

**LAKE PLACID TOWN COUNCIL  
Special Meeting  
1/06/2016 3:00 PM  
Town of Lake Placid  
Town Hall**

Mayor John Holbrook called the special meeting of the Lake Placid Town Council to order on Wednesday, January 6, 2016, at 3:00 pm at Town Hall, 311 W. Interlake Boulevard, Lake Placid, Florida. Mr. Harris gave the invocation and led the Pledge of Allegiance. A quorum was present.

**Call to Order – Mayor Holbrook**

**Roll Call**

**Present**

Mayor John Holbrook  
Council Member Ray Royce  
Council Member Arlene Tuck  
Council Member Steve Bastardi

**Absent**

Council Member Debra Worley

**Others Present**

Town Administrator Phil Williams  
Town Attorney Bert Harris  
Town Clerk Eva Cooper Hapeman  
Utilities Director Joe Barber  
Grant Administrator Corbett Alday

**1. CDBG Grant**

- A. CDBG Grant cycle 2016 Wastewater Project.
- Mayor Holbrook, Council, Mr. Barber, Corbet Alday Grant Administrator, Town Administrator Mr. Williams, and Town Attorney Mr. Harris discussed the proposed project.
    - Mr. Barber reviewed powerpoint for the proposed project and, also, answered council questions that were included within the Sewer Project Frequently Asked Questions (FAC) section of the powerpoint.  
(attached details located at the end of the minutes)
    - The overall Project Area is located east of South Magnolia, and will flow to the lift station behind the car wash.

- 130 homes and 77 LMI qualified.
- The CAFT was convened and have made the recommendation that council consider the project for the grant application. It was noted that turn out for the CATF was very good.
- Council discussed the project in detail. Council expressed concern that the public be educated on what the project is about and that staff make sure to talk to the property owners, to ensure there are no misconceptions that the town is trying to raise rates.
- Mr. Barber responded to council that the engineering that is done could be good for future use and the DEP permit would be good for five years and could be extended.
- Mr. Barber reviewed the timeline with Council; February Council Meeting 1<sup>st</sup> hearing, March Council Meeting would be the 2<sup>nd</sup> public hearing, and March 21<sup>st</sup> application and engineering is due to the FDEO.
- A recommendation was made to have any notifications about the project to the area residents be presented both in Spanish and English.

**Motion** - Moved by Council Member Royce, seconded by Council Member Bastardi, first to approve staff to obtain the necessary surveying and engineering up to \$50,000 in preparation for the grant application. Second to instruct staff to develop an ordinance that includes language for future consideration that allows for the Town Utility staff to have the ability to negotiate system development and connections fees to a level no lower than \$500 for a specified period of time. Third that staff to begin talks and negotiate with the necessary entity or entities in order to obtain a contractual agreement for hook up to the utility that satisfies the number service component for the grant and approve staff to have the ability to waive fees for the property owners that are considered Low to Moderate Income (LMI) as a component of the grant. **Roll Call Vote:** Unanimous approval

Adjourned

Mayor Holbrook, hearing no objections, declared the meeting adjourned at 5:15 pm.

**Town of Lake Placid  
Community Development  
Block Grant Program  
(CDBG)  
Proposed Sewer Project  
Phase 1-B**

**Town Council Special Meeting  
January 6, 2016**

# · overa ll Project Area ·



# Sewer Project Utility Cost Summary

- Current count is 130 total homes 77 LMI qualified.
- \$700,000 Grant
- \$50,000 Match – can be waived connection fees
- \$44,300 Survey & Engineering not paid for by grant
- Construction cost \$600,000 (\$100/lf)
- Plumbing to homes estimated \$58k (77 homes x \$750)
- CEI Services - \$10,000
- This assumes all LMI homes hookup, we are claiming 45 and serving the other 40 with fire hydrant replacement
- Total cost to town = \$44,300

# **Sewer Project Customer Cost Summary**

- Current Charges for a single family residence to hookup to sewer are \$3350, including system development, deposit, and connection fees.**
- Per grant requirements these fees will be waived for LMI qualified households to hookup. Homes claimed for grant purposes will be able to hookup anytime with fees waived.**
- Town will pay for sewer to be properly connected to LMI households.**
- Average sewer bill for the town is \$26/month. It is expected that this area will have a slightly lower bill than the town average.**

# Customer Hookup

- **Per Grant requirements, we must show hookups.**
- **A property owner in the area owns several multifamily units which total 49 dwelling units that should be able to be LMI qualified.**
- **System Development charges appear to be the customers portion of the plant as well as the sewer collection system.**
- **In this manner, the grant will be paying the majority of the collection system construction.**
- **I recommend the town work out a temporary rate structure which will allow this property owner and others within this project area to connect.**

# Sewer Project Benefits

- **More customers on sewer system will help system run more efficiently and positively impact rates.**
- **Septic tanks cost approximately \$5,000 to replace and last 20-30 years if properly maintained.**
- **Many of the systems in this area are estimated to be near this age.**
- **Homeowners would not have to replace or maintain septic systems.**
- **Improperly maintained septic systems cause negative environmental impacts, they cause water pollution and can effect the water quality of our lakes.**
- **Sewage leaks are also a health hazard.**
- **The health department will not issue permits for septic tanks if there is sewer available.**

**LAKE PLACID TOWN COUNCIL  
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**Call to Order – Mayor Holbrook**

**Roll Call**

**Present**

Mayor John Holbrook  
Council Member Ray Royce  
Council Member Arlene Tuck  
Council Member Steve Bastardi

**Absent**

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**Others Present**

Town Administrator Phil Williams  
Town Attorney Bert Harris  
Town Clerk Eva Cooper Hapeman  
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Grant Administrator Corbett Alday

**1. CDBG Grant**

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- Mayor Holbrook, Council, Utilities Director Barber, Grant Administrator Alday, Town Administrator Williams, and Town Attorney Harris discussed the proposed project.
    - Mr. Barber reviewed powerpoint for the proposed project and, answered council questions about the project.  
(PowerPoint located at the end of the minutes)
    - The overall Project Area is located east of South Magnolia, and will flow to the lift station behind the car wash.
    - 130 homes and 77 LMI qualified.
    - The Citizens Advisory Task Force Committee (CATF) was convened and have made the recommendation for council to consider the project for the grant application. It was noted that turn out for the CATF was good.
    - Mr. Barber and Mr. Alday answered questions from the council: Properties that qualify as LMI could not be required to pay for the connection to the

system under the grant, connection to LMI properties would be a cost to the town. The cost would include the collapsing of the septic tanks; Mr. Barber is working on obtaining estimates. LMI properties would have an estimated bill of \$26.00 or less per month.

