

City of Lake Alfred
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AGENDA
CITY COMMISSION MEETING
MONDAY, MAY 18, 2015
7:30 P.M.
CITY HALL

CALL TO ORDER: MAYOR CHARLES LAKE

INVOCATION AND PLEDGE OF ALLEGIANCE: PASTOR JOSÉ ARROYO

ROLL CALL: DEPUTY CITY CLERK AMEE BAILEY

CITY MANAGER & CITY ATTORNEY ANNOUNCEMENTS

RECOGNITION OF CITIZENS: ITEMS NOT ON AGENDA

PROCLAMATION – COMMUNITY ACTION MONTH
CENTENNIAL BADGE CEREMONY FOR THE FIRE DEPARTMENT

CONSENT AGENDA:

- 1.) **CONSIDER APPROVAL OF MINUTES FOR 05/4/15 CITY COMMISSION MEETING.**

AGENDA

- 1.) **PUBLIC HEARING: ORDINANCE 1351-15: INVESTMENT POLICY**
- 2.) **ORDINANCE 1353-15: PROPERTY TRANSFER WITH EAGLE-RIDGE, INC.**
- 3.) **HOLIDAY DECORATION PROJECT**

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

COMMISSIONER QUESTIONS AND COMMENTS:

COMMISSIONER MAULTSBY
COMMISSIONER DEARMIN
VICE MAYOR DALEY
MAYOR LAKE
COMMISSIONER DUNCAN

ADJOURN



Proclamation

WHEREAS, Community Action Agencies were created when the Economic Opportunity Act of 1964 was signed into law; and

WHEREAS, Community Action Agencies have a 50-year history of promoting self-sufficiency for the limited income; and

WHEREAS, Community Action Agencies have made an essential contribution to individuals and families in [state] by providing them with innovative and cost-effective programs; and

WHEREAS, Community Action Agencies are needed as major participants in the reform of the welfare system as we know it; and

WHEREAS, welfare reform in Florida has benefited from the state's partnership with community action agencies; and

WHEREAS, the limited income continue to need opportunities to improve their lives and their living conditions, thus ensuring that all citizens are able to live in dignity; and

WHEREAS, Florida and the entire United States must continue to promote economic security by providing support and opportunities for all citizens in need of assistance;

Now, Therefore, I Charles Lake, Mayor of the City of Lake Alfred, do hereby proclaim May 2015 as

"Community Action Month"

in the City of Lake Alfred and recognize the hard work and dedication of Lake Alfred's Community Action agencies, and encourages citizens to assist in the goal to help low-income families move out of poverty and achieve economic security.

IN WITNESS WHEREOF, I have hereunder set my hand this 20th day of April, 2015.



Charles Lake, Mayor
City of Lake Alfred, Florida

**LAKE ALFRED CITY COMMISSION MEETING
MAY 18, 2015**

CONSENT AGENDA

1.) CITY COMMISSION MEETING 5/415

ATTACHMENTS:

- May 4, 2015 Draft Minutes

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

DRAFT MINUTES
CITY OF LAKE ALFRED
CITY COMMISSION MEETING
MONDAY, MAY 4, 2015
7:30 P.M.
CITY HALL

Call to Order: Mayor Nancy Z. Daley

Invocation and Pledge of Allegiance: Joyce Schmidt

Roll Call: Those in attendance were Mayor Nancy Daley, Vice Mayor Charles Lake, Commissioner Jack Dearmin, Commissioner John Duncan, Commissioner Albertus Maultsby, City Manager Ryan Leavengood, City Attorney Frederick John Murphy, and Deputy City Clerk Ameen Bailey.

Staff attendance: Community Development Director and Interim City Clerk Valerie Ferrell, Police Chief Art Bodenheimer, Public Works Director John Deaton, Finance Director Amber Deaton, Parks and Recreation Superintendent Richard Weed.

CITY MANAGER ANNOUNCEMENTS

City Manager Leavengood stated registration for Summer Camp is open for kids ages 5-12. Summer camp is eight weeks and begins June 8th. This year includes new field trips and activities. Interested parties can visit the website or contact Parks and Recreation for more information on the camp.

Come to the Lake Alfred Public Library on Saturday, May 9th from 10 till 11am for Muffins with mom in honor of Mother's Day.

The Flood Insurance Rate Maps (FIRM) for the City of Lake Alfred are changing. Many property owners will be affected. Now is the time to review and comment on the proposed map changes. Three public meetings are scheduled to provide additional information on the map changes, impacts, and insurance premiums. Post Cards will be sent this week to affected property owners within Lake Alfred to notify them of the meeting. Additional information is also on the website. Meetings are from 4-7 pm in Bartow, Lakeland and Winter Haven.

There are several free events are scheduled at Mackay Gardens and Lakeside Preserve this week including the Community Gardening Workshop on May 7th at 10 am and the Historic Nature Walk - Preserving a Legacy of Florida on May 9th at 8 am. Also Astronomy Night at Mackay Gardens and Lakeside Preserve will also be held on May 16th from 7-10 pm. For more information contact the Lake Alfred Parks and Recreation Department.

The City will be closed in observance of Memorial Day on May 25th.

City Manager Leavengood also presented an update on the resurfacing projects and showed pictures of the staff improvements and landscaping. He thanked to the Commission for additional funding for these projects.

City Manager Leavengood discussed the Holiday decorations project priority identified during the capitol improvements discussion. He stated the City has 120 poles through the City and if holiday decorations were added to every other pole the City would need to purchase 60-70 decorations. He stated that this project needs to move forward now since the Commission discussed advancing funds and the best pricing is during the summer. The City staff contacted other adjacent cities to reduce duplication of the types of decorations (Auburndale - Christmas tree, Winter Haven - wreaths and candles, and Haines City has white angels). He showed several examples and stated that staff preferred commercial styles with LED lights and without garland. Staff also recommended choosing two different designs to alternate on the poles.

City Manager Leavengood stated that the electric quotes came in at approximately \$200-250 per pole to convert the electricity and install a plug. Therefore the cost for power is approximately \$70-75 thousand. He also mentioned the option of purchasing a sectional tree for Gardner Park. The cost is approximately \$15,000 for a 26' tree, which could be stored at the Hughes building. A formal action item may be needed as early as May in order to order to receive the maximum discount.

Vice Mayor Lake asked about the bulk discount with different decorations.

Mayor Daley asked about a discussion to choose the decorations and stated she like the decorations with poinsettias.

City Manager Leavengood stated the discount would be for the entire order and not dependent on the type of items purchased. He also stated that more information and options would be presented to the Commission at the next meeting.

CITY ATTORNEY ANNOUNCEMENTS

City Attorney Frederick John Murphy gave an update on the land exchange with the University of Florida. The due diligence time period is complete for properties and all results are acceptable. He is currently processing the getting title work. He stated that this is a 10-31 exchange under the IRS code, therefore no cash or money is changing hands. The exchange is for properties of equivalent value. The transaction should close be complete by June 1. No delays are anticipated.

RECOGNITION OF CITIZENS

Betty Bigger, 140 West Haines Blvd., stated she was proud of Lake Alfred for the turnout at Mr. John Dame's funeral.

PROCLAMATION: NATIONAL POLICE WEEK

Mayor Daley read the proclamation for NATIONAL POLICE WEEK and urged all citizens to publicly salute the service of law enforcement officers in our community and in communities across the nation. She presented the proclamation to Chief Art Bodenheimer.

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CENTENNIAL BADGE CEREMONY FOR THE POLICE DEPARTMENT

Chief Art Bodenheimer presented each of the officers for pinning. He stated their years of service, type of duty, and who was pinning the officer. The officers were then pinned by family or friend. Officers receiving the Centennial Badges included: Chief Art Bodenheimer, Lieutenant Gerald Dempsey, Sergeant Jennifer Gillett, Officer Anthony Gettle, Officer Wade Garner, Officer Carolyn Spicer, Officer Jeffery Blose, Officer Juan "Tony" Lopez, Officer Brenton Trimble, and Officer Matthew "Trent" O'Neal. Officer Laurie Green was absent.

EMPLOYEE SERVICE RECOGNITION: MICHAEL SIMS – 10 YEARS

Mayor Daley asked Stephanie Ludden to join her at the podium. Mayor Daley stated that Stephanie started with the City in May of 2010. She has a great attitude, and is always willing to help. This year she became the point person for cemeteries, and she is also cross training in payroll. Her ability to learn quickly has enabled the department to shift duties, and save money. She is a valued member of the Finance Department and a great asset to the City of Lake Alfred.

The City of Lake Alfred would like to recognize you on your five year milestone. She received a five-year pin and certificate of service. Congratulations from the City Commission

CENTENNIAL PRESENTATION:

Mayor Daley stated that volunteers created a song for Lake Alfred. Paul and Cathy Butcher are musicians and created the music. Steve Franklin is the tour guide at the Mackay Gardens and Lakeside Preserve. He is also a poet and wrote the lyrics. The song was played.

CONSENT AGENDA: APPROVE CITY COMMISSION MEETING MINUTES 4/20/15.

Commissioner Dearmin moved to approve the City Commission Meeting minutes from April 20, 2015; seconded by **Vice Mayor Maultsby** and the motion was approved by unanimous voice call vote. There were no public comments.

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

Mayor Daley adjourned the 2014-2015 City Commission sine die at 8:04 pm.

CALL TO ORDER the Canvassing Board

ROLL CALL: Those in attendance were Mayor Nancy Daley, Vice Mayor Charles Lake, Commissioner Jack Dearmin, City Attorney Fredrick John Murphy, Interim City Clerk Valerie Ferrell, and Deputy City Clerk Ameen Bailey.

Canvassing Member Lake made a motion to approve the Canvassing Board Meeting minutes from April 16 2015; seconded by **Canvassing Member Dearmin** and approved by unanimous voice call vote. There were no public comments.

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CANVASSING MEMBER DALEY	AYE
CANVASSING MEMBER DEARMIN	AYE
CANVASSING MEMBER FERRELL	AYE
CANVASSING MEMBER LAKE	AYE

Adjourn the Canvassing Board 8:06 pm.

City Attorney Murphy administered the Oath of Office to Commissioner Duncan and Commissioner Maultsby.

City Attorney Murphy assumed the Mayor's chair and called the meeting to order at 8:11 p.m.

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

City Attorney Murphy said the first item of business for the City Commission to consider is the nomination and appointment of the Mayor for the 2015-2016 year.

Commissioner Maultsby nominated Commissioner Charles Lake as Mayor for 2015-2016.

Commissioner Maultsby made a motion that the nominations be closed and it was seconded by **Commissioner Dearmin**.

City Attorney Murphy restated the motion and asked if there were any further nominations to come before the floor. There were none.

City Attorney Murphy said there was a motion on the floor to close nominations. He asked for discussion. There was none.

City Attorney Murphy called for the vote to close the nominations. The motion was approved by unanimous voice call vote.

COMMISSIONER DALEY	AYE
COMMISSIONER DEARMIN	AYE
COMMISSIONER DUNCAN	AYE
COMMISSIONER LAKE	AYE
COMMISSIONER MAULTSBY	AYE

City Attorney Murphy then addressed the nomination of Commissioner Lake as Mayor for the City of Lake Alfred for the 2015-2016 year. He asked for any comments by the audience. There was none.

