to make any adjustments pertaining to water and sewer bills deemed to be in the best interest of the city.

Sec. 58-122. - Classification and definitions of sanitary sewer users.

The users of the sanitary sewer system of the city shall be divided into the following ~~classes~~: Residential, Multi-Family, and Non-Residential

"Residential" means premises with a primary potential for use as living quarters by an individual or single family. Each residential unit constitutes a single unit of living quarters within the lot or other identifiable unit of space.

"Non-Residential" means premises with a primary potential for use as a commercial, industrial, governmental, or any other non-residential activity or use. The premises may contain multiple units of non-residential use or activity so long as the meter size is ready to serve the potential needs of said units as determined by the city manager or his designee.

"Multi-Family" means two or more residential units situated on one or more lots or other identifiable units of space that are connected to a single master meter which is responsible for the base charge and usage for each residential unit connected to the meter. This shall include but not be limited to duplexes, triplexes, apartments, etc. All parameters within a rate block shall be multiplied by the number of units connected to the master meter (e.g. 5 residential units connected to a master meter would have a sewer charge cap of 50,000 gallons (5 x 10k gallons).

~~Single-family residential, multifamily residential, commercial-residential, laundry user, public institutional user, and commercial-industrial user:~~

~~(1) Single-family residential user means premises used and occupied as living quarters by a single family where such premises are situated on one lot and has a separate connection to the city sanitary sewer system. The premises must constitute the only living quarters on the lot.~~

~~(2) Multifamily residential user means two or more single-family residential units situated on one or more lots, and shall include all duplexes, triplexes, apartments and apartment houses.~~

~~(3) Commercial-residential user means all motels, hotels, boardinghouses, tourist courts and mobile home and travel trailer parks.~~

~~(4) Public institutional user means all governmental buildings, such as schools, publicly owned hospitals and post offices, and shall also include rest homes and railroad, truck and bus terminals.~~

~~(5) Laundry user means any commercial laundromat or other location having one or more coin-operated laundry machine.~~

~~(6) Commercial industrial user means all types of manufacturing, processing and packing plants, and all other business and commercial users other than those described in subsections (3), (4) and (5) of this section.~~

Sec. 58-123. -- Rates inside and outside city limits; automatic escalator.

(1) The following rates are established for sewer service furnished by the city to all of the users of such service as defined in section 58-122:

Description	Sewer Rates	
	Gallons Included	Monthly Rate
Base Service Charge		
Residential (per unit)	0	\$29.50
Non-Residential		
5/8-inch	0	\$38.35
1-inch	0	\$73.75
1.5-inch	0	\$147.50
2-inch & Above	0	\$236.00
Usage Charges		
Residential	Up to 10,000	\$2.33
Non-Residential	All Usage	\$2.33

~~(1) A single-family residential user connected to the city sanitary sewer system shall pay the sum of \$40.54 per month for such service.~~

~~(2) A multifamily residential user connected to its own individual water meter shall pay the sum of \$40.54 per month for such service. Each multifamily residential user which is connected to a master water meter with one or more multifamily residential users of the city sanitary sewer service shall pay the sum of \$40.54 per month for such service, per unit; in addition to such charge, the multifamily residential user connected to such master water meter shall each month pay a sum equal to 100 percent of the water bill for such meter.~~

~~(3) Each commercial residential user, public institutional user, laundry user and commercial industrial user shall pay the sum of \$40.54 per month per connected sewer unit, plus 100 percent of the water bill for the connected unit, per month.~~

(2) Sewer usage charges are calculated by using the metered water use for each user. Separately metered irrigation systems shall not incur sewer base service or usage charges.

-(3) Sewer users outside the city limits shall be charged an additional twenty-five percent (25%) surcharge for all rate components within subsection (1) above.

(4) All rate components set forth within subsection (1) above shall automatically increase on October 1st of every odd calendar year by three percent (3%) from each preceding biennial cycle's rates (e.g. 2017, 2019, etc.) A Schedule of all rates effective October 1, 2016, and each October 1, 2017, 2018, 2019, and 2020 is attached hereto as

Schedule 1-R and is incorporated in this Ordinance by reference. A current Schedule of all rates, fees and charges shall be on file in the City Clerk's office.

Sec. 58-124. ~~Reserved.~~ - Rates outside city limits.

~~There shall be added to the base rates in section 58-123 for users of the sanitary sewer system outside the city limits a surcharge of ten percent in all cases after the adoption of this section to be in effect until April 30, 2004. Starting May 1, 2004, there shall be added to the rates in section 58-123 for users of the sanitary sewer system outside the city limits an additional surcharge of 15 percent in all cases thus making the surcharge a total of 25 percent to be in effect thereafter until otherwise changed and/or amended by the city commission.~~

~~(Code 1959, § 18-23; Ord. No. 374, § 6, 6-20-1966; Ord. No. 434, §§ 1, 2, 1-11-1971; Ord. No. 1036-03, § 1, 4-21-2003)~~

Sec. 58-125. - Connection, payment; definition of availability of service.

- (a) It is declared to be necessary for the benefit of the general health and welfare of the city that all property shall be connected to the municipal sanitary sewer system as soon as such service is available to property. Where there is a sanitary sewer service available to real property that falls within any of the classifications in sections 58-122 and 58-123, the owner of any such real property on which is located a building occupied full- or part-time by human beings shall, within ~~30 days~~ six (6) months after being notified by the ~~city clerk~~ city that sewer service is available, connect such building to the sewer in a manner approved by the building inspector; ~~and~~ In the event that such owner or occupants of the property have not connected to the City's sewer system within six (6) months following notification, said owner or occupants shall thereafter pay to the city the applicable monthly sewer base service charge as a service availability fee for ~~the particular classification of~~ the property in question if they are water users of the City or otherwise currently receive a utility bill for city services. By Resolution of the City Commission a program may be established to finance and/or subsidize the cost of units connecting to available sewer service up to the full amount so long as such program is in compliance with any applicable law and City bond covenants.
- (b) Sanitary sewer service is defined as being available when a sewer collector main is placed in any public right-of-way abutting the front, rear or side property line of any property within the city. Any real property located within the city which is subdivided after August 24, 1989, must be connected to either the city's sanitary sewer system or to another sanitary sewer system constructed to the city's specifications.

Sec. 58-126. - Lien for sewer accounts; cutoff for delinquency; late fee; reconnecting charge; reactivation.

- (a) All bills for sanitary sewer services shall be due and payable on or before the 30th of the month, or the last day of the month, whichever is earlier, following the month in which the service is used and shall not be subject to discount.
- (b) Sanitary sewer service provided any premises unit, whether used by the owner of the premises unit or by a tenant of the premises unit, shall be charged against the premises unit and the owner and shall constitute a lien against such premises unit until paid.
- (c) All water/sewer bills not paid by the 30th of the month or the last day of the month, whichever is earlier, following the month in which the water was used, shall be declared past due and shall render the user liable to have his supply of water cut off without notice. In addition, a \$10.00 per month late fee will be added to all bills not paid by the 30th of each month or the last day of the month, whichever is earlier. In all cases where the account has been placed on the disconnection list or disconnected for failure to pay, a nonpayment fee

of \$35.00 shall be made for reconnection of the service to the unit/premises of such user during the hours of 8:00 a.m. to 4:30 p.m., Monday through Friday. A \$60.00 nonpayment fee will be charged if the turn on or reconnection is done at any other time.

(d) A unit that activates services with the city's sewer system that was previously deactivated within the twelve (12) month period immediately preceding the activation shall constitute a "reactivation" of service and shall pay an amount equal to the cumulative monthly sewer Base Service Charges for the period of time the service was deactivated as provided for within Section 58-123(1). Notwithstanding the foregoing, units that have changed ownership or executed a lease or rental agreement within the preceding twelve (12) month period and have provided the City with proof satisfactory to the City Manager or his designee of such change of ownership and/or lease or rental agreement shall be exempt from this provision.

Sec. 58-127. - Deposits, contractors and builders.

(a) A unit connected to the city's sewer system shall deposit a sum equal to three times the base monthly sewer fees for each unit as a guarantee that sewer bills incurred by said unit will be paid. Any remaining surplus of funds after all utility bills are paid by the respective unit shall be returned to the person making the deposit when such person deactivates their account.

~~Where a user of the sewer is also a user of the city's water system, the deposit required for water use shall be applicable to the use of the sewerage system.~~

(b) Where city water service is not used by the user of the sanitary sewer system, a deposit equal to ~~two~~three months' of base service charges shall be made with the city prior to connection to the sewer system; except, ~~there~~ where new structures are undertaken, if city water service is available to the property where sewer service is available, both the water and sewerage system shall be connected and the deposit for water service shall apply ratably to both water and sewer service. ~~be required as provided for in Section 58-60(b) in addition to the sewer deposit in subsection (a) above.~~

Sec. 58-128. - Charges for sewer service connections.

- (a) Commencement of monthly service charge. The monthly service charge for sewage disposal shall begin within 30 days after formal dedication of the sewage plant, or within 30 days after formal acceptance of any expansion of the original phase of the sewer program.
- (b) Tap-in fees. The tap-in fee for a new connection shall be set at \$150.00.

Sec. 58-129. - Combined billing.

- (a) Bills for sanitary sewer service shall be rendered the same time and together with bills for water service as provided in this chapter.
- (b) Where users of the city's sanitary sewer service are not users of the city's water service or other service, bills for sanitary sewer service shall be rendered separately but at the same time and in the same manner as the bill for the city's water services.

Sec. 58-130. - Reserved. ~~Assessment of costs of installation of water and sanitary sewer mains.~~

~~(a) — The owners of real property along or abutting where a water main or sanitary sewer system is installed shall be assessed for the total cost of either or both of such installations on the following basis: The total assessable front footage of the installation project will be measured and divided into the total cost of the project to determine a cost per front foot figure. This cost per front foot figure will be multiplied by the property front footage (according to the public records evidencing the subject property owner's title), and the result shall be the amount which shall be assessed against such~~

~~property. A corner lot shall be assessed a total sum equal to 100 percent of the assessment for the shorter of the sides of the corner lot, plus 20 percent of the assessment for the longer of such sides. (b) — All assessments as provided in subsection (a) of this section for such improvements that may be made shall constitute a lien prior to all other liens, except taxes, upon the real estate assessed. The amount of such assessment shall bear interest at the rate of ten percent per annum from the date of the assessment of the cost of such improvement. Liens for such improvements, work done and materials furnished, or any of these, may be acquired and enforced in the manner provided for the acquisition and enforcement of liens upon real property as provided by F.S. ch. 85.~~

Sec. 58-131. - Maintenance of building sewer lines.

Each property owner shall maintain and be responsible for his building sewer line to its junction with the public sewer line. ~~The city shall maintain that portion of the building sewer line lying in any public right-of-way or utility easement.~~ The city reserves to itself the right to inspect the sewer line with the property owner and together determine if a clog, damage or obstruction was caused by the city or by the property owner. After determining the cause, the responsible party shall bear the expense for repairs. All new building sewer lines shall be constructed with a four-inch or six-inch cleanout at the property line, consisting of a "Y" in the sewer line, one branch terminating with a standard ferrule at finished grade. At such time as it may be necessary to open an existing sewer lateral, a cleanout shall be installed at the property line by the city, consisting of a "Y" in the sewer line, one branch terminating with a standard ferrule at finished grade. All sewer laterals shall be constructed of either extra-strength cast iron or type PSM PVC sewer pipe and fittings as described in the latest edition of the Standard Plumbing Code. All replacements of sewer laterals shall be with extra-strength cast iron or type PSM PVC sewer pipe and fittings as described in the Standard Plumbing Code, except where the old type of pipe will not be compatible with such cast iron or PSM PVC pipe, or unless otherwise determined by the city manager or his appointed representative.

Secs. 58-132—58-165. - Reserved.

**Schedule 1-R to Ordinance 1368-16
Inside City Water and Sewer Rates**

	Effective Date:				
	October 1, 2016	October 1, 2017	October 1, 2018	October 1, 2019	October 1, 2020
Residential Water Rates					
Water Base Charge per Unit	\$8.95	\$9.21	\$9.21	\$9.48	\$9.48
Water Usage Charge/1,000 Gallons					
Block 1 (0 - 5,000 gallons)	\$1.04	\$1.07	\$1.07	\$1.10	\$1.10
Block 2 (5,001 - 10,000 gallons)	\$1.25	\$1.28	\$1.28	\$1.32	\$1.32
Block 3 (Above 10,000 gallons)	\$1.46	\$1.50	\$1.50	\$1.54	\$1.54
Residential Sewer Rates					
Sewer Base Charge per Unit	\$29.50	\$30.38	\$30.38	\$31.29	\$31.29
Sewer Usage Charge/1,000 Gallons					
Up to 10,000 gallons	\$2.33	\$2.39	\$2.39	\$2.46	\$2.46
Non-Residential Water Rates					
Water Base Charge					
5/8-inch Meter	\$8.95	\$9.21	\$9.21	\$9.48	\$9.48
1-inch Meter	\$22.38	\$23.04	\$23.04	\$23.73	\$23.73
1.5-inch Meter	\$44.75	\$46.09	\$46.09	\$47.47	\$47.47
2-inch Meter and Larger	\$71.60	\$73.74	\$73.74	\$75.95	\$75.95
Water Usage Charge/1,000 Gallons					
All Use	\$1.30	\$1.33	\$1.33	\$1.36	\$1.36
Non-Residential Sewer Rates					
Sewer Base Charge					
5/8-inch Meter	\$38.35	\$39.50	\$39.50	\$40.68	\$40.68
1-inch Meter	\$73.75	\$75.96	\$75.96	\$78.23	\$78.23
1.5-inch Meter	\$147.50	\$151.92	\$151.92	\$156.47	\$156.47
2-inch Meter and Larger	\$236.00	\$243.08	\$243.08	\$250.37	\$250.37
Sewer Usage Charge/1,000 Gallons					
All Use	\$2.33	\$2.39	\$2.39	\$2.46	\$2.46

**Schedule 1-R to Ordinance 1368-16
Outside City Water and Sewer Rates**

	Effective Date:				
	October 1, 2016	October 1, 2017	October 1, 2018	October 1, 2019	October 1, 2020
Residential Water Rates					
Water Base Charge per Unit	\$11.18	\$11.51	\$11.51	\$11.85	\$11.85
Water Usage Charge/1,000 Gallons					
Block 1 (0 - 5,000 gallons)	\$1.30	\$1.33	\$1.33	\$1.37	\$1.37
Block 2 (5,001 - 10,000 gallons)	\$1.56	\$1.60	\$1.60	\$1.65	\$1.65
Block 3 (Above 10,000 gallons)	\$1.82	\$1.87	\$1.87	\$1.92	\$1.92
Residential Sewer Rates					
Sewer Base Charge per Unit	\$36.87	\$37.97	\$37.97	\$39.11	\$39.11
Sewer Usage Charge/1,000 Gallons					
Up to 10,000 gallons	\$2.91	\$2.98	\$2.98	\$3.07	\$3.07
Non-Residential Water Rates					
Water Base Charge					
5/8-inch Meter	\$11.18	\$11.51	\$11.51	\$11.85	\$11.85
1-inch Meter	\$27.96	\$28.80	\$28.80	\$29.66	\$29.66
1.5-inch Meter	\$55.93	\$57.61	\$57.61	\$59.33	\$59.33
2-inch Meter and Larger	\$89.50	\$92.17	\$92.17	\$94.93	\$94.93
Water Usage Charge/1,000 Gallons					
All Use	\$1.62	\$1.66	\$1.66	\$1.70	\$1.70
Non-Residential Sewer Rates					
Sewer Base Charge					
5/8-inch Meter	\$47.93	\$49.37	\$49.37	\$50.85	\$50.85
1-inch Meter	\$92.18	\$94.95	\$94.95	\$97.78	\$97.78
1.5-inch Meter	\$184.37	\$189.90	\$189.90	\$195.58	\$195.58
2-inch Meter and Larger	\$295.00	\$303.85	\$303.85	\$312.96	\$312.96
Sewer Usage Charge/1,000 Gallons					
All Use	\$2.91	\$2.98	\$2.98	\$3.07	\$3.07



CITY OF LAKE ALFRED

2016 Water, Sewer and Stormwater Rate Study

July 11, 2016





950 S. Winter Park Drive
Suite 240
Casselberry, FL 32707

Phone 407.960.1806
Fax 407.960.1803

www.raftelis.com

July 11, 2016

Ryan Leavengood
City Manager
City of Lake Alfred
120 E. Pomelo Street
Lake Alfred, FL 33850

Subject: 2016 Water, Sewer and Stormwater Rate Study

Dear Mr. Leavengood,

Raftelis Financial Consultants, Inc. (RFC) is pleased to provide this 2016 Water, Sewer and Stormwater Rate study for the City of Lake Alfred (City). This report reviews the City's recent financial trends, establishes appropriate financial targets and provides recommendations to restructure the existing water and sewer user rate structure.

The major objectives of the study include the following:

1. Develop financial forecast for the water and sewer enterprise fund to ensure financial sufficiency, meet operation and maintenance (O&M) costs, and maintain adequate debt service coverage;
2. Target sound and sufficient reserve fund levels; and
3. Document proposed water and sewer rate structure, which focuses on equitable cost recovery between customer classes and provides bill impacts for typical customers.

This report summarizes the key findings and recommendations related to the development of the financial forecast and new rate structure for the water and sewer utilities.

It has been a pleasure working with you, and we thank you and the City staff and consultants for the support provided during the course of this study.

Sincerely,

RAFTELIS FINANCIAL CONSULTANTS, INC.

A handwritten signature in blue ink that reads 'Tony Hairston'.

Tony Hairston
Senior Manager

A handwritten signature in blue ink that reads 'Joe Williams'.

Joe Williams
Consultant

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EXECUTIVE SUMMARY

BACKGROUND OF THE STUDY

The City of Lake Alfred (City) provides water and sewer service to properties located within and outside of the City limits. The City accounts for the water and sewer funds and financial reporting as a combined enterprise fund (System). As an enterprise fund the costs of providing service are recovered primarily through user fees. Specifically, the City recovers its water and sewer utility costs through user rates and ancillary charges.

The City has engaged Raftelis Financial Consultants, Inc. (RFC) to conduct a rate study, including provisions for a revenue sufficiency projection and alternative rate design options. RFC has prepared this report to document our findings and conclusions. RFC created an Excel-based financial model with the primary purpose to provide the City with a management tool to anticipate future needs, enhance operation and capital planning, and diminish the probability of sudden rate adjustments or other adverse financial conditions. This model can be updated periodically to estimate impacts of certain events such as new customer growth, large capital projects, etc. and overall revenue sufficiency over a multi-year period.

This executive summary provides an overview of the study and includes findings and recommendations for water and sewer rate design options and financial policies.

UTILITY RATE DESIGN

The water and sewer rate design is based on the cost of providing water and sewer service along with taking into consideration the pricing objectives identified by staff during the project kick-off meeting. The primary pricing objectives were identified as “Affordability”, “Simple to Understand and Update”, and “Revenue Stability.” More specifics relating to the pricing objectives identified are discussed in Section 4, but the overall approach used in this analysis provides lower bills at lower consumption levels to achieve affordability.

In addition to the pricing objectives, certain policy and other considerations were reviewed while developing the proposed rate structure. The following provides a summary of each of these issues and considerations.

Revenue Neutral

The rates designed for implementation on October 1, 2016 have been calculated to provide the same amount of revenue as existing rates (i.e. “revenue neutral”). For example, the existing water rates are anticipated to produce approximately \$780,000 in revenue in FY 2017. The rate design rates will also produce approximately \$780,000 in rate revenue.

Minimum Gallons

One of the most important equity considerations is the amount of usage included in the minimum bill. The existing rates allow for a uniform level of gallons included in the minimum water bill regardless of meter size and customer consumption characteristics. The residential sewer rates include a flat monthly fee regardless of water usage and non-residential sewer rates include a minimum charge higher than the residential charge and also a usage charge for all consumption compared to the residential rate with no consumption charge. To promote equitable cost recovery from rates, the minimum gallons have been removed from the proposed base charges and all water consumption will be billed usage rates for water and sewer, with the exception of residential customers who will be capped at 10,000 gallons per month on the sewer usage rates. A more detailed discussion of the proposed rate design is included in Section 4.

Meter Size Base Charges

The existing rate ordinance establishes that a monthly water and sewer base charge is applied per “connected unit” for all customers (residential and non-residential). The City reports that identifying the number of connected units for certain customers is administratively challenging. Since there are only a relatively small amount of non-residential customers with multiple connected units to a single meter (i.e. “master metered” customers), the proposed rates rely on the water meter size instead of connected units. Under the proposed meter size approach, the base charges will increase with larger meter sizes in accordance with American Water Works Association (AWWA) meter equivalency ratios.

Provided on the following two tables are the existing and proposed rates. The proposed rates are designed to be implemented on the first billing cycle in October 2016:

Table ES- 1: Proposed Water Rates October 2016

Description	Existing Rates		Proposed Rates	
	Gallons Included	Rate	Gallons Included	Rate
Base Charge				
Residential (per unit)	0 - 6,000	\$12.95	0	\$8.95
Commercial				
5/8-inch	0 - 6,000	\$12.95	0	\$8.95
1-inch	0 - 6,000	\$12.95	0	\$22.38
1.5-inch	0 - 6,000	\$12.95	0	\$44.75
2-inch & Above	0 - 6,000	\$12.95	0	\$71.60
Usage Charges				
Residential				
Block 1	6,001-15,000	\$1.00	0 - 5,000	\$1.04
Block 2	15,001-30,000	\$1.20	5,001 - 10,000	\$1.25
Block 3	30,001-60,000	\$1.40	Above 10,000	\$1.46
Block 4	60,001-99,999	\$1.60	N/A	N/A
Commercial				
Block 1	6,001-15,000	\$1.00	All Usage	\$1.30
Block 2	15,001-30,000	\$1.20	N/A	N/A
Block 3	30,001-60,000	\$1.40	N/A	N/A
Block 4	60,001-99,999	\$1.60	N/A	N/A

Note: Outside City surcharge is 25% for all rate components under Proposed Rates.

Table ES- 2: Proposed Sewer Rates October 2016

Description	Existing Rates		Proposed Rates	
	Gallons Included	Rate	Gallons Included	Rate
Base Charge				
Residential (per unit)	All Usage	\$40.54	0	\$29.50
Commercial				
5/8-inch	0 - 6,000	\$53.49	0	\$38.35
1-inch	0 - 6,000	\$53.49	0	\$73.75
1.5-inch	0 - 6,000	\$53.49	0	\$147.50
2-inch & Above	0 - 6,000	\$53.49	0	\$236.00
Usage Charges				
Residential	N/A	N/A	Up to 10,000	\$2.33
Commercial				
Block 1	6,001-15,000	\$1.00	All Usage	\$2.33
Block 2	15,001-30,000	\$1.20	N/A	N/A
Block 3	30,001-60,000	\$1.40	N/A	N/A
Block 4	60,001-99,999	\$1.60	N/A	N/A

Note: Outside City surcharge is 25% for all rate components under Proposed Rates.