- Council discussed the project in detail, expressed to staff to ensure that the public is educated about the project and to make sure to speak to the property owners, to ensure there are no misconceptions that the town is trying to raise rates. Recommend to work out temporary rate structure for the property owners to encourage hookup. Also suggested that a tracking mechanism be put in place for the LMI qualified properties that are not required to pay for connection to the system.
- Mr. Barber and Mr. Harris commented about meeting the number of properties that grant requires hooking up to the system, that there is one property owner that has over 40 properties within the project area that they have been speaking with about the project.
- Mr. Barber responded to the council that the engineering that is done would still be available to utilize in the future and the DEP permit would be good for five years and could be extended.
- Mr. Barber reviewed the timeline with Council; February Council Meeting 1<sup>st</sup> hearing, March Council Meeting would be the 2<sup>nd</sup> public hearing, and March 21<sup>st</sup> application and engineering is due to the FDEO.
- A recommendation was made to have any notifications about the project to the area residents be presented both in Spanish and English.

**Motion** - Moved by Council Member Royce, seconded by Council Member Bastardi, first to approve staff to obtain the necessary surveying and engineering up to \$50,000 in preparation for the grant application. Second to instruct staff to develop an ordinance that includes language for future consideration that allows for the Town Utility staff to have the ability to negotiate system development and connections fees to a level no lower than \$500 for a specified period of time. Third that staff to begin talks and negotiate with the necessary entity or entities in order to obtain a contractual agreement for hook up to the utility that satisfies the number service component for the grant and approve staff to have the ability to waive fees for the property owners that are considered Low to Moderate Income (LMI) as a component of the grant. **Roll Call Vote:** Unanimous approval.

## **2. CITIZENS NOT ON AGENDA (NONE)**

## **3. ADJOURNMENT**

Mayor Holbrook, hearing no objections, declared the meeting adjourned at 5:15 pm.

**Town of Lake Placid  
Community Development Block Grant Program  
(CDBG)**

**Proposed Sewer Project Phase 1-B**

**Town Council Special Meeting**

**January 6, 2016**



**Overall Project Area**



## **Sewer Project Utility Cost Summary**

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- A property owner in the area owns several multifamily units which total 49 dwelling units that should be able to be LMI qualified.
- System Development charges appear to be the customers portion of the plant as well as the sewer collection system.
- In this manner, the grant will be paying the majority of the collection system construction.
- I recommend the town work out a temporary rate structure which will allow this property owner and others within this project area to connect.

## Sewer Project Benefits

- More customers on sewer system will help system run more efficiently and positively impact rates.
- Septic tanks cost approximately \$5,000 to replace and last 20-30 years if properly maintained.
- Many of the systems in this area are estimated to be near this age.
- Homeowners would not have to replace or maintain septic systems.
- Improperly maintained septic systems cause negative environmental impacts, they cause water pollution and can effect the water quality of our lakes.
- Sewage leaks are also a health hazard.
- The health department will not issue permits for septic tanks if there is sewer available.

## MINUTUES

### LAKE PLACID TOWN COUNCIL

#### Regular Meeting

1/11/2016 5:30 PM

Town of Lake Placid

Town Hall

Mayor John Holbrook called the regular meeting of the Lake Placid Town Council to order on Monday, January 11, 2016, at 5:31 pm at Town Hall, 311 W. Interlake Boulevard, Lake Placid, Florida. First Presbyterian Church Pastor Cameron gave the invocation and led the Pledge of Allegiance. A quorum was present.

#### **Call to Order – Mayor Holbrook**

#### **Roll Call**

##### **Present**

Mayor John Holbrook

Council Member Ray Royce – arrived late 5:40 P.M.

Council Member Debra Worley

Council Member Arlene Tuck

Council Member Steve Bastardi

##### **Others Present**

Town Administrator Phil Williams

Town Attorney Bert Harris

Town Clerk Eva Cooper Hapeman

Finance Manager Rachel Osborne

Public Works Director John Komasa

Utilities Director Joe Barber

Chief James Fansler

Town Planner, Joedine Thayer

#### **1. CONSENT AGENDA 1**

**A.** Approval of Minutes of the regular meeting of the Lake Placid Town Council December 14, 2015.

**B.** Approval of Department Head Reports

**C.** Approval of Departmental Financial Reports for the month of December 2015

**D.** Approval of all duly authorized monthly bills, less Home Town Network

**Motion** - Moved by Council Member Bastardi, seconded by Council Member Tuck, to approve Consent Agenda 1 Items A through D. **Roll Call Vote:** Unanimous approval.

#### **2. CONSENT AGENDA 2**

**A.** Approval of all bills for the Home Town Network

**Motion** - Moved by Council Member Royce, seconded by Council Member Worley, to approve Consent Agenda 2 Item A. **Roll Call Vote:** Yes – Worley, Tuck, Abstain – Bastardi. The proper paperwork has been filed with the Town Clerk. Motion Carried.

#### **3. PRESENTATIONS (THERE WERE NO PRESENTATIONS)**

#### **4. Public Hearing**

**A.** 2nd Reading Ordinance 2016-712 Amending Chapter 154-18.

- Mayor read Ordinance 2016-712 by title on 2nd hearing.
- Town Planner Ms. Thayer responded to questions about the measuring of the height of a building, comparing how the County measures the height compared to the Town, stating that the Town Ordinance reads the same as the County.

**Motion** - Moved by Council Member Bastardi, seconded by Council Member Tuck, to approve and adopt Ordinance 2016-712 on second hearing. **Roll Call Vote:** Unanimous approval.