City Attorney Murphy called for the vote to appoint Charles Lake as the Mayor of the City of Lake Alfred for the 2015-16 year. The motion was approved by unanimous voice call vote.

COMMISSIONER DALEY	AYE
COMMISSIONER DEARMIN	AYE
COMMISSIONER DUNCAN	AYE
COMMISSIONER LAKE	AYE
COMMISSIONER MAULTSBY	AYE

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Mayor Lake assumed the Chair and thanked everyone. He went on to say the next order of business was to open nominations for the Vice Mayor for the 2015-2016 year.

Commissioner Dearmin nominated Commissioner Nancy Daley for Vice Mayor for the 2015-2016 year and the motion was seconded by **Commissioner Maultsby**.

Commissioner Maultsby moved that the nominations be closed.

Mayor Lake called for the vote to close the nominations. The motion was approved by unanimous voice call vote.

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

Mayor Lake then addressed the nomination of Commissioner Daley as Vice Mayor for the City of Lake Alfred for the 2015-2016 year. He asked for any comments by the audience. There was none.

Mayor Lake called for a vote. The motion was approved by unanimous voice call vote.

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

AGENDA

1.) PURCHASE POLICE DEPARTMENT VEHICLE

City Manager Leavengood stated in the current Fiscal Year 2014/2015 Budget, \$30,000 has been budgeted for the purchase of a police cruiser. City staff has solicited bids for the purchase of a 2015 Ford Interceptor with associated emergency equipment.

The City received has solicited and received bids from the following companies:

- Bartow Ford: \$ 30,796
- Don Reid Ford: \$ 30,724*
- Duval Ford: \$ 33,592

Although the bid from Don Reid Ford came in lower, it did not include all the requested emergency equipment. In addition the vehicle could not be delivered in a timely manner.

City Manager Leavengood also stated, in the past the City has traded one of our older models in keeping with our replacement. In looking at the current status of our fleet staff is not recommending replacement at this time. One of the police department's goals is to eventually

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implement a “take home” vehicle policy which will require additional vehicles. Consistent funding of this vehicle purchase, as shown in the capital improvement program, will allow the City to eventually reach that goal in a cost effective manner while still replacing high mileage vehicles (100,000+) that are outdated and costly to maintain. The current patrol cars have around 70,000 miles. Staff recommendation was to accept the bid from Bartow Ford in the amount of \$30,796.

Commissioner Maultsby asked if staff utilized the State Highway Patrol contract to ensure the City get the most for the money.

City Manager Leavengood stated that often separate pricing works better for specialized purchases.

Chief Art Bodenheimer stated that staff reviewed the Florida Sherriff’s Association bid and each year the dealerships make a better offer. In addition, Bartow Ford orders in bulk and almost always has suitable vehicles in stock. In additional they are local and easily accessible for warranty work.

Commissioner Dearmin moved to accept the bid from Bartow Ford in the amount of \$30,796 for the police cruiser; seconded by **Commissioner Duncan**. There was no public comment. 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

2.) ORDINANCE 1351-15 - INVESTMENT POLICY

City Manager Leavengood stated as a part of a comprehensive review of City codes and policies, City staff has identified an opportunity to improve the City’s investment policy related to surplus funds. In 2003, the City adopted an investment policy following a state audit. The adopted investment policy is complex both with its requirements and investment ratios and it gives access to investment products that are higher risk. The current policy may be appropriate in organizations that have a true investment “portfolio” with specialized finance staff or contracted fund managers that would manage the City’s portfolio in accordance with a detailed policy but has little value to the City in its current format. The proposed ordinance repeals the current investment policy, thereby deferring to the state’s simple and conservative investment policy provided for in state statutes (F.S. 218.415(17)).

The state policy allows for local governments to invest surplus public funds in only a few options including intergovernmental investment pools for which the Florida League of Cities would qualify. The league is a trusted partner with the City, handling our workers compensation, property/liability insurance, and pension investments for the general employee retirement system. They offer quality low risk investment options that are simple to use and are the only investment option we would need to utilize as a City for surplus funds. The City currently has approximately \$600,000 in unrestricted enterprise reserves invested in several low risk bond funds with the league’s Florida Municipal Trust

Mayor Lake read the Ordinance tile.

Staff recommendation was to approve Ordinance 1351-15 on first reading. If approved, it would come back to the Commission for the second reading on May 18, 2015.

Commissioner Dearmin moved to accept Ordinance 1351-15 on first reading; seconded by **Commissioner Maultsby**. There was no public comment. 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

3.) **ORDINANCE 1352-15 - BUSINESS TAX RECEIPT INCREASE**

Mayor Lake read the Ordinance title.

City Manager Leavengood stated pursuant to Florida Statutes Chapter 205, local municipalities may levy a business tax for the privilege of engaging in or managing any business, profession, or occupation within its jurisdiction every other year. State law also allows the business tax levy to be increased by up to five percent (5%) every other year. The City Commission approved the five percent increase in 2011 and rejected the rate increase in 2013.

The City currently issues 239 business tax receipts to businesses that operate within the City limits and receives approximately \$10,000 in revenue from the fee. The proposed increase of 5% would produce a \$500 increase in revenue. If approved, the proposed increase would take effect on June 30, 2015 and be reflected in the FY 15/16 Budget. Per state statutes, the next opportunity for a rate increase will be in 2017. There is no staff recommendation on this item; it is for the pleasure of the City Commission.

Commissioner Maultsby asked how the business taxes are collected and if there is a penalty for not paying. He also stated that \$500 across 250 businesses was a very small amount.

Finance Director Amber Deaton stated that new business come in to find out what is need for their business. They generally need water service and a business account. This is also when they pay the business tax receipt. Then the business is sent an annual renewal. There is a penalty of \$250 for non-renewal; however the city has never imposed the penalty. Once notified, all businesses have come into compliance.

Vice Mayor Daley stated that she was not in favor of raising business taxes at this time and since it is such a small amount to the City. She also asked if the item did not pass if there would be a public hearing.

City Attorney Murphy reminded the Commissioners that if they did not approve the Ordinance tonight the item would die and not be presented to the public.

Mayor Lake stated also did not think the taxes should be raised. He did not think it was business friendly. He then asked about how the City finds out home business if the home has water service. For example, if a home occupations listed Lake Alfred as the business address.

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Finance Director Amber Deaton stated they try to work with businesses and can ask code enforcement to notify the business if they are not in compliance.

Vice Mayor Daley asked where the funds are used.

City Manager Leavengood responded that like most code enforcement actions it is general a complaint by a neighbor or by what can be seen from the road such as a sign. It can also be tricky to get proof of a violation. Even if they have a business vehicle, it does not mean they operate in Lake Alfred. The tax does not generate much income, but is also used for statistics. The tax is allocated to the general fund.

Commissioner Dearmin stated that he was not in favor of the tax no matter how small.

Commissioner Duncan asked about increasing at a rate less than 5%.

City Attorney Murphy commented that it would need to be reviewed if the Commission could approve a smaller percentage.

City Manager Leavengood restated that the item was brought forward based on the Florida Statute. He asked if the Commission would not want to see the item on the next two year cycle. The general consensus was to maintain the two year review. He also commented on the Florida Statute on the ability to consolidate the fees, but it was a very difficult task. The way the statute reads when you group categories you have to use the lowest tax rate in the group for the entire group because you cannot raise any individual category by more than 5%.

Lowell Schmidt, 365 East Sanford St., stated that he paid as a restaurant, then as a home occupation. The home occupation had restrictions such as sales and no visitors to home. He stated the City needs to address the home occupations for code enforcement and business taxes even if it is micro money.

Judy Schelfo, 640 East Lakeview Blvd., stated that she appreciate the conversation to not increase the tax because some business have several licenses and the little increases add up.

Vice Mayor Daley made a motion to NOT approve the ordinance on first reading, seconded my **Commissioner Duncan**. 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

RECOGNITION OF CITIZENS

Chief Art Bodenheimer thanked everyone for their support of the Police Department and stated that Police Officers' Memorial Service would be held this Thursday at the Lakeland Center at 10 am.

COMMISSIONER QUESTIONS AND COMMENTS

Commissioner Maultsby stated that the City is very professional and excels from the City Manager to the garbage truck driver for a small city. The City provides full service and he likes how the City looks. He has a few items he will bring forward this year to improve the City. He is proud to be a resident and appreciates the employees and thanked citizens for re-electing him.

Commissioner Dearmin congratulated the new Mayor and Vice Mayor on their appointment. He was also impressed with the centennial pinning ceremony. He stated the City look good and moral is good which is a tribute to the managers.

Vice Mayor Daley congratulated the re-elected Commissioners, thanked Chief Bodenheimer on the badge ceremony and the members of the audience for attending. She stated that on May 9th the President of the local Audubon will be leading the tour at the Mackay Gardens and Lakeside Preserve. She also stated that the volunteer appreciation dinner was held last week and was well received. She thanked Joyce Schmidt for the invocation. She also asked the Deputy Clerk to meet with Mayor Lake regarding some of the upcoming Mayor events.

Commissioner Lake thanked the Commission for the opportunity and that he is looking forward to a productive year. He also reminded the Commissioner about the legislative committees.

City Manager Leavengood stated that the Commission packet included the Florida League of Cities legislative information and that they requested members to remain with their current committees this year. The next Ridge League dinner will be held in June.

Commissioner Duncan thanked everyone for their support and vote.

City Manager Leavengood was asked by Mrs. Schelfo about a memorial fund for John Dame. Discussions have included a plaque at the Veterans Memorial, street renaming or, a memorial tree along the trail.

Nancy Timmer, 530 North Pennsylvania Ave., stated that the Friends of the Library have been accepting donations in Mr. Dame's name. They have placed a memorial plaque in the library and have been purchasing civil war books in his honor.

With there being no further business to discuss, Mayor Daley adjourned the meeting at 8:52 pm.

Respectfully Submitted,

Ameé N. Bailey
Deputy City Clerk

Reviewed by

Valerie Ferrell
Interim City Clerk

**LAKE ALFRED CITY COMMISSION MEETING
MAY 18, 2015**

AGENDA

1.) ORDINANCE 1351-15: INVESTMENT POLICY

ISSUE: The City Commission will consider Ordinance No. 1351-15 on second reading, which provides for amendments to the Investment Policy and Procedures for the City of Lake Alfred.

ATTACHMENTS:

- Proposed Ordinance 1351-15
- Ordinance 1044-03 (proposed to be repealed)
- F.S. 218.415(17)
- Current Investment Information

ANALYSIS: As a part of a comprehensive review of City codes and policies, city staff has identified an opportunity to improve the City's investment policy related to surplus funds. In 2003, the City adopted an investment policy following a state audit. The adopted investment policy is complex both with its requirements and investment ratios and it gives access to investment products that are higher risk. The current policy may be appropriate in organizations that have a true investment "portfolio" with specialized finance staff or contracted fund managers that would manage the City's portfolio in accordance with a detailed policy but has little value to the City. The proposed ordinance repeals the current investment policy, thereby deferring to the state's simple and conservative investment policy provided for in state statutes (F.S. 218.415(17)).