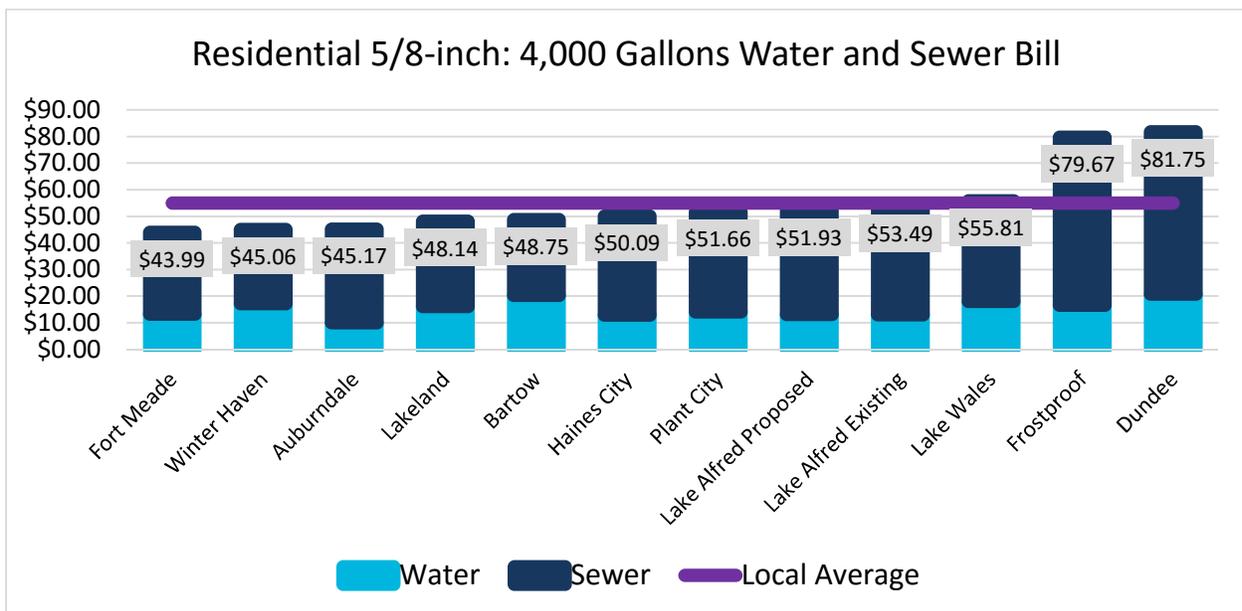
The following table illustrates residential water and sewer bill impacts at various usage levels:

Table ES- 3: Single Family Sample Bill Impacts (Water and Sewer)

Usage	Existing Rates	Proposed Rates	Difference	Cumulative % Single Family Bills
0	\$53.49	\$38.45	(\$15.04)	11.1%
1,000	\$53.49	\$41.82	(\$11.67)	17.1%
2,000	\$53.49	\$45.19	(\$8.30)	25.8%
3,000	\$53.49	\$48.56	(\$4.93)	37.3%
4,000	\$53.49	\$51.93	(\$1.56)	48.4%
5,000	\$53.49	\$55.30	\$1.81	58.0%
6,000	\$53.49	\$58.88	\$5.39	65.4%
10,000	\$57.49	\$73.20	\$15.71	82.7%
15,000	\$62.49	\$80.50	\$18.01	90.1%

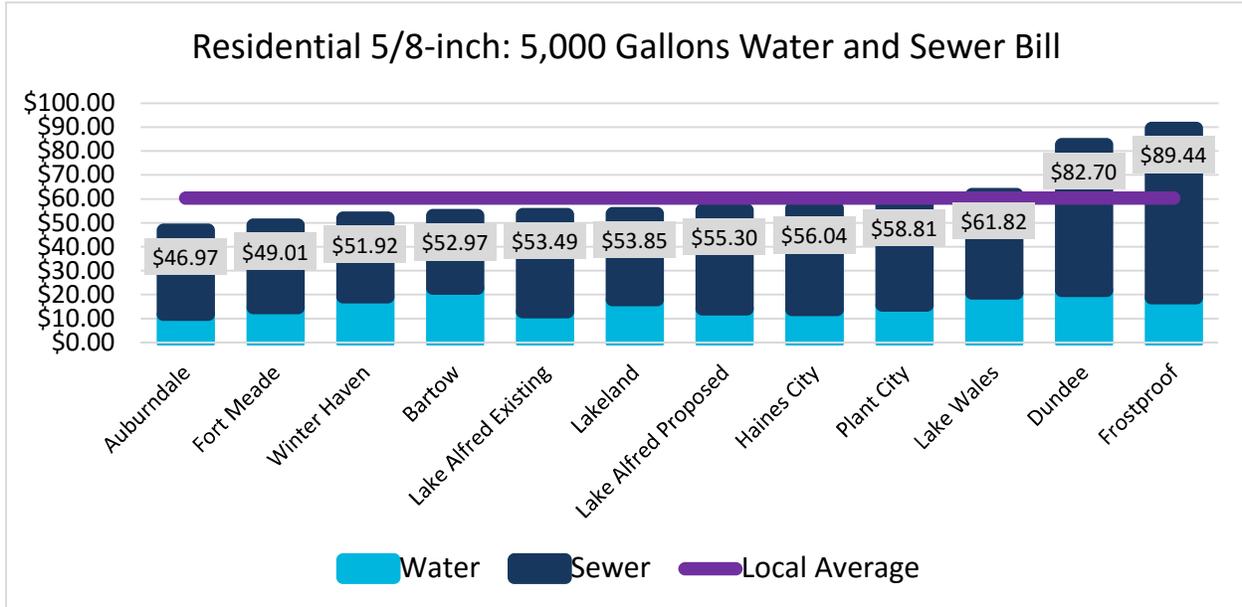
As shown below, the proposed residential bills at 4,000 gallons will be lower than existing bills and become more comparable to other nearby municipal water systems under the proposed rate structure:

Figure ES- 1: Local Comparison - Single Family 4,000 Gallons



At 5,000 gallons the proposed residential bills will be slightly higher than existing bills but remain below the average of other nearby communities:

Figure ES- 2: Local Comparison - Single Family 5,000 Gallons



Other residential and non-residential comparisons are included in Section 4 and Exhibit 8.

FINANCIAL INDICATORS

Financial indicators are useful tools and metrics used to evaluate operational performance, financial health, and trends. Several cash flow and liquidity ratios are used by bond rating agencies when evaluating a utility for a bond rating. It should be stressed that financial indicators do not tell the whole story when it comes to utility operations and performance but provide specific data points to be used in conjunction with many other factors to assess the overall financial health of the utility. When reviewing utility statistics, it is prudent to also consider the age of a utility’s assets, the major capital needs of the system, the stability of rate revenues, and other factors.

DEBT SERVICE COVERAGE

Debt service coverage is a key financial indicator and a minimum ratio is typically required as a covenant established with the issuance of utility debt. Most utilities have some form of borrowed money they are required to repay at an agreed upon interest rate. To ensure that a system can handle the repayment amount with interest and continue to operate normally, a loan issuer will establish a coverage ratio whereby net revenue divided by annual debt service requirements will yield a number higher than 1.00 (usually ranging from 1.15 to 1.25).

$$\frac{\text{Net Revenue}}{\text{Debt Service}} = \text{Coverage Ratio}$$

The utility has historically reported very strong “all-in” debt service coverage ratios for the utility system. The minimum annual debt service coverage requirement pursuant to the City’s Loan Agreement authorizing the Series 2012 Note is 1.20, while the minimum debt service coverage requirement set forth in the loan agreement for the outstanding SRF loan is 1.15. The forecast developed for this study anticipates that the City will exceed these minimum coverage ratios through the Forecast Period ending Fiscal Year 2021. During the course of the study a minimum target coverage was established which exceed the requirement minimum in order for the water and sewer system to maintain a strong operating position. The following summarizes the projected debt service coverage ratio throughout the Forecast Period:

Table ES- 4: Projected Debt Service Coverage

Fiscal Year:	2016	2017	2018	2019	2020	2021
Net Revenue [1]	\$973,000	\$1,030,500	\$1,066,600	\$1,038,600	\$1,074,600	\$1,043,200
Debt Service Requirements	\$554,089	\$554,089	\$554,089	\$554,089	\$554,089	\$554,089
Coverage Ratio Achieved	1.76	1.86	1.92	1.87	1.94	1.88
Coverage Ratio (Target Minimum) [2]	1.75	1.75	1.75	1.75	1.75	1.75

[1] Net Revenue obtained from Exhibit 6. Amounts reflect 3.0% water and sewer rate adjustments in FY 2018 and FY 2020.

[2] All-in coverage target set at 1.75 to maintain a strong financial position. Actual required coverage ranges between 1.20x for the senior debt service and 1.15x for the outstanding SRF loan.

A more detailed illustration of the projected debt service coverage can be found on Exhibit 6 at the end of this report and is also discussed in further detail in Section 5.

UTILITY CASH RESERVES

Establishing a reserve policy provides a basis for the City to manage variances in revenue and expenses, and cope with potential fiscal emergencies such as revenue shortfalls, asset failure, natural disaster etc. While the utility does not anticipate any large capital projects during the Forecast Period, it is always prudent to establish strong unrestricted cash reserves and capital project reserves in order to avoid or mitigate future debt issuances.

RFC recommends that the City maintain two primary reserves: 1) Operating Fund - to provide working capital to support the operation, maintenance, and administration of the System; and 2) Renewal and Replacement/Capital reserve - used to fund future obligations that are necessary for maintaining reliable infrastructure.

Below on Table ES-5 are recommended reserve policies for the City’s utility enterprise fund:

Table ES- 5: Recommended Reserve Policy

Reserve	Recommended Policy	2021 Minimum Target Level
Operating Funds	1-year O&M Expenses	\$1.4M
Renewal and Replacement	1-year typical R&R program	\$160K

As can be seen on the table below, the target minimum reserve balances are met throughout the Forecast Period and reflect an adequate level of utility reserves. Amounts above the minimum reserve balances are available to fund future capital improvements or mitigate the timing of any future needed rate adjustments.

Table ES- 6: Projected Reserve Balances

Fiscal Year:	2016	2017	2018	2019	2020	2021
Unrestricted Reserves [1]	\$2,576,411	\$2,659,621	\$2,777,232	\$2,861,343	\$2,979,753	\$3,060,964
Minimum Target	\$1,267,000	\$1,239,500	\$1,283,900	\$1,330,200	\$1,378,500	\$1,428,900
R&R Fund Balance [1]	\$0	\$13,700	\$33,400	\$57,900	\$138,400	\$164,000
Minimum Target	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000

[1] Obtained from Exhibit 7.

RECOMMENDATIONS

As set forth herein, we recommend the following:

1. Implement proposed rates effective on October 1, 2016 which will provide rate equity among the various water and sewer customers, more affordable bills for lower use customers, and will promote water conservation. The proposed rates are designed on a revenue neutral basis.
2. Implement a provision for the automatic adjustment of water and sewer rates by 3.0% beginning October 1, 2017 (beginning of Fiscal Year 2018) and every other year in order to maintain adequate financial margins in anticipation of continued inflationary pressures. This averages to less than a 1.5% annual change in utility rates. The City currently adjusts its solid waste collection rates by 3.0% every even year (e.g. October 1, 2016), therefore the water and sewer rate adjustments would not occur on the same years as the solid waste rate adjustments.
3. Monitor the utility financial indicators annually to ensure that the utility system remains in a strong financial position and perform a review of the existing rate structure and forecast of revenue sufficiency every three to five years.

SECTION 1. INTRODUCTION

BACKGROUND

The City of Lake Alfred (the “City”) operates a combined water and sewer utility Enterprise Fund (“System”) to serve customers with quality utility services within the City limits and extending to certain contiguous areas outside the City limits. Included in the Enterprise Fund is the stormwater utility, providing services primarily within City limits. The purpose of establishing the utility as an Enterprise Fund is to ensure that it generates the necessary revenues to cover all costs related to providing service. To generate the appropriate revenues, it is prudent to review the fixed and consumption based user rates of the water and sewer utility and also the fixed monthly fee for the stormwater utility.

Since the water, sewer and stormwater utility is a proprietary or enterprise fund, the cost of providing service is primarily funded with user fees. The goal of this study is to assist the City in identifying future rate adjustments, if any, to recover the projected cost of operating, maintaining, repairing and financing the utility assets.

SCOPE OF SERVICES

In an effort to ensure adequate funding for utility operations, regulatory requirements, and equitable revenue recovery among all users of the System, the City has engaged Raftelis Financial Consultants, Inc. (RFC) to perform a rate study. This report includes a five-year financial forecast of the System along with specific recommendations of rate structure adjustments to achieve the City’s rate objectives through FY 2021.

SUMMARY OF REPORT

Section 2. Revenue Requirements – This section summarizes the City’s financial forecast which serves as the basis for the revenue sufficiency analysis. Also included is a discussion of the assumptions utilized in forecasting the adopted operating budget, debt service, and capital needs into the future.

Section 3. Customer Statistics – This section summarizes historical and projected customers and sales. Projections are primarily based off of recent historical trends and expected future sales with a conservative outlook.

Section 4. Rate Design and Bill Comparisons – This section provides the analysis and results for the proposed rate structure adjustments. As discussed further in this section, the rate design provides for more equitable cost recovery between customer classes and keeps the City’s rates competitive with other surrounding utilities.

Section 5. Revenue Sufficiency Analysis – This section summarizes projected future utility rates along with provisions for indexing rates every other year in the future to keep pace with constantly increasing operating costs. This section also includes a detailed discussion relating to various financial indicators that credit rating agencies have focused on when evaluating the utility industry. The primary financial indicators analyzed include debt service coverage and minimum utility reserve fund balances.

Section 6. Stormwater Review and Discussion – This section will provide a discussion on the current rate structure for the stormwater system as well as a review of the pros and cons of changing billing methods and the level of cost recovery being achieved by existing rates. Also included is a discussion on potential adjustments in billing methodology to follow certain industry standards that allow for more equitable cost recovery.

SECTION 2. REVENUE REQUIREMENTS

GENERAL

Utility cash revenue requirements is the term that generally defines the various components of cost associated with operating and maintaining a municipally-owned utility system, as well as the cost of financing the renewal and replacement of facilities and capital improvements for upgrades and expansion. The sum of these cost components, less any miscellaneous utility revenues, represents the net revenue requirements that must be funded from the utility rates. The revenue requirements for this study are predicated on analysis of projected water and sewer costs for the five-year period ending FY 2021. The projected revenue requirements include the various generalized cost components below:

- Operating Expenses: These expenses include the cost of labor, insurance, electricity, chemicals, materials, supplies, administration and other items necessary for the operation and maintenance of the System.
- Debt Service: Debt service includes the principal and interest on the System's current outstanding debt obligations payable from the net operating revenues of the System. The System currently has the Series 2012 Notes outstanding with payments due through FY 2024 and an SRF Loan with payments due through FY 2027.
- Other Revenue Requirements: This component of cost includes, in general, any ongoing capital improvements (capital outlay) to be financed from revenues, transfers to System reserves for future rehabilitation, and funding of certain capital projects on a pay-as-you-go basis.

PRINCIPAL ASSUMPTIONS AND CONSIDERATIONS

The projected revenue requirements are summarized in this section and are provided in more detail in Exhibits 4 and 5 at the end of this report. The major assumptions, considerations and analyses that are included in the development of the projected revenue requirements are as follows:

1. The City's adopted budget for water and sewer services for FY 2016 (the "Budget") served as the basis for expenditure projections. Unless otherwise noted, the underlying assumptions and expenditure amounts included therein are assumed to be reasonable and reflect anticipated operations. Such budgetary amounts are incorporated into the revenue requirement component of the study, except for adjustments and assumptions as noted below.
2. The operating and maintenance expenditures of the System budgeted for FY 2016 are projected for the remaining five years of the Forecast Period (i.e., through FY 2021). Schedules providing budget line item detail of projected operating expenses are shown on Exhibit 3 at the end of this report. The primary assumptions associated with the projected operating expenses as developed for the Forecast Period are as follows:

- a. System salaries and wages were increased above FY 2016 budgeted amounts by 3.0% annually to reflect wage adjustments resulting from promotions and merit increases as well as cost of living adjustments due to inflationary pressures. Health care expenditures are projected to increase by 10.0% annually, much faster than salaries and taxes due to the recent trend in the industry.
 - b. Operating expenditures such as sludge hauling, utilities and chemicals have been increased at a slightly higher rate of 5.0% annually to account for the potentially rising costs of these external items.
 - c. The System currently makes two transfers to the City, the cost allocation transfer and the interfund transfer. The cost allocation transfer is based on a direct allocation of salaries from specific administrative staff including the City Manager, Finance Director, Attorney and PW Superintendent. The allocation reflects that these employees spend a portion of their time managing the System and ensuring the high quality of services are maintained. Since this cost allocation is tied to salaries and managing the System, it has been treated as an operating expense for the purposes of debt service coverage calculations. The other transfer the System makes is the interfund transfer, which is based on a small return on investment for the City. The City is not able to collect property taxes from facilities and land owned by the System, so instead this transfer is made annually. There is no formal policy for this transfer so it is therefore placed “below-the-line” for debt service coverage calculations.
 - d. Other operating costs such as operating supplies, travel and uniforms have been increased above the FY 2016 Budget by 2.3% annually to account for general inflation. General inflation is usually measured by the CPI-U, which is the Consumer Price Index – All Urban Consumers Report. The CPI-U has increased the past two years at the rate of 0.76% and 0.73% for 2014 and 2015, respectively. Balancing recent historical performance, a conservative approach and projected future performance from the Congressional Budget Office (CBO) Economic Projections report ranging from 2.3% up to 2.4% from 2017 through 2025, it is appropriate to use 2.3% throughout the Forecast Period.
 - e. Each year the budget also specifies amounts related to minor operating capital expenditures. Much of this amount has been included in the operating costs above but it should be mentioned that there is constant maintenance being performed on the System, which provides the ability to postpone and/or avoid major repairs and replacements.
3. The capital expenditures planned over the next five years for the System are based on the City’s capital improvement plan (CIP) provided by City staff. The CIP does not reflect any major capital projects that would require the use of additional revenue bonds or SRF loans, which indicates that the City’s continued maintenance is preventing any major replacements. As mentioned on Table 1 below, the CIP is fully funded from Renewal and Replacement (R&R) funds, which will be discussed further in Section 5:

Table 1: Five-Year Capital Improvement Expenditures

	2016	2017	2018	2019	2020	2021
Capital Project Costs						
Replace Service Vehicles	\$25,000	\$25,000	\$0	\$0	\$25,000	\$0
Paint Water Tower	0	60,000	0	0	0	0
High Service Pumps	40,000	0	0	0	0	0
Drying Bed	0	0	50,000	0	0	0
Ramona L/S Improvements	0	0	30,000	0	0	0
Echo Terrace Lift Station	0	0	0	80,000	0	0
Sewer Line Replacements	0	25,000	25,000	25,000	25,000	25,000
Other Future Projects	0	0	0	0	0	85,000
Total Projects	\$65,000	\$110,000	\$105,000	\$105,000	\$50,000	\$110,000

Note: Projects are fully funded by the R&R account

4. As of September 30, 2015, there are two outstanding debt obligations with pledges on the revenues generated by the System. The Series 2012 Note was issued in the amount of approximately \$2.36 million to refund the prior debt issue titled the 2008a Note. This bank note has a senior lien on the net revenues of the System and a required debt service coverage ratio of 120%. The Series 2012 Note was structured to provide for equal quarterly payments over the term of the note, resulting in total annual payments of \$238,443.41. The City also entered into an agreement with the Florida Department of Environmental Protection (FDEP) State Revolving Loan Fund (SRF) in 2005 to obtain funding for the wastewater treatment plant. The SRF loan, titled WW719090, was for just over \$5 million and has a repayment term of 20 years (equal semi-annual payments) for a total annual debt service requirement of \$315,645.90. The debt service of the SRF loan is a subordinated lien on net revenues and has a coverage requirement of 115%.
5. The System should strive to maintain adequate cash reserves in order to meet day-to-day funding needs as well as to be able to provide funds to meet any unexpected emergencies requiring immediate financial resources. Based on prudent utility business principles, which are discussed further in Section 5, the equivalent of one full year of operation and maintenance expenses is targeted as the minimum unrestricted operating reserves to be maintained during the Forecast Period. Other factors such as the actual amount of cash should also be taken into consideration for smaller systems since a measurement based on operating costs may not yield significant cash levels.
6. Interest income has been recognized as an available revenue source to fund utility expenditures. For the financial forecast, interest income is based on estimated annual balances projected to be available each Fiscal Year. Projected interest income on the operating fund is based upon an interest rate of 1.0% per annum, a reasonably low projection that provides income within range of recent historic levels. It should also be noted that the System is not reliant on interest income as a revenue source, which is an important attribute

considering events in the U.S. economy of less than 10 years ago that caused interest rates to plummet.

7. The System also collects other operating revenues from miscellaneous charges for specific customer services such as turn-on fees, tap fees, non-payment fees, late fees and meter fees. These miscellaneous revenues are available to reduce the amount of revenue requirements needed to be collected from monthly user rates.

REVENUE REQUIREMENTS SUMMARY

The projected net revenue requirements for the water department, less miscellaneous income, are summarized below:

Table 2: Projected Water Net Revenue Requirements

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Operating Expenses	\$435,500	\$406,400	\$420,700	\$435,700	\$451,200	\$467,300
Debt Service	119,222	119,222	119,222	119,222	119,222	119,222
Capital from Rates	20,300	12,300	12,600	12,800	13,100	13,400
Other Transfers [1]	239,500	286,300	286,600	288,300	288,600	290,400
Gross Revenue Requirements	\$814,522	\$824,222	\$839,122	\$856,022	\$872,122	\$890,322
Less Miscellaneous Revenues	109,500	122,300	122,800	123,500	124,000	125,000
Net Revenue Requirements	\$705,022	\$701,922	\$716,322	\$732,522	\$748,122	\$765,322

[1] Other Transfers includes: transfer to R&R fund and the transfer to the General Fund.

As can be seen on the table above, Net Rate Requirements are increasing each year primarily due to estimated budget escalation from inflationary pressures. The Series 2012 Note has been allocated 50% to water and 50% to sewer revenue requirements. The SRF loan has been allocated 100% to the sewer system due to the funding of the wastewater treatment plan, as illustrated on the table below.

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Table 3: Projected Sewer Net Revenue Requirements

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Operating Expenses	\$831,500	\$833,100	\$863,200	\$894,500	\$927,300	\$961,600
Debt Service	434,868	434,868	434,868	434,868	434,868	434,868
Capital from Rates	17,700	17,700	18,100	18,600	19,000	19,400
Other Transfers [1]	0	76,900	77,600	80,700	81,400	84,700
Gross Revenue Requirements	\$1,284,068	\$1,362,568	\$1,393,768	\$1,428,668	\$1,462,568	\$1,500,568
Less Miscellaneous Revenues	69,500	69,500	69,500	69,500	69,500	69,500
Net Revenue Requirements	\$1,214,568	\$1,293,068	\$1,324,268	\$1,359,168	\$1,393,068	\$1,431,068

[1] Other Transfers includes: transfer to R&R fund and the transfer to the General Fund.

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SECTION 3. CUSTOMER STATISTICS

GENERAL

A major component in the determination of sustained revenue sufficiency for water and sewer service is the development of a forecast of customers and sales, to which existing rates are applied to calculate revenues. The City provided two years of historical billing statistics including the number of customers, by class and meter size, and metered monthly usage, which provides the basis for the recent historical trends and the forecast of customers through FY 2021. In addition to accumulating the number of customers and sales, additional analysis was performed in order to modify the rate structure, which is discussed at length below.

The historical water and sewer customer statistics are provided on Tables 4 and 5, respectively.