## 5. TOWN ATTORNEY/PLANNING/DEPARTMENT HEADS/MAYOR/COUNCILMEMBERS

### A. Planning

1. First Presbyterian Church Retention Area Concern (LPSP13.02)
  - Ms. Thayer reviewed the request for a variance. The First Presbyterian Church was granted approval in 2013 to add a multipurpose building. The project currently has a Temporary Certificate of Occupancy (C/O). Ms. Thayer stated there were a number of issues to be resolved before the issuance of a C/O.
  - Mayor Holbrook, Council, Town Planner Ms. Thayer, Town Utilities Director Barber, Town Administrator, and Town Attorney discussed the issue and options with Item 5 of the Site Plan. Included in the discussion was Mr. Leblanc; the contractor for the project, First Presbyterian Church representatives Mr. Gilding and Pastor Ray Cameron.
    - The issue is that the “toe of slope” for the retention area located on the southwest corner of the property at North Oak Avenue and East Park Street encroaches onto the Town’s right-of-way.
    - Recommendation by the Town Planners was to allow for the encroachment.
    - Mr. Barber was asked to sign off approval for the final C/O for the project as the Town’s engineer. Mr. Barber explained that the property line did not follow the permit and encroached on the town right of way, which raises the issue for any future town utility issues that may come up for that right of way and felt that the concern warranted council for approval.
    - Council Member Worley stated as a member of the church she would be abstaining from the vote.
    - Mayor Holbrook and Town Attorney Harris agreed with Mr. Barber’s assessment of the issue that the Church should be responsible for correcting the problem.
    - Attorney Harris discussed council options, to have the church be responsible for improvements and approve for a temporary easement.
    - Mr. Gilding, a member of the church building committee, commented that long term the church would be responsible and requested for the exception to leave the issue as it is and move the Oak Trees.
    - Council discussed various options with staff.
    - Staff instructed that if a temporary easement was granted that the agreement would include wording to ensure the Church would be responsible for any future issues the town or utilities may have in that area. Also, inquired whether the temporary C/O could be extended to allow for the time needed for the town to adopt a temporary easement ordinance.
    - Ms. Thayer responded to the council that she did not foresee the building department would have a problem to extend the temporary C/O.
    - Council Member Bastardi stated that he was not in favor for this exemption and that the Church should fix the problem now rather than later.

**Motion** - Moved by Council Member Tuck, seconded by Council Member Royce, approve the Town Attorney develop a temporary easement ordinance and that the trees be removed. **Roll Call Vote:** Yes –Tuck, Royce, No- Bastardi, Abstain – Worley, The proper paperwork has been filed with the Town Clerk. Motion Carried.

### B. Town Attorney (THERE WERE NO ITEMS FOR DISCUSSION)

## **C. Town Administrator**

1. **CDBG Grant cycle 2016 requesting Council approval of wastewater project to include area shown in agenda package.**
  - The Council Members and staff discussed the project.
    - Mr. Barber responded to council questions that the engineers have indicated that the engineering plans would be done in the time frame allotted for the grant. In addition, there are ongoing discussions with the property owner who owns 40 of the properties in the project area.
    - Mr. Harris also responded to questions that an agreement with the property owner of the 40 properties would be subject to the passage of the proposed ordinance regarding the project.
    - Council Member Worley commented that it was unfair that a commercial entity would not be required to pay the same fees that other town businesses are required to pay for hookup to the wastewater system. In addition, she could not support the project.
  
2. **2016 Election (Point out that agenda has a notice and is on town calendar)**
  - Mr. Williams informed council that the notice for the upcoming election is located at the end of the agenda and on the Town Website.
  - Town Clerk Cooper-Hapeman commented that the candidate packets are available for pickup at Town Hall.
  - Council Member Worley inquired if the charter change in regards to the Town Administrator was moving forward.
  - Mayor Holbrook commented that it probably would not happen this time and that future research is being done.
  - Council Member Worley inquired on the progress of previously discussed possibility of a charter change to include the Town Administrator within the charter.
  - Mayor Holbrook commented that the issue was being checked into.
  - Council discussed whether the charter change could be on the upcoming town election. Confirmation from staff that there would not be enough time for April 2016 election.
  
3. **Nuisance Michigan Street (Request by Councilman Bastardi)**
  - Council Member Bastardi asked for the item to be placed on the agenda for council discussion, pointing out that there is a property across from a property Council Member Bastardi owns that has been placing large volumes of debris on the public right-of-way for pickup. In addition, stated that the town needs to take charge of the public right-of-ways.
  - Mayor Holbrook, Council, and Town Administrator Williams discussed the issue.
    - Concern that the debris was from a business of the property owners and was being brought into town for disposal.
    - Council was informed that the property owner had been spoken to by Sanitation and was informed that there would be a charge due to the large volumes of debris. Also, the council was also informed that Code Enforcement has also spoken to the owner and that the owner has indicated that the debris will be taken elsewhere in the future.
    - The Towns Nuisance Ordinance was discussed, and Mr. Williams suggested that the code is revisited for review.
  
4. **Stidham property donation (Parking)**
  - Mr. Williams reported that property owner Stidham wants to donate property for town parking and has requested an appraisal and survey be done.

- Mayor Holbrook, Council, Town Administrator, and Town Attorney discussed the donation and parking within the town.
  - Mr. Harris responded to the council that the property was not deed restricted.
  - Mayor Holbrook expressed appreciation to Ms. Stidham for the donation of the property to the town.
  - Council was in consensus to accept the donation and have a survey done.
- Council Member Bastardi commented on the agreement with Central Florida Regional Planning Council (CFRPC) addressing parking in the town the he was under the perception that CFRPC was instructed to address the public right of ways comparing to how other communities are handling to solve the parking in the public rights of way problem.
- Mayor Holbrook, Council, Mr. Williams, and Town Attorney Harris discussed the Interlocal Agreements with CFRPC on the parking study and the Land Development Regulations (LDR's) which CFRPC was contracted by the Town to complete.
  - Council and staff discussed the parking study contract currently with CFRPC in the amount of \$10,000 and expressed a difference of what council had expected out of the study and how CFRPC is conducting the study. Council expected CFRPC to compare the parking issues of the town and to see how other communities are handling parking.
  - CFRPC has not completed the LDR's in which the contract had ended in 2013 and CFRPC has been paid in full.
  - Overall Council expressed concern about how CFRPC is handling the contractual obligations.

**Motion** - Moved by Council Member Royce, seconded by Council Member Bastardi, to instruct staff to meet with Central Florida Regional Planning Council (CFRPC) to determine the status of all contractual services and return to council at the next scheduled Council meeting with a status report of all contractual services the projected outcome of the projects, and that no future disbursement of funds to CFRPC until further review of the Town Council. **Roll Call Vote:** Unanimous approval.

#### 5. **Garbage pick-up schedule 2016**

- Mr. Williams addressed the issue about the garbage pickup over the holidays and presented the 2016 schedule for garbage pickup. In addition, informed council the schedule is on the Town website.