The state policy allows for local governments to invest surplus public funds in only a few options including intergovernmental investment pools for which the Florida League of Cities would qualify. The league is a trusted partner with the City, handling our workers compensation, property/liability insurance, and pension investments for the general employee retirement system. They offer quality low risk investment options that are simple to use and are the only investment option we would need to utilize as a City for surplus funds. The City currently has approximately \$600,000 in unrestricted enterprise reserves invested in several low risk bond funds with the league.

STAFF RECOMMENDATION: Approve Ordinance 1351-15 on second and final reading.

DRAFT ORDINANCE NO. 1351-15

AN ORDINANCE OF THE CITY OF LAKE ALFRED, FLORIDA, REPEALING ORDINANCE NO. 1044-03 ENACTED ON NOVEMBER 3, 2003 IN ITS ENTIRETY; PROVIDING FOR THE INVESTMENT OR REINVESTMENT OF SURPLUS FUNDS PURSUANT TO SECTION 218.415, FLORIDA STATUTES; PROVIDING FOR THE EXTRACTION OF CURRENT FUNDS AND THE REDIRECTION OF THOSE FUNDS INTO STATUTORY COMPLIANT ACCOUNTS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, on November 3, 2003 the City Commission of the City of Lake Alfred adopted Ordinance No. 1044-03, an investment policy which authorized the investment of surplus funds, provided authority to purchase and sell securities and pay proceeds into proper accounts; and

WHEREAS, since the adoption of said Ordinance, the City Commission has reconsidered the investment and reinvestment of public funds based on the current uncertainty of commercial markets; and

WHEREAS, the City Commission desires to repeal its investment policy established under Ordinance No. 1044-03 and in so doing defer to the State of Florida's investment policy as established in Section 218.415 of Florida Statutes.

NOW, THEREFORE, BE IT ENACTED by the City Commission of the City of Lake Alfred, Florida as follows:

SECTION 1. RECITAL INCORPORATED.

The above recitals are true and correct and are incorporated herein.

SECTION 2. REPEAL OF ORDINANCE NO. 1044-03.

Ordinance No. 1044-03, adopted by the City Commission on November 3, 2003, is hereby repealed in its entirety, and therefore, the Ordinance shall have no further force or effect.

SECTION 3. INVESTMENT AND REINVESTMENT OF SURPLUS FUNDS.

The City Commission of the City of Lake Alfred hereby directs that all further investment and/or reinvestment of surplus funds shall be placed and maintained into accounts authorized by Section 218.415, Florida Statutes. More specifically, if the City elects to continue with a written investment policy, then the investment and/or reinvestment of funds may, by resolution, be placed into one or more accounts specified in Section 218.415 (16), Florida Statutes. However, if the City elects to invest and/or reinvest surplus funds without a written investment policy, then those funds shall be invested and/or reinvested into one or more accounts specified in Section 218.415 (17), Florida Statutes.

SECTION 4. EXTRACTION AND REINVESTMENT OF CURRENT SURPLUS FUNDS.

The City Commission of the City of Lake Alfred hereby directs that all funds currently maintained in financial accounts authorized by Ordinance No. 1044-03, shall immediately be withdrawn and reinvested into financial accounts authorized by Section 218.415, Florida Statutes.

SECTION 5. SEVERABILITY.

If any section, sentence, clause or phrase of this Ordinance is held to be invalid or unconstitutional by any court of competent jurisdiction, then said holding shall in no way effect the validity of the remaining sections of this Ordinance.

SECTION 6. EFFECTIVE DATE.

This Ordinance shall take effect immediately upon adoption.

INTRODUCED AND PASSED on first reading at the regular meeting of the Lake Alfred City Commission held on the 4th day of May, 2015.

READ, PASSED AND ADOPTED on second reading at the meeting of the Lake Alfred City Commission duly assembled on the 20th day of May, 2015.

**CITY OF LAKE ALFRED, FLORIDA
CITY COMMISSION**

ATTEST:

Charles Lake, Mayor

Valerie F. Ferrell, Interim City Clerk

APPROVED AS TO FORM:

Frederick J. Murphy, Jr., City Attorney

ORDINANCE NO. 1044-03

AN ORDINANCE OF THE CITY OF LAKE ALFRED, FLORIDA; AUTHORIZING THE CITY MANAGER OF THE CITY TO INVEST AND REINVEST SURPLUS CITY FUNDS; PROVIDING AUTHORITY TO PURCHASE AND SELL SECURITIES AND PAY PROCEEDS INTO PROPER ACCOUNTS; ADOPTING AN INVESTMENT POLICY; PROVIDING FOR RESOLUTION OF CONFLICTS; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL OF ANY PRIOR INVESTMENT POLICIES; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Commission of the City of Lake Alfred desires to authorize the City Manager of the City of Lake Alfred to invest and reinvest surplus funds; and

WHEREAS, the City Commission desires to adopt and implement an investment policy for the investment of City funds in accordance with Section 218.415, Florida Statutes, and provide certain authority to the City Manager for such investments;

WHEREAS, the City Commission of the City of Lake Alfred has determined it is in the best interest of the citizens to establish this Investment Policy and authority for investing and reinvesting city funds;

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.

That the investment policy set forth in the document attached hereto and entitled "City of Lake Alfred Official Policy Investment Policy" dated September 29, 2003, incorporates those revisions necessitated by Section 218.415, Florida Statutes, is hereby adopted by reference. The City Manager of the City of Lake Alfred shall invest and reinvest City funds as is set forth in said document as it now exists or it may hereafter be amended in the future by ordinance of the City Commission.

The Finance Director of the City of Lake Alfred is hereby authorized to purchase and sell investment securities on behalf of the City of Lake Alfred when so authorized in writing by the City Manager and as provided by the investment policy and when:

- a) Sufficient surplus funds have accumulated in the City's accounts, or
- b) The City has on hand or has accumulated monies by reason of the sale of its own securities

The Finance Director shall allocate the proceeds of such security sales into the proper accounts or funds of the City of Lake Alfred.

The City Manager and the Finance Director are authorized to invest City Funds in investments as authorized by the provisions of Section 218.415 in accordance with the City's investment facilities as are authorized by ordinance of the City Commission from time to time.

Section 2. Conflict Resolution.

This Ordinance is not intended to and shall not be interpreted to abrogate any provision contained in any bond ordinance/resolution, trust indenture, loan agreements, or ordinance of the City relating to the investment of bond/loan proceeds, pledged revenues for such bonds/loans temporarily available in specific funds or accounts.

Section 3. Severability.

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

Section 4. Repealer.

All ordinances in conflict herewith are repealed.

Section 5.

After passage on first reading, at least three correct copies of this ordinance in the form in which it has been passed on first reading shall be made available for public inspection in the office of the City Clerk, and there shall be published in the Winter Haven News Chief, a newspaper published and of general circulation in the City of Lake Alfred, a notice describing this Ordinance in brief and general terms and stating that it is available for public inspection in the office of the City Clerk, together with the time and place, when and where it will be considered for final passage. Such publication shall be at least fourteen days prior to the time advertised for final adoption.

Section 6.

This ordinance shall be in full force and take effect immediately upon its passage and final adoption.

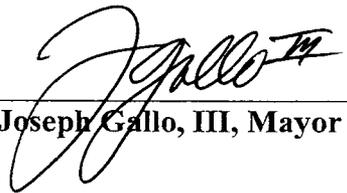
Ordinance # 1044-03

Pg. 3

INTRODUCED AND PASSED on First Reading this 6th day of **October**, 2003.

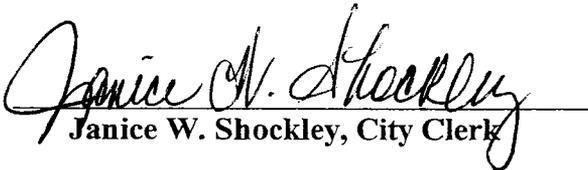
PASSED AND ADOPTED on Second Reading this 3rd day of **November**, 2003.

CITY OF LAKE ALFRED



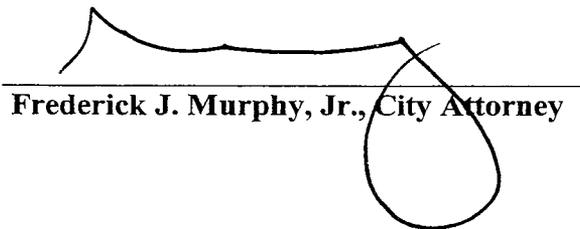
Joseph Gallo, III, Mayor

ATTEST:



Janice W. Shockley, City Clerk

APPROVED AS TO FORM:



Frederick J. Murphy, Jr., City Attorney

No:

CITY OF LAKE ALFRED
OFFICIAL POLICY

INVESTMENT POLICY

1. Policy:

It is the policy of the City of Lake Alfred ("City") to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state and local laws governing the investment of public funds.

2. Scope:

This investment policy applies to all financial assets of the City, except as noted. Below. These funds are accounted for in the City's Comprehensive Annual Financial Report and include:

- a. General Fund
- b. Special Revenue Funds
- c. Debt Service Funds
- d. Capital Project Funds
- e. Permanent Funds
- f. Enterprise Funds
- g. Internal Service Funds
- h. Private Purpose Trust Funds
- i. Agency Funds
- j. Any new fund created by the City Commission, unless specifically exempted.

Exception: This investment policy shall not apply to pension funds or funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds. F.S. 218.415(1).

3. Prudence:

Prudent Person Rule – Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment. F.S. 218.415(4)

The standard of prudence to be used by investment officials shall be the

“prudent person rule” and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4. Investment Objectives:

The primary objectives, in priority order, of the City’s investment activities shall be:

4.1 Safety: Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the City will diversify its investments by investing funds among a variety of securities offering independent returns and financial institutions.

4.2 Liquidity: The City’s investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements, which might be reasonably anticipated.

5 Delegation of Authority:

Authority to manage the City’s investment program is granted to the Finance Director with oversight by the City Manager and derived from Ordinance 1044-03.

Responsibility for the operation of the investment program is hereby delegated to the Finance Director, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy.

The Finance Director shall be responsible for all transactions undertaken and shall establish a system of internal controls to regulate the activities of subordinate staff, and their procedures.

5.1 Investment Procedures: The Finance Director shall establish written investment policy procedures (to include a system of internal controls) for the operation of the investment program consistent with this policy.

These procedures shall address cash review, selection, procurement, settlement, and disposal. The procedures should also include reference to: safekeeping, repurchase agreements, wire transfer agreements, banking service contracts, and collateral/depository agreement.

Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an

investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director.

5.2 Investment Reporting: The Finance Director shall establish procedures for reporting investment status on a monthly basis to the City Manager and City Commission. Report should include: beginning balance, investment activity (deposits, withdrawals, interest receipts, and any early withdrawal penalties), interest rates versus current market rates, and ending balance.