Table 4: Historical Water Customer Statistics

Description	FY 2013	FY 2014	FY 2015
Accounts	3,266	3,301	3,422
Units	3,492	3,537	3,641
Consumption (1,000s)	257,123	259,484	278,056
Avg. Monthly Consumption per Unit	6.14	6.11	6.36
Annual Growth in Units (%)		1.3%	2.9%

Table 5: Historical Sewer Customer Statistics

Description	FY 2013	FY 2014	FY 2015
Accounts	2,186	2,202	2,200
Units	2,345	2,369	2,344
Consumption (1,000s)	162,013	160,725	168,303
Avg. Monthly Consumption per Unit	5.76	5.65	5.98
Annual Growth in Units (%)		1.0%	-1.1%

As exemplified on the tables above, the water system customer base has grown by over 150 accounts while the sewer system customer base has remained relatively constant. For the purposes of this study, the City provided monthly bills for every customer and included the customer classification, the number of units served for each account, and the amount of water used and total revenue billed for each month from October 2014 to September 2015 (i.e., FY 2015). The next couple sections provide summarized and detailed information aimed toward providing an in depth understanding of the customer base.

WATER CUSTOMER STATISTICS

The City currently categorizes each customer into one of five primary classes for billing purposes consisting of Single Family, Mobile Home, Multi-family, Non-Residential and Industrial. These customers are then split between inside city or outside city service. The table below provides the number of customers, units, metered consumption and average monthly consumption per unit by customer classification for the FY 2015 billing data provided:

Table 6: FY 2015 Water Customer Summary

Classification	Accounts	Units	Consumption (1,000s)	Avg. Monthly Consumption per Unit
Single Family - Inside	1,908	1,913	163,259	7.11
Single Family - Outside	125	125	7,942	5.29
Mobile Home - Inside	476	476	21,738	3.81
Mobile Home - Outside	743	743	38,625	4.33
Multi-family - Inside	9	67	3,302	4.11
Multi-family - Outside	6	93	6,756	6.05
Non-Residential - Inside	141	210	30,870	12.25
Non-Residential - Outside	13	13	2,659	17.04
Industrial - Inside	1	1	2,906	242.16
Total	3,422	3,641	278,056	6.36

As shown above over 3,400 accounts and 3,600 units are served water by the City each month. Average monthly consumption for all units connected to the System is approximately 6,360 gallons, while the largest customer class, inside city single family accounts use approximately 7,110 gallons per month. Also, the single family inside city class consumes 59% of the water each year, while only accounting for 52.5% of the connected units. By comparison, the mobile home and multi-family customer classes combined consume 25% of the total water each year and account for almost 38% of the connected units. These differences in consumption habits by customer class will be discussed further below along with commentary on the existing rate structure and a more equitable proposed rate structure.

Of the combined 155 Non-Residential and Industrial accounts, only 39 have utilized a meter size greater than 5/8-inch. Larger meters connected to the water system place a potential for additional strain on the System due to the increased flow capabilities. Currently, these larger meters are treated the same as smaller meters in a billing sense, which may not be recovering the appropriate level of service availability costs. The distribution of the Non-Residential and Industrial accounts by meter size is provided on Table 7 below:

Table 7: FY 2015 Non-Residential Water Customers by Meter Size

Meter Size	Non-Residential (Inside)	Non-Residential (Outside)	Industrial
5/8-inch	108	8	0
1-inch	9	1	0
1.5-inch	4	0	0
2-inch	15	4	0
3-inch	1	0	0
4-inch	1	0	0
6-inch	3	0	1
Total	141	13	1

In addition to analyzing each customer class based on the average monthly accounts, units and consumption per unit it is necessary to accumulate the revenue gallons into the appropriate usage blocks. The usage blocks are utilized in the billing process and have been designed to promote conservation, as the rate applied to each block is inclining. The inclining usage block rates are extremely common in Florida and are viewed favorably by the water management districts. The rates applied to each block will be introduced later in this report, but the table below illustrates the gallons that will be billed for in each block. It should be noted that the City has a unique rate structure that currently includes a large number of gallons in the minimum charge, meaning the first 6,000 gallons for all customers are not billed.

Table 8: Usage Block Allowances

Description	Gallons Included
Minimum*	0 – 6,000
Block 1	6,001 – 15,000
Block 2	15,001 – 30,000
Block 3	30,001 – 60,000
Block 4	Above 60,000
*The minimum charge for all customer classes in the water system currently includes the first 6,000 gallons of consumption.	

The following table demonstrates, for each customer class, the amount of consumption billed in each usage block for FY 2015:

Table 9: Water Usage by Rate Block

Classification	Minimum	Block 1	Block 2	Block 3	Block 4	Total
Single Fam. In	87,542	38,344	19,963	10,823	6,588	163,259
Single Fam. Out	5,598	1,692	525	122	5	7,942
Mobile H. In	16,838	4,073	708	112	7	21,738
Mobile H. Out	27,895	7,598	1,788	854	490	38,625
Multi-Fam. In	2,754	543	4	0	0	3,302
Multi-Fam. Out	5,319	1,279	157	0	0	6,756
Non-Res In	7,818	4,694	4,888	6,148	7,322	30,870
Non-Res Out	797	690	484	349	339	2,659
Industrial - Inside	72	108	180	360	2,186	2,906
Total	154,633	59,023	28,696	18,767	16,937	278,056
% Usage in Block	55.6%	21.2%	10.3%	6.8%	6.1%	100.0%

The customer billing data described above provides the basis for a customer forecast. The forecast is used to estimate revenues from existing rates and to design alternative rate structures. The forecast includes the period from FY 2016 through FY 2021 and assumes growth of 25 single family accounts per year. This level of growth is considered conservative and any future growth above this level would increase the projected operating margins. Water sales have been projected based on the usage trends identified for each customer class during the past few years, as identified on the tables above. A summary of the customer forecast is provided below, with the full detail appearing on Exhibit 1.

Table 10: Water Customer Forecast

Fiscal Year	Customers	Units	Consumption (Th. Gallons)
FY 2016	3,447	3,666	280,200
FY 2017	3,472	3,691	282,300
FY 2018	3,497	3,716	284,500
FY 2019	3,522	3,741	286,600
FY 2020	3,547	3,766	288,700
FY 2021	3,572	3,791	290,900

SEWER CUSTOMER STATISTICS

The table below provides the number of customers, units, metered consumption and average monthly consumption per unit by customer classification for the FY 2015 billing data provided:

Table 11: FY 2015 Sewer Customer Summary

Classification	Accounts	Units	Consumption (1,000s)	Avg. Monthly Consumption per Unit
Single Family - Inside	1,209	1,210	93,881	6.47
Single Family - Outside	9	9	473	4.38
Mobile Home - Inside	278	278	12,339	3.70
Mobile Home - Outside	594	594	31,429	4.41
Multi-family - Inside	2	33	2,354	5.95
Multi-family - Outside	1	56	3,978	5.92
Non-Residential - Inside	101	158	22,472	11.85
Non-Residential - Outside	6	6	1,376	19.11
Total	2,200	2,344	168,303	5.98

As shown above 2,200 accounts and over 2,300 units are served sewer by the City each month. Even though all residential sewer customers (single family, mobile home, and multi-family) are not currently billed for sewer consumption it is important to understand the usage characteristics. Sewer usage is always billed based on water meter readings, except in special situations. Average monthly sewer consumption for all units connected to the system is approximately 5,980 gallons, while the largest customer class, inside city single family accounts use approximately 6,470 gallons per month.

Of the combined 107 Non-Residential accounts, only 21 have a meter size greater than 5/8-inch. Larger meters connected to the sewer system place a potential for additional strain on the System due to the increased flow capabilities. Currently, these larger meters are treated the same as smaller meters in a billing sense, which may not be recovering the appropriate level of service availability costs. The distribution of the Non-Residential accounts by meter size is provided on Table 12 below:

Table 12: FY 2015 Non-Residential Sewer Customers by Meter Size

Meter Size	Non-Residential (Inside)	Non-Residential (Outside)
5/8-inch	82	4
1-inch	3	1
1.5-inch	2	0
2-inch	9	1
3-inch	1	0
4-inch	1	0
6-inch	3	0
Total	101	6

The sewer customers have also been forecast in the future in order to determine future revenue recovery and also to be utilized in designing alternative rate structures. A summary of the customer forecast is provided below, with additional detail on Exhibit 2.

Table 13: Sewer Customer Forecast

Fiscal Year	Customers	Units	Consumption (Th. Gallons)
FY 2016	2,225	2,369	170,300
FY 2017	2,250	2,394	172,300
FY 2018	2,275	2,419	174,200
FY 2019	2,300	2,444	176,100
FY 2020	2,325	2,469	178,100
FY 2021	2,350	2,494	180,000

SECTION 4. RATE DESIGN AND BILL COMPARISONS

GENERAL

This section provides the proposed water and sewer rate design. Also included are various customer bill impacts and comparisons with other local utilities.

The previous sections outlined the net revenue requirements and the forecasted customer statistics for the water and sewer systems. These forecasts provide the basis for a rate design analysis based on cost of service principles with the intention of equitably recovering costs between various customer classes and users. The existing water rates do not currently treat customer classes differently and do not provide for certain provisions to recover additional costs from users with higher levels of service characteristics (i.e., larger meter size). As illustrated in Section 3, over 55% of annual water consumption is not billed usage rates as it is included in the base charge. Also, only 6.5% of single family inside customer’s consumption reached into usage blocks 3 and 4 during FY 2015 due to the high usage allowances. The rate design analysis focused on reducing the existing base charges, while removing the minimum gallons included, and on establishing a more equitable pay-by-use rate structure for both water and sewer systems.

The existing rates for water and sewer service are provided on the tables below and will be used throughout the comparisons with other local utilities:

Table 14: Existing Monthly Water Rates

Description	Gallons Included	Rate
Monthly Base Charge	(All Classes and Meter Sizes)	
Per Unit	0-6,000	\$12.95
Usage Rates		
Block 1	6,001-15,000	\$1.00
Block 2	15,001-30,000	\$1.20
Block 3	30,001-60,000	\$1.40
Block 4	60,001-99,999	\$1.60

Note: Outside City surcharge ranges from 31% to 50%

Table 15: Existing Monthly Sewer Rates

Description	Gallons Included	Rate
Monthly Base Charge		
Residential Per Unit	All	\$40.54
Commercial	0-6,000	\$53.49
Usage Rates		
	(Non-Residential Only)	
Block 1	6,001-15,000	\$1.00
Block 2	15,001-30,000	\$1.20
Block 3	30,001-60,000	\$1.40
Block 4	60,001-99,999	\$1.60

Note: Outside City surcharge ranges from 25% to 50%.

PRICING OBJECTIVES AND RATE DESIGN PARAMETERS

The water and sewer rate design, as mentioned previously, is based on the cost of service of providing water and sewer service along with taking into consideration the pricing objectives identified by staff during the project kick-off meeting. At the kick-off meeting, the existing rates were discussed and the primary pricing objectives were identified and included Affordability, should be Simple to Understand and Update, and should provide Revenue Stability. It should be noted that even though certain pricing objectives are not identified as being the “most important” or the focus items, they are still considered in the overall rate design scheme. The existing rate structures for water and sewer provide for two of the three pricing objectives identified, Simple to Understand and Update and provide Revenue Stability. Revenue Stability reflected through a rate structure in general indicates that fixed or base charges are recovering a high percentage of the monthly revenues and therefore do not fluctuate with water consumption. On the opposite end of the spectrum is affordability, which generally provides either special programs for lower income users or generally lower bills at lower consumption levels. The approach used in this analysis was to provide for lower bills at lower consumption levels to achieve affordability.

In addition to the pricing objectives, certain policy and other considerations were reviewed while developing the proposed rate structure. The following provides a summary of each of these issues and considerations.

Revenue Neutral

The rates designed for implementation on October 1, 2016 have been calculated to provide the same amount of revenue as existing rates. For example, the existing water rates are anticipated to produce slightly greater than \$780,000 in revenue in FY 2017. The rate design rates will also produce approximately \$780,000 in rate revenue.

Minimum Gallons

One of the most important equity considerations is the amount of usage included in the minimum bill. As shown above, the gallons included in the minimum water bill is uniform regardless of meter size and customer consumption characteristics. For the sewer system, the residential customers pay a flat monthly fee regardless of water usage and the non-residential customers pay a higher minimum charge and also pay for consumption. To promote equitable cost recovery from rates, the minimum gallons have been removed from the proposed base charges and all water consumption will be billed usage rates for water and sewer, with the exception of residential customers who will be capped at 10,000 gallons per month on the sewer usage rates.

Meter Size Base Charges

The existing rate ordinance defines the term “connected units”, which is how the base charges are applied for residential and non-residential customers. The rate design for water and sewer adjusts the basis for which non-residential customer monthly base charges are applied, from connected units to meter size. Meter size ratios generally follow the flow capabilities of the larger meters as published by the American Water Works Association (AWWA). The following meter size ratios have been used for water and sewer base charges:

Table 16: Rate Design Base Charge Meter Ratios

Meter Size	Water Ratio	Sewer Ratio [1]
5/8-inch	1.00	1.30
1-inch	2.50	2.50
1.5-inch	5.00	5.00
2-inch & Above	8.00	8.00

[1] The sewer ratio for a 5/8-inch meter has been adjusted to account for the higher average monthly consumption for non-residential meters and the lack of tiered sewer rates.

In establishing non-residential versus residential base charges it is important to provide clarification on certain types of establishments being served by the System. The residential category includes single family homes, master-metered and individually metered condominiums, apartment complexes, mobile home communities, etc. Certain properties that are treated as non-residential and may not be discernable from the residential category include assisted living facilities, etc.

WATER AND SEWER RATE DESIGN

Relying on the costs identified in Section 2, the customer projections from Section 3 and the parameters and considerations discussed above, the following tables present the proposed water and sewer rates for implementation October 1, 2016.

Table 17: Proposed Water Rates Oct. 1, 2016

Description	Gallons Included	Rate
Base Charge		
Residential (per unit)	0	\$8.95
Commercial		
5/8-inch	0	\$8.95
1-inch	0	\$22.38
1.5-inch	0	\$44.75
2-inch & Above	0	\$71.60
Usage Charges		
Residential		
Block 1	0 - 5,000	\$1.04
Block 2	5,001 - 10,000	\$1.25
Block 3	Above 10,000	\$1.46
Commercial		
All Consumption		\$1.30

Note: Outside City surcharge is 25% for all rate components.

As shown on the table above, the base charge is per unit for all residential customers and by meter size for non-residential customers. The tiered block allowances have also been adjusted and reduced to three blocks, which will send pricing conservation signals to higher use customers.

The proposed sewer base charges utilize the same structure as the water rates, with the exception of the adjustment to the small commercial 5/8-inch meter. Also, the tiered rate blocks have been removed from the sewer rate structure. The reduced base charge for residential customers from \$40.54 to \$29.50 will provide some rate relief to lower users of the system, but will be earned back from the usage rate of \$2.33.

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Table 18: Proposed Sewer Rates Oct. 1, 2016

Description	Gallons Included	Rate
Base Charge		
Residential (per unit)	0	\$29.50
Commercial		
5/8-inch	0	\$38.35
1-inch	0	\$73.75
1.5-inch	0	\$147.50
2-inch & Above	0	\$236.00
Usage Charges		
Residential	Up to 10,000	\$2.33
Commercial	All Usage	\$2.33

Note: Outside City surcharge is 25% for all rate components.

BILL IMPACTS AND COMPARISON WITH LOCAL UTILITIES

The tables and discussion below have been included for information purposes. Any change of rate structure has the potential for larger impacts to certain customers or customer classes.

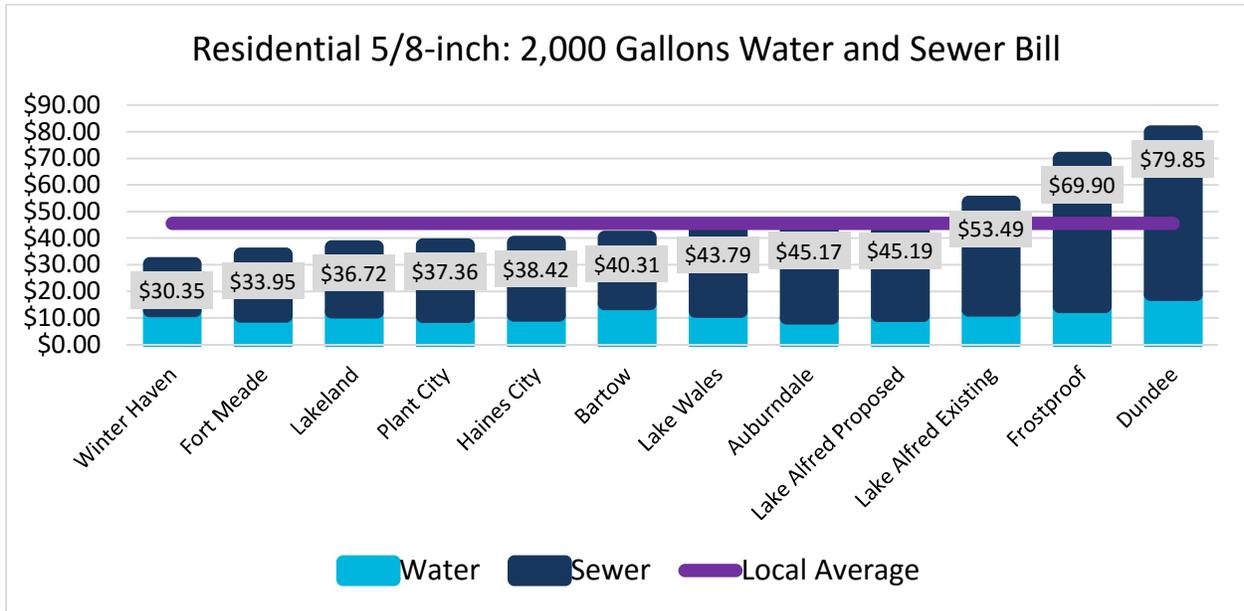
Below is a table illustrating impacts at various usage levels for a majority of the System’s customers, single family inside city using less than 15,000 gallons per month of combined water and sewer services. The cumulative percentage of single family water bills has been included to provide context for how these proposed rates will impact the customer base. For example, at the 4,000-gallon level 48.4% of the single family customers have been billed. Also, approximately 9.6% of annual bills are billed for 5,000 gallons of consumption.

Table 19: Single Family Sample Bill Impacts (Water and Sewer)

Usage	Existing Rates	Proposed Rates	Difference	Cumulative % Single Family Bills
0	\$53.49	\$38.45	(\$15.04)	11.1%
1,000	\$53.49	\$41.82	(\$11.67)	17.1%
2,000	\$53.49	\$45.19	(\$8.30)	25.8%
3,000	\$53.49	\$48.56	(\$4.93)	37.3%
4,000	\$53.49	\$51.93	(\$1.56)	48.4%
5,000	\$53.49	\$55.30	\$1.81	58.0%
6,000	\$53.49	\$58.88	\$5.39	65.4%
10,000	\$57.49	\$73.20	\$15.71	82.7%
15,000	\$62.49	\$80.50	\$18.01	90.1%

The figure below provides a comparison for a lower consumption single family user of 2,000 gallons with other local utilities:

Figure 1: Local Comparison: Single Family 2,000 Gallons



In addition to the 2,000 gallons comparison, where the proposed bill is being reduced by greater than \$8, the figure below provides a comparison at 5,000 gallons of consumption. At 5,000 gallons of consumption a single family customer would see an increased bill of \$2 per month. It is important when reviewing bill comparisons and impacts to point out that not all customers use the same amount of water each month.