#### **D. Project updates**

1. **US 27 Lighting**
  - Mr. Williams informed the council of effort's to contact the right person at Duke Energy on more than one occasions to get the issue resolved.
2. **Stuart Park Restroom**
  - Mr. Williams informed council the request for BID has been published, and several people have called in with inquiries.
3. **Lake Drive East Resurfacing Project**
  - Mr. Williams informed council the contract is being signed.
4. **Old sewer plant**
  - Mr. Williams informed council the issue has been turned over to Code Enforcement, and there was a meeting with the owner. Also has looked through past minutes and has not been able to locate any agreement with the property owner Mr. Clark that required the plant to be dismantled after the property was purchased from the town.
5. **Alleyway (Spruce/Hibiscus)**
  - Mr. Williams informed council the property owners had been notified of the encroachment of fences on the town alleyways and a deadline to correct the problem had been passed. He has turned it over to Code Enforcement. Mr.

Williams commented that the main reason to not move forward and have the town remove the fences is that on one of the properties there is a large dog and did not want the town to be held liable if the town removed the fence.

#### **6. MAYOR/COUNCILMEMBERS**

- Mr. Williams responded to the council in regards to past discussion for the dirt parking at the RCMA. The next step is to send a certified letter giving 60 or 90 days for RCMA to address the issues.

#### **CITIZENS NOT ON AGENDA (THERE Was NO CITIZEN DISCUSSION)**

#### **8. ADJOURNMENT**

Mayor Holbrook, hearing no objections, declared the meeting adjourned at 7:40 pm.

## MINUTES

### **LAKE PLACID TOWN COUNCIL Regular Meeting 2/8/2016 5:30 PM Town of Lake Placid Town Hall**

Vice Mayor Ray Royce called the regular meeting of the Lake Placid Town Council to order on Monday, February 8, 2016, at 5:30 pm at Town Hall, 311 W. Interlake Boulevard, Lake Placid, Florida. First Presbyterian Church Pastor Severance gave the invocation, and Mr. Moore of the American Legion led the Pledge of Allegiance. A quorum was present.

#### **Call to Order – Vice Mayor Royce**

#### **Roll Call**

##### **Present**

Mayor John Holbrook–(Arrived 5:35 pm, Vice Mayor Royce turned meeting over to Mayor Holbrook)

Council Member Ray Royce  
Council Member Debra Worley  
Council Member Arlene Tuck  
Council Member Steve Bastardi

##### **Others Present**

Town Administrator Phil Williams  
Town Attorney Bert Harris  
Town Clerk Eva Cooper Hapeman  
Finance Manager Rachel Osborne  
Public Works Director John Komasa  
Public Works Alan Keefer  
Utilities Director Joe Barber  
Chief James Fansler  
Highlands County Development Services Director Ben Dunn and Town Planner  
Central Florida Regional Planning Council, Jennifer Codo-Salisbury

#### **1. CONSENT AGENDA 1**

- A.** Approval of Agenda
  - B.** Approval of Minutes of the Special Town Council meeting January 6, 2016 and the Regular meeting of the Lake Placid Town Council January 11, 2016.
  - C.** Approval of Department Head Reports
  - D.** Approval of Departmental Financial Reports for the month of January 2016
  - E.** Approval of all duly authorized monthly bills
  - F.** Approval of Diesel Fuel Tax Return
  - G.** Approval appointments of Daniel Lamarre and John Komasa to RPAC - Phil Williams as Alternate
  - H.** Approval Stuart Park bids and acceptance of Brantley Construction bid
- Council Member Tuck requested that Consent Agenda 1 Item H be moved to Consent Agenda 2

**Motion** - Moved by Council Member Worley, seconded by Council Member Tuck, to approve Consent Agenda 1 Items A through g. **Roll Call Vote:** Unanimous approval.

## 2. CONSENT AGENDA 2

- Agenda Item 1.H moved to Consent Agenda 2 to Approval Stuart Park bids and acceptance of Brantley Construction bid.
- Council discussed the bid and the acceptance of the low bid did not ensure the project would move forward as the project is based on obtaining a grant from Recreation and Parks Advisory Committee (RPAC).

**Motion** - Moved by Council Member Bastardi, seconded by Council Member Worley, to approve Consent Agenda 2 conditional on obtaining the grant of \$34,000 from RPAC. **Roll Call Vote:** Yes- Bastardi, Worley, Royce; No- Tuck **Motion Carried.**

## 3. PRESENTATIONS

### A. American Legion Post 25

- Mr. Moore of the American Legion Post 25 presented a request for the Council and others that play golf to sign up for the Golf Hammock event on March 12<sup>th</sup>, 2016. Mr. Moore pointed out that funds collected in Highlands County stay within the county to help veterans that are homeless.

## 4. Public Hearing (Heard after Agenda Item 5.C.6)

### A. 1st Reading First Presbyterian Church right-of-way Ordinance

- Mayor Holbrook read by title Ordinance 2016-713 on first reading.
- Mr. Leblanc stated that Exhibit A in Section 3, will be included in the ordinance on second reading.
- Council Member Royce requested that a Church representative acknowledge that the wording of the Ordinance is acceptable by the Church to ensure there are no misunderstandings, by the seconding hearing of the Ordinance.
- Mr. Leblanc responded that he would have the Church review the ordinance before the second reading.

**Motion** - Moved by Council Member Tuck, seconded by Council Member Royce, to approve on first reading Ordinance 2016-713 read by title. **Roll Call Vote:** Unanimous approval.

### B. 1st Reading Recreation Committee Ordinance

- Mayor Holbrook read by title Ordinance 2016-714 on first reading.
- Mr. Williams stated that the proposed changes of the language within the recreation ordinance is to make clear the focus of the Recreation Commission to be on recreation and not on all Town Parks.
- Council discussed the proposed changes to the Ordinance and various parks within the town. Council suggested changes including changing the wording under number eight to Town Facilities to include Devane Park Basketball facility and to strike all of 5-22 section 10.

**Motion** - Moved by Council Member Tuck, seconded by Council Member Royce, to approve on first reading Ordinance 2016-714 read by title as presented with changes to number eight - Town recreation facilities, to include Devane Park Basketball facility, and to strike all of 5-22 section 10. **Roll Call Vote:** Unanimous approval.

- Council discussed Bishop Park; the contract was set to expire as of February.

**Motion** - Moved by Council Member Bastardi, seconded by Council Member Worley, to approve Lease renewal discussion with the county expeditiously, to include the five-year renewal and appropriate language. **Roll Call Vote:** Unanimous approval.