6. Ethics and Conflicts of Interest:

Officers and employees involved in the investment process shall refrain from activities that could conflict with proper execution and management of the investment program, or which could impair their ability to make impartial investment decisions.

Officers and employees involved in the investment process shall disclose to the City Manager any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City.

7. Authorized Financial Dealers and Institutions:

The Finance Director will maintain a list of financial institutions authorized to provide investment services. In addition, a list will be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of Florida. These may include "*primary*" dealers or regional dealers that qualify under *Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule)*.

No public deposit shall be made except in an "*Active Qualified Public Depository*" authorized to hold Florida public deposit accounts.

Security dealers shall be aware and disclose reasonably foreseeable risks of market price loss, illiquidity, nonmarketability, or default of investment instruments before they are purchased.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Finance Director with the following:

- a. Audited financial statements (have available for review)
- b. Proof of National Association of Security Dealers certification
- c. Proof of State of Florida registration
- d. Completed broker/dealer questionnaire, and
- e. Certification of having read and understood and agreeing to comply with the City's Investment Policy.

An annual review of the financial condition and registrations of qualified bidders will be conducted by the Finance Director.

A current audited financial statement is required to be available for review for each financial institution and broker/dealer in which the City invests.

8. Eligible and Suitable Investments:

The City is empowered by Florida Statute and local law to invest in the following types of securities:

- a. Direct Obligations of the United States but not limited to:
 1. U.S. Treasury Bills
 2. U.S. Treasury Notes
 3. U.S. Treasury Bonds
 4. Federal Agencies
 - (a) Small Business Administration
 - (b) Government National Mortgage Association (GNMA)
 - (c) Veteran's Administration (VA)
 - (d) Federal Housing Administration (FHA)
- b. Federally-Supported Agencies and Instrumentalities, but not limited to:
 1. Federal Home Loan Bank (FHLB)
 2. Federal Farm Credit Bank (FFCB)
 3. Federal National Mortgage Association (FNMA)
 4. Federal Home Loan Mortgage Association (FHLMC)
 5. Student Loan Marketing Association (SLMA)
 6. Financial Assistant Corporation
 7. Federal Agriculture Mortgage Corporation
- c. Local Government Investment Pools (LGIP's);
 1. Local Government Surplus Funds Trust Fund (State Board of Administration [SBA])
 2. Florida Local Government Investment Trust
 3. Florida Municipal Investment Trust
- d. Debt issued by the State of Florida or any political subdivisions thereof.
- e. Money Market Mutual Funds registered under the Federal Investment Company Act of 1940 and operate in accordance with 17 C.F.R. 270.2a-7, which stipulates money market funds must have an average weighted maturity of 90 days or less. These funds shall have a rating of at least Aam or Aam-G by Standard & Poors, or equivalent by another rating agency.

- f. Time deposits, Certificates of Deposit, and savings accounts organized under the laws of Florida and/or in national banks organized under the laws of the United States and doing business and situated in Florida, provided that any such deposits are secured by the Florida Security for Public Deposits Act, F.S. Chapter 280.
- g. Securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through the authorized custodian. The weighted average maturity of bond mutual funds shall not exceed five (5) years.
- h. Commercial paper issued by corporations organized and doing business in the United States having a rating of at least two of the following three ratings: A-1, P-1, and F-1 as rated by Standard & Poors, Moody's, and Fitch IBCA, respectively.
- i. Banker's Acceptances eligible for purchase by the Federal Reserve system with Maturities not exceeding 180 days from the date of trade settlement having a rating of at least the following: A-1 and P-1, as rated by Standard & Poors and Moody's, respectively.
- j. Overnight Repurchase Agreements collateralized 101% with direct obligations of the United States; said collateral to be held by the trust department of the bank or custodian bank.

The Finance Director will exercise extreme caution in the use of derivatives and will consider their use only after developing a sufficient understanding of the products and after having obtained the expertise to manage them.

9. Master Repurchase Agreement:

Institutions and dealers transacting repurchase agreements shall execute and perform as stated in the Master Repurchase Agreement. All repurchase agreements must be in written form using the Bond Market Association's Master Repurchase Agreement as a guide. Agreements shall conform materially to the recommendations of the Government Finance Officers Association (GFOA).

10. Requests for Proposal (Bid Process):

The City Manager may within his discretion solicit requests for proposals in accordance with procedures established by the City from qualified entities regarding suitable investments. The

City Manager is not required to solicit requests for proposals and may make appropriate suitable investments contemplated and authorized herein without soliciting RFP. If the City Manager determines not to solicit requests for proposals he should state his reasons in writing and advise the City Commission accordingly.

11. Local Government Investment Pools:

A thorough investigation of the pool/fund is required prior to investing, and on a continuing basis. There shall be a questionnaire developed which will answer the following general questions:

- a. A description of eligible investment securities, and a written statement of investment policy and objectives.
- b. A description of interest calculations and how it is distributed, and how gains and losses are treated.
- c. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- d. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- e. A schedule for receiving statements and portfolio listings.
- f. Are reserves, retained earnings, etc. utilized by the pool/fund?
- g. A fee schedule, and when and how it is assessed.
- h. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

12. Collateralization:

Collateralization will be required on two types of investments: non-negotiable interest bearing time certificates of deposit and overnight repurchase agreements. Collateralization for both investment types is provided with each investment type.

The City chooses to limit collateral to Direct Obligations of the United States.

The right of collateral substitution is granted.

13. Safekeeping and Custody:

All securities purchased by, and all collateral obtained by, the City should be properly designated as an asset of the City of Lake Alfred. Withdrawal of securities from safekeeping, in whole or in part, shall not be made except by an authorized staff member of the City.

14. Diversification:

The City will diversify its investments by security type, security and financial

institution. The City shall not exceed the following limits by security type:

U.S. Treasuries	95%
Federal Agencies	50%
Federally-sponsored agencies and Instrumentalities	65%
Local Government Investment Pool	100%
Florida State and Local Debt	20%
Money Market Mutual Funds	25%
Certificates of Deposit	60%
Bond Mutual Funds (see par 8 (g))	10%
Commercial Paper	20%
Bankers Acceptances	20%
Overnight Repurchase Agreements	10%

Compliance with the percentage limitations above shall be determined when the security is purchased.

15. Maximum Maturities:

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the date of purchase. However, the City may collateralize its repurchase agreements using longer-dated investments not to exceed 10 years to maturity.

Reserve funds may be invested in securities exceeding five (5) years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds. The intent to invest in securities with longer maturities shall be disclosed in writing to the City Commission.

The portfolio's weighted average maturity shall not exceed 2.5 years.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as LGIPs, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

16. Internal Control:

The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure City assets are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be

derived and (2) the valuation of costs and benefits requires estimates and judgments by management. The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and Third-party custodian

The City's independent external auditors shall review internal controls of this investment policy and its related operating procedures on an annual basis. This review will provide internal control by assuring compliance with policies and procedures.

17. Performance Standards:

A. The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

B. Market Yield (Benchmark): The City's investment strategy is passive. Given this strategy, the basis used by the Finance Director to determine whether market yields are being achieved shall be the Florida State Board of Administration's (SBA) monthly participant return.

18. Reporting:

The Finance Director shall provide the City Commission semi-annual investment reports which provide a clear picture of the status of the current investment portfolio. The management report should include comments on the fixed income markets and economic conditions, discussions regarding restrictions on percentage of investment by categories, possible changes in the portfolio structure going forward and thoughts on investment strategies.

Schedules in the semi-annual reports, etc. should include the following:

- A listing of individual securities held at the end of the reporting period by authorized investment type
- Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks
- Average life and final maturity of all investment listed
- Coupon and earnings rate

- Par Value, Amortized Book Value and Market Value
- Percentage of the Portfolio represented by each investment type

Such reports shall be made available to the public.

19. Investment Policy Adoption:

The City's investment policy shall be adopted by ordinance of the City Commission. The City Manager shall review this policy annually and the City Commission must approve any modifications made thereto. Appendices to the Investment Policy may be modified by recommendation from the Finance Director and approved by the City Manager.

20. Glossary (Appendix A):

This policy is to be available to various stakeholders (citizens, City Commission, City staff, investors, and brokers). The City has included a glossary, as part of this policy, of related terminology.

21. Continuing Education:

The City Manager, Finance Director, and any other City officials responsible for making investment decisions must annually complete eight (8) hours of continuing education in subjects or courses of study related to investment practices and products. {F.S. 218.415(14)}

22. Policy Exceptions:

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

APPENDIX A

GLOSSARY

Accrued Interest: The accumulated interest due on a bond as of the last interest payment made by the issuer.

Agency: A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee.

Amortization: The systematic reduction of the amount owed on a debt issue through periodic payments of principal.

Asked: The price at which securities are offered.

Basis Point: A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of 1%, e.g. "1/4 of 1% equals 25 basis points.

Banker's Acceptance (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Benchmark: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

Bid: The price offered by a buyer of securities. (When you are selling securities, you are asking for a bid). See "Offer".

Book Value: The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security's current value in the market.

Broker: A broker brings buyers and sellers together for a commission.

Call Price: the price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

Call Risk: The risk to a bondholder that a bond may be redeemed prior to maturity.

Callable Bond: A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

Cash Sale/Purchase: A transaction, which calls for delivery and payment of securities on the same day that the transaction is initiated.

Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a certificate. Large denomination CD's are typically negotiable.

Collateralization: Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

Commercial Paper: An unsecured short-term promissory note issued by corporations, with maturities ranging from 2 to 270 days.

Comprehensive Annual Financial Report (CAFR): The official annual audit report of the City. It includes: five combined statements for each individual fund and account group prepared in conformity with GAAP; supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions; extensive introductory material, and a detailed Statistical Section.

Coupon: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

Credit Quality: The measurement of the bond issuer's financial strength issued by one or more nationally recognized rating agencies. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower.

Credit Risk: An investor's risk that an issuer will default in the payment of interest and/or principal on a security.

Current Yield (Current Return): A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

Current Expenses: Expenses to meet known cash needs and anticipated cash-flow requirements for the short term. {F.S. 218.403(2)}.

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

Debenture: A bond secured only by the general credit of the issuer.

Delivery Versus Payment: A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian. (Note: *Delivery versus Receipt* is delivery of securities with an exchange of a signed receipt for the securities).

Derivative Securities: Financial instruments whose value depends on, or is derived from, the value of one or more underlying assets or index or asset values. F.S. 218.415(5).

Discount: The amount by which the par value of a security exceeds the price paid for the security, excluding accrued interest.

Discount Securities: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g. U.S. Treasury Bills.

Diversification: A process of investing assets among a range of security types by sector, maturity, and possibly, quality rating.

Fair Value: The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Federal Credit Agencies: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g. S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

Federal Deposit Insurance Corporation (FDIC): A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

Federal Funds Rate: The rate of interest at which Federal Funds are traded. The Federal Reserve through open-market operations currently sets this rate.

Federal Home Loan Banks (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district bank.

Federal National Mortgage Association (FNMA or Fannie Mae): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal, private stockholder-owned corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

Federal Open Market Committee (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volumes of bank credit and money.