Figure 2: Local Comparison: Single Family 5,000 Gallons

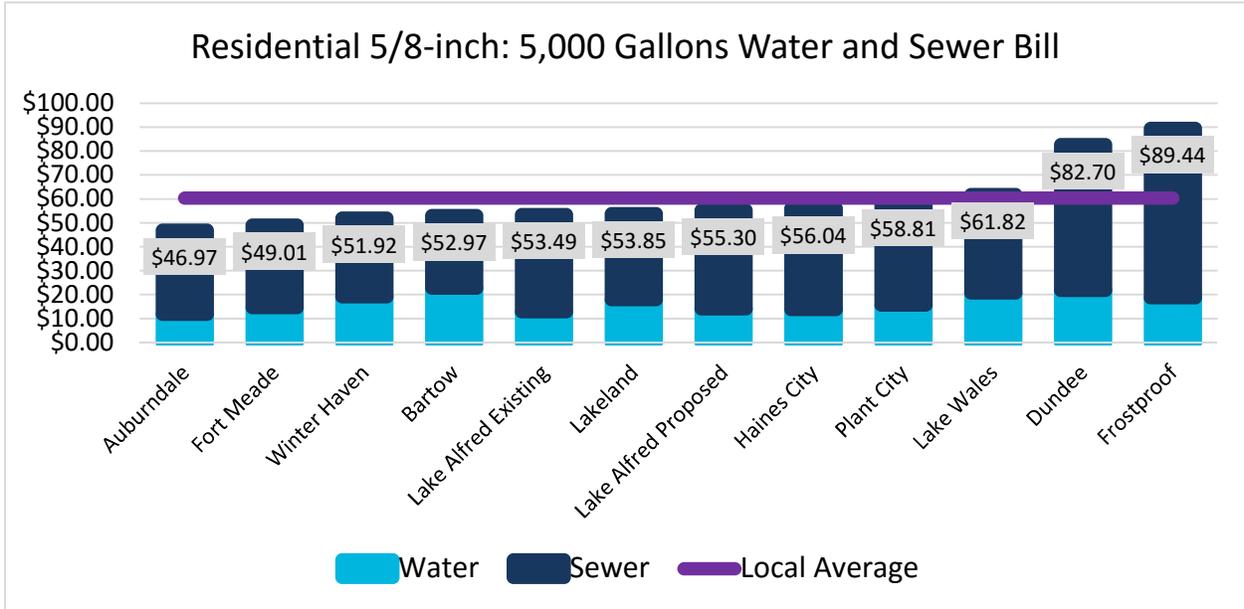


Figure 3: Local Comparison: Non-Residential 4,000 Gallons

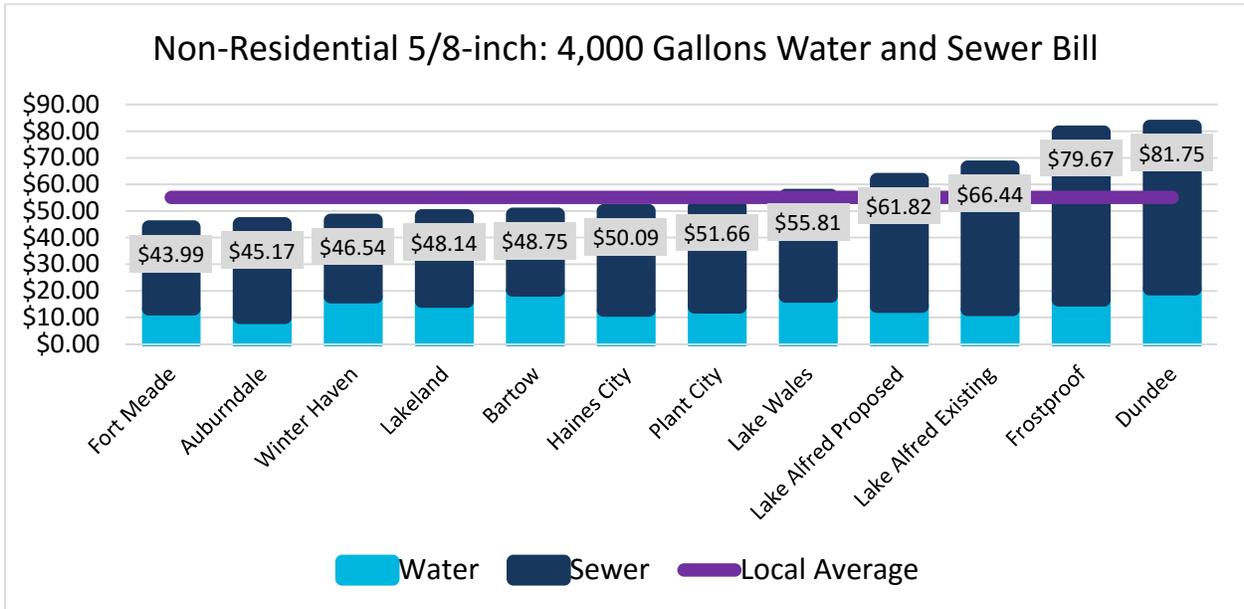


Figure 4: Local Comparison: Non-Residential 10,000 Gallons

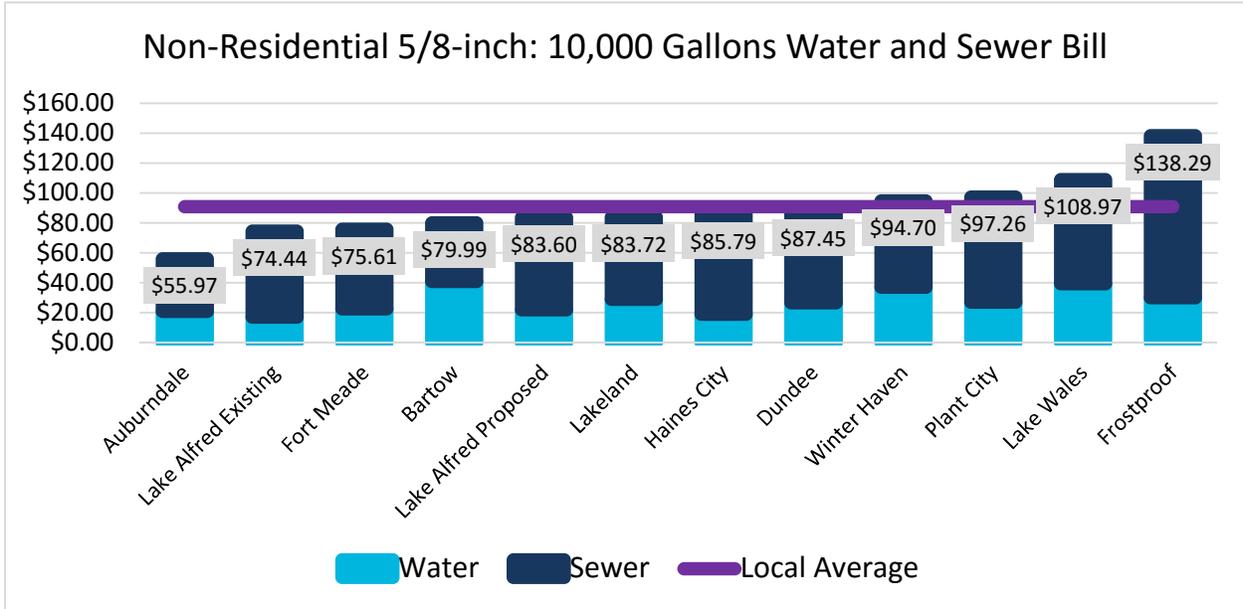
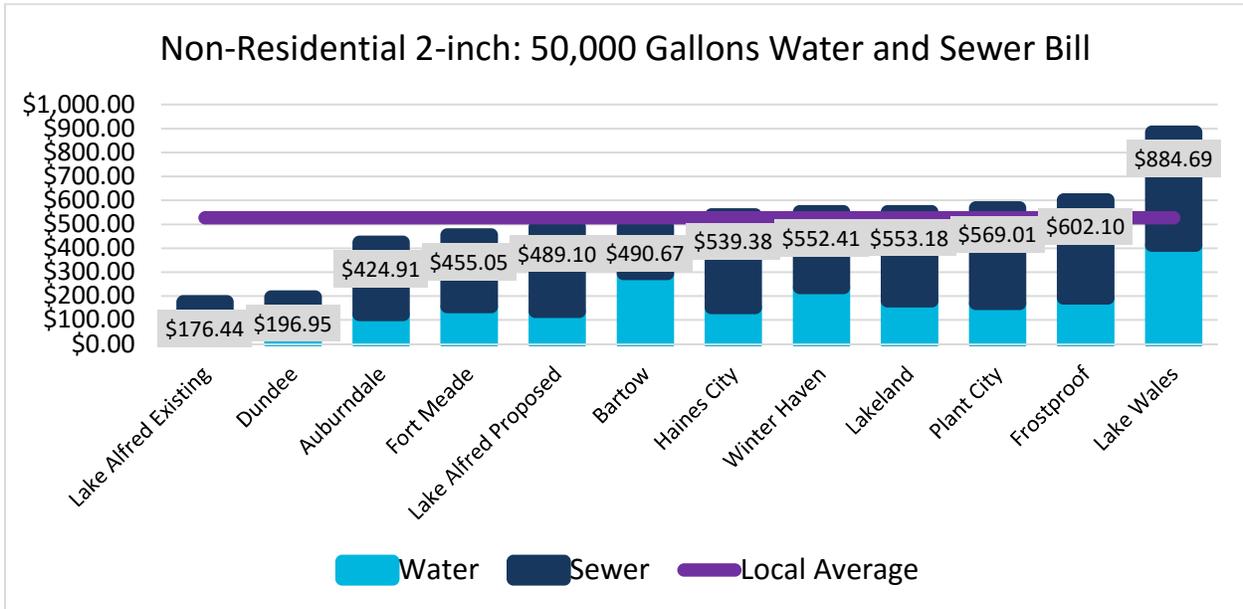


Figure 5: Local Comparison: Non-Residential 50,000 Gallons



SECTION 5. REVENUE SUFFICIENCY ANALYSIS

GENERAL

The primary mechanism for generating revenues in order to recover the costs of providing quality water and sewer services are the adopted user rates. As discussed in previous sections, the user rate structure has been re-designed and anticipated to be implemented in FY 2017. The revenues projected in this section are shown based on the existing rate structure and are anticipated to materially reflect future operating conditions since the updated rate design was computed on a revenue neutral basis. In addition to the user rates the System also collects miscellaneous or ancillary charges for specifically requested services.

REVENUE SUFFICIENCY

The projection of customers, units and consumption discussed in Section 3 serves as the basis for the water and sewer revenue calculations. In discussions with City staff it has been determined that in order to maintain the high quality of services and sufficient operating margins it would be prudent to implement a policy allowing for three percent indexing every other year to utility rates beginning in October 2017. The forecast schedule of operating revenue from water and sewer rates below reflect this bi-annual indexing policy:

Table 20: Revenue Forecast

Fiscal Year:	2016	2017	2018	2019	2020	2021
Water Revenue	\$779,600	\$784,600	\$813,300	\$818,400	\$848,500	\$853,700
Sewer Revenue	1,281,400	1,293,600	1,344,900	1,357,400	1,411,100	1,423,900
Total Rate Revenue	\$2,061,000	\$2,078,200	\$2,158,200	\$2,175,800	\$2,259,600	\$2,277,600

The first revenue test performed and shown on the table below is the projected revenue sufficiency from the revenues at forecasted rate levels.

Table 21: Sufficiency Forecast

Fiscal Year:	2016	2017	2018	2019	2020	2021
Net Revenue Requirements [1]	\$1,919,589	\$1,994,989	\$2,040,589	\$2,091,689	\$2,141,189	\$2,196,389
Rate Revenue	2,061,000	2,078,200	2,158,200	2,175,800	2,259,600	2,277,600
Surplus/(Deficiency)	\$141,411	\$83,211	\$117,611	\$84,111	\$118,411	\$81,211

[1] Obtained from Table 2.

As shown above, revenues generated by user rates are expected to meet the projected Net Revenue Requirements throughout the forecast. Derived from the table above, it can be seen that in the even years (i.e., FY 2018 and 2020) the revenue surplus is slightly increased over the previous years, reflecting the three percent index rate adjustment. In the odd years when there are no anticipated rate adjustments, the surplus is reduced from the prior year due to the inflationary impacts on the Net Revenue Requirements. Through prudent management, planning and budgeting the City has been able to operate the System with no rate increases since water rates were updated in 2003. The bi-annual rate indexing policy will provide many benefits to a utility system such as: a) smaller and less controversial rate adjustments that prevent rate shock to customers; b) the ability to keep pace with inflationary cost pressures on an annual basis instead of one-time large “catch-up” rate increases; and c) improved ability to predict and budget revenues from year to year due to smaller annual rate adjustments.

FINANCIAL INDICATORS

Financial indicators are useful tools and metrics used to evaluate operational performance, financial health, and trends. Several cash flow and liquidity ratios are used by bond rating agencies when evaluating a utility for a bond rating. It should be stressed that financial indicators do not tell the whole story when it comes to utility operations and performance but provide specific data points to be used in conjunction with many other factors to assess the overall financial health of the utility. When reviewing utility statistics, it is prudent to also consider the age of a utility’s assets, the major capital needs, the stability of rate revenues, and other factors.

DEBT SERVICE COVERAGE

Debt service coverage is a key financial indicator and a minimum ratio that is typically required as a covenant established with the issuance of utility debt. Most utilities have some form of borrowed money they are required to repay at an agreed upon interest rate. To ensure that a system can handle the repayment amount with interest and continue to operate normally, a loan issuer will establish a coverage ratio whereby net revenue divided by annual debt service requirements will yield a number higher than 1.00 (usually ranging from 1.15 to 1.25).

$$\frac{\text{Net Revenue}}{\text{Debt Service}} = \text{Coverage Ratio}$$

The utility has historically reported very strong “all-in” debt service coverage ratios for the utility System. The minimum annual debt service coverage requirement pursuant to the City’s Loan Agreement authorizing the Series 2012 Notes is 1.20, while the minimum debt service coverage requirement set forth in the loan agreement for the outstanding SRF loan is 1.15. The forecast developed for this study anticipates that the City will exceed these minimum coverage ratios through the Forecast Period ending Fiscal Year 2021. During the course of the study a minimum target coverage was established which exceed the requirement minimum in order for the System to

maintain a strong operating position. The following summarizes the projected debt service coverage ratio throughout the Forecast Period:

Table 22: Projected Debt Service Coverage

Fiscal Year:	2016	2017	2018	2019	2020	2021
Net Revenue [1]	\$973,000	\$1,030,500	\$1,066,600	\$1,038,600	\$1,074,600	\$1,043,200
Debt Service Requirements	\$554,089	\$554,089	\$554,089	\$554,089	\$554,089	\$554,089
Coverage Ratio Achieved	1.76	1.86	1.92	1.87	1.94	1.88
Coverage Ratio (Target Minimum) [2]	1.75	1.75	1.75	1.75	1.75	1.75

[1] Net Revenue obtained from Exhibit 6. Amounts reflect 3.0% water and sewer rate adjustments in FY 2018 and FY 2020.

[2] All-in coverage target set at 1.75 to maintain a strong financial position. Actual required coverage ranges between 1.20x for the senior debt service and 1.15x for the outstanding SRF loan.

A more detailed illustration of the projected debt service coverage can be found on Exhibit 6 at the end of this report.

UTILITY CASH RESERVES

Days cash on hand or unrestricted reserves as a percentage of operating expenses is another widely used metric in the utility industry, especially by bond rating agencies. For example, Moody's published a document titled "Rating Methodology: US Municipal Utility Revenue Debt" on December 15, 2014 that explains the methodology used while evaluating the credit quality of municipal debt. Out of 100% weighting between ten different factors, days cash on hand accounts for 15% and is tied as the most heavily weighted factor. As mentioned in the coverage discussion, Standard & Poor's also published a document, in January 2016, that speaks to the current rating methodology used when evaluating municipal debt. Standard and Poor's utilizes a slightly different methodology and applies a 40% weighting factor (of the Financial Risk Profile) on Liquidity and reserves of a system.

Establishing a reserve policy provides a basis for the City to manage variances in revenue and expenses, and cope with potential fiscal emergencies such as revenue shortfalls, asset failure, natural disaster etc. It also provides guidelines for sound financial management with an overall long-range perspective to maintain financial solvency and mitigate financial risks associated with revenue instability, volatile capital costs and emergencies. While the utility does not anticipate any large capital projects during the Forecast Period, it is always prudent to establish strong unrestricted cash reserves and capital project reserves in order to avoid or mitigate future debt issuances.

RFC recommends that the City maintain two primary reserves: 1) Operating Fund - to provide working capital to support the operation, maintenance, and administration of the System; and 2) Renewal and Replacement/Capital reserve - used to fund future obligations that are necessary for maintaining reliable infrastructure. The recommended reserve policies are presented below on Table 23.

Table 23: Recommended Reserve Policy

Reserve	Recommended Policy	2021 Minimum Target Level
Operating Funds	1-year O&M Expenses	\$1.4M
Renewal and Replacement	1-year typical R&R program	\$160K

As shown on the table below, the target minimum reserve balances are met and reflect an adequate level of reserves for the utility. There will come a point in the future when these reserve balances can be leveraged to either completely fund certain large capital improvements or be used in conjunction with debt funding to manage the annual utility cash flows. This will be an important initiative for the utility in the future with over \$10.9 million of net depreciable utility assets underground and water and wastewater treatment plants.

Table 24: Projected Reserve Balances

Fiscal Year:	2016	2017	2018	2019	2020	2021
Unrestricted Reserves [1]	\$2,576,411	\$2,659,621	\$2,777,232	\$2,861,343	\$2,979,753	\$3,060,964
Minimum Target	\$1,267,000	\$1,239,500	\$1,283,900	\$1,330,200	\$1,378,500	\$1,428,900
R&R Fund Balance [1]	\$0	\$13,700	\$33,400	\$57,900	\$138,400	\$164,000
Minimum Target	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000

[1] Obtained from Exhibit 7.

SECTION 6. STORMWATER REVIEW AND DISCUSSION

This section provides a discussion on the current stormwater rate structure and billing procedures along with potential alternatives. The existing budgeted activities will also be reviewed in terms of general cost recovery activities.

Stormwater fees are currently billed on a monthly basis on the utility bill along with water and sewer services. Stormwater is based on a simple and uniform billing structure dependent on customer classification. All residential customers pay \$2.00 per month, business customers pay \$5.00 per month and commercial customers pay \$8.00 per month. These rates generate approximately \$55,000 in revenue annually, adequately covering the current budget. As the City may need to generate higher revenues to meet its future stormwater expenditure levels, alternative rate structures should be considered. One alternative rate structure would be to establish an equivalent residential unit (ERU) amount and level of service for all non-residential customers based on the amount of impervious area associated with each account. Under this type of structure, the customers with larger amounts of impervious area would contribute more towards the system cost recovery. An additional alternative includes establishing multiple tier for residential customers based on the amount of impervious area. This structure also provides for the ability to collect greater amounts of revenue from customers with larger impervious area since this is a generally accepted measurement of how much demand each account is placing on the System.

As for billing procedures, placing the stormwater charges on the monthly bill is a simple process that utilizes the existing billing system and can be tracked based on customers having water and/or sewer services available. The potential risk or downside with this approach is having high monthly bills going out to owners and renters of properties that include a majority of the City's services. There also remains the difficulty in matching water meters to certain parcels. An alternative would be to establish the stormwater fees as an annual non-ad valorem assessment on the property tax bills. The advantage to this billing procedure is the ability to create a database containing all parcels in the City (to possibly include vacant) and assigning the appropriate stormwater qualities. The non-ad valorem method also provides the ability to generate revenue from vacant parcels that do not have utility services, but that are benefitting from the availability of the stormwater collection system. The downside of this method is developing a policy for certain tax-exempt parcels that have metered water service but generally do not pay property taxes.

The existing stormwater budget closely matches the anticipated level of annual revenue of \$55,000. Included in the budget is a street sweeping contract, small amount of repair and maintenance services, and provisions for a cost allocation. There are no direct salaries and benefits for employees in the budget. Instead, stormwater is being supported by other departments and in turn is providing a small reimbursement for employees' time. The City should review the current stormwater operations in the future and determine if the existing level of cost recovery and services provided are

adequate or need to be expanded in order to provide full service stormwater collection and maintenance activities. The funding of capital improvements should also be reviewed in the future.

The table below provides a comparison of the existing stormwater rates for residential and commercial customers to other local communities. In addition to the rate comparison, an example commercial account assuming 10,000 square feet of impervious area has been included.

Table 25: Local Stormwater Rate Comparison

Utility	Residential	Commercial 1 ERU/ESU	Example: Commercial Account [6]	
			10,000 ft ²	25,000 ft ²
Lake Alfred	\$2.00	\$5.00	\$5.00	\$5.00
Other Local Communities:				
Bartow [1]	\$3.75	\$3.75	\$11.25	\$33.75
Fort Meade [2]	\$6.19	\$6.19	\$18.57	\$55.71
Haines City [3]	\$4.52	\$4.52	\$4.52	\$4.52
Lakeland [4]	\$6.00	\$6.00	\$12.00	\$30.00
Plant City [5]	\$6.98	\$6.98	\$27.92	\$69.80
Local Average	\$5.49	\$5.49	\$14.85	\$38.76

[1] Per ERU (2,520 ft² impervious area basis).

[2] Per ESU (2,750 ft² impervious area basis).

[3] Values reflect parcels of 0.0-9.9 acres. Escalated fees in place for larger parcels.

[4] Per ERU (5,000 ft² impervious area basis).

[5] Per ERU (2,280 ft² impervious area basis).

[6] All ERU/ESU calculations rounded down to the nearest ERU/ESU.

As can be seen on the table above, the established rate for commercial customers is on par with other surrounding communities. The primary difference is the application of the fee where other communities are assessing the fee based on the impervious area, generally related to the amount of stormwater runoff generated, while the City is applying the fee uniformly across the board for customers of all different sizes.

LIST OF EXHIBITS

Exhibit 1: Historical and Projected Water Customer Statistics

Exhibit 2: Historical and Projected Sewer Customer Statistics

Exhibit 3: Utility Operating Expense Projections

Exhibit 4: Projected Water Revenue Requirements

Exhibit 5: Projected Sewer Revenue Requirements

Exhibit 6: Combined System Projected Debt Service Coverage

Exhibit 7: Combined System Projected Fund Balances

Exhibit 8: Additional Bill Impacts and Comparisons

Schedule 1-R: Inside City Water and Sewer Rates

City of Lake Alfred
2016 Water and Sewer Rate Design
Historical and Projected Water Customer Statistics

Description	Historical FY		From BF	Projected FY Ending September 30,					
	2013	2014	2015	2016	2017	2018	2019	2020	2021
Single Family - Inside City	1,762	1,790	1,908	1,933	1,958	1,983	2,008	2,033	2,058
Average Monthly Units	1,766	1,794	1,913	1,938	1,963	1,988	2,013	2,038	2,063
Annual Consumption (Th. gallons)	144,010	142,364	163,259	165,400	167,500	169,700	171,800	173,900	176,100
Average Monthly kGal/Unit	6.80	6.61	7.11	7.11	7.11	7.11	7.11	7.11	7.11
Single Family - Outside City	118	121	125	125	125	125	125	125	125
Average Monthly Units	118	121	125	125	125	125	125	125	125
Annual Consumption (Th. gallons)	7,555	7,931	7,942	7,900	7,900	7,900	7,900	7,900	7,900
Average Monthly kGal/Unit	5.34	5.46	5.29	5.29	5.29	5.29	5.29	5.29	5.29
Mobile Home - Inside City	481	480	476	476	476	476	476	476	476
Average Monthly Units	481	480	476	476	476	476	476	476	476
Annual Consumption (Th. gallons)	24,596	22,720	21,738	21,700	21,700	21,700	21,700	21,700	21,700
Average Monthly kGal/Unit	4.26	3.94	3.81	3.81	3.81	3.81	3.81	3.81	3.81
Mobile Home - Outside City	753	749	743	743	743	743	743	743	743
Average Monthly Units	753	749	743	743	743	743	743	743	743
Annual Consumption (Th. gallons)	38,170	37,840	38,625	38,600	38,600	38,600	38,600	38,600	38,600
Average Monthly kGal/Unit	4.22	4.21	4.33	4.33	4.33	4.33	4.33	4.33	4.33
Multi-Family - Inside City	13	13	9	9	9	9	9	9	9
Average Monthly Units	97	97	67	67	67	67	67	67	67
Annual Consumption (Th. gallons)	4,393	4,414	3,302	3,300	3,300	3,300	3,300	3,300	3,300
Average Monthly kGal/Unit	3.77	3.79	4.11	4.11	4.11	4.11	4.11	4.11	4.11
Multi-Family - Outside City	1	2	6	6	6	6	6	6	6
Average Monthly Units	56	60	93	93	93	93	93	93	93
Annual Consumption (Th. gallons)	4,254	4,782	6,756	6,800	6,800	6,800	6,800	6,800	6,800
Average Monthly kGal/Unit	6.33	6.64	6.05	6.05	6.05	6.05	6.05	6.05	6.05
Non-Residential - Inside City	126	134	141	141	141	141	141	141	141
Average Monthly Units	209	224	210	210	210	210	210	210	210
Annual Consumption (Th. gallons)	28,808	33,858	30,870	30,900	30,900	30,900	30,900	30,900	30,900
Average Monthly kGal/Unit	11.49	12.60	12.25	12.25	12.25	12.25	12.25	12.25	12.25
Non-Residential - Outside City	11	11	13	13	13	13	13	13	13
Average Monthly Units	11	11	13	13	13	13	13	13	13
Annual Consumption (Th. gallons)	2,120	1,837	2,659	2,700	2,700	2,700	2,700	2,700	2,700
Average Monthly kGal/Unit	16.06	13.92	17.04	17.04	17.04	17.04	17.04	17.04	17.04
Industrial	1	1	1	1	1	1	1	1	1
Average Monthly Units	1	1	1	1	1	1	1	1	1
Annual Consumption (Th. gallons)	3,217	3,738	2,906	2,900	2,900	2,900	2,900	2,900	2,900
Average Monthly kGal/Unit	268.08	311.50	242.16	242.16	242.16	242.16	242.16	242.16	242.16
Total Monthly Accounts	3,266	3,301	3,422	3,447	3,472	3,497	3,522	3,547	3,572
Average Monthly Units	3,492	3,537	3,641	3,666	3,691	3,716	3,741	3,766	3,791
Annual Consumption (Th. gallons)	257,123	259,484	278,056	280,200	282,300	284,500	286,600	288,700	290,900
Average Monthly kGal/Unit	6.14	6.11	6.36	6.37	6.37	6.38	6.38	6.39	6.39
Average Monthly kGal/Account	6.56	6.55	6.77	6.77	6.78	6.78	6.78	6.78	6.79
Unbilled Water Percentage	25.1%	24.9%	25.2%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Unbilled Water Amount	86,300	86,076	93,571	93,400	94,100	94,833	95,533	96,233	96,967
Total Water Produced	343,423	345,560	371,627	373,600	376,400	379,333	382,133	384,933	387,867
Avg MGD (Permit 1.3MGD)	0.941	0.947	1.018	1.024	1.031	1.039	1.047	1.055	1.063