## 5. TOWN ATTORNEY/PLANNING/DEPARTMENT HEADS/MAYOR/COUNCILMEMBERS

### A. Planning (No Agenda Items for discussion)

## **B. Town Attorney (No Agenda Items for discussion)**

### **C. Town Administrator**

#### **1. Central Florida Regional Planning Council (CFRPC) Agreements**

- CFRPC Codo-Salisbury presented to council an update on current projects the town has contracted to CFRPC as well as an overview of past projects. Ms. Codo-Salisbury stated that the new Land Development Regulations public notices and will be brought before council within the next couple of months.
- Mr. Dunn Development Services Director of Highlands County and Town Planner was in attendance. Mr. Dunn and the planning staff are working with CFRPC.
- Ms. Codo-Salisbury discussed the parking study. Noting that the hours of parking in the town that will be included in the study are, Monday through Saturday 7:30 am to 10:00 am, 10:30 am to 2:00 pm and evenings hours from 6:00 pm to 8:00 pm. Much of the parking issues will be addressed in the new LDR's about the parking in the town right-of-ways.
- Council Member Tuck presented a map which the town planners have developed to show the business community parking within the town. There are 1600 parking spaces in the town.

#### **2. Town Parking (Discussed under Item 5.C.1)**

#### **3. Pure Lead Products parking lot expansion**

- Mr. Williams requested direction from Council on a request from Pure Lead Products is a project to expand the parking lot.
- Council, Town Administrator, Town Attorney, Mr. Leblanc of Cottage Co, and Mr. Edgemond of Pure Lead Products discussed the project and whether the council would consider transferring ownership of the town right-of-way for the purpose of enabling the business to expand the parking lot.
  - The area discussed for expansion of the parking was along the corner of Greenway Drive and Rainer Drive. Council discussed whether the town or county owns the right-of-way along both Rainer Drive and Greenway Drive.
  - Council disused the option of legally selling the right or way or the town abandoning the right-of-way.
  - Council member Royce said, if the area is within the Towns right-of-way a determination should be made whether the town would have use of the right-of-way in the future.

**Motion** - Moved by Council Member Royce, seconded by Council Member Worley, to request staff to research what entity has title and control of the right-of-way at the intersection of Greenway Drive and Rainer Drive, and if it is determined that the right-of-way belongs to the Town then the staff will find out what the options would be for the small portion of the property. **Roll Call Vote:** Unanimous approval.

#### **4. Town roadway discussion**

- Council Member Tuck commented that she had requested the Supervisor of Public Works to develop a capital improvement account that would be set aside towards road improvements and build upon that fund. Also, she requested that the town have a road study be done in order to identify a list of the top 10 roads in the town that are in need of improvements.
- Council discussed the various road issues within the Town.
- Mr. Komosa commented that there are six roads and two parking areas that need improvements, a few mentioned were Magnolia, North Oak Ave, and North Park.

## 5. Recreation Area Discussion

- Mr. Williams updated council that an employee review has been completed for the Recreation Supervisor, and that a review of the employee and several goals were presented to council.
- Mr. Williams also presented to council pictures of the Lake June Pavilion and bathroom area. The bathroom structurally is in good shape, but some parts need to be improved. So far, Mr. Williams commented that a total of \$3000 has been spent on pumping the septic tank.
- Mr. Williams stated that funding for this project was possible from three sources- the town, RPAC, and the Tourist Development Commission.
- Mr. Williams commented that the restroom could either be improved upon or replaced, his recommendation would be to improve.
- Council discussed and were in agreement to have the bathroom improved.

## 6. Eucalyptus Street name change (Discussed after Agenda Item 3.A)

- Mr. Williams informed council that the Highlands County 911 was seeking a name change to Eucalyptus Street and that in the past there had been a request from family members of past Mayor Aliff's to have a street named after him.
- Mr. Ryder, a friend of Mayor Aliff, addressed council and introduced Members of Mayor Aliff's Family, who were present.
- Council discussed the name change.
- Council Member Tuck commented it was Mayor Aliff that had her appointed as Town Clerk.

**Motion** - Moved by Council Member Tuck, seconded by Council Member Worley, to approve the name change of Eucalyptus Street to Waldo Aliff Avenue. **Roll Call Vote:** Unanimous approval.

## 7. Wastewater grant discussion (Parts 1,2,3,4)

- Council, Town Attorney Harris, and Utilities Director Barber discussed the proposed CDBG wastewater project.
- Mr. Barber updated council on the progress in moving the project forward.
- Included in the agenda packet discussed: Agreement between the Town and property owner Douglas L. Richards, Sewer system development charge suggested Ordinance changes, 2016 CDBG Sewer Project Hookup Flow Chart and a proposed letter to homeowners.
  - Mr. Barber stated that originally, the number of properties included in the Mr. Richards agreement was higher, but it has been concluded that some of his properties are not within the project area. Therefore, additional properties will be required to hook up under the Grant.
  - The agreement with Mr. Richards would reduce the development charge to \$500.
  - Council Member Worley stated that the difference between the current development charge of \$3300 and \$500.00 was \$97,000 and was not in agreement with others in the town in the past were required to pay the full amount.
  - Council Member Royce commented that ability to reduce the system development to \$500 should be System-wide.
  - Mr. Harris commented that the agreement with Mr. Richards is contingent upon the passage of the amended Ordinance.

**Motion** - Moved by Council Member Royce, seconded by Council Member Bastardi, to approve Mayor Holbrook to enter into the Utility Agreement with Mr. Douglas L Richards of Tampa, FL, as the Mayor determines is appropriate given the base utility agreement presented to council. **Roll Call Vote:** Yes-Royce, Bastardi, Tuck No- Worley. **Motion Carried.**

- Mr. Barber requested input from council 2016 CDBG Sewer Project Hookup Flow Chart and a proposed letter to homeowners.

**8. Auto Wash, Inc. 1174 US 27 N. (Discussed under Item 5.C.4)**

- Mr. Williams reported to Council a memo was received from Highlands County Planning and Zoning that the Florida Highway Patrol building along Highway 27 (recently purchased) was in the process of requesting a zoning change to commercial, the property is within the Lake Placid Regional Planned area.
- Council discussed the history of the growth management process that identified the Lake Placid Regional Plan area. The County and the Town had entered into an Interlocal Agreement whereas the County will notify the town when zoning issues arise with properties that are within the Lake Placid Regional Planned area and the Town has an opportunity to be involved in the process.
- Council Member Royce expressed concern that a process be in place at the county that the town is properly notified and is able to weigh in on the zoning changes within the Lake Placid Regional Plan area. In addition, he inquired of Highlands County Development Services Director Ben Dunn if this zoning change request will include the Town Annexation Consent agreement. Mr. Dunn affirmed that it would be included.
- The owner of the property was in attendance and was told that his application was not wrong, but rather this property was the first request for rezone within the Lake Placid planning area and that the council wanted to confirm that the County has process in place when the area is within the Lake Placid Regional Planning area.