Federal Reserve System: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

Government National Mortgage Association (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. The FHA, VA, or FmHA mortgages back Ginnie Mae securities. The term “pass-through” is often used to describe Ginnie Maes.

Interest Rate Risk: The risk associated with declines or rises in interest rates, which cause an investment in a fixed-income security to increase or decrease in value.

Internal Controls: A structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse through addressing the following points:

1. **Control of Collusion** – Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
2. **Separation of transaction authority from accounting and record keeping** – By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
3. **Custodial safekeeping** – Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.
4. **Avoidance of physical delivery securities** – Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
5. **Clear delegation of authority to subordinate staff members** – Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
6. **Written confirmation of transactions for investments and wire transfers** – Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.
7. **Development of a wire transfer agreement with the lead bank and third-party Custodian** – The designated official should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

Inverted Yield Curve: A graphic representation illustrating short-term securities having higher yields than long-term securities. This configuration usually occurs during periods of high inflation coupled with low levels of confidence in the economy and a restrictive monetary policy.

Investment Company Act of 1940: Federal legislation which sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

Local Government Investment Pool (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

Mark-To-Market: The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

Market Risk: The risk that a security's value will rise or decline as a result of changes in market conditions.

Market Value: The price at which a security is trading and could presumably be purchased or sold.

Master Repurchase Agreement: A written contract covering all future transactions between the parties to repurchase – reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

Maturity: The date upon which the principal or stated value of an investment becomes due and payable.

Money Market Mutual Fund: Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

Mutual Fund: (Refer to Paragraphs 8e and 8g): An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investments Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations.
2. Disseminate timely and accurate information regarding the fund's holdings, performance, management, and general investment policy.
3. Have the fund's investment policies and activities supervised by a board of

trustees, which are independent of the adviser, administrator or other vendor of the fund.

4. Maintain the daily liquidity of the fund's shares.
5. Value their portfolios on a daily basis.
6. Have all individuals who sell SEC-registered products licensed with a self-regulating organization such as the National Association of Securities Dealers (NASD).
7. Have an investment policy governed by a prospectus, which is updated and filed with the SEC annually.

Net Asset Value: The market value of one share of an investment company, such as a mutual fund. This figure is calculated by *totaling* a fund's assets which includes securities, cash, and any accrued earnings, *subtracting* this from the fund's liabilities and *dividing* this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio.

Nationally Recognized Statistical Rating Organization (NRSRO): Moody's, Standard and Poors (S&P), and FITCH IBCA. Additionally, Thompson BankWatch for financial institution ratings only.

No Load Fund: A mutual fund, which does not levy a sales charge on the purchase of its shares.

Nominal Yield: The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon", "coupon rate" or "interest rate".

Offer: The price asked by a seller of securities. (When you are buying securities, you ask for an offer). See Asked.

Open Market Operations: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. *Purchases* inject reserves into the bank system and stimulate growth of money and credit; *Sales* have the opposite effect. Open market operations are the Federal Reserve's most important and flexible monetary policy tool.

Par Value: Face value or principal value of a bond, typically \$1,000 per bond.

Positive (Normal) Yield Curve: A graphic representation illustrating short-term securities having lower yields than long-term securities.

Premium: The amount by which the price paid for a security exceeds the security's par value.

Portfolio: Collection of securities held by an investor.

Primary Dealer: A group of government securities dealers who submit weekly reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and

Exchange Commission (SEC)-registered securities broker-dealers and commercial, banking organizations subject to official supervision by the U.S. Federal Bank.

Prime Rate: A preferred interest rate charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate.

Principal: The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

Prospectus: A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements.

Qualified Public Depositories: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

Rate of Return: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond, the current income return.

Reinvestment Risk: The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

Repurchase Agreement (RP or Repo): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their position. *Exception:* When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

Rule 2A-7 of the Investment Company Act: Applies to all money market mutual funds and mandates such funds to maintain certain standards, including a 13-month maturity limit and a 90-day average maturity on investments, to help maintain a constant net asset value of one dollar (\$1.00).

Safekeeping: A service to customers rendered by financial institution for a fee whereby securities and valuables of all types and descriptions are held on the bank's vaults for protection.

Secondary Market: A market made of the purchase and sale of outstanding issues following the initial distribution.

Securities & Exchange Commission (SEC): Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC Rule 15C3-1: See Uniform Net Capital Rule.

Short-Term: A maximum of 6 months of operation. (F.S. 218.403(4)).

Structured Notes: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, set-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

Surplus Funds: Any funds in any general or special account or fund of a unit of local government, or funds held by an independent trustee on behalf of a unit of local government, which in reasonable contemplation will not be immediately needed for the purpose intended. (F.S. 218.403(5)).

Swap: Trading one asset for another.

Total Return: The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains.

Treasury Bills: Short-term U.S. government non-interest bearing discount securities with maturities of no longer than one year and issued in minimum denominations of \$10,000. Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

Treasury Bonds: Long-term U.S. government securities with maturities of ten years (or longer) and issued on minimum denominations of \$1,000.

Treasury Notes: Intermediate U.S. government debt securities with maturities of one to ten years and issued in denominations ranging from \$1,000 to \$1 million or more.

Uniform Net Capital Rule: Securities & Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15:1; also called “net capital rule” and “net capital ratio”. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. *Liquid capital* includes assets and assets easily converted into cash.

Volatility: A degree of fluctuation in the price and valuation of securities.

“Volatility Risk” Rating: A rating system to clearly indicate the level of volatility and other non-credit risks associated with securities and certain bond funds. The rating for bond funds range from those that have extremely low sensitivity to changing market conditions and offer the

greatest stability of the returns ('aaa' by S&P; 'V-1' by Fitch) to those that are highly sensitive with currently identifiable market volatility risk ('ccc' by S&P; 'V-10' by Fitch).

Weighted Average Maturity (WAM): The average maturity of all the securities that comprise a portfolio. According to SEC Rule 2A-7, the WAM for SEC registered money market mutual funds may not exceed 90 days and no one security may have a maturity that exceeds 397 days.

When Issued (WI): A conditional transaction in which an authorized new security has not been issued. All "when issued" transactions are settled when the security is actually issued.

Yield: The rate of annual income return on an investment, expressed as a percentage. *Income yield* is obtained by dividing the current dollar income by the current market price for the security.

Yield-to-Call: The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date.

Yield-to-Maturity (Net Yield): The current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Yield Curve: A graphic representation depicting the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity.

Zero-Coupon Securities: Securities issued at a discount and make no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

218.415 Local government investment policies

(17) AUTHORIZED INVESTMENTS; NO WRITTEN INVESTMENT POLICY.—Those units of local government electing not to adopt a written investment policy in accordance with investment policies developed as provided in subsections (1)-(15) may invest or reinvest any surplus public funds in their control or possession in:

- (a) The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s. 163.01.
- (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- (c) Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in s. 280.02.
- (d) Direct obligations of the U.S. Treasury.

Investment Information

As of March 31,2015

	Type	Interest Rate	Term	Amount	Investment Policy		
CenterState 575	Sweep	0.50		4,721,032	63%	10% limit Overnight Repurchase	
CenterState 159	MM	0.10	Impact fees/ Reserve Funds	210		25% limit Money Market Funds	
TD Bank	MM	0.25	Money Market	604,965			
			Total	605,175	8%		
CenterState		-	Utility Deposits	343,548	5%	Customer Deposits	
CenterState	CD	0.50	18 months	7/29/2014	718,832	10%	40% limit on CDs
FMIvt Funds	Bond Funds			608,198	8%	10% in Bond Mutual Funds	
SBA	LGIP	0.18		502,783	7%	100% limit	

Total Investments	7,499,567
Operating Accts	18,981
Total Cash	7,518,548

Interest Payments for the Month

Action:

CenterState 575	897
CenterState 159	210
CenterState CD	276
TD Bank	501
BB & T	
FMIvT	1,033
SBA	79
Total Interest	2,995

**LAKE ALFRED CITY COMMISSION MEETING
MAY 18, 2015**

2.) ORDINANCE 1353-15: PROPERTY TRANSFER WITH EAGLE-RIDGE, INC.

ISSUE: The City Commission will consider Ordinance No. 1353-15 on first reading, which provides for a land exchange agreement with Eagle Ridge, Inc. for commercial property in downtown Lake Alfred in exchange for a city owned grove property.

ATTACHMENTS:

- Proposed Ordinance 1353-15
- Executed Property Swap Agreement
- Charter excerpt 2.09

ANALYSIS: On February 2, 2015 the City Commission authorized the execution of an agreement to convey approximately 80 acres of surplus sprayfield property to the University of Florida in return for two commercial properties in downtown Lake Alfred.

Per section 2.09(d.7) of the Lake Alfred City Charter the conveyance or lease of any city lands must be done so by ordinance. The proposed ordinance is consistent with the previously executed agreement and is being presented to satisfy the charter requirement.

STAFF RECOMMENDATION: Approve Ordinance 1353-15 on first reading.

DRAFT ORDINANCE NO. 1353-15

AN ORDINANCE OF THE CITY OF LAKE ALFRED, FLORIDA, APPROVING THE AGREEMENT FOR LAND EXCHANGE BETWEEN THE CITY OF LAKE ALFRED AND EAGLE-RIDGE, INCORPORATED AND AUTHORIZING THE PROPER CITY OFFICIALS TO EXECUTE AND DELIVER DEEDS AND OTHER INSTRUMENTS TO CONVEY CERTAIN REAL PROPERTY TO EAGLE- RIDGE, INCORPORATED IN ACCORDANCE WITH THE APPROVED AGREEMENT FOR LAND EXCHANGE AND RESERVING A PERPETUAL EASEMENT IN FAVOR OF THE CITY TO ACCESS ADJACENT REAL PROPERTY OWNED BY THE CITY OF LAKE ALFRED; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Eagle-Ridge, Incorporated desires to acquire ownership of certain real property now owned by the City of Lake Alfred, Florida; and

WHEREAS, the City of Lake Alfred desires to acquire ownership of certain real property now owned by Eagle-Ridge, Incorporated; and

WHEREAS, an Agreement for Land Exchange (hereinafter "Agreement") between the City of Lake Alfred and Eagle-Ridge, Incorporated contemplates a 1031 Exchange (under the rules and regulations of the Internal Revenue Service) of real properties that are reasonably equivalent in value to each party to the transaction; and

WHEREAS, on February 2, 2015, the City Commission in an open public meeting approved the Agreement between the City of Lake Alfred and Eagle-Ridge, Incorporated in order to allow the parties to the Agreement to conduct due diligence matters within the subsequent forty-five (45) business day period. Said Agreement is attached hereto as Schedule "A" and incorporated herein by reference; and

WHEREAS, said real properties are described on Exhibit "A" to Schedule "A" (hereinafter "Eagle-Ridge Property") and Exhibit "B" to Schedule "A" (hereinafter "City Property") both of which Exhibits are attached to Schedule "A" which is attached hereto and incorporated herein by reference; and

WHEREAS, City staff and representatives of Eagle-Ridge, Incorporated conducted and performed due diligence that each party determined to be appropriate including but not limited to surveys, environmental assessments and appraisals; and

WHEREAS, the due diligence performed by each party has been reviewed and considered and as a result thereof each party is satisfied and desires to proceed with a closing of the transaction in accordance with the terms of the Agreement; and

WHEREAS, the City shall retain a perpetual easement over, on, upon, through and under the City Property it conveys to Eagle-Ridge, Incorporated to access adjacent real property owned by the City of Lake Alfred as described on Exhibit "C" attached to Schedule "A" which is attached hereto and incorporated herein by reference; and

WHEREAS, it is in the best interests of the health, safety and welfare of the residents and citizens of the City of Lake Alfred to convey the City Property to Eagle-Ridge, Incorporated and for Eagle-Ridge, Incorporated to convey the Eagle-Ridge Property to the City in accordance with the terms of the Agreement approved by the City Commission on February 2, 2015.