City of Lake Alfred
2016 Water and Sewer Rate Design
Historical and Projected Water Customer Statistics

Description	Historical FY		From BF	Projected FY Ending September 30,					
	2013	2014	2015	2016	2017	2018	2019	2020	2021

Annual Consumption by Usage Block

Consumption in Minimum

Single Family - Inside City			87,542	88,700	89,800	91,000	92,100	93,200	94,400
Single Family - Outside City			5,598	5,600	5,600	5,600	5,600	5,600	5,600
Mobile Home - Inside City			16,838	16,800	16,800	16,800	16,800	16,800	16,800
Mobile Home - Outside City			27,895	27,900	27,800	27,800	27,800	27,800	27,800
Multi-Family - Inside City			2,754	2,800	2,800	2,800	2,800	2,800	2,800
Multi-Family - Outside City			5,319	5,400	5,300	5,300	5,300	5,300	5,300
Non-Residential - Inside City			7,818	7,800	7,800	7,800	7,800	7,800	7,800
Non-Residential - Outside City			797	800	800	800	800	800	800
Industrial			72	100	100	100	100	100	100
Total Consumption in Minimum			154,633	155,900	156,800	158,000	159,100	160,200	161,400

Block 1

Single Family - Inside City			38,344	38,800	39,300	39,800	40,300	40,800	41,300
Single Family - Outside City			1,692	1,700	1,700	1,700	1,700	1,700	1,700
Mobile Home - Inside City			4,073	4,100	4,100	4,100	4,100	4,100	4,100
Mobile Home - Outside City			7,598	7,600	7,600	7,600	7,600	7,600	7,600
Multi-Family - Inside City			543	500	500	500	500	500	500
Multi-Family - Outside City			1,279	1,300	1,300	1,300	1,300	1,300	1,300
Non-Residential - Inside City			4,694	4,700	4,700	4,700	4,700	4,700	4,700
Non-Residential - Outside City			690	700	700	700	700	700	700
Industrial			108	100	100	100	100	100	100
Total Block 1			59,023	59,500	60,000	60,500	61,000	61,500	62,000

Block 2

Single Family - Inside City			19,963	20,200	20,500	20,800	21,100	21,400	21,700
Single Family - Outside City			525	500	500	500	500	500	500
Mobile Home - Inside City			708	700	700	700	700	700	700
Mobile Home - Outside City			1,788	1,800	1,800	1,800	1,800	1,800	1,800
Multi-Family - Inside City			4	0	0	0	0	0	0
Multi-Family - Outside City			157	200	200	200	200	200	200
Non-Residential - Inside City			4,888	4,900	4,900	4,900	4,900	4,900	4,900
Non-Residential - Outside City			484	500	500	500	500	500	500
Industrial			180	200	200	200	200	200	200
Total Block 2			28,696	29,000	29,300	29,600	29,900	30,200	30,500

Block 3

Single Family - Inside City			10,823	11,000	11,100	11,200	11,300	11,400	11,500
Single Family - Outside City			122	100	100	100	100	100	100
Mobile Home - Inside City			112	100	100	100	100	100	100
Mobile Home - Outside City			854	900	900	900	900	900	900
Multi-Family - Inside City			0	0	0	0	0	0	0
Multi-Family - Outside City			0	0	0	0	0	0	0
Non-Residential - Inside City			6,148	6,200	6,200	6,200	6,200	6,200	6,200
Non-Residential - Outside City			349	400	400	400	400	400	400
Industrial			360	400	400	400	400	400	400
Total Block 3			18,767	19,100	19,200	19,300	19,400	19,500	19,600

City of Lake Alfred
2016 Water and Sewer Rate Design
Historical and Projected Water Customer Statistics

Description	Historical FY		From BF	Projected FY Ending September 30,					
	2013	2014	2015	2016	2017	2018	2019	2020	2021
Block 4									
Single Family - Inside City			6,588	6,700	6,800	6,900	7,000	7,100	7,200
Single Family - Outside City			5	0	0	0	0	0	0
Mobile Home - Inside City			7	0	0	0	0	0	0
Mobile Home - Outside City			490	500	500	500	500	500	500
Multi-Family - Inside City			0	0	0	0	0	0	0
Multi-Family - Outside City			0	0	0	0	0	0	0
Non-Residential - Inside City			7,322	7,300	7,300	7,300	7,300	7,300	7,300
Non-Residential - Outside City			339	300	300	300	300	300	300
Industrial			2,186	2,200	2,100	2,100	2,100	2,100	2,100
Total Block 4			16,937	17,000	17,000	17,100	17,200	17,300	17,400
Total Consumption by Class									
Single Family - Inside City			163,259	165,400	167,500	169,700	171,800	173,900	176,100
Single Family - Outside City			7,942	7,900	7,900	7,900	7,900	7,900	7,900
Mobile Home - Inside City			21,738	21,700	21,700	21,700	21,700	21,700	21,700
Mobile Home - Outside City			38,625	38,700	38,600	38,600	38,600	38,600	38,600
Multi-Family - Inside City			3,302	3,300	3,300	3,300	3,300	3,300	3,300
Multi-Family - Outside City			6,756	6,900	6,800	6,800	6,800	6,800	6,800
Non-Residential - Inside City			30,870	30,900	30,900	30,900	30,900	30,900	30,900
Non-Residential - Outside City			2,659	2,700	2,700	2,700	2,700	2,700	2,700
Industrial			2,906	3,000	2,900	2,900	2,900	2,900	2,900
Total Consumption			278,056	280,500	282,300	284,500	286,600	288,700	290,900
Customer Growth Assumptions									
Single Family - Inside City				25	25	25	25	25	25
Single Family - Outside City				0	0	0	0	0	0
Mobile Home - Inside City				0	0	0	0	0	0
Mobile Home - Outside City				0	0	0	0	0	0
Multi-Family - Inside City				0	0	0	0	0	0
Multi-Family - Outside City				0	0	0	0	0	0
Non-Residential - Inside City				0	0	0	0	0	0
Non-Residential - Outside City				0	0	0	0	0	0
Industrial				0	0	0	0	0	0
				0.7%	0.7%	0.7%	0.7%	1.4%	1.4%
Change in Monthly use per Unit									
Single Family - Inside City				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Single Family - Outside City				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mobile Home - Inside City				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mobile Home - Outside City				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Multi-Family - Inside City				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Multi-Family - Outside City				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Residential - Inside City				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Residential - Outside City				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Industrial				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total annual consumption % change				0.8%	0.7%	0.8%	0.7%	0.7%	0.8%

City of Lake Alfred
ENTERPRISE FUND
Utility Operating Expense Projection

ACCT. #	ACCOUNT DESCRIPTION	FY 2016 APPROVED	FY 2016 ADJUSTMENTS	FY 2016 ADJUSTED	FY 2017 PLANNED	FY 2017 ADJUSTMENTS	FY 2017 ADJUSTED	% ALLOCATED TO WATER	ESCALATION FACTOR	FY 2018 PROJECTED	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED
401.533- WATER OPERATIONS													
412.000	Salaries & Wages	\$10,225	\$0	\$10,200	\$10,225	\$0	\$10,200	100%	Labor	\$10,500	\$10,800	\$11,100	\$11,400
421.000	FICA Expense	775	0	800	775	0	800	100%	Labor	800	800	800	800
424.000	Workers Comp Insurance	2,360	0	2,400	2,360	0	2,400	100%	Ins-Health	2,600	2,900	3,200	3,500
431.300	Engineering	10,000	30,000	40,000	10,000	0	10,000	100%	Inflation	10,200	10,400	10,600	10,800
432.000	Accounting & Auditing	0	0	0	0	0	0	100%	Inflation	0	0	0	0
434.000	Contractual Services	5,000	0	5,000	5,000	0	5,000	100%	Inflation	5,100	5,200	5,300	5,400
434.100	Engineering- Water Monitor	14,000	0	14,000	14,000	0	14,000	100%	Inflation	14,300	14,600	14,900	15,200
440.100	Land Leases	1,500	0	1,500	1,500	0	1,500	100%	Inflation	1,500	1,500	1,500	1,500
440.300	Training & Travel	500	0	500	500	0	500	100%	Inflation	500	500	500	500
443.200	Electric	40,000	0	40,000	40,000	0	40,000	100%	Utilities	42,000	44,100	46,300	48,600
445.000	Property & Liability	10,100	0	10,100	10,100	0	10,100	100%	Inflation	10,300	10,500	10,700	10,900
446.000	R & M Services	25,000	0	25,000	25,000	0	25,000	100%	Inflation	25,600	26,200	26,800	27,400
446.100	R & M - Auto	500	0	500	500	0	500	100%	Inflation	500	500	500	500
446.200	R & M - Water Tower	500	0	500	500	0	500	100%	Inflation	500	500	500	500
452.000	Operating Supplies	1,500	0	1,500	1,500	0	1,500	100%	Inflation	1,500	1,500	1,500	1,500
452.600	Chemicals	42,000	0	42,000	42,000	0	42,000	100%	Utilities	44,100	46,300	48,600	51,000
452.700	Fuel	3,000	0	3,000	3,000	0	3,000	100%	Inflation	3,100	3,200	3,300	3,400
454.000	Subscriptions & Membership	600	0	600	600	0	600	100%	Inflation	600	600	600	600
463.800	Water Improvements - Impa	0	0	0	0	0	0	100%	Inflation	0	0	0	0
464.200	Capital - Machinery & Equip	68,000	(60,000)	8,000	60,000	(60,000)	0	100%	Input	0	0	0	0
TOTAL WATER OPS		\$235,560	(\$30,000)	\$205,600	\$227,560	(\$60,000)	\$167,600			\$173,700	\$180,100	\$186,700	\$193,500
401.535- WASTE WATER OPERATIONS													
412.000	Salaries & Wages	\$88,735	\$0	\$88,700	\$88,960	\$0	\$89,000	0%	Labor	\$91,700	\$94,500	\$97,300	\$100,200
414.000	Overtime Pay	4,000	0	4,000	4,000	0	4,000	0%	Labor	4,100	4,200	4,300	4,400
421.000	FICA Expense	7,095	0	7,100	7,115	0	7,100	0%	Labor	7,300	7,500	7,700	7,900
422.000	Retirement	13,460	0	13,500	13,460	0	13,500	0%	Labor	13,900	14,300	14,700	15,100
423.000	Life & Health Insurance	16,480	0	16,500	16,480	0	16,500	0%	Ins-Health	18,200	20,000	22,000	24,200
424.000	Workers Comp Insurance	3,050	0	3,100	3,050	0	3,100	0%	Ins-Health	3,400	3,700	4,100	4,500
431.300	Engineering	15,000	0	15,000	15,000	0	15,000	0%	Inflation	15,300	15,700	16,100	16,500
431.500	Employee Exams	300	0	300	300	0	300	0%	Inflation	300	300	300	300
432.000	Accounting & Auditing	0	0	0	0	0	0	0%	Inflation	0	0	0	0
434.100	Contractual Services	500	0	500	500	0	500	0%	Inflation	500	500	500	500
434.500	Sampling of Wells	12,000	0	12,000	12,000	0	12,000	0%	Inflation	12,300	12,600	12,900	13,200
434.510	Sludge Hauling	5,000	0	5,000	5,000	0	5,000	0%	Utilities	5,300	5,600	5,900	6,200
440.300	Training & Travel	500	0	500	500	0	500	0%	Inflation	500	500	500	500
441.000	Communications	8,000	0	8,000	8,000	0	8,000	0%	Inflation	8,200	8,400	8,600	8,800
441.100	Cell Phone	600	0	600	600	0	600	0%	Inflation	600	600	600	600
443.200	Electric	80,000	0	80,000	80,000	0	80,000	0%	Utilities	84,000	88,200	92,600	97,200
445.000	Property & Liability	35,585	0	35,600	35,585	0	35,600	0%	Inflation	36,400	37,200	38,100	39,000
446.000	R & M Services	35,000	0	35,000	35,000	0	35,000	0%	Inflation	35,800	36,600	37,400	38,300
446.100	R & M - Auto	2,000	0	2,000	2,000	0	2,000	0%	Inflation	2,000	2,000	2,000	2,000

City of Lake Alfred
ENTERPRISE FUND
Utility Operating Expense Projection

ACCT. #	ACCOUNT DESCRIPTION	FY 2016		FY 2016		FY 2017		FY 2017		% ALLOCATED	ESCALATION	FY 2018	FY 2019	FY 2020	FY 2021
		APPROVED	ADJUSTMENTS	ADJUSTED	PLANNED	ADJUSTMENTS	ADJUSTED	TO WATER		FACTOR	PROJECTED	PROJECTED	PROJECTED	PROJECTED	
452.000	Operating Supplies	2,000	0	2,000	2,000	0	2,000	0%		Inflation	2,000	2,000	2,000	2,000	
452.600	Chemicals	90,000	0	90,000	90,000	0	90,000	0%		Utilities	94,500	99,200	104,200	109,400	
452.700	Fuel	500	0	500	500	0	500	0%		Utilities	500	500	500	500	
452.800	Diesel Fuel	200	0	200	200	0	200	0%		Utilities	200	200	200	200	
452.940	Uniforms & Shoes	750	0	800	750	0	800	0%		Inflation	800	800	800	800	
464.100	Capital - Equip	0	0	0	0	0	0	0%		Input	0	0	0	0	
TOTAL WASTEWATER		\$420,755	\$0	\$420,900	\$421,000	\$0	\$421,200				\$437,800	\$455,100	\$473,300	\$492,300	
401.535- SUMMIT GROVE															
443.200	Electric	\$7,000	\$0	\$7,000	\$7,000	\$0	\$7,000	0%		Utilities	\$7,400	\$7,800	\$8,200	\$8,600	
445.000	Property & Liability	4,650	0	4,700	4,650	0	4,700	0%		Inflation	4,800	4,900	5,000	5,100	
446.000	R & M - Services	5,000	0	5,000	5,000	0	5,000	0%		Inflation	5,100	5,200	5,300	5,400	
452.000	Operating Supplies	500	0	500	500	0	500	0%		Inflation	500	500	500	500	
464.100	Capital - Improvements	0	0	0	0	0	0	0%		Input	0	0	0	0	
TOTAL SUMMIT GROVE		\$17,150	\$0	\$17,200	\$17,150	\$0	\$17,200				\$17,800	\$18,400	\$19,000	\$19,600	
401.000- DEBT SERVICE															
518	Loan F-EF Refinanced Bridge	\$238,445	(\$238,445)	\$0	\$238,445	(\$238,445)	\$0	50%		Input	\$0	\$0	\$0	\$0	
518	Wastewater Loan 719090	315,645	(315,645)	0	315,645	(315,645)	0	0%		Input	0	0	0	0	
TOTAL DEBT SERVICE		\$554,090	(\$554,090)	\$0	\$554,090	(\$554,090)	\$0				\$0	\$0	\$0	\$0	
401.536- SERVICE															
412.000	Salaries & Wages	\$245,695	\$0	\$245,700	\$247,868	\$0	\$247,900	41%		Labor	\$255,300	\$263,000	\$270,900	\$279,000	
414.000	Overtime Pay	6,000	0	6,000	6,000	0	6,000	41%		Labor	6,200	6,400	6,600	6,800	
421.000	FICA Expense	19,000	0	19,000	19,030	0	19,000	41%		Labor	19,600	20,200	20,800	21,400	
422.000	Retirement	35,900	0	35,900	35,900	0	35,900	41%		Labor	37,000	38,100	39,200	40,400	
423.000	Life & Health Insurance	43,950	0	44,000	43,950	0	44,000	41%		Ins-Health	48,400	53,200	58,500	64,400	
424.000	Workers Comp Insurance	5,975	0	6,000	5,975	0	6,000	41%		Ins-Health	6,600	7,300	8,000	8,800	
425.000	Unemployment Comp	0	0	0	0	0	0	41%		Labor	0	0	0	0	
431.300	Engineering	5,000	0	5,000	5,000	0	5,000	41%		Inflation	5,100	5,200	5,300	5,400	
431.500	Employee Exams	500	0	500	500	0	500	41%		Inflation	500	500	500	500	
440.300	Training & Travel	1,000	0	1,000	1,000	0	1,000	41%		Inflation	1,000	1,000	1,000	1,000	
441.000	Communications	22,000	0	22,000	22,000	0	22,000	41%		Inflation	22,500	23,000	23,500	24,000	
441.100	Cell Phone	1,800	0	1,800	1,800	0	1,800	41%		Inflation	1,800	1,800	1,800	1,800	
443.200	Electric	2,500	0	2,500	2,500	0	2,500	41%		Utilities	2,600	2,700	2,800	2,900	
441.100	Rental Equipment	500	0	500	500	0	500	41%		Inflation	500	500	500	500	
446.100	R & M - Auto	10,000	0	10,000	10,000	0	10,000	41%		Inflation	10,200	10,400	10,600	10,800	
446.120	R & M - Copier	1,400	0	1,400	1,400	0	1,400	41%		Inflation	1,400	1,400	1,400	1,400	
446.348	Annual Software Maint.	3,500	0	3,500	3,500	0	3,500	41%		Inflation	3,600	3,700	3,800	3,900	
446.350	R & M - Water Lines	20,000	0	20,000	20,000	0	20,000	100%		Inflation	20,500	21,000	21,500	22,000	
446.360	R & M - Fire Hydrants	1,000	0	1,000	1,000	0	1,000	100%		Inflation	1,000	1,000	1,000	1,000	
446.370	R & M - Lift Stations	70,000	0	70,000	70,000	0	70,000	0%		Inflation	71,600	73,200	74,900	76,600	

City of Lake Alfred
 ENTERPRISE FUND
 Utility Operating Expense Projection

ACCT. #	ACCOUNT DESCRIPTION	FY 2016		FY 2016		FY 2017		FY 2017		% ALLOCATED	ESCALATION	FY 2018	FY 2019	FY 2020	FY 2021
		APPROVED	ADJUSTMENTS	ADJUSTED	PLANNED	ADJUSTMENTS	ADJUSTED	TO WATER		FACTOR	PROJECTED	PROJECTED	PROJECTED	PROJECTED	
446.380	R & M - Sewer Lines	10,000	0	10,000	10,000	0	10,000	0%		Inflation	10,200	10,400	10,600	10,800	
	Equipment	5,000	0	5,000	5,000	0	5,000	41%		Inflation	5,100	5,200	5,300	5,400	
452.000	Operating Supplies	5,000	0	5,000	5,000	0	5,000	41%		Inflation	5,100	5,200	5,300	5,400	
452.700	Fuel	20,000	0	20,000	20,000	0	20,000	41%		Inflation	20,500	21,000	21,500	22,000	
452.800	Diesel	1,500	0	1,500	1,500	0	1,500	41%		Inflation	1,500	1,500	1,500	1,500	
452.900	Meter & Fittings - New	30,000	0	30,000	30,000	0	30,000	41%		Inflation	30,700	31,400	32,100	32,800	
452.940	Uniforms & Shoes	3,000	0	3,000	3,000	0	3,000	41%		Inflation	3,100	3,200	3,300	3,400	
536.910	Interfund Transfer - General	239,515	0	239,500	239,515	0	239,500	100%		Input	239,500	239,500	239,500	239,500	
533.910	Cost Allocation - General	91,000	0	91,000	91,000	0	91,000	41%		Labor	93,700	96,500	99,400	102,400	
536.999	Contingency	0	0	0	0	0	0	41%		Input	0	0	0	0	
464.200	Capital - Machinery & Equip	25,000	(25,000)	0	25,000	(25,000)	0	41%		Input	0	0	0	0	
	TOTAL SERVICE	\$925,735	(\$25,000)	\$900,800	\$927,938	(\$25,000)	\$903,000				\$924,800	\$947,500	\$971,100	\$995,800	
	TOTAL EXPENDITURES	\$2,208,290	(\$623,200)	\$1,585,400	\$2,202,738	(\$653,200)	\$1,549,900				\$1,595,800	\$1,643,600	\$1,693,400	\$1,745,300	

Exhibit 4
City of Lake Alfred
Projected Water Revenue Requirements

Description	Budgeted	Projected Fiscal Year Ending September 30,				
	2016	2017	2018	2019	2020	2021
Operating Expenses	\$237,900	\$238,800	\$247,000	\$255,600	\$264,500	\$273,800
Debt Service						
Series 2012 Note	\$119,222	\$119,222	\$119,222	\$119,222	\$119,222	\$119,222
SRF Loan WW719090	0	0	0	0	0	0
New Loans	0	0	0	0	0	0
Total Debt Service	\$119,222	\$119,222	\$119,222	\$119,222	\$119,222	\$119,222
Other Operating Expenses						
Minor Operating Capital	\$12,300	\$12,300	\$12,600	\$12,800	\$13,100	\$13,400
CIP Funding	0	0	0	0	0	0
Transfers to General Fund	239,500	239,500	239,500	239,500	239,500	239,500
Renewal and Replacement Transfer (5%)	0	46,800	47,100	48,800	49,100	50,900
Total Other Revenue Requirements	\$251,800	\$298,600	\$299,200	\$301,100	\$301,700	\$303,800
Total Gross Revenue Requirements	\$608,922	\$656,622	\$665,422	\$675,922	\$685,422	\$696,822
Less Revenues from Other Sources						
Miscellaneous Revenues (Initiation of Service)	\$109,500	\$109,500	\$109,500	\$109,500	\$109,500	\$109,500
Interest Income	0	16,100	19,600	23,400	27,300	31,800
Infrastructure Funds Transfer	0	0	0	0	0	0
Transfers From Operating Account	0	0	0	0	0	0
Net Revenue Requirements	\$499,422	\$531,022	\$536,322	\$543,022	\$548,622	\$555,522
Sales Revenues from Rates						
Projected Revenue from Existing Rates	\$779,600	\$784,600	\$789,600	\$794,600	\$799,800	\$804,700
Total Revenue from Prior Increase	0	0	0	23,800	24,000	49,000
Total Revenue Before Current Year Adjustment	\$779,600	\$784,600	\$789,600	\$818,400	\$823,800	\$853,700
Current Year Rate Adjustments						
Current Year Rate Adjustment		0.00%	3.00%	0.00%	3.00%	0.00%
Effective Month		Oct.	Oct.	Oct.	Oct.	Oct.
% of Current Year Effective		100%	100%	100%	100%	100%
Total Revenue from Current Year Adjustments		\$0	\$23,700	\$0	\$24,700	\$0
Annual Water Rate Revenue	\$779,600	\$784,600	\$813,300	\$818,400	\$848,500	\$853,700
Net Revenue Surplus/Deficiency	\$280,178	\$253,578	\$276,978	\$275,378	\$299,878	\$298,178