**9. Banking – Seacoast Bank Branch is closing (Discussed under Agenda Item 6)**

**D. Project updates**

**1. US 27 Lighting**

- Mr. Williams informed council that there is a meeting scheduled with Duke Energy in the next couple of weeks.

**2. Lake Drive East Resurfacing Project**

- Mr. Williams informed council that the project would begin in the next couple of months.

**3. Old sewer plant**

- Mr. Williams informed council that Code Enforcement has been working with the owner of the property to have a fence installed.

**4. Old train station vegetable wash facility**

- Mr. Williams mentioned that at the old train station the structure that can be seen from the Journal Plaza was used as a Vegetable wash facility.

**5. Alleyway (Spruce/Hibiscus)**

- Mr. Williams informed council that Code Enforcement is handling the removal of fences that are on the alleyway right-of-way.

**6. Stormwater project Eucalyptus and Hibiscus**

- Mr. Williams informed council that Mr. Harris is investigating who owns the area rights-of-way and easements. Mr. Williams has spoken to SWFMD about the permit, and there can be a quick modification done.

**7. Active Projects Link**

- Mr. Williams informed council that there is a link on the Website with a list of ongoing projects.

**8. Tangerine Street**

- Mr. Williams informed council that the County Engineers office is putting together a total cost of the project and will be presented to council soon.

#### **9. Green Dragon Drive**

- Mr. Williams informed council that the County Engineers office is putting together a total cost of the project and will be presented to council soon.

### **6. MAYOR/COUNCILMEMBERS**

- Council Member Bastardi stated that there were approximately 10 to 12 street lights out along Interlake Blvd.
- Council Member Royce stated he had a few items: 1) Request for the Town Clerk to send out a tentative meeting schedule for the year including budget hearings. 2) As the Tangerine project begins and millings are produced due to the project, to investigate if the millings could be used at Lake June Park. 3) To have Town staff investigate natural gas within the Lake Placid Area and contact Jerry Melandy of Coker Fuel to obtain information on how that could be done. 4) Requested staff to explore during the next budget cycle the cost of a new employee that would solely be assigned to Town sidewalks, Maintenance repairs, landscaping and trimming trees.
- Mr. Williams informed Council that Seacoast Bank was closing its branch in the Town and that the Town will be putting a Request For Proposal to change banks.

### **7. CITIZENS NOT ON AGENDA (None)**

### **8. ADJOURNMENT**

Mayor Holbrook, hearing no objections, declared the meeting adjourned at 9:13 pm.

## MINUTES

### LAKE PLACID TOWN COUNCIL

#### Regular Meeting

3/14/2016 5:30 PM

Town of Lake Placid

Town Hall

Mayor Holbrook called the regular meeting of the Lake Placid Town Council to order on Monday, March 14, 2016, at 5:30 pm at Town Hall, 311 W. Interlake Boulevard, Lake Placid, Florida. Skook Wright, Eastside Christian Church gave the invocation, and Legion led the Pledge of Allegiance. A quorum was present.

#### **5:30 PM-Call to Order – Mayor Holbrook**

#### **Roll Call**

##### Present

Mayor John Holbrook  
Council Member Ray Royce  
Council Member Debra Worley  
Council Member Steve Bastardi

##### Absent

Council Member Arlene Tuck  
Utilities Director Barber  
Public Works Director Komasa

##### Others Present

Town Administrator Phil Williams  
Town Attorney Bert Harris  
Town Clerk Eva Cooper Hapeman  
Finance Manager Rachel Osborne  
Chief James Fansler  
Joedene Thayer, Town Planner  
Corbet Alday, Grant Administrator

#### **1. CONSENT AGENDA 1**

- A.** Approval of Agenda
- B.** Approval of Minutes of the Regular meeting of the Lake Placid Town Council February 8, 2016.
- C.** Approval of Department Head Reports
- D.** Approval of Departmental Financial Reports for the month of February 2016
- E.** Approval of all duly authorized monthly bills Less Home Town Network and Royce Supply
- F.** Approval of Resolution 2016-22 Opposing The Florida Fish And Wildlife Commission's Action To Permit Bear Hunting.
- G.** Jaycees permit for alcohol beverage sales in Stuart Park for the 2016 Caladium Festival July 29, 30, and 31st, 2016 from 10 AM to 5 PM and Devane Park Lake Placid Car Show July 30th, 2016, from 9 AM to 3 PM.
- H.** Vacating of easement at Partial Vacation of Easement, 404 Bottlebrush Ave., Lake Placid, FL 33852 and approval for Town Administrator to issue "No objection" letters to same when outside the town's limits, outside the town's growth area and not involving town enterprises

- I. Approval of FDOT contract and Resolution # 2016-23, re FDOT Financial Project No: 438925-1-54-01, Resurface of Interlake Boulevard Small County Outreach Grant.

- Council Member Royce requested consent agenda item F be moved to the action agenda for discussion.

**Motion** - Moved by Council Member Royce, seconded by Council Member Bastardi, to approve Consent Agenda 1 Items A through I excluding Item F to be moved to the action agenda. **Roll Call Vote:** Unanimous approval.

#### **F. Approval of Resolution 2016-22 Opposing The Florida Fish And Wildlife Commission's Action To Permit Bear Hunting.** (Heard after Item 5. )

- Jaime Santos stated that 12 cities had already signed the resolution, and further spoke of how iconic the Florida bear is. Ms. Santos commented that during the hunt that was done many bears were killed that should not have been.
- Mayor Holbrook commented that initially he believed this item was a proclamation and not a resolution. Also, he added that since the town does not have a bear problem and there is no hunting here, he felt the town would take a standing on no hunting of the bears.
- Council Member Royce stated that this could have been a proclamation, but did not know enough about the issues to have it included in a resolution, and would need further research to see both sides of the issue.
- Mr. Brantley stated that at his residence which is outside of the town there is a bear issue, the Bears get into the garbage, there is a concern as it pertains to the number of bears with kids playing outside and there is a bear problem.
- Highlands County is not within the bear hunting area.
- Council Member Worley commented that since the town does not have an issue, there should not be a resolution. In addition, she stated that there should be discussions on getting funding and working with the county to secure trash cans that would keep the bears out.
- Council Member Worley suggested a new resolution for bear education and reducing conflicts with the bears by implementing securing trash cans.