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. RECITAL INCORPORATED.

The above recitals are incorporated herein and form a factual basis for the passage of this Ordinance.

SECTION 2. AGREEMENT APPROVAL.

That the Agreement between the City of Lake Alfred and Eagle-Ridge, Incorporated regarding the conveyance of the City Property to Eagle-Ridge, Incorporated and the conveyance of the Eagle-Ridge Property to the City of Lake Alfred is hereby approved.

SECTION 3. AUTHORIZATION.

The proper City Officials are hereby authorized and empowered to execute and deliver a deed of conveyance thereof for the City Property to be conveyed to Eagle-Ridge, Incorporated described on Exhibit "B" and reserving a perpetual easement over, on, upon, through and under the City Property in order to have access to adjacent real property still owned by the City of Lake Alfred and execute and deliver other necessary instruments to Eagle-Ridge, Incorporated in accordance with the terms of the Agreement attached hereto as Schedule "A".

SECTION 4. SEVERABILITY.

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

SECTION 5. CONFLICTS.

All ordinances in conflict herewith are repealed.

SECTION 6. EFFECTIVE DATE.

This ordinance shall become effective immediately upon final adoption.

INTRODUCED AND PASSED on first reading at the regular meeting of the Lake Alfred City Commission held on the 18th day of May, 2015.

PASSED AND ADOPTED on second reading at the meeting of the Lake Alfred City Commission duly assembled on the 1st day of June, 2015.

CITY OF LAKE ALFRED

Charles Lake, Mayor

ATTEST:

Valerie F. Ferrell, Interim City Clerk

APPROVED AS TO FORM:

Frederick J. Murphy, Jr., City Attorney

SCHEDULE "A"

AGREEMENT FOR LAND EXCHANGE

THIS AGREEMENT, made and entered into on February 2, 2015, between **EAGLE - RIDGE, INCORPORATED**, Florida corporation (Eagle Ridge), and the **CITY OF LAKE ALFRED**, a Florida municipal corporation (City).

BACKGROUND/RECITALS

WHEREAS, the parties have agreed to enter into an agreement for a concurrent land exchange under Section 1031 of the Internal Revenue Code and/or other applicable similar law, rule and regulation, whereby Eagle Ridge will convey to the City certain property and in exchange the City will convey to Eagle Ridge certain other property; and

WHEREAS, the City Commission of the City has found and determined by a unanimous vote that it is in the public interest to waive the provisions of Article VII of Chapter 2 of the City of Lake Alfred Code of Ordinances regarding the purchase, sale or lease of public lands; and

WHEREAS, the City and Eagle Ridge have found and determined that the exchange of the lands as contemplated herein is in the best interests of the residents and citizens of Lake Alfred and the residents of the State of Florida; and

WHEREAS, the City and Eagle Ridge have found and determined and acknowledge and agree that the monetary value of the lands that are contemplated to be exchanged in this Agreement are of about approximately equal value and that each party is receiving the benefit and furtherance of goals and policies of their respective organizations as a result of the land exchange contemplated herein; and

Therefore, the parties hereby covenant and agree as follows:

1. Eagle Ridge shall transfer and convey to the City the real property located in Polk County, Florida, and described on Exhibit A attached hereto and incorporated by reference (the Eagle Ridge Property). The Eagle Ridge Property shall be transferred to the City free and clear of any and all liens and encumbrances, except for any title matters approved by the City as set forth below. Any real estate taxes that may be due for the Eagle Ridge Property shall be paid by Eagle Ridge and escrowed at closing and remitted to the Polk County Tax Collector by Closing Agent.

2. Concurrently with the transfer of the Eagle Ridge Property to the City, the City shall transfer and convey to Eagle Ridge the real property located in Polk County, Florida, and described on Exhibit B hereto and incorporated by reference (the City Property). The City Property shall be transferred to Eagle Ridge free and clear of any and all liens and encumbrances, , any title matters approved by Eagle Ridge as set forth below, and a reserved easement for ingress and egress to and from other property owned by the City, as described on Exhibit C attached hereto and incorporated by reference. Any real estate taxes that may be due as a result of the transfer and conveyance of the City Property to Eagle Ridge shall be the obligation of Eagle Ridge.

3. A. Eagle Ridge shall have sixty (60) business days (Eagle Ridge Inspection Period) after the effective date of this Agreement in which to perform, at Eagle Ridge's cost, any and all due diligence Eagle Ridge determines to be necessary. Such due diligence may include, but not be limited to, obtaining a title insurance binder, survey, and environmental audit. Should Eagle Ridge determine for any reason that the Property is not suitable for Eagle Ridge's intended use, then Eagle Ridge may terminate this Agreement by written notice to the City no later than thirty days after expiration of the Eagle Ridge Inspection Period.

B. Eagle Ridge shall share the results of its due diligence and/or inspections of the lands with City at such time as they become available and upon request by City. Eagle Ridge shall be solely liable for all costs and expenses, or damage or injury to any person or property resulting from any such due diligence it may conduct on the lands currently owned by City, whether caused by the acts of Eagle Ridge or any of its employees, agents, contractors, consultants or representatives, and Eagle Ridge shall indemnify, defend and hold harmless City its elected and appointed officials, employees, and agents from any liability, claims and expenses (including, without limitation, construction liens and/or reasonable attorneys' fees and costs) resulting therefrom. In the event any notice to owner or claim of lien is filed arising out of Eagle Ridge's contractors, subcontractors, professionals, laborers, or suppliers, Eagle Ridge shall promptly obtain a release of lien from the claimant or lienor, or, alternatively, where appropriate, Eagle Ridge may transfer such a lien to a cash bond pursuant to the requirements of Chapter 713, Florida Statutes. Eagle Ridge shall restore the lands to substantially the same condition as it existed prior to Eagle Ridge activities and shall remove and dispose of any waste generated by Eagle Ridge's activities in compliance with all applicable laws, regulations and requirements. The obligations of Eagle Ridge under this paragraph shall survive the Closing and/or any termination of this Agreement.

4. A. The City shall have sixty (60) business days (City Inspection Period) after the effective date of this Agreement in which to perform, at the City's cost, any and all due diligence the City determines to be necessary. Such due diligence may include, but not be limited to, obtaining a title insurance binder, survey, and environmental audit. Should the City determine for any reason that the Property is not suitable for the City's intended use, then the City may terminate this Agreement by written notice to Eagle Ridge no later than thirty days after expiration of the City Inspection Period.

B. City shall share the results of its due diligence and/or inspections of the lands with Eagle Ridge at such time as they become available and upon request by Eagle Ridge. City shall be solely liable for all costs and expenses, or damage or injury to any person or property resulting from any such due diligence it may conduct on the lands currently owned by Eagle Ridge, whether caused by the acts of City or any of its employees, agents, contractors, consultants or representatives, and City shall indemnify, defend and hold harmless Eagle Ridge its appointed officials, employees, and agents from any liability, claims and expenses (including, without limitation, construction liens and/or reasonable attorneys' fees and costs) resulting therefrom. In the event any notice to owner or

claim of lien is filed arising out of City's contractors, subcontractors, professionals, laborers, or suppliers, City shall promptly obtain a release of lien from the claimant or lienor, or, alternatively, where appropriate, City may transfer such a lien to a cash bond pursuant to the requirements of Chapter 713, Florida Statutes. City shall restore the lands to substantially the same condition as it existed prior to City activities and shall remove and dispose of any waste generated by City's activities in compliance with all applicable laws, regulations and requirements. The obligations of City under this paragraph shall survive the Closing and/or any termination of this Agreement.

5. After receipt of the title binder, each party shall have thirty days within which to notify the other, in writing, of any defects in title. "Defects" include, but are not limited to, encroachments by structures, and violations of covenants. Upon receipt of such notice, the owner of that property shall have a reasonable time within which to cure such defects and shall exercise due diligence to do so, but shall not be obligated to institute or pursue any litigation.

6. Each party agrees that, upon reasonable notice, the other party's representatives or agents may enter the other's property for all lawful purposes in connection with this Agreement, including, but not limited to any inspections, tests, surveys, or studies to be done during the inspection period. The entering party shall be responsible for damage or injury to persons or property resulting from its entry (or entry by its representatives or agents) upon the property.

7. The closing of the transaction shall occur no later than June 1, 2015. Each party shall bear all its own costs of closing, including its attorneys' fees, title insurance for the property being acquired by such party, and the cost of recording the deed to the party. Conveyance by both parties shall be by special warranty deed.

8. Entire Agreement. This Agreement contains the entire agreement of the parties hereto, and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. Any amendment to this Agreement shall not be binding upon any of the parties hereto unless such amendment is in writing and executed by authorized representatives of City and Eagle Ridge.

9. Governing Law and Venue. This Agreement shall be interpreted under the laws of the State of Florida. Venue for any actions arising out of the terms of this Agreement shall be exclusively in the State Courts in and for Polk County, Florida.

10. Severability. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Agreement or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby but rather shall be enforced to the greatest extent permitted by law.

11. Days as set forth in this Agreement shall mean calendar days unless specifically indicated otherwise.

12. The effective date of this Agreement shall be the date on which the City Commission of City approves this Agreement.

13. Time is of the essence of this Agreement.

IN WITNESS WHEREOF the parties hereto have caused this agreement to be executed in their respective names, on the date first above written.

WITNESSES:

**EAGLE - RIDGE, INCORPORATED, a
Florida corporation ("Eagle Ridge")**


Print Name: Tonya Birmingham

By: DMC
Print Name: David M. Christie
Title: President


Print Name: Susan G. Goffman

Date: 1/24/15

Approved

OFF Legal Counsel

THE CITY OF LAKE ALFRED ("CITY")

ATTEST:

By: Nancy Z. Daley
Nancy Z. Daley, Mayor

By: Valerie Ferrell
Valerie Ferrell, Interim City Clerk

Date: February 2, 2015

Approved as to Form and Legal
Sufficiency:

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

EXHIBIT "A"

DESCRIPTION:

(OFFICIAL RECORDS BOOK 7444, PG. 0937-0938, PUBLIC RECORDS OF POLK COUNTY, FLORIDA)

Lots 11, 12, 13, 14, 15, and 16, of Block 5 of Arbuthnot Subdivision to Lake Alfred, Florida, as shown by map or plat thereon recorded in the office of the Clerk of the Circuit Court in and for Polk County, Florida, in Plat Book 23, Pages 26 and 26A. Parcel ID# 322726-501000-005110

AND

Lot 4 of the Replat of Arbuthnot Subdivision to Lake Alfred, Florida, as shown by map or plat thereon recorded in the office of the Clerk of the Circuit Court in and for Polk County, Florida, in Plat Book 26, Pages 40 and 40A. Parcel ID# 322726-502000-00040

DESCRIPTION: (PROVIDED O.R. 7397, PGS 1565-1567)

South 51.5 feet of Lots 1 through 5, Block 18 of the original TOWN OF CODINGTON (now Lake Alfred) as per plat recorded in Plat Book 1, Page 61, Public Records of Polk County, Florida.