Exhibit 5
City of Lake Alfred
Projected Sewer Revenue Requirements

Description	Budgeted	Projected Fiscal Year Ending September 30,				
	2016	2017	2018	2019	2020	2021
Operating Expenses	\$393,400	\$394,700	\$407,600	\$421,000	\$435,000	\$449,700
Debt Service						
Series 2012 Note	\$119,222	\$119,222	\$119,222	\$119,222	\$119,222	\$119,222
SRF Loan WW719090	315,646	315,646	315,646	315,646	315,646	315,646
New Loans	0	0	0	0	0	0
Total Debt Service	\$434,868	\$434,868	\$434,868	\$434,868	\$434,868	\$434,868
Other Operating Expenses						
Minor Operating Capital	\$17,700	\$17,700	\$18,100	\$18,600	\$19,000	\$19,400
CIP Funding	0	0	0	0	0	0
Transfers to General Fund	0	0	0	0	0	0
Renewal and Replacement Transfer	0	76,900	77,600	80,700	81,400	84,700
Total Other Revenue Requirements	\$17,700	\$94,600	\$95,700	\$99,300	\$100,400	\$104,100
Total Gross Revenue Requirements	\$845,968	\$924,168	\$938,168	\$955,168	\$970,268	\$988,668
Less Revenues from Other Sources						
Miscellaneous Revenues (Initiation of Service)	\$69,500	\$69,500	\$69,500	\$69,500	\$69,500	\$69,500
Interest Income	0	0	0	0	0	0
Infrastructure Funds Transfer	0	0	0	0	0	0
Transfers From Operating Account	0	0	0	0	0	0
Net Revenue Requirements	\$776,468	\$854,668	\$868,668	\$885,668	\$900,768	\$919,168
Sales Revenues from Rates						
Projected Revenue from Existing Rates	\$1,281,400	\$1,293,600	\$1,305,700	\$1,317,900	\$1,330,100	\$1,342,200
Total Revenue from Prior Increase	0	0	0	39,500	39,900	81,700
Total Revenue Before Current Year Adjustment	\$1,281,400	\$1,293,600	\$1,305,700	\$1,357,400	\$1,370,000	\$1,423,900
Current Year Rate Adjustments						
Current Year Rate Adjustment		0.00%	3.00%	0.00%	3.00%	0.00%
Effective Month		Oct.	Oct.	Oct.	Oct.	Oct.
% of Current Year Effective		100%	100%	100%	100%	100%
Total Revenue from Current Year Adjustments		\$0	\$39,200	\$0	\$41,100	\$0
Annual Sewer Rate Revenue	\$1,281,400	\$1,293,600	\$1,344,900	\$1,357,400	\$1,411,100	\$1,423,900
Net Revenue Surplus/Deficiency	\$504,932	\$438,932	\$476,232	\$471,732	\$510,332	\$504,732

Exhibit 6
City of Lake Alfred
Combined System Projected Debt Service Coverage

Description	Estimated FY	Projected Fiscal Year Ending September 30,				
	2016	2017	2018	2019	2020	2021
System Revenues						
Total Water Revenue [1]	\$779,600	\$784,600	\$813,300	\$818,400	\$848,500	\$853,700
Total Sewer Revenue [1]	1,281,400	1,293,600	1,344,900	1,357,400	1,411,100	1,423,900
Total Rate Revenues	\$2,061,000	\$2,078,200	\$2,158,200	\$2,175,800	\$2,259,600	\$2,277,600
Other Operating Revenues	179,000	179,000	179,000	179,000	179,000	179,000
Interest Income	0	16,100	19,600	23,400	27,300	31,800
Total System Revenues	\$2,240,000	\$2,273,300	\$2,356,800	\$2,378,200	\$2,465,900	\$2,488,400
Operating Expenses						
Water Operating Expenses	\$237,900	\$238,800	\$247,000	\$255,600	\$264,500	\$273,800
Sewer Operating Expenses	393,400	394,700	407,600	421,000	435,000	449,700
Total Operating Expenses	\$631,300	\$633,500	\$654,600	\$676,600	\$699,500	\$723,500
Net Revenues	\$1,608,700	\$1,639,800	\$1,702,200	\$1,701,600	\$1,766,400	\$1,764,900
Debt Service						
Series 2012 Note	\$238,443	\$238,443	\$238,443	\$238,443	\$238,443	\$238,443
SRF Loan WW719090	315,646	315,646	315,646	315,646	315,646	315,646
New Loan	0	0	0	0	0	0
Total Debt Service	\$554,089	\$554,089	\$554,089	\$554,089	\$554,089	\$554,089
Debt Service Coverage						
Senior Debt Coverage						
Coverage Ratio Calculated	6.75	6.88	7.14	7.14	7.41	7.40
Coverage Ratio Required	1.20	1.20	1.20	1.20	1.20	1.20
Subordinate Debt Coverage						
Coverage Ratio Calculated	4.19	4.29	4.49	4.48	4.69	4.68
Coverage Ratio Required	1.15	1.15	1.15	1.15	1.15	1.15
Net Revenues Less Debt Service	\$1,054,611	\$1,085,711	\$1,148,111	\$1,147,511	\$1,212,311	\$1,210,811
Other Transfers:						
Minor Operating Capital	\$30,000	\$30,000	\$30,700	\$31,400	\$32,100	\$32,800
CIP Funding	0	0	0	0	0	0
Transfers to General Fund	239,500	239,500	239,500	239,500	239,500	239,500
Renewal and Replacement Transfer	0	123,700	124,700	129,500	130,500	135,600
Total Other Transfers	\$269,500	\$393,200	\$394,900	\$400,400	\$402,100	\$407,900
Net Operating Surplus/(Deficit)	\$785,111	\$692,511	\$753,211	\$747,111	\$810,211	\$802,911

Exhibit 6
City of Lake Alfred
Combined System Projected Debt Service Coverage

Footnotes:

[1] System Revenues are based on the following future water and sewer rate adjustments:

Annual Rate Index Assumed	2017	2018	2019	2020	2021
Water	0.00%	3.00%	0.00%	3.00%	0.00%
Sewer	0.00%	3.00%	0.00%	3.00%	0.00%
Residential 5,000 Gallons (Rate Design)					
Water	\$14.15	\$14.58	\$14.58	\$15.02	\$15.02
Sewer	\$41.15	\$42.39	\$42.39	\$43.67	\$43.67
Total	\$55.30	\$56.97	\$56.97	\$58.69	\$58.69
<i>Increase</i>		\$1.67	\$0.00	\$1.72	\$0.00

Exhibit 7
City of Lake Alfred
Combined Water and Sewer Fund Balance Projections

Description	Estimated FY		Projected Fiscal Year Ending September 30,			
	2016	2017	2018	2019	2020	2021
Unrestricted Operating Fund (Water and Sewer)						
Beginning Balance	\$2,500,000	\$3,220,111	\$3,912,621	\$4,665,832	\$5,412,943	\$6,223,153
Operating Surplus/(Deficit)	785,111	692,511	753,211	747,111	810,211	802,911
CIP Expenditures	0	0	0	0	0	0
Transfer to R&R Fund	(65,000)	0	0	0	0	0
Ending Balance	\$3,220,111	\$3,912,621	\$4,665,832	\$5,412,943	\$6,223,153	\$7,026,064
Min Target Balance (365 days)	\$631,300	\$633,500	\$654,600	\$676,600	\$699,500	\$723,500
Renewal and Replacement (R&R) Fund						
Beginning Balance	\$0	\$0	\$13,700	\$33,400	\$57,900	\$138,400
Operating Transfer	0	123,700	124,700	129,500	130,500	135,600
CIP Expenditures	(65,000)	(110,000)	(105,000)	(105,000)	(50,000)	(110,000)
Transfer in from Operations	65,000	0	0	0	0	0
Ending Balance	\$0	\$13,700	\$33,400	\$57,900	\$138,400	\$164,000
Capital Recovery Charges						
Beginning Balance	\$0	\$107,000	\$214,000	\$321,000	\$428,000	\$535,000
New Water Customers	32,100	32,100	32,100	32,100	32,100	32,100
New Sewer Customers	74,900	74,900	74,900	74,900	74,900	74,900
CIP Expenditures	0	0	0	0	0	0
Ending Balance	\$107,000	\$214,000	\$321,000	\$428,000	\$535,000	\$642,000
Unrestricted Operating Fund (Stormwater)						
Beginning Balance	\$0	\$18,900	\$37,800	\$55,900	\$73,200	\$89,700
Operating Surplus/(Deficit)	18,900	18,900	18,100	17,300	16,500	15,700
CIP Expenditures	0	0	0	0	0	0
Transfer to R&R Fund	0	0	0	0	0	0
Ending Balance	\$18,900	\$37,800	\$55,900	\$73,200	\$89,700	\$105,400
Min Target Balance (365 days)	\$40,900	\$40,900	\$41,700	\$42,500	\$43,300	\$44,100

Exhibit 8
City of Lake Alfred
2016 Water and Sewer Rate Design
Water Bill Impacts by Class and Meter Size

5/8" Meter - Residential (Inside City)

Usage (1,000s)	Existing Rates	Rate Design			Avg Cost/1,000 gal	
		Bill	\$ Change	% Change	Existing	Rate Design
0	\$12.95	\$8.95	(\$4.00)	-30.9%	\$12.95	\$9.99
1	\$12.95	\$9.99	(\$2.96)	-22.9%	\$6.48	\$5.52
2	\$12.95	\$11.03	(\$1.92)	-14.8%	\$4.32	\$4.02
3	\$12.95	\$12.07	(\$0.88)	-6.8%	\$3.24	\$3.28
4	\$12.95	\$13.11	\$0.16	1.2%	\$2.59	\$2.83
5	\$12.95	\$14.15	\$1.20	9.3%	\$2.16	\$2.57
6	\$12.95	\$15.40	\$2.45	18.9%	\$1.70	\$2.04
10	\$16.95	\$20.40	\$3.45	20.4%	\$1.46	\$1.85
15	\$21.95	\$27.70	\$5.75	26.2%	\$1.34	\$1.63
35	\$46.95	\$56.90	\$9.95	21.2%		

5/8" Meter - Residential (Outside City)

Usage (1,000s)	Existing Rates	Rate Design			Avg Cost/1,000 gal	
		Bill	\$ Change	% Change	Existing	Rate Design
0	\$17.50	\$11.18	(\$6.32)	-36.1%	\$4.38	\$4.10
4	\$17.50	\$16.38	(\$1.12)	-6.4%	\$3.50	\$3.54
5	\$17.50	\$17.68	\$0.18	1.0%	\$2.92	\$3.21
6	\$17.50	\$19.24	\$1.74	9.9%	\$2.35	\$2.55
10	\$23.50	\$25.48	\$1.98	8.4%	\$2.07	\$2.31
15	\$31.00	\$34.58	\$3.58	11.5%	\$1.98	\$2.18
20	\$39.50	\$43.68	\$4.18	10.6%	\$1.92	\$2.11
25	\$48.00	\$52.78	\$4.78	10.0%	\$1.88	\$2.06
30	\$56.50	\$61.88	\$5.38	9.5%	\$1.89	\$2.03
35	\$66.00	\$70.98	\$4.98	7.5%		

5/8" Meter - Non-Residential (Inside City)

Usage (1,000s)	Existing Rates	Rate Design			Avg Cost/1,000 gal	
		Bill	\$ Change	% Change	Existing	Rate Design
0	\$12.95	\$8.95	(\$4.00)	-30.9%	\$3.24	\$3.54
4	\$12.95	\$14.15	\$1.20	9.3%	\$2.59	\$3.09
5	\$12.95	\$15.45	\$2.50	19.3%	\$2.16	\$2.79
6	\$12.95	\$16.75	\$3.80	29.3%	\$1.70	\$2.20
10	\$16.95	\$21.95	\$5.00	29.5%	\$1.46	\$1.90
15	\$21.95	\$28.45	\$6.50	29.6%	\$1.40	\$1.75
20	\$27.95	\$34.95	\$7.00	25.0%	\$1.36	\$1.66
25	\$33.95	\$41.45	\$7.50	22.1%	\$1.33	\$1.60
30	\$39.95	\$47.95	\$8.00	20.0%	\$1.34	\$1.56
35	\$46.95	\$54.45	\$7.50	16.0%		

Sewer Bill Impacts by Class and Meter Size

5/8" Meter - Residential (Inside City)

Usage (1,000s)	Existing Rates	Rate Design			Avg Cost/1,000 gal	
		Bill	\$ Change	% Change	Existing	Rate Design
0	\$40.54	\$29.50	(\$11.04)	-27.2%	\$40.54	\$31.83
1	\$40.54	\$31.83	(\$8.71)	-21.5%	\$20.27	\$17.08
2	\$40.54	\$34.16	(\$6.38)	-15.7%	\$13.51	\$12.16
3	\$40.54	\$36.49	(\$4.05)	-10.0%	\$10.14	\$9.71
4	\$40.54	\$38.82	(\$1.72)	-4.2%	\$8.11	\$8.23
5	\$40.54	\$41.15	\$0.61	1.5%	\$6.76	\$7.25
6	\$40.54	\$43.48	\$2.94	7.3%	\$4.05	\$5.28
10	\$40.54	\$52.80	\$12.26	30.2%	\$2.70	\$3.52
15	\$40.54	\$52.80	\$12.26	30.2%	\$1.16	\$1.51
35	\$40.54	\$52.80	\$12.26	30.2%		

5/8" Meter - Residential (Outside City)

Usage (1,000s)	Existing Rates	Rate Design			Avg Cost/1,000 gal	
		Bill	\$ Change	% Change	Existing	Rate Design
0	\$50.68	\$36.87	(\$13.81)	-27.2%	\$12.67	\$12.13
4	\$50.68	\$48.51	(\$2.17)	-4.3%	\$10.14	\$10.28
5	\$50.68	\$51.42	\$0.74	1.5%	\$8.45	\$9.06
6	\$50.68	\$54.33	\$3.65	7.2%	\$5.07	\$6.60
10	\$50.68	\$65.97	\$15.29	30.2%	\$3.38	\$4.40
15	\$50.68	\$65.97	\$15.29	30.2%	\$2.53	\$3.30
20	\$50.68	\$65.97	\$15.29	30.2%	\$2.03	\$2.64
25	\$50.68	\$65.97	\$15.29	30.2%	\$1.69	\$2.20
30	\$50.68	\$65.97	\$15.29	30.2%	\$1.45	\$1.88
35	\$50.68	\$65.97	\$15.29	30.2%		

5/8" Meter - Non-Residential (Inside City)

Usage (1,000s)	Existing Rates	Rate Design			Avg Cost/1,000 gal	
		Bill	\$ Change	% Change	Existing	Rate Design
0	\$53.49	\$38.35	(\$15.14)	-28.3%	\$13.37	\$11.92
4	\$53.49	\$47.67	(\$5.82)	-10.9%	\$10.70	\$10.00
5	\$53.49	\$50.00	(\$3.49)	-6.5%	\$8.92	\$8.72
6	\$53.49	\$52.33	(\$1.16)	-2.2%	\$5.75	\$6.17
10	\$57.49	\$61.65	\$4.16	7.2%	\$4.17	\$4.89
15	\$62.49	\$73.30	\$10.81	17.3%	\$3.42	\$4.25
20	\$68.49	\$84.95	\$16.46	24.0%	\$2.98	\$3.86
25	\$74.49	\$96.60	\$22.11	29.7%	\$2.68	\$3.61
30	\$80.49	\$108.25	\$27.76	34.5%	\$2.50	\$3.43
35	\$87.49	\$119.90	\$32.41	37.0%		

Combined Bill Impacts by Class and Meter Size

5/8" Meter - Residential (Inside City)

Usage (1,000s)	Existing Rates	Rate Design			Avg Cost/1,000 gal	
		Bill	\$ Change	% Change	Existing	Rate Design
0	\$53.49	\$38.45	(\$15.04)	-28.1%	\$53.49	\$41.82
1	\$53.49	\$41.82	(\$11.67)	-21.8%	\$26.75	\$22.60
2	\$53.49	\$45.19	(\$8.30)	-15.5%	\$17.83	\$16.19
3	\$53.49	\$48.56	(\$4.93)	-9.2%	\$13.37	\$12.98
4	\$53.49	\$51.93	(\$1.56)	-2.9%	\$10.70	\$11.06
5	\$53.49	\$55.30	\$1.81	3.4%	\$8.92	\$9.81
6	\$53.49	\$58.68	\$5.19	10.1%	\$5.75	\$7.32
10	\$57.49	\$73.20	\$15.71	27.3%	\$4.17	\$5.37
15	\$62.49	\$88.50	\$18.01	28.8%	\$2.50	\$3.13
35	\$87.49	\$109.70	\$22.21	25.4%		

5/8" Meter - Residential (Outside City)

Usage (1,000s)	Existing Rates	Rate Design			Avg Cost/1,000 gal	
		Bill	\$ Change	% Change	Existing	Rate Design
0	\$68.18	\$48.05	(\$20.13)	-29.5%	\$17.05	\$16.22
4	\$68.18	\$64.89	(\$3.29)	-4.8%	\$13.64	\$13.82
5	\$68.18	\$69.10	\$0.92	1.3%	\$11.36	\$12.26
6	\$68.18	\$73.57	\$5.39	7.9%	\$7.42	\$9.15
10	\$74.18	\$91.45	\$17.27	23.3%	\$5.45	\$6.70
15	\$81.68	\$100.55	\$18.87	23.1%	\$4.51	\$5.48
20	\$90.18	\$109.65	\$19.47	21.6%	\$3.95	\$4.75
25	\$98.68	\$118.75	\$20.07	20.3%	\$3.57	\$4.26
30	\$107.18	\$127.85	\$20.67	19.3%	\$3.33	\$3.91
35	\$116.68	\$136.95	\$20.27	17.4%		

5/8" Meter - Non-Residential (Inside City)

Usage (1,000s)	Existing Rates	Rate Design			Avg Cost/1,000 gal	
		Bill	\$ Change	% Change	Existing	Rate Design
0	\$66.44	\$47.30	(\$19.14)	-28.8%	\$16.61	\$15.46
4	\$66.44	\$61.82	(\$4.62)	-7.0%	\$13.29	\$13.09
5	\$66.44	\$65.45	(\$0.99)	-1.5%	\$11.07	\$11.51
6	\$66.44	\$69.08	\$2.64	4.0%	\$7.44	\$8.36
10	\$74.44	\$83.60	\$9.16	12.3%	\$5.63	\$6.78
15	\$84.44	\$101.75	\$17.31	20.5%	\$4.82	\$6.00
20	\$96.44	\$119.90	\$23.46	24.3%	\$4.34	\$5.52
25	\$108.44	\$138.05	\$29.61	27.3%	\$4.01	\$5.21
30	\$120.44	\$156.20	\$35.76	29.7%	\$3.84	\$4.98
35	\$134.44	\$174.35	\$39.91	29.7%		

Exhibit 8
City of Lake Alfred
2016 Water and Sewer Rate Design
Water Bill Impacts by Class and Meter Size

5/8" Meter - Non-Residential (Outside City)

Usage (1,000s)	Existing Rates	Rate Design			Avg Cost/1,000 gal	
		Bill	\$ Change	% Change	Existing	Rate Design
0	\$17.50	\$11.18	(\$6.32)	-36.1%		
4	\$17.50	\$17.66	\$0.16	0.9%	\$4.38	\$4.42
5	\$17.50	\$19.28	\$1.78	10.2%	\$3.50	\$3.86
6	\$17.50	\$20.90	\$3.40	19.4%	\$2.92	\$3.48
10	\$23.50	\$27.38	\$3.88	16.5%	\$2.35	\$2.74
15	\$31.00	\$35.48	\$4.48	14.5%	\$2.07	\$2.37
20	\$39.50	\$43.58	\$4.08	10.3%	\$1.98	\$2.18
25	\$48.00	\$51.68	\$3.68	7.7%	\$1.92	\$2.07
30	\$56.50	\$59.78	\$3.28	5.8%	\$1.88	\$1.99
35	\$66.00	\$67.88	\$1.88	2.8%	\$1.89	\$1.94

2" Meter - Non-Residential (Inside City)

Usage (1,000s)	Existing Rates	Rate Design			Avg Cost/1,000 gal	
		Bill	\$ Change	% Change	Existing	Rate Design
0	\$12.95	\$71.60	\$58.65	452.9%		
10	\$16.95	\$84.60	\$67.65	399.1%	\$1.70	\$8.46
15	\$21.95	\$91.10	\$69.15	315.0%	\$1.46	\$6.07
20	\$27.95	\$97.60	\$69.65	249.2%	\$1.40	\$4.88
25	\$33.95	\$104.10	\$70.15	206.6%	\$1.36	\$4.16
30	\$39.95	\$110.60	\$70.65	176.8%	\$1.33	\$3.69
40	\$53.95	\$123.60	\$69.65	129.1%	\$1.35	\$3.09
50	\$67.95	\$136.60	\$68.65	101.0%	\$1.36	\$2.73
60	\$81.95	\$149.60	\$67.65	82.6%	\$1.37	\$2.49
80	\$113.95	\$175.60	\$61.65	54.1%	\$1.42	\$2.20

Sewer Bill Impacts by Class and Meter Size

5/8" Meter - Non-Residential (Outside City)

Usage (1,000s)	Existing Rates	Rate Design			Avg Cost/1,000 gal	
		Bill	\$ Change	% Change	Existing	Rate Design
0	\$53.49	\$47.93	(\$5.56)	-10.4%		
4	\$53.49	\$59.57	\$6.08	11.4%	\$13.37	\$14.89
5	\$53.49	\$62.48	\$8.99	16.8%	\$10.70	\$12.50
6	\$53.49	\$65.39	\$11.90	22.2%	\$8.92	\$10.90
10	\$59.49	\$77.03	\$17.54	29.5%	\$5.95	\$7.70
15	\$66.99	\$91.58	\$24.59	36.7%	\$4.47	\$6.11
20	\$75.49	\$106.13	\$30.64	40.6%	\$3.77	\$5.31
25	\$83.99	\$120.68	\$36.69	43.7%	\$3.36	\$4.83
30	\$92.49	\$135.23	\$42.74	46.2%	\$3.08	\$4.51
35	\$101.99	\$149.78	\$47.79	46.9%	\$2.91	\$4.28

2" Meter - Non-Residential (Inside City)

Usage (1,000s)	Existing Rates	Rate Design			Avg Cost/1,000 gal	
		Bill	\$ Change	% Change	Existing	Rate Design
0	\$53.49	\$236.00	\$182.51	341.2%		
10	\$57.49	\$259.30	\$201.81	351.0%	\$5.75	\$25.93
15	\$62.49	\$270.95	\$208.46	333.6%	\$4.17	\$18.06
20	\$68.49	\$282.60	\$214.11	312.6%	\$3.42	\$14.13
25	\$74.49	\$294.25	\$219.76	295.0%	\$2.98	\$11.77
30	\$80.49	\$305.90	\$225.41	280.0%	\$2.68	\$10.20
40	\$94.49	\$329.20	\$234.71	248.4%	\$2.36	\$8.23
50	\$108.49	\$352.50	\$244.01	224.9%	\$2.17	\$7.05
60	\$122.49	\$375.80	\$253.31	206.8%	\$2.04	\$6.26
80	\$154.49	\$422.40	\$267.91	173.4%	\$1.93	\$5.28

Combined Bill Impacts by Class and Meter Size

5/8" Meter - Non-Residential (Outside City)

Usage (1,000s)	Existing Rates	Rate Design			Avg Cost/1,000 gal	
		Bill	\$ Change	% Change	Existing	Rate Design
0	\$70.99	\$59.11	(\$11.88)	-16.7%		
4	\$70.99	\$77.23	\$6.24	8.8%	\$17.75	\$19.31
5	\$70.99	\$81.76	\$10.77	15.2%	\$14.20	\$16.35
6	\$70.99	\$86.29	\$15.30	21.6%	\$11.83	\$14.38
10	\$82.99	\$104.41	\$21.42	25.8%	\$8.30	\$10.44
15	\$97.99	\$127.06	\$29.07	29.7%	\$6.53	\$8.47
20	\$114.99	\$149.71	\$34.72	30.2%	\$5.75	\$7.49
25	\$131.99	\$172.36	\$40.37	30.6%	\$5.28	\$6.89
30	\$148.99	\$195.01	\$46.02	30.9%	\$4.97	\$6.50
35	\$167.99	\$217.66	\$49.67	29.6%	\$4.80	\$6.22