### **2. CONSENT AGENDA 2**

#### **A. Approval of all bills for the Home Town Network**

**Motion** - Moved by Council Member Royce, seconded by Council Member Worley, to approve Consent Agenda 2 Item A. **Roll Call Vote:** Yes – Royce, Worley, Abstain – Bastardi. The proper paperwork has been filed with the Town Clerk. Motion Carried.

#### **B. Approval of all bills for the Royce Supply**

**Motion** - Moved by Council Member Worley, seconded by Council Member Bastardi, to approve Consent Agenda 2 Item B. **Roll Call Vote:** Yes – Worley, Bastardi, Abstain – Royce. The proper paperwork has been filed with the Town Clerk. Motion Carried.

### **3. PRESENTATIONS**

#### **A. Appreciation Awards**

- Mayor Holbrook read Resolution 2016-20 recognizing James Westcott for thirty years of service, and, in addition, presented Mr. Westcott with a plaque thanking him for his commitment to the town.

**Motion** - Moved by Council Member Worley, seconded by Council Member Bastardi, to approve Adoption of Resolution No. 2016-20 in Honoring James Westcott for Thirty Years of Service to the Town of Lake Placid. **Roll Call Vote:** Unanimous approval.

- Mayor Holbrook read Resolution No. 2016-21 recognizing Council Member Bastardi for his service to the as Town Council Member, a previous member of Local Planning Agency, liaison to the Lake Placid Regional Utilities, and, in addition, presented Council Member Bastardi with a plaque thanking him or his service to the Town.

**Motion** - Moved by Council Member Royce, seconded by Council Member Worley, to approve Adoption of Resolution No. 2016-21 in Honoring Steve Bastard for service to the Town of Lake Placid as a Council Member. **Roll Call Vote:** Unanimous approval.

**B. Proclamation Red Cross Month 2016 002, Representative Liz Epps**

- John and Janet Houghbaugh were in attendance representing the American Red Cross.
- Mr. Houghbaugh commented that the Red Cross as responded to a total of 26 disasters in Highlands County in 2015, 8 in 2016 in Lake Placid. Also, he commented that 0.90 cents of every dollar go to service delivery.
- Mayor Holbrook read Proclamation No. 2016-002 recognizing March 2016 as Red Cross Month.

**C. Community Hero Award presentation (Amanda Tyson)**

- Chief Fansler presented a Community Hero award to Amanda Tyson, stating that Ms. Tysan a retired Army veteran who had received medic training, was able to help save a man's life.

**4. Public Hearing (Heard After 5.C.1, 5.C.2, 5.C.3)**

**A. FFY2015 and/or FFY 2016 Community Development Block Grants**

- Mr. Alday presented a PowerPoint as the First Public Hearing on the Community Development Block Grant.
- Mr. Alday commented that some of the required steps to application has changed. The changes included are that only after the CATF has met and recommends to Council to proceed with grant application and a request for public input has be done can discussion of proposed projects take place.
- Mr. Alday informed council that the Citizens Advisory Task Force had met and has recommended to Council to proceed with an application for the Neighborhood Community Development Block Grant and Economic Development Grants.
- Council Member Worley began to discuss one of a possible proposed projects.
- Mr. Alday informed Council that any proposed projects for the grant application would be heard at the second grant public hearing.

**Motion** - Moved by Council Member Royce, seconded by Council Member Bastardi, to approve acceptance of the CATF recommendation to proceed to apply for the Neighborhood Community Development Block Grant and Economic Development Grants. **Roll Call Vote:** Yes-Royce, Bastardi, No-Worley. **Motion Carried.**

**B. 2<sup>nd</sup> Reading Ordinance 2016-713 First Presbyterian Church right-of-way Ordinance**

- Mayor Holbrook read by title ordinance 2016-713 for second reading.

**Motion** - Moved by Council Member Royce, seconded by Council Member Bastardi, to approve and Adopt on second reading Ordinance 2016-713 as read by title. **Roll Call Vote:** Yes-Royce, Bastardi, Abstain- Worley. The proper paperwork filed with the Town Clerk. **Motion Carried.**

**C. 2nd Reading Ordinance 2016-714 Recreation Committee**

- Mayor Holbrook read by title ordinance 2016-714 for second reading.

**Motion** - Moved by Council Member Royce, seconded by Council Member Worley, to approve and Adopt on second reading Ordinance 2016-714 as read by title. **Roll Call Vote:** Unanimous approval.

**D. 1<sup>st</sup> Reading Ordinance 2016-715 Sewer System Dev Charge Reduction Ordinance**

- Mayor Holbrook read Ordinance 2016-715 by title on first reading.
- Council, Town Attorney Harris and Grant Administrator Alday discussed the changes within the ordinance.
  - Mr. Harris responded that in respect to Section 135-21b that the Utility Director makes the determination of a defective meter.
  - Option one and Option two in the ordinance were discussed. Council Member Royce recommended that both options be included on the second reading of the ordinance to be clear on the choices to be considered.
  - Mr. Harris stated that there were two core issues, the ability to drive annexation and to serve the citizens of the town.
  - Council discussed that there is a window of time that will be given as an opportunity for the homes in the area to hook up to the sewer system.

**Motion** - Moved by Council Member Royce, seconded by Council Member Worley, to approve on first reading Ordinance 2016-715 as read by title, sewer option one and leaving in option two for discussion. **Roll Call Vote:** Unanimous approval.

**E. Preliminary-Final Commercial Site Plan Review for McDonald's LPP.16.002 (Heard After Item 4.A)**

- Ms. Thayer presented for Town Council Approval a site plan review for the McDonald's restaurant. McDonalds will be updating to a side by side drive through and additional ADA compliance.
- Council Member Royce inquired if all concerns have been addressed.
- Ms. Thayer replied that all concerns had been addressed.

**Motion** - Moved by Council Member Royce, seconded by Council Member Worley, to approve the Site Plan and Landscape Plan for the McDonalds. **Roll Call Vote:** Unanimous approval.

**5. TOWN ATTORNEY/PLANNING/DEPARTMENT HEADS/MAYOR/COUNCILMEMBERS**

**A. Planning (No Agenda Items for discussion)**

**B. Town Attorney (No Agenda Items for discussion)**

**C. Town Administrator**

**1. Discussion of Roadside Maintenance Employee (Mr. Brantley Heard before Item 4. Public Hearing)**

- Mr. Brantley representing Keep Lake Placid Beautiful commented that Mr. Eisenhart currently maintains the road side. Mr. Eisenhart will be staying on for another 12 months and stated there is time to discuss the possibility of a Town Roadside maintenance employee.