EXHIBIT "B"

17477 BNDY LGL.doc

Lake Alfred Parcel

That part of Section 21, Township 27 South, Range 26 East, Polk County, Florida, described as follows:

Begin at a 3"x3" concrete monument at Southeast corner of Section 21; thence S 89°39'18" W along the south line of said Section 21 a distance of 2657.91 feet to a found 1/2" pipe at the south quarter corner of said Section 21; thence S 89°40'19" W along the south line of said Section 21 a distance of 210.90 feet; thence N 00°19'41" W a distance of 480.00 feet; thence N 89°40'19" E a distance of 500.00 feet; thence N 00°19'41" W a distance of 839.00 feet; thence N 89°40'19" E a distance of 1095.00 feet; thence N 00°19'41" W a distance of 770.00 feet; thence N 89°40'19" E a distance of 500.00 feet; thence S 00°19'41" E a distance of 762.34 feet; thence N 89°41'28" E a distance of 773.45 feet to a 3"X3" concrete monument on the east line of said Section 21, being the northwest corner of the southwest quarter of Section 22, Township 27 South, Range 26 East as shown on Maintained Right of Way Map for White Road recorded in Map Book 6, pages 336-339; thence S 00°20'39" E along the east line of said Section 21 a distance of 1325.62 feet to the Point of Beginning.

LESS maintained right of way of White Road.

SUBJECT TO:

An ingress egress easement in Section 21, Township 27 South, Range 26 East, Polk County, Florida, the centerline of said easement is described as follows;

Commence at a 3"x3" concrete monument at the Southeast corner of Section 21; thence S 89°39'18" W along the south line of said Section 21 a distance of 34.75 feet to the intersection with the maintained right of way line of White Road as recorded in Map Book 6, pages 336-339; thence continue S 89°39'18" W along said south line a distance of 1895.79 feet to the intersection with the maintained right of way line of White Road as recorded in Map Book 14, pages 43-44 of the public records of Polk County, Florida; thence along the northerly maintained right of way for the following 2 courses; (1) N 00°06'40" W a distance of 3.45 feet; (2) S 89°33'00" W a distance of 81.00 feet to the Point of Beginning at the center of an existing dirt road; thence said easement lies 10.00 feet on each side of said centerline for the following 2 courses; (1) N 08°08'10" W a distance of 5.10 feet to the beginning of a curve concave to the southwest and having a radius of 70.00 feet; (2) thence along said curve to the left through a central angle of 80°30'32", an arc distance of 98.36 feet (chord = 90.47 feet, chord bearing N 48°23'26" W); thence said easement lies 20.00 feet on each side of said centerline for the following 1 course; (1) N 88°38'43" W a distance of 172.14 feet to the beginning of a curve concave to the northeast and having a radius of 90.00 feet; thence said easement lies 10.00 feet on each side of said centerline for the following 10 courses; (1) along said curve to the right, through a central angle of 88°18'35", an arc distance of 138.72 feet (chord = 125.39 feet, chord bearing = N 44°29'25" W); (2) N 00°20'07" W a distance

EXHIBIT "B"

of 101.49 feet to the beginning of a curve concave to the west and having a radius of 200.00 feet; (3) thence along said curve to the left through a central angle of $29^{\circ}09'33''$, an arc distance of 101.78 feet (chord = 100.69 feet, chord bearing = $N 14^{\circ}54'54'' W$); (4) $N 29^{\circ}29'40'' W$ a distance of 54.06 feet to the beginning of a curve concave to the east and having a radius of 350.00 feet; (5) thence along said curve to the right through a central angle of $30^{\circ}06'40''$, an arc distance of 183.94 feet (chord = 181.83 feet, chord bearing = $N 14^{\circ}26'20'' W$); (6) $N 00^{\circ}37'00'' E$ a distance of 83.94 feet to the beginning of a curve concave to the southeast and having a radius of 350.00 feet; (7) thence along said curve to the right through a central angle of $43^{\circ}11'57''$, an arc distance of 263.89 feet (chord = 257.68 feet, chord bearing = $N 22^{\circ}12'58'' E$); (8) $N 43^{\circ}48'56'' E$ a distance of 218.42 feet to the beginning of a curve concave to the west and having a radius of 163.00 feet; (9) thence along said curve to the left through a central angle of $84^{\circ}47'15''$, an arc distance of 241.21 feet (chord = 219.80 feet, chord bearing = $N 01^{\circ}25'19'' E$); (10) $N 40^{\circ}58'19'' W$ a distance of 45.01 feet to the Point of Terminus.

The side lines of said easement shall be shortened or extended to begin at the north maintained right of way of White Road and end at a bearing of $N 89^{\circ}40'19'' E$ extending through the Point of Terminus.

EXHIBIT "C"

An ingress egress easement in Section 21, Township 27 South, Range 26 East, Polk County, Florida, the Eagle Ridgeline of said easement is described as follows;

Commence at a 3"x3" concrete monument at the Southeast corner of Section 21; thence S 89°39'18" W along the south line of said Section 21 a distance of 34.75 feet to the intersection with the maintained right of way line of White Road as recorded in Map Book 6, pages 336-339; thence continue S 89°39'18" W along said south line a distance of 1895.79 feet to the intersection with the maintained right of way line of White Road as recorded in Map Book 14, pages 43-44 of the public records of Polk County, Florida; thence along the northerly maintained right of way for the following 2 courses; (1) N 00°06'40" W a distance of 3.45 feet; (2) S 89°33'00" W a distance of 81.00 feet to the Point of Beginning at the Eagle Ridge of an existing dirt road; thence said easement lies 10.00 feet on each side of said Eagle Ridgeline for the following 2 courses; (1) N 08°08'10" W a distance of 5.10 feet to the beginning of a curve concave to the southwest and having a radius of 70.00 feet; (2) thence along said curve to the left through a central angle of 80°30'32", an arc distance of 98.36 feet (chord = 90.47 feet, chord bearing N 48°23'26" W); thence said easement lies 20.00 feet on each side of said Eagle Ridgeline for the following 1 course; (1) N 88°38'43" W a distance of 172.14 feet to the beginning of a curve concave to the northeast and having a radius of 90.00 feet; thence said easement lies 10.00 feet on each side of said Eagle Ridgeline for the following 10 courses; (1) along said curve to the right, through a central angle of 88°18'35", an arc distance of 138.72 feet (chord = 125.39 feet, chord bearing = N 44°29'25" W); (2) N 00°20'07" W a distance of 101.49 feet to the beginning of a curve concave to the west and having a radius of 200.00 feet; (3) thence along said curve to the left through a central angle of 29°09'33", an arc distance of 101.78 feet (chord = 100.69 feet, chord bearing = N 14°54'54" W); (4) N 29°29'40" W a distance of 54.06 feet to the beginning of a curve concave to the east and having a radius of 350.00 feet; (5) thence along said curve to the right through a central angle of 30°06'40", an arc distance of 183.94 feet (chord = 181.83 feet, chord bearing = N 14°26'20" W); (6) N 00°37'00" E a distance of 83.94 feet to the beginning of a curve concave to the southeast and having a radius of 350.00 feet; (7) thence along said curve to the right through a central angle of 43°11'57", an arc distance of 263.89 feet (chord = 257.68 feet, chord bearing = N 22°12'58" E); (8) N 43°48'56" E a distance of 218.42 feet to the beginning of a curve concave to the west and having a radius of 163.00 feet; (9) thence along said curve to the left through a central angle of 84°47'15", an arc distance of 241.21 feet (chord = 219.80 feet, chord bearing = N 01°25'19" E); (10) N 40°58'19" W a distance of 45.01 feet to the Point of Terminus.

The side lines of said easement shall be shortened or extended to begin at the north maintained right of way of White Road and end at a bearing of N 89°40'19" E extending through the Point of Terminus.

Lake Alfred Charter: 2.09

- (d) *Action requiring an ordinance.* In addition to other acts required by law or by specific provisions of this Charter to be done by ordinance, those acts of the city commission shall be by ordinance which:
- (1) Adopt or amend an administrative code or establish, alter or abolish any city department or agency;
 - (2) Establish a rule or regulation, the violation of which carries a penalty;
 - (3) Levy taxes authorized by general law;
 - (4) Grant, renew or extend a franchise;
 - (5) Set service or user charges for municipal services or granting administrative authority for such charges;
 - (6) Authorize the borrowing of money not inconsistent with the limitations in the constitution and general law of the state;
 - (7) Convey or lease or authorize by administrative action the conveyance or lease of any lands of the city;
 - (8) Amend or repeal any ordinance previously adopted, except as otherwise provided in article V, with respect to repeal of ordinances reconsidered under the referendum power.

(Ord. No. 1059-04, § 1, 1-19-2004/4-6-2004)

**LAKE ALFRED CITY COMMISSION MEETING
MAY 18, 2015**

3.) HOLIDAY DECORATION PROJECT

ISSUE: The City Commission will consider advancing funds for the purchase and installation of holiday decorations.

ATTACHMENTS:

- Holiday Decoration Options
- Montoya Electric Bid

ANALYSIS: In April of 2015 the City Commission gave conceptual approval of the City's capital improvement program (CIP) to be included in the FY 15/16 Budget. Within the approved plan, the City Commission advanced a holiday decoration project to the upcoming FY 15/16 Budget beginning on October 1, 2015. In recognition of the lead times and price discounts associated with this project staff is recommending to advance funding now in order to complete the project in time for the 2015 holiday season. The CIP will be amended to show a multiyear repayment to reserves to account for the project's expense.

City staff has reached out to several holiday decoration companies to research options and general pricing and have attached several different styles for consideration. Decorating every other pole would require 63 decorations (recommended purchase of 80).

- Holiday Design: \$347 - \$595 (excluding 40% discount)
- Temple Display: \$427- \$816 per decoration (excluding 25% discount)

Pricing varied by option and vendor, however, Holiday Design is a direct manufacturer and presented pricing lower across the board for all options. Additionally, Holiday Design is the supplier for the City of Winter Haven which provided a good reference for the company. The estimated decoration cost is approximately \$40,000.

As a part of this project staff has also identified an opportunity to purchase a 26ft-30ft "paneled" tree to be placed in Gardner Park during the holiday season. The estimated cost of the tree is approximately \$20,000. The tree we currently use needs to be removed and will allow for the extension of the sidewalk network in Gardner Park.