2" Meter - Non-Residential (Inside City)

Usage (1,000s)	Existing Rates	Rate Design			Avg Cost/1,000 gal	
		Bill	\$ Change	% Change	Existing	Rate Design
0	\$66.44	\$307.60	\$241.16	363.0%		
10	\$74.44	\$343.90	\$269.46	362.0%	\$7.44	\$34.39
15	\$84.44	\$362.05	\$277.61	328.8%	\$5.63	\$24.14
20	\$96.44	\$380.20	\$283.76	294.2%	\$4.82	\$19.01
25	\$108.44	\$398.35	\$289.91	267.3%	\$4.34	\$15.93
30	\$120.44	\$416.50	\$296.06	245.8%	\$4.01	\$13.88
40	\$148.44	\$452.80	\$304.36	205.0%	\$3.71	\$11.32
50	\$176.44	\$489.10	\$312.66	177.2%	\$3.53	\$9.78
60	\$204.44	\$525.40	\$320.96	157.0%	\$3.41	\$8.76
80	\$268.44	\$598.00	\$329.56	122.8%	\$3.36	\$7.48

Schedule 1-R
Inside City Water and Sewer Rates

	Effective Date:				
	October 1, 2016	October 1, 2017	October 1, 2018	October 1, 2019	October 1, 2020
Residential Water Rates					
Water Base Charge per Unit	\$8.95	\$9.21	\$9.21	\$9.48	\$9.48
Water Usage Charge/1,000 Gallons					
Block 1 (0 - 5,000 gallons)	\$1.04	\$1.07	\$1.07	\$1.10	\$1.10
Block 2 (5,001 - 10,000 gallons)	\$1.25	\$1.28	\$1.28	\$1.32	\$1.32
Block 3 (Above 10,000 gallons)	\$1.46	\$1.50	\$1.50	\$1.54	\$1.54
Residential Sewer Rates					
Sewer Base Charge per Unit	\$29.50	\$30.38	\$30.38	\$31.29	\$31.29
Sewer Usage Charge/1,000 Gallons					
Up to 10,000 gallons	\$2.33	\$2.39	\$2.39	\$2.46	\$2.46
Commercial Water Rates					
Water Base Charge					
5/8-inch Meter	\$8.95	\$9.21	\$9.21	\$9.48	\$9.48
1-inch Meter	\$22.38	\$23.04	\$23.04	\$23.73	\$23.73
1.5-inch Meter	\$44.75	\$46.09	\$46.09	\$47.47	\$47.47
2-inch Meter and Larger	\$71.60	\$73.74	\$73.74	\$75.95	\$75.95
Water Usage Charge/1,000 Gallons					
All Use	\$1.30	\$1.33	\$1.33	\$1.36	\$1.36
Commercial Sewer Rates					
Sewer Base Charge					
5/8-inch Meter	\$38.35	\$39.50	\$39.50	\$40.68	\$40.68
1-inch Meter	\$73.75	\$75.96	\$75.96	\$78.23	\$78.23
1.5-inch Meter	\$147.50	\$151.92	\$151.92	\$156.47	\$156.47
2-inch Meter and Larger	\$236.00	\$243.08	\$243.08	\$250.37	\$250.37
Sewer Usage Charge/1,000 Gallons					
All Use	\$2.33	\$2.39	\$2.39	\$2.46	\$2.46

Schedule 1-R
Outside City Water and Sewer Rates

	Effective Date:				
	October 1, 2016	October 1, 2017	October 1, 2018	October 1, 2019	October 1, 2020
Residential Water Rates					
Water Base Charge per Unit	\$11.18	\$11.51	\$11.51	\$11.85	\$11.85
Water Usage Charge/1,000 Gallons					
Block 1 (0 - 5,000 gallons)	\$1.30	\$1.33	\$1.33	\$1.37	\$1.37
Block 2 (5,001 - 10,000 gallons)	\$1.56	\$1.60	\$1.60	\$1.65	\$1.65
Block 3 (Above 10,000 gallons)	\$1.82	\$1.87	\$1.87	\$1.92	\$1.92
Residential Sewer Rates					
Sewer Base Charge per Unit	\$36.87	\$37.97	\$37.97	\$39.11	\$39.11
Sewer Usage Charge/1,000 Gallons					
Up to 10,000 gallons	\$2.91	\$2.98	\$2.98	\$3.07	\$3.07
Commercial Water Rates					
Water Base Charge					
5/8-inch Meter	\$11.18	\$11.51	\$11.51	\$11.85	\$11.85
1-inch Meter	\$27.96	\$28.80	\$28.80	\$29.66	\$29.66
1.5-inch Meter	\$55.93	\$57.61	\$57.61	\$59.33	\$59.33
2-inch Meter and Larger	\$89.50	\$92.17	\$92.17	\$94.93	\$94.93
Water Usage Charge/1,000 Gallons					
All Use	\$1.62	\$1.66	\$1.66	\$1.70	\$1.70
Commercial Sewer Rates					
Sewer Base Charge					
5/8-inch Meter	\$47.93	\$49.37	\$49.37	\$50.85	\$50.85
1-inch Meter	\$92.18	\$94.95	\$94.95	\$97.78	\$97.78
1.5-inch Meter	\$184.37	\$189.90	\$189.90	\$195.58	\$195.58
2-inch Meter and Larger	\$295.00	\$303.85	\$303.85	\$312.96	\$312.96
Sewer Usage Charge/1,000 Gallons					
All Use	\$2.91	\$2.98	\$2.98	\$3.07	\$3.07

**LAKE ALFRED CITY COMMISSION MEETING
AUGUST 22, 2016**

2.) PURCHASE: PUBLIC WORKS VEHICLE PURCHASE

ISSUE: The City Commission will consider purchasing a replacement vehicle for the Public Works Department.

ATTACHMENTS:

- 2016 Ford F150 Quote

ANALYSIS: The upcoming FY 16/17 budget set to begin on October 1, 2016 includes \$25,000 for the purchase of a replacement vehicle for the Public Works Department. Staff is requesting to advance the purchase of a 2016 Ford F150 in order to accommodate anticipated operational needs that will start at the beginning of the fiscal year. The proposed purchase price of \$24,732 (MSRP \$33,740) from Bartow Ford was priced through the Polk County Sheriff's Office bid.

Funding is available to accommodate the purchase in the current fiscal year. The \$25,000 included in the FY 16/17 budget will remain programmed within the budget; effectively acting as a reimbursement so there is no additional cost incurred by advancing the purchase to the current fiscal year.

STAFF RECOMMENDATION: Purchase a 2016 F150 from Bartow Ford in the amount of \$24,732.



August 4, 2016

**City of Lake Alfred
John Deaton**

2016 Ford F150 Super Crew 4x2 (W1C)
2.7L Eco-Boost V-6 Engine
Automatic Transmission
Air Conditioning
100A Equipment Package

Includes delivery to your location

TOTAL PURCHASE AMOUNT PER UNIT \$24,732.00

**If you have any questions or need any additional
information
please feel free contact me anytime.**

Richard Weissinger
Commercial Fleet Sales
Direct Line (813) 477-0052
Fax (863) 533-8485

GFB34979



Go Further

ford.com

VEHICLE DESCRIPTION

F-150

2016 F-150 4X2 SUPERCREW
145" WHEELBASE
2.7L V6 ECOBOOST W/AUTO S/S
ELEC 6-SPEED AUTO W/TOW MOD

EXTERIOR OXFORD WHITE
INTERIOR DARK GRAY CLOTH 40/20/40

GF **B34979**

STANDARD EQUIPMENT INCLUDED AT NO EXTRA CHARGE

EXTERIOR

- DAYTIME RUNNING LIGHTS
- EASY FUEL CAPLESS FILLER
- FULLY BOXED STEEL FRAME
- HALOGEN HEADLAMPS
- LOCKING REMOVABLE TAILGATE
- PICKUP BOX TIE DOWN HOOKS
- REAR SOLAR TINTED GLASS
- SPARE TIRE & WHEEL LOCK

INTERIOR

- 2.3" PRODUCTIVITY SCREEN
- 4.2" CTR STACK SCREEN W/AUDIO CONTROLS
- A/C W/MANUAL CLIMATE CONTROL, SINGLE ZONE
- AUXILIARY AUDIO INPUT JACK
- BLACK VINYL FLOOR COVERING
- DAY/NIGHT REARVIEW MIRROR
- TILT/TELESCOPE STR COLUMN

FUNCTIONAL

- 4-WHEEL DISC BRAKES W/ABS
- 12V AUXILIARY POWER POINT
- FADE-TO-OFF INTERIOR LIGHT
- FAIL-SAFE COOLING SYSTEM
- HILL START ASSIST
- INTERMITTENT SPEED WIPERS
- MANUAL FOLD MIRRORS
- MANUAL WINDOWS, DOOR LOCKS & TAILGATE LOCK
- OUTBOARD MNTD REAR SHOCKS
- PWR RACK AND PINION STEER
- TRAILER SWAY CONTROL

SAFETY/SECURITY

- ADVANCETRAC WITH RSC
- AIRBAGS - FRONT SEAT MOUNTED SIDE IMPACT
- AIRBAGS - SAFETY CANOPY SIDE CURTAIN
- CTR HIGH MOUNT STOP LAMP
- SECURILOCK PASS ANTI THEFT
- SOS POST CRASH ALERT SYS
- TIRE PRESSURE MONITOR SYS

WARRANTY

- 3YR/36,000 BUMPER / BUMPER
- 5YR/60,000 POWERTRAIN
- 5YR/60,000 ROADSIDE ASSIST

INCLUDED ON THIS VEHICLE

EQUIPMENT GROUP 100A

- XL SERIES

OPTIONAL EQUIPMENT/OTHER

- .17" SILVER STEEL WHEELS
- 2.7L V6 ECOBOOST W/AUTO S/S
- .245/70R 17 BSW ALL-SEASON
- 3.31 RATIO REGULAR AXLE
- 6250# GVWR PACKAGE
- SELECTSHIFT TRANSMISSION
- AUTO START/STOP
- 23 GALLON FUEL TANK

(MSRP)

795.00

NO CHARGE

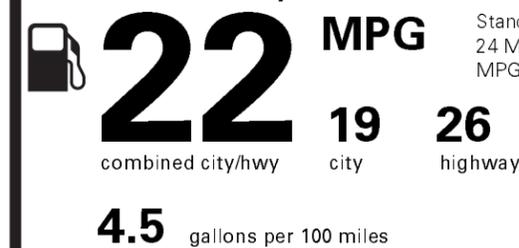
PRICE INFORMATION

BASE PRICE	\$32,945.00
TOTAL OPTIONS/OTHER	795.00
TOTAL VEHICLE & OPTIONS/OTHER	33,740.00
DESTINATION & DELIVERY	1,195.00

EPA DOT Fuel Economy and Environment

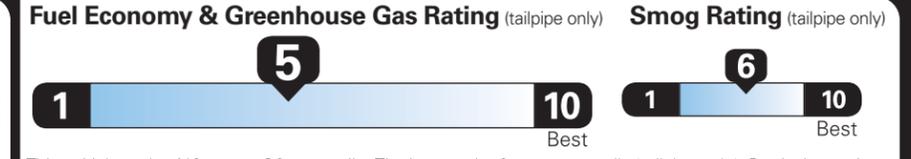
Gasoline Vehicle

Fuel Economy



You spend **\$1,250** more in fuel costs over 5 years compared to the average new vehicle.

Annual fuel cost **\$2,050**



Actual results will vary for many reasons, including driving conditions and how you drive and maintain your vehicle. The average new vehicle gets 25 MPG and costs \$9,000 to fuel over 5 years. Cost estimates are based on 15,000 miles per year at \$3.00 per gallon. MPGe is miles per gasoline gallon equivalent. Vehicle emissions are a significant cause of climate change and smog.

fueleconomy.gov

Calculate personalized estimates and compare vehicles



GOVERNMENT 5-STAR SAFETY RATINGS

Overall Vehicle Score ★★★★★

Based on the combined ratings of frontal, side and rollover. Should ONLY be compared to other vehicles of similar size and weight.

Frontal Crash	Driver Passenger	★★★★★
---------------	------------------	-------

Based on the risk of injury in a frontal impact. Should ONLY be compared to other vehicles of similar size and weight.

Side Crash	Front seat Rear seat	★★★★★
------------	----------------------	-------

Based on the risk of injury in a side impact.

Rollover ★★★★★

Based on the risk of rollover in a single-vehicle crash.

Star ratings range from 1 to 5 stars (★★★★★), with 5 being the highest.

Source: National Highway Traffic Safety Administration (NHTSA).

www.safercar.gov or 1-888-327-4236



1FTEW1CP5GFB34979

IIHS Ratings

Top Safety Pick Award Winner

Frontal Offset	GOOD
Side Impact	GOOD
Rear Impact	GOOD
Roof Strength	GOOD

The Institute rates vehicles Good, Acceptable, Marginal, or Poor based on performance.



Scan this code to experience this vehicle or text 1FGFB34979 to 48028

or Visit ford.com/windowsticker

Standard messaging & data plan rates may apply.

RAMP ONE	CA35	TOTAL MSRP \$34,935.00
RAMP TWO	FINAL ASSEMBLY PLANT DEARBORN	
METHOD OF TRANSP.	CONVOY	ITEM #: 24-K563 O/T 2
GB051 N RB 2X 640 004774 02 05 16		

This label is affixed pursuant to the Federal Automobile Information Disclosure Act. Gasoline, License, and Title Fees, State and Local taxes are not included. Dealer installed options or accessories are not included unless listed above.



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**LAKE ALFRED CITY COMMISSION MEETING
AUGUST 22, 2016**

3.) APPOINT CHAIR/VICE CHAIR: CRA BOARD

ISSUE: The City Commission will select the Chair and Vice Chair of the CRA Board.

ATTACHMENTS:

- none

ANALYSIS: Florida Statutes requires the annual appointment of the CRA Chair and Vice Chair. Prior to convening the CRA the City Commission may appoint these offices. Once the CRA Board Bylaws are established the offices will be confirmed by the CRA Board each year.

STAFF RECOMMENDATION: Appoint Mayor as Chair, & Vice Mayor as Vice Chair of the CRA Board.

**LAKE ALFRED CITY COMMISSION MEETING
AUGUST 22, 2016**

**COMMUNITY REDEVELOPMENT AGENCY (CRA)
BOARD AGENDA**

1.) SEPTEMBER 9, 2015 CRA MEETING MINUTES

ATTACHMENTS:

- Draft Minutes

ANALYSIS: Please review the minutes at your earliest convenience and if there are any questions, comments or concerns please contact the City Clerk, Ameen Bailey at (863) 291-5747.

STAFF RECOMMENDATION: Approval of the September 9, 2015 CRA Minutes

DRAFT MEETING MINUTES
CITY OF LAKE ALFRED
COMMUNITY REDEVELOPMENT AGENCY BOARD
WEDNESDAY SEPTEMBER 9, 2015
7:51 P.M.
CITY HALL

Call to order at 7:51 p.m. – Charles O. Lake, Chair

Roll Call: Those in attendance were Chair Charles Lake, Vice Chair Nancy Z. Daley, Board Member John Duncan, Board Member Jack Dearmin, Board Member Albertus Maultsby, City Manager Ryan Leavengood, Assistant City Attorney Seth Claytor and City Clerk Ameen Bailey.

COMMUNITY REDEVELOPMENT BOARD (CRA) AGENDA

1.) CRA MEETING MINUTES FOR AUGUST 4, 2014

Vice Chair Daley moved to approve the CRA meeting minutes for August 4, 2014; seconded by **Board Member Dearmin** and the motion was approved by unanimous voice call vote.

CHAIR DALEY	AYE
VICE CHAIR LAKE	AYE
BOARD MEMBER DEARMIN	AYE
BOARD MEMBER DUNCAN	AYE
BOARD MEMBER MAULTSBY	AYE

2.) CRA RESOLUTION 01-15: CRA ANNUAL BUDGET

Assistant City Attorney Seth Claytor read the resolution title.

City Manager Leavengood stated the proposed CRA budget is the first operating budget to be created following the creation of the CRA in the fall of 2015. The majority of the \$20,000 budget has been placed in capital repair and maintenance projects to assist the City in beautification projects over the next fiscal year. It may also be able to assist the City in the funding the rollout of downtown wayfinding program. Now with a baseline budget, CRA project discussions can be included in the capital budget presentation that typically occurs in March of each year. As the budget grows, the City can consider larger projects. The CRA could also discuss two additional citizen members and establish a meeting schedule.

Staff recommended approval of CRA Resolution 01-15 Annual Budget to be included in the City Commission Budget for consideration.

Vice Chair Daley stated that it is very exciting and been a long time coming.

City Manager Leavengood stated that it was a challenge in 2014 trying to establish the thresholds. Now the \$20,000 budget was established due to the timing of the CRA development.

DRAFT

Board Member Maultsby moved to approve the CRA Resolution 01-15; seconded by **Board Member Dearmin** and the motion was approved by unanimous voice call vote. There were no citizen statements.

CHAIR DALEY	AYE
VICE CHAIR LAKE	AYE
BOARD MEMBER DEARMIN	AYE
BOARD MEMBER DUNCAN	AYE
BOARD MEMBER MAULTSBY	AYE

Vice Chair Daley moved to approve adjourn; seconded by **Board Member Duncan** and the motion was approved by unanimous voice call vote.

CHAIR DALEY	AYE
VICE CHAIR LAKE	AYE
BOARD MEMBER DEARMIN	AYE
BOARD MEMBER DUNCAN	AYE
BOARD MEMBER MAULTSBY	AYE

Without further business, the CRA Meeting adjourned at 7:57 p.m., and the City Commission reconvened.

Respectfully submitted,

Ameé Bailey-Speck

City Clerk

DRAFT

**LAKE ALFRED CITY COMMISSION MEETING
AUGUST 22, 2016**

2.) CRA RESOLUTION 01-16: CRA BOARD BYLAWS

ISSUE: The CRA will consider a resolution to establish bylaws governing the CRA.

ATTACHMENTS:

- Resolution CRA 01-16
- Exhibit "A" CRA Board Bylaws

ANALYSIS: As a new Board, the Lake Alfred Community Redevelopment Agency (CRA) Board should consider rules of order. The proposed bylaws outline the purpose, membership, responsibilities, and meeting procedures for the CRA.

Staff has drafted a set of bylaws for consideration. Certain components are established by F.S. Part III, Chapter 163, Polk County, and the City of Lake Alfred ordinances and resolutions governing or affecting the operation and powers of the CRA. Other components have been modeled after similar provisions seen in other CRA bylaws and procedures. These items include the membership, officers and their duties, meetings and schedules, and various procedures.

STAFF RECOMMENDATION: Approval of CRA Resolution 01-16.

CRA RESOLUTION NO. 01-16

A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LAKE ALFRED, FLORIDA, ESTABLISHING BYLAWS REGARDING THE PURPOSE; MEMBERSHIP; AUTHORITY AND RESPONSIBILITIES; OFFICERS AND THEIR DUTIES; MEETINGS, SCHEDULES, AND PROCEDURES; AND AMENDMENT OF BYLAWS; SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Lake Alfred Community Redevelopment Agency (CRA) Board shall determine its own rules of order and adopt said rules by resolution; and

WHEREAS, in an effort to facilitate the preparation and orderly progression of meetings, the CRA finds it necessary to develop procedural rules of order to facilitate and to ensure the efficient preparation of CRA meetings and the orderly flow of business; and

WHEREAS, the CRA deems it appropriate and necessary to create procedural rules governing agenda composition and release as well as board meeting procedures and citizen involvement; and

WHEREAS, is the intention of the CRA that by creating said rules, CRA business will be addressed and conducted in an efficient, uniform and orderly manner; and

WHEREAS, the establishment of said rules shall govern and apply to each member of the CRA, all staff members, and all other individuals in attendance.

NOW THEREFORE BE IT RESOLVED by the Governing Board of the CRA of the City of Lake Alfred, Florida, as follows:

SECTION 1: BYLAWS. The CRA shall serve and create rules of procedures to provide for the preparation and conducting of business at Board meetings as specified in Exhibit 'A', for the purpose of facilitating and achieving uniformity, efficiency, and order.

SECTION 2: SEVERABILITY: If any provision or portion of this Resolution is declared by any court of competent jurisdiction to be void, unconstitutional, or unenforceable, then all remaining provisions and portions of the Resolution shall remain in full force and effect.

SECTION 3: EFFECTIVE DATE. This Resolution will take effect immediately upon its passage.

INTRODUCED AND PASSED by the Governing Board of the CRA of the City of Lake Alfred, Florida, on this 22nd day of August, 2016.

**COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF LAKE
ALFRED, FLORIDA**

BY: _____
Charles O. Lake, Chairman

ATTEST:

Ameé Bailey-Speck, City Clerk

Approved as to form:

Frederick J. Murphy, Jr., City Attorney

Exhibit "A"
Resolution 01-16



CITY OF LAKE ALFRED, FLORIDA

***COMMUNITY REDEVELOPMENT AGENCY (CRA)
BOARD BYLAWS***

August 2016

**City of Lake Alfred
Community Redevelopment Agency
Bylaws**

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Lake Alfred Community Redevelopment Agency Board Bylaws

Section 1. Board Name and Definitions

- A. **Name.** The name of the Board is the “Lake Alfred Community Redevelopment Agency” as enacted by Ordinance 1335-14.
- B. **Definitions.** Unless stated to the contrary, the following words shall have the meanings stated below.
 - 1. **City Commission** shall refer to the City Commission for the City of Lake Alfred, Florida.
 - 2. Lake Alfred **“CRA”** Shall refer to the Lake Alfred Community Redevelopment Agency.
 - 3. **BoCC** shall refer to the Polk County Board of County Commissioners
 - 4. **Fiscal year** shall refer to the twelve calendar period commencing on October 1 and ending on September 30.
 - 5. **Plan** shall refer to the Lake Alfred Community Redevelopment Plan
 - 6. **Fund** shall refer to the Lake Alfred Community Redevelopment Trust Fund

Section 2. Purpose

The purpose of these bylaws is to provide operating policies and procedures to enable the Lake Alfred CRA to carry out the Lake Alfred Redevelopment Plan in a manner consistent with the provisions of F.S. Part III, Chapter 163, Polk County, and the City of Lake Alfred ordinances and resolutions governing or affecting the operation and powers of the CRA, and any other pertinent provisions of Florida Law.

Section 3. Membership

The membership shall follow the minimum procedures as set forth in Ordinance 1335-14 and as outlined below.

- A. **Members.** The CRA shall consist of a maximum of seven (7) members as prescribed in F.S. Chapter 163.357, BoCC Resolution 14-052, and City Ordinance 1335-14.
- B. **Standing Members.** Five (5) members shall be the seated City Commission.
- C. **Appointed Members.** The City Commission may appoint two (2) additional members to the CRA Board. The two appointed members shall serve four (4) year terms. However, one (1) initial appointment shall be for a two (2) term for the purpose of staggering the terms. Any person may be appointed to the CRA if they

reside or engage in business within the City of Lake Alfred. According to F.S. Part III Chapter 163, this includes owning a business, practicing a profession, performing a service for compensation, or serving as an officer or director of a corporation or other business.