**Additional comments at the time of item discussion.**

- Council Member Worley suggested the position be included in the next budget as a point of discussion.
- Council Member Royce stated that the job description be revisited at that time.

2. **Stuart Park restroom (construction materials discussion) (Heard before Item 4. Public Hearing)**

- Mr. Brantley requested direction from Council regards to the construction of the Stuart Park Restroom.
  - Council, Mayor Holbrook and Mr. Brantley discussed construction material to be used for the roof and type of siding.
  - The consensus of the council to have cut block on the outside and a metal roof be used.

3. **Tangerine Street discussion (Heard before Item 4. Public Hearing)**

- Council, Mayor Holbrook, Town Administrator Williams and Highlands County Engineer Gavarrete discussed the additional cost of the roundabout for the Tangerine reconstruction project. Also, an issue with a small portion of the recreation area property that is needed for the road project, the recreation property per the grant states the recreation property must be held in perpetuity.
  - Mr. Gavarrete informed Council that the estimated cost with the roundabout would be approximately \$580,000. The FDOT grant is funding \$410,000, and an additional \$57,000 from the impact fees. Out of the \$57,000 is the \$15,000 needed for the purchase of right-of-way leaving approximately \$42,000.
  - Mr. Harris informed council in regards to the recreation grant that it appears that the grant allows for a land swap of property, which would mean that the town would remain in compliance as the town does have property to swap if needed.
  - Estimated additional cost to the town for the roundabout would be about \$113,000.
  - Roundabouts help reduce crashes, but the area does not currently have a crash problem according to Mr. Gavarrete.
  - Council discussed waiting to make a final decision until Council Member Tuck, and the new Council Member Boyd were able to participate in a decision.

**Motion** - Moved by Council Member Royce, seconded by Council Member Bastardi, to approve Staff to discuss with Highlands County in order to determine a willingness of the county to spend the additional \$113,000 towards the design with the roundabout for Tangerine. **Roll Call Vote:** Unanimous approval.

**D. Project updates**

1. **Email migration (discussed under Item 6)**

- Mr. Williams stated that to do an email migration with the county would cost the Town approximately \$20,000. Mr. Williams is looking into a less costly option.
2. Mid-year budget report (No Discussion)
3. Lake June Park Pavillion (No Discussion)

**6. MAYOR/COUNCILMEMBERS**

- Mr. Williams commented that included in the agenda packet was a report from Central Florida Regional Planning Council project update.
- Mr. Willaims reported that the amount the town applied for for the SCOP grant for Green Dragon Drive was not enough funding. After receiving a report from the Highlands County Engineer Galvettee took core samples of the road and the samples show that the road needs to have a reconstruction done, which will cost more. Mr. Willaims stated that the town may be able to get the additional funds and is working on it.

- Council Member Royce expressed his appreciation for Council Member Bastardi's dedication to the Town.

**7. CITIZENS NOT ON AGENDA (No citizens were requesting to speak)**

**8. ADJOURNMENT 7:45PM**

## MINUTES

**Town Hall  
LAKE PLACID TOWN COUNCIL  
Regular Meeting 4/11/2016 5:30 PM  
Town of Lake Placid**

### **SWEARING IN RE-ELECTED - COUNCIL MEMBER**

- Town Clerk Eva Cooper-Hapeman officially swore in Mr. Royce as a member of the Town of Lake Placid Town Council.

Vice Mayor Royce called the regular meeting of the Lake Placid Town Council to order on Monday, April 11, 2016, at 5:30 pm at Town Hall, 311 W. Interlake Boulevard, Lake Placid, Florida. Pastor Don Roberts, Leisure Lakes Baptist Church gave the invocation, led the Pledge of Allegiance. A quorum was present.

### **5:30 PM-Call to Order – Vice Mayor Royce**

#### **1. SWEARING IN NEWLY ELECTED AND RE-ELECTED - COUNCIL MEMBERS**

- Town Clerk Eva Cooper-Hapeman officially swore in Mr. Boyd as a member of the Town of Lake Placid Town Council.

#### **2. ROLL CALL**

##### **Present**

Council Member Ray Royce  
Council Member Debra Worley  
Council Member Arlene Tuck  
Council Member Donald Boyd

##### **Absent**

Mayor John Holbrook

##### **Others Present**

Town Administrator Phil Williams  
Town Attorney Bert Harris  
Town Clerk Eva Cooper Hapeman  
Finance Manager Rachel Osborne  
Chief James Fansler  
Joedene Thayer, Town Planner  
Corbet Alday, Grant Administrator

#### **3. CONSENT AGENDA 1**

- A.** Approval of Agenda
- B.** Approval of Minutes of the Regular meeting of the Lake Placid Town Council March 14, 2016.
- C.** Approval of Department Head Reports
- D.** Approval of Departmental Financial Reports for the month of March 2016
- E.** Approval of all duly authorized monthly bills Less Royce Supply
- F.** Half-Year Budget Analysis For 2016
- G.** Surplus Declaration of old police vehicle

**Motion** - Moved by Council Member Tuck, seconded by Council Member Bastardi, to approve Consent Agenda 1 Items A through I excluding Item F to be moved to the action agenda. **Roll Call Vote:** Unanimous approval.

#### 4. CONSENT AGENDA 2

##### A. Approval of all bills for the Royce Supply

**Motion** - Moved by Council Member Worley, seconded by Council Member Tuck, to approve Consent Agenda 4 Item A. **Roll Call Vote:** Yes – Worley, Tuck, Boyd, Abstain – Royce. The proper paperwork has been filed with the Town Clerk. Motion Carried.

#### 5. PRESENTATIONS

##### A. Resolution 2016-24 in Recognition of Highlands County Engineer Gavarrete (Heard after 6.A)

- Mr. Williams and Mr. Harris presented a Plaque expresses the Town's appreciation for the assistance that the Highlands County Engineer Ramon Gavarrete has given over the years to the Town of Lake Placid. In addition, Council Member Royce read into the record Resolution 2016-24 in recognition and appreciation to Engineer Gavarrete.

**Motion** - Moved by Council Member Worley, seconded by Council Member Tuck, to approve Adoption of Resolution No. 2016-24. **Roll Call Vote:** Unanimous approval.

##### B. Children's Advocacy Center Director (Heard after Item 5.A)

- Chief Fansler read into the record the Highlands County Resolution Proclamation, proclaiming April 2016 Child Abuse Prevention Month.
- Council Member Royce suggested the Town also do the same, and change the wording, to be the Town of Lake Placid, and to include Child Prevention Month in the Town of Lake Placid Florida.

**Motion** - Moved by Council Member