The City also solicited bids for providing power on the power for the decorations:

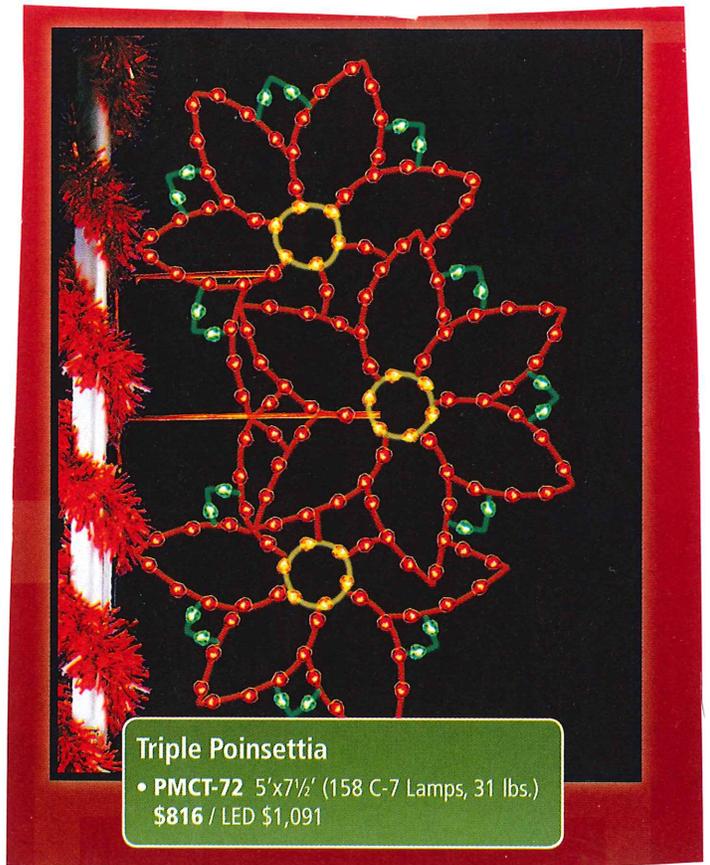
- Montoya Electric: \$14,175 (\$225 per pole)
- Reiter Electric: declined to bid

Montoya electric currently provides maintenance on the poles for the City through our maintenance agreement with FDOT (and most of the County) and was the contractor that originally installed the poles for FDOT as a part of the road project.

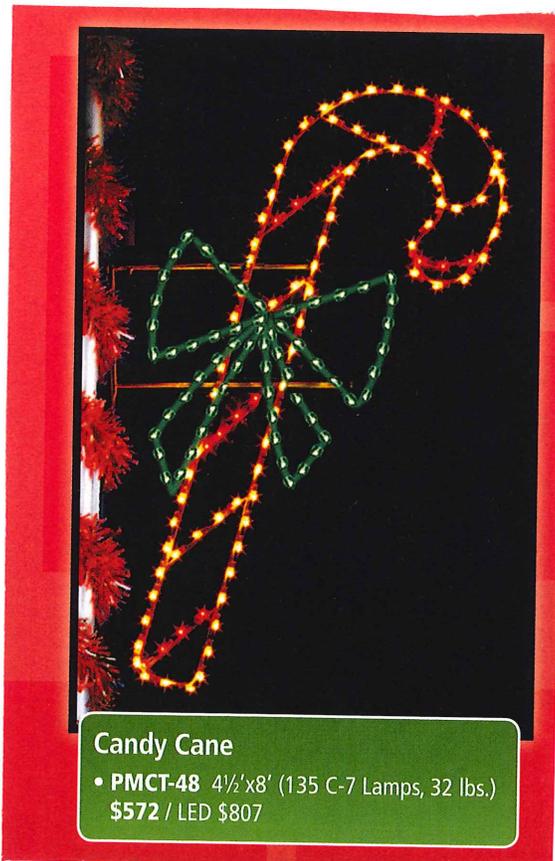
STAFF RECOMMENDATION: Advance up to \$80,000 to complete the holiday decoration project and authorize staff to make purchase of goods and services from Holiday Design and Montoya Electric.



Candle with Poinsettia
 • **PMCT-111** 4½'x8' (134 C-7 Lamps, 31 lbs.)
\$622 / LED \$854



Triple Poinsettia
 • **PMCT-72** 5'x7½' (158 C-7 Lamps, 31 lbs.)
\$816 / LED \$1,091



Candy Cane
 • **PMCT-48** 4½'x8' (135 C-7 Lamps, 32 lbs.)
\$572 / LED \$807



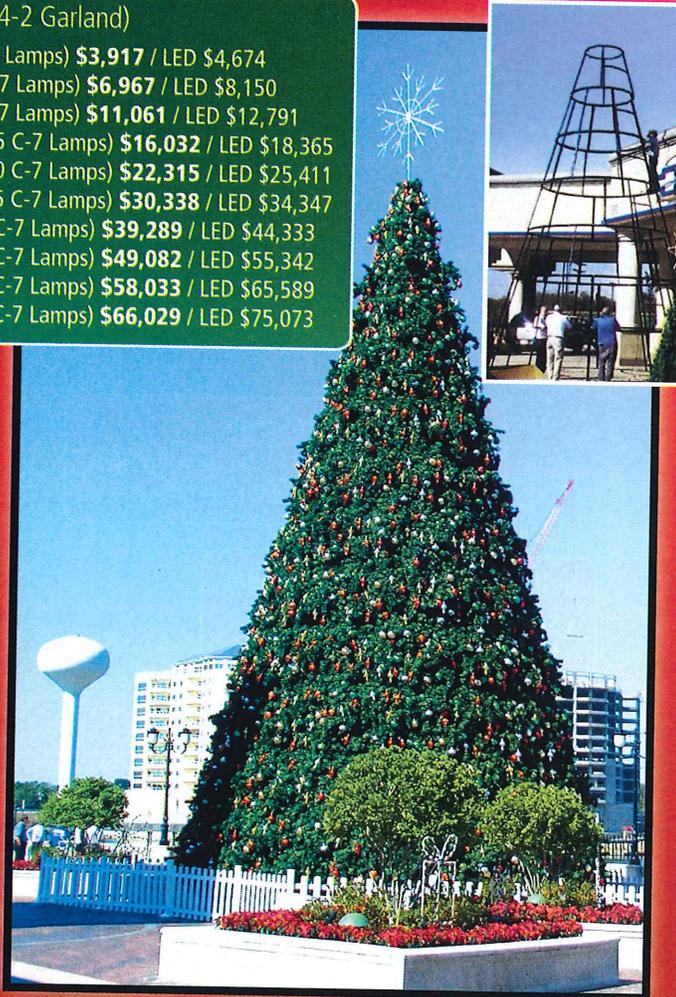
Economy Z-Tree
 • **PMCT-113** 5'x8' (99 C-7 Lamps, 27 lbs.)
\$427 / LED \$599

TREES & TOPPERS

Self-Standing Panel Tree (18-4-2 Garland)

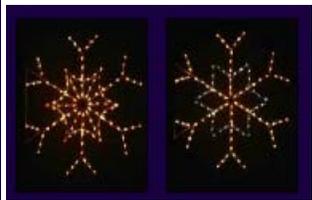
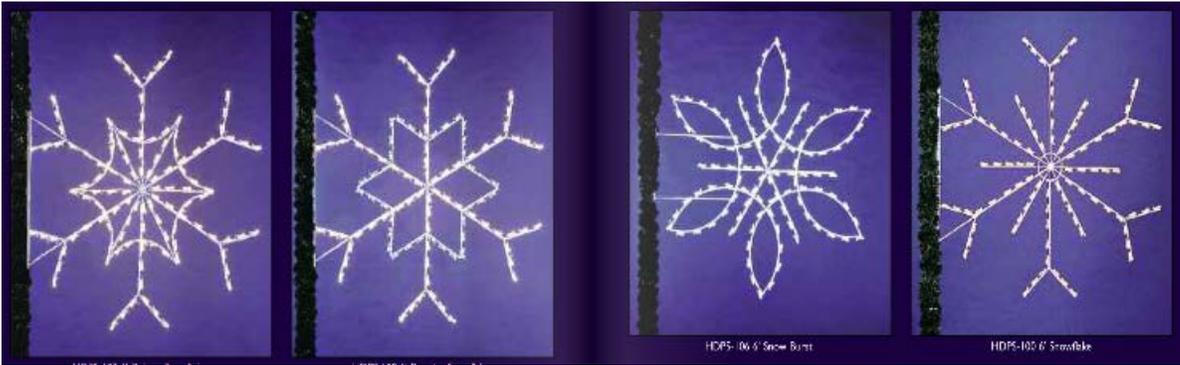
- **SSPT-14** 14' Tree, 8' Base (435 C-7 Lamps) **\$3,917** / LED \$4,674
- **SSPT-18** 18' Tree, 10' Base (680 C-7 Lamps) **\$6,967** / LED \$8,150
- **SSPT-22** 22' Tree, 12' Base (995 C-7 Lamps) **\$11,061** / LED \$12,791
- **SSPT-26** 26' Tree, 14½' Base (1,325 C-7 Lamps) **\$16,032** / LED \$18,365
- **SSPT-30** 30' Tree, 16½' Base (1,780 C-7 Lamps) **\$22,315** / LED \$25,411
- **SSPT-34** 34' Tree, 18½' Base (2,305 C-7 Lamps) **\$30,338** / LED \$34,347
- **SSPT-38** 38' Tree, 21' Base (2,900 C-7 Lamps) **\$39,289** / LED \$44,333
- **SSPT-42** 42' Tree, 23' Base (3,600 C-7 Lamps) **\$49,082** / LED \$55,342
- **SSPT-46** 46' Tree, 25' Base (4,345 C-7 Lamps) **\$58,033** / LED \$65,589
- **SSPT-50** 50' Tree, 27' Base (5,200 C-7 Lamps) **\$66,029** / LED \$75,073

Start small,
go large!
Our panel trees
can be expanded
at any time in 4'
increments! Call
us today to see
how easy it is to
build the ultimate
tree, piece by
piece.





Same quality as previous options (their catalogue is just more flashy/touched up).





Montoya Electric Service, Inc.

PO Box 948
Auburndale, FL 33823
ofc 863-967-9432
fax 863-967-8120

QUOTATION

Name / Address
CITY OF LAKE ALFRED 120 EAST POMELO LAKE ALFRED, FL 33850

Date
4/23/2015

PROJECT LOCATION:	US 17 street lighting outlets
DESCRIPTION	TOTAL
Furnish & install the following on Street Light poles along US 17: 1 - 480 volt to 120 volt step down transformer (to be installed in base of light poles) 1 - 120 volt weather proof outlet (installed at height provided by owner) Wiring and over current protection between transformer and outlet TOTAL PER UNIT: *minimum of 20 units per install; less than 20 units may be subject to cost increase	225.00

THANK YOU FOR THE OPPORTUNITY TO SUBMIT PRICING ON THIS PROJECT.
SHOULD YOU WISH TO SCHEDULE THIS WORK PLEASE ISSUE A PURCHASE ORDER