- D. **Vacancy.** In the event of a vacancy or an appointed member, the City Commission shall appoint an individual satisfying the qualifications for the unexpired term.
- E. **Quorum.** A majority of the standing and appointed members constitutes a quorum for the purposes of conducting business and exercising the powers of the CRA. A majority vote of the members of the Board at any meeting is required for positive action. No meeting shall commence unless a quorum is present.

Section 4. Authority and Responsibilities

- A. **Authority.** The CRA shall have jurisdiction over those matters set forth in:
 - 1. F.S. Chapter 163 Part III for CRAs (2013)
 - 2. Polk County Board of County Commissioners Resolution 2014-052 to establish and operate the Lake Alfred CRA and operate a community redevelopment trust fund for the Lake Alfred CRA.
 - 3. Polk County Board of County Commissioners Ordinance 2014-068 approval of the Lake Alfred CRA redevelopment plan.
 - 4. Polk County Board of County Commissioners Ordinance 2014-069 established the trust fund, obligated and appropriated the tax increment, and implemented the criteria and recording requirement.
 - 5. City of Lake Alfred Ordinance 1335-14 creation of the Lake Alfred CRA, providing for Board Members, development of a redevelopment plan, and administration of the redevelopment trust fund, and annual audit of the trust fund.
 - 6. City of Lake Alfred Ordinance 1336-14 approval of the Lake Alfred Community Redevelopment Plan and boundaries
- B. **Responsibilities.** The City of Lake Alfred and the Polk County Board of County Commissioners (BoCC) provided the Lake Alfred CRA with the following authority and limitations conditioned on compliance with the provisions of F.S., Chapter 163 and any amendments thereto.
 - 1. The BoCC delegated a portion of its CRA powers and authority to the City of Lake Alfred for the creation of the Lake Alfred CRA within the legal description included in the Lake Alfred Resolution 03-14 and the operation of the community redevelopment trust fund.
 - 2. The BoCC did not delegate the authority to approve the community redevelopment plan or approval of any modification or amendments.
 - 3. Any modification or amendment of the Plan must be approved by the BoCC prior to implementation pursuant to Resolution No. 14-052 as amended,

Section 163.631, Florida Statutes (2013) and the County's adopted policies for CRAs.

4. The BoCC did not delegate the authority to establish the redevelopment trust fund, tax increment percentage utilized for the Lake Alfred CRA, or any further modification of the tax increment percentage pursuant to Resolution No. 14-052 as amended, Section 163.387, Florida Statutes (2013) and the County's adopted policies for CRAs,.
5. The Lake Alfred CRA shall expend 15% or less for administrative costs in the implementation of the Plan pursuant to BoCC Ordinance 2014-068.
6. The Lake Alfred CRA shall submit an annual report to the BoCC denoting the progress of its various activities pursuant to BoCC Ordinance 2014-068 and Section 163.356, Florida Statutes (2014).
7. Funds deposited into the Lake Alfred CRA Trust Fund are to finance projects within the CRA area pursuant to Polk County Ordinance 2014-069.
8. The Lake Alfred CRA Trust Fund shall exist for the duration of the Plan but not exceed 30 years pursuant to Polk County Ordinance 2014-069.
9. The CRA shall set up and maintain the Fund; develop and rules, regulations, and criteria to effectively administer the Fund. The CRA shall establish and maintain books and records and adopt procedures to enable the CRA to utilize the Funds for their allocated purpose pursuant to Polk County Ordinance 2014-069.
10. Money in the Fund must be disposed of each fiscal year by returning to taxing authority, reducing debt, deposited into an escrow for debt, or appropriated to a specific redevelopment project pursuant to the Plan to be completed within 3 years from the date of appropriation pursuant to Polk County Ordinance 2014-069.
11. The CRA shall be responsible for the receipt, custody, disbursement, accountability, management and proper application of all monies paid into the Fund. The CRA shall provide for an independent financial audit of the Fund each fiscal year and a report of such audit. Such report shall describe the amount and source of deposits into, and the amount and purpose of withdrawals from, the Fund during such fiscal year and the amount of principal and interest paid during such year on any indebtedness to which is pledged increment revenues and the remaining amount of such indebtedness. The CRA shall provide a copy of the report to each taxing authority pursuant to Polk County Ordinance 2014-069.
12. The CRA shall follow the same policies and procedures as the City of Lake Alfred including but not limited to: purchasing and procurement, per diem, credit card, and disposal of fixed assets.

Section 5. Officers and Their Duties

The officers are the Chair and the Vice-Chair shall follow the minimum procedures as outlined below.

- A. Chair.** The Chair may be elected by and from the regular members of the CRA and shall preside at all meetings. If no such election occurs the Mayor shall serve as Chair until such time as there is an election. The term of the Chair shall be effective for one (1) year and shall have no term limit.
- B. Vice-Chair.** The Vice-Chair may be elected by and from the regular members of the CRA. If no such election occurs the Vice-Mayor shall serve as Vice-Chair until such time as there is an election. Whenever the Chair is absent, the Vice-Chair shall preside at the meeting. If both are absent, a temporary Chair shall be elected by nomination, motion, and vote. The term of the Vice-Chair shall be effective for one (1) year and shall have no term limit.
- C. Duties.** The Chair shall have the general powers and duties of supervision and management usually associated with the office of Chair. The Chair shall preside of all meetings of the CRA. The Vice-Chair shall exercise the powers and functions of the Chair in the absence of the Chair. Upon the vacancy of the Chair the Vice-Chair shall become the Chair.
- D. Staff.** City Staff under the direction of the City Manager shall carry out the policies and programs approved by the CRA. Staff shall prepare and maintain all records.

Section 6. Meetings and Schedules

The CRA shall follow the minimum procedures as outlined below.

- A. Notification and Attendance.** It shall be the responsibility of City Staff to contact the CRA members, confirm attendance, and provide an agenda.
- B. Organizational Meeting.** The first meeting of the fiscal year shall serve as an organizational meeting.
 - 1. The CRA shall adopt a schedule of regular meetings for the fiscal year. The schedule shall include the date, time, and location of each scheduled meeting and will be placed on the City website and City Boards.
 - 2. The CRA may select the Chair and Vice –Chair.
 - 3. The CRA shall establish or modify projects within the Capital Improvement Program (CIP) for the CRA.
- C. Budget Meeting.** The CRA shall meet and approve a budget prior to the final adoption of the City Commission approval of the City budget.

- D. **Special Meetings.** The Chair or the members of the CRA collectively may, at a regular meeting, request a special assembly, but not outside of the scope of a regular convened meeting. The Chair or the CRA members calling a special meeting shall notify the City Staff at least five (5) business days in advance of the time and place, and the purpose of the special meeting.
1. The City Staff shall notify all members by correspondence.
 2. Special meetings may be called so long as requirements for public notice are met.
- E. **Workshops.** CRA members may hold a workshop to discuss any matters of interest to the CRA and may be called from time to time by the Chair, who shall give at least five (5) business days notice. All members are strongly encouraged to attend. At no time during workshops shall a member announce or indicate their position regarding a decision to be made at the public meeting.
- F. **Training.** The CRA members may attend one (1) session in the State of Florida per year to further individual knowledge of CRA principles. A session can include, but is not limited to, local workshops, city-sponsored workshops, regional seminars, state conferences, etc. City staff will be responsible for informing CRA members about educational opportunities. CRA members may also bring educational opportunities to the attention of City Staff. The City will pay for travel, lodging, food, materials, and the education session, if approved by the City Manager. If a CRA member does not attend the educational session, once paid for by the City, said member will be required to reimburse the City. Additionally, City Staff will keep the Board updated on CRA-related issues.
- G. **Committees.** The CRA may establish committees to assist the CRA in the implementation of the Plan.

Section 7. Meeting Procedural Rules.

Unless otherwise provided for within these bylaws the CRA shall follow the rules of order provided for in the City of Lake Alfred Resolution 08-10 governing meeting agenda composition and release, meeting procedures and citizen involvement.

Section 8. Amendment of These By-laws.

These By-laws may be amended from time to time by the vote of a majority of the regular members of the CRA. No special notice is required to make “errata changes” to these By-laws.

**LAKE ALFRED CITY COMMISSION MEETING
AUGUST 22, 2016**

3.) CRA RESOLUTION 02-16: APPROPRIATION OF REMAINING FUNDS

ISSUE: The CRA will consider a resolution to appropriate remaining funds in its Trust Fund as of September 30, 2016.

ATTACHMENTS:

- Resolution CRA 02-16
- County tax increment letters
- City tax increment memo

ANALYSIS: The County and City have provided the CRA with information regarding the processing of the tax increment for the 2015 tax year. These funds have been transferred to the CRA Trust Fund.

Florida Statutes Chapter 163 Section III, requires CRAs to appropriate Tax Increment Revenue (TIR) funds on projects that will be completed within 3 years or reduce indebtedness incurred in carrying out the implementation of the CRA Plan. A current best practice is CRA Board approval of documentation showing the amount of Tax Increment Revenue funds that are “carried over” from one fiscal year to the next. Annually the Board approves a budget via resolution that appropriates all unencumbered TIR funds to projects that will be completed within three years or toward the reduction of indebtedness.

The proposed resolution carries the funds over to the next fiscal year for use in a future project. Staff is proposing to include a capital improvement program (CIP) within the preparation of next year’s budget. The CIP will satisfy the need of appropriating any remaining funds by identifying future projects. The amount of funding to be carried over to the next fiscal year is approximately \$25,350 which includes the County and City tax increment minus the 2015-2016 operating expenses.

STAFF RECOMMENDATION: Approval of CRA Resolution 02-16.

CRA RESOLUTION NO. 02-16

**A RESOLUTION OF THE CITY OF LAKE ALFRED
COMMUNITY REDEVELOPMENT AGENCY APPROVING THE
APPROPRIATION OF FUNDS REMAINING IN THE
REDEVELOPMENT TRUST FUND TO CERTAIN PROJECTS;
AND PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, the City of Lake Alfred created a redevelopment trust fund ("Trust Fund") for the Lake Alfred Community Redevelopment Agency ("CRA") pursuant to Section 163.387, Florida Statutes; and

WHEREAS, for Fiscal Year 2015/2016 the CRA budgeted and appropriated funds deposited in the Trust Fund to pay certain administrative and operating expenses as well as project and program expenses of the CRA; and

WHEREAS, certain funds remain in the Trust Fund as of September 30, 2016 after the payment of all budgeted expenses; and

WHEREAS, the funds being carried over from the previous fiscal year have not been in the Tax Increment Revenue Trust Fund for more than three years.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LAKE ALFRED, FLORIDA, AS FOLLOWS:

SECTION 1. REMAINING FUNDS. As of September 30, 2016, the unexpended amount of \$25,350 remains in the Trust Fund.

SECTION 2. APPROPRIATION OF FUNDS. The CRA Board desires to appropriate such funds to capital projects in the amount of \$25,350 and to encumber said funds for Fiscal Year 2016/2017.

SECTION 3. CRA PLAN. Such projects will be included within the approved Community Redevelopment Plan of the CRA and will be completed within three (3) years from the date of such appropriation.

SECTION 4: EFFECTIVE DATE. This Resolution will take effect immediately upon its passage.

INTRODUCED AND PASSED by the Governing Board of the CRA of the City of Lake Alfred, Florida, on this 22nd day of August, 2016.

**COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF LAKE
ALFRED, FLORIDA**

ATTEST:

BY: _____
Charles O. Lake, Chairman

Ameé Bailey-Speck, City Clerk

Approved as to form:

Frederick J. Murphy, Jr., City Attorney



Stacy M. Butterfield, CPA

*Clerk of the Circuit Court & County Comptroller
Polk County, Florida*

RECEIVED

DEC 16 2015

CITY ADMIN

330 West Church Street
Post Office Box 988
Bartow, FL 33831-0988

(863) 534-6508 Phone
(863) 534-5951 Fax

www.polkcountyclerk.net

December 8, 2015

CLERK AND COMPTROLLER TO THE BOARD

Ms. Valerie Ferrell
Lake Alfred Community Redevelopment Agency
155 East Pomelo Street
Lake Alfred, FL 33850

Enclosed is a check in payment of the preliminary tax increment for the Community Redevelopment Area (CRA) Trust Fund for the tax year 2015. Also enclosed is the calculation of this payment. The support for the taxable values can be found on the Property Appraisers website at <http://www.polkpa.org> (click on Quick Links on the left side and select Tax Roll Process). If you do not have a login to access this information, contact the Property Appraiser's help desk at (863)534-4765.

If a correction in this calculation is necessary once the final report is issued, Polk County will either remit you the additional amount due, or request a refund from you for any overpayment.

You will also note that the millage rate used to calculate this payment is 6.7815. This rate represents the incorporated property tax rate levied for the 2015 tax year in accordance with Florida Statute 163.387, paragraph 1(b). If the CRA includes property in the unincorporated area, the millage rate for those parcels is 7.6543.

If you have any questions, you can contact me at (863) 534-6508, or Jennifer Beck at (863) 534-6728.

Sincerely,

Dee Dee Beaver
Director of Finance and Accounting
to the Polk County Board of County Commissioners

The Mission of the Office of Clerk of the Circuit Court is to function as a team dedicated to our customers by preparing and maintaining accurate records, furnishing assistance in an understanding and compassionate manner, and providing services with competence, professionalism, and courtesy in compliance with laws, rules and regulations.

RECEIVED

JUN 27 2016

CITYADMIN



Stacy M. Butterfield, CPA
Clerk of Courts & Comptroller
Polk County, Florida

330 W Church St
Drawer FA01
Post Office Box 988
Bartow, FL 33831-0988

(863) 534-4000 Phone
(863) 534-5951 Fax

www.polkcountyclerk.net

CLERK AND COMPTROLLER TO THE BOARD

June 14, 2016

Ms. Valerie Ferrell
Lake Alfred Community Redevelopment Agency
155 East Pomelo Street
Lake Alfred, FL 33850

Ms. Ferrell:

Enclosed are the final CRA tax increment calculations for the 2015 tax year along with a copy of the relevant pages of the Property Appraiser's Community Redevelopment Area (CRA) Detail Report dated 3/24/2016.

The tax increment payment made to your entity by Polk County in December 2015 was based on the CRA's preliminary taxable values. As the final taxable values were higher than the preliminary values, enclosed is a check for additional amount due (which is shown in the difference column on the calculation).

If you should have questions, please contact Ryna Sok at (863) 534 - 6079.

Sincerely,

Dee Dee Beaver, CPA, CGFO, Director
Comptroller Division

The mission of the Clerk of Courts & Comptroller is to function as a team dedicated to our customers by preparing and maintaining accurate records, furnishing assistance in an understanding and compassionate manner, and providing services with competence, professionalism, and courtesy in compliance with laws, rules and regulations

LAKE ALFRED
TAX INCREMENT CALCULATION

	INCORPORATED	UNINCORPORATED	TOTAL	Difference
District 65				
2015 Valuation	40,896,684.00	100.00	40,896,784.00	
2014 Base Line Valuation	38,975,201.00	20,173.00	38,995,374.00	
Increase	1,921,483.00	(20,073.00)	1,901,410.00	
Millage Rate	0.0067815	0.0076543		
	13,030.54	(153.64)		
Tax Increment Percentage	0.95	0.95		
District 65 Tax Increment	12,379.01	(145.96)	12,233.05	
	12,583.86	(145.96)	12,437.90	204.85

	INCORPORATED	UNINCORPORATED	TOTAL
District 65			
2015 Valuation	40,896,684.00	100.00	40,896,784.00
2014 Base Line Valuation	38,975,201.00	20,173.00	38,995,374.00
Increase	1,921,483.00	(20,073.00)	1,901,410.00
Millage Rate	0.0067815	0.0076543	
	13,030.54	(153.64)	
Tax Increment Percentage	0.95	0.95	
District 65 Tax Increment	12,379.01	(145.96)	12,233.05
	12,583.86	(145.96)	12,437.90

Tax Increment Payment 12,379.01 12,233.05

Tax Increment Payment 12,583.86 12,437.90

Prepared by Finance & Accounting to the BoCC

Reviewed by: [Signature]
Todd Bond
Budget and Management Services Director
Date: 6/10/16

	Preliminary	Final	Difference
00101.010519999.5881020 Gen	10,262.72	10,434.34	171.62
14932.350150001.5881030 Parks	(10.71)	(10.71)	0.00
14951.350151001.5881030 Library	(4.02)	(4.02)	0.00
14971.540000152.5881030 Trans	1,986.97	2,020.20	33.23
18001.560125007.5881030 Storm Water	(1.91)	(1.91)	0.00
	12,233.05	12,437.90	204.85

	Preliminary	Final	Difference
00101.010519999.5881020 Gen	10,262.72	10,434.34	171.62
14932.350150001.5881030 Parks	(10.71)	(10.71)	0.00
14951.350151001.5881030 Library	(4.02)	(4.02)	0.00
14971.540000152.5881030 Trans	1,986.97	2,020.20	33.23
18001.560125007.5881030 Storm Water	(1.91)	(1.91)	0.00
	12,233.05	12,437.90	204.85

	Incorporated	Unincorporated
5.6815	5.6815	0.74
1.1000	1.1000	0.14
6.7815	0.5619	0.07
	0.2109	0.03
	0.1000	0.01
	<u>7.6543</u>	1.0000

	Incorporated	Unincorporated
5.6815	5.6815	0.74
1.1000	1.1000	0.14
6.7815	0.5619	0.07
	0.2109	0.03
	0.1000	0.01
	<u>7.6543</u>	1.0000

VAB - Community Redevelopment Area (CRA) Detail Report

CRA Name: Lake Alfred CRA

CRA Code: 65

Tax District	Taxing District Name	Parcel Count	Assessed Value	Exemption Value	Taxable Value
001	BOARD OF COUNTY COMMISSIONERS	814	55,171,307	14,242,726	40,928,581
200	POLK COUNTY PARKS MSTU	1	100	0	100
210	POLK COUNTY LIBRARY MSTU	1	100	0	100
220	POLK COUNTY STORMWATER MSTU	1	100	0	100
550	CITY OF LAKE ALFRED	813	55,171,207	13,898,128	41,273,079

Parcel level detail for the General Fund (Tax District 001) follows.

City of Lake Alfred
155 E. Pomelo Street
Lake Alfred, FL 33850



Phone: (863) 291-5747
Fax: (863) 291-4440
www.mylakealfred.com

City Manager's Office

TO: The Community Redevelopment Agency (CRA) Board

FROM: Ryan Leavengood, City Manager

DATE: 08/22/16

RE: City's Portion of CRA funds for Fiscal Year 15/16

The Lake Alfred Community Redevelopment Agency (CRA) has realized total taxable property values above its Base Year of 2014. As a result, the City of Lake Alfred is required to remit their portion of tax increment to the CRA Trust Fund received due to the increase.

Based on the Property Appraiser's final assessment of the 2015 taxable valuation for the Lake Alfred Community Redevelopment Agency district, the City of Lake Alfred's share of tax increment financing was derived as follows:

2015 Grand Total Taxable Value	\$40,896,684
Less: Base Year (2014)	(\$38,975,201)
2015 Total Taxable Value Above Base Year	\$1,921,483
Multiply : 2015 City of Lake Alfred Millage Rate	.007489
2015 Ad Valorem Revenues	\$14,389.99
Multiply: 95% of 2015 Ad Valorem Revenues	.95
2015 City of Lake Alfred Tax Increment Revenues	\$13,670.49

Total Tax Remittance Due: \$13,670.49

**LAKE ALFRED CITY COMMISSION MEETING
AUGUST 22, 2016**

4.) CRA RESOLUTION 03-16: ANNUAL CRA BUDGET

ISSUE: The CRA Board shall consider approval of the FY 16/17 Operating Budget for the Community Redevelopment Agency to be included to the City of Lake Alfred's annual operating budget for consideration.

ATTACHMENTS:

- CRA Resolution 03-16
- Exhibit "A" CRA Budget

ANALYSIS: The proposed CRA budget is the second operating budget to be created following the creation of the CRA in the fall of 2015. Projected revenue for the CRA is \$57,207 with the majority of the funding (\$37,000) being placed in a capital project line item in order to build reserves. This funding will be included in budget preparation for FY 17/18 beginning in March of 2017 to pursue projects within the CRA area. The Parks & Recreation Master Plan slated to be completed in 2017 will likely aid the Board in identifying projects to be funded within the CRA area.

STAFF RECOMMENDATION: Approval of CRA Resolution 03-16.

CRA RESOLUTION NO. 03-15

A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LAKE ALFRED, FLORIDA, ADOPTING A BUDGET FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2016; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Lake Alfred previously approved Ordinance 1335-14 creating the Community Redevelopment Agency of the City of Lake Alfred (CRA); and

WHEREAS, Florida Statutes, Section 189.014(6), requires special districts, including the CRA, to adopt an annual budget by resolution; and

WHEREAS, it is anticipated that the CRA will have the benefit of tax increment revenues, as well as potentially other funds under the control of the City of Lake Alfred to utilize towards redevelopment and implementation of the Community Redevelopment Plans of the City of Lake Alfred; and

WHEREAS, for purposes of planning for the fiscal year commencing October 1, 2016, the CRA desires to have its budget reflect the tax increment revenues, as well as other potentially revenue sources anticipated to be made available to fund redevelopment activities.

NOW THEREFORE BE IT RESOLVED by the Governing Board of the CRA of the City of Lake Alfred, Florida, as follows:

SECTION 1: BUDGET YEAR. That the budget for the fiscal year commencing October 1, 2016, set forth at Exhibit "A" attached hereto and made a part hereof, is approved

SECTION 2: EFFECTIVE DATE. This Resolution will take effect immediately upon its passage.

INTRODUCED AND PASSED by the Governing Board of the CRA of the City of Lake Alfred, Florida, on this 22nd day of August, 2016.

**COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF LAKE
ALFRED, FLORIDA**

ATTEST:

BY: _____
Charles O. Lake, Chairman

Ameé Bailey-Speck, City Clerk

Approved as to form:

Frederick J. Murphy, Jr., City Attorney

Exhibit "A"
CRA Resolution 03-16

City of Lake Alfred
GENERAL FUND
FY 2016-2017

58% Complete

ACCT. #	ACCOUNT DESCRIPTION	FY 12/13 ACTUAL	FY 13/14 ACTUAL	FY 14/15 ACTUAL	FY 15/16 BUDGET	2016 APRIL - EXP	EXP %	2015 EST.	FY 16/17 PROP.	FY 17/18 PLANNED
REVENUE										
311.120	CRA - Tax Increment County	-	-	-	9,580	6,117	64%	10,487	27,595	27,595
311.121	CRA - Tax Increment City	-	-	-	10,585	6,118	58%	10,489	29,612	29,612
EXPENDITURES										
001.550- COMMUNITY REDEVELOPMENT AGENCY										
432.000	Audit	-	-	-	600	-	0%	-	600	600
440.300	Training & Travel	-	-	-	565	761	135%	1,305	607	607
446.000	R & M Services	-	-	-	19,000	-	0%	-	6,000	6,000
458.903	Cost Allocation	-	-	-	-	-	-	-	13,000	13,000
464.100	Capital - Project	-	-	-	-	-	0%	-	37,000	37,000
464.200	Capital - Purchase	-	-	-	-	-	0%	-	-	-
	TOTAL CRA	-	-	-	20,165	761	4%	-	57,207	57,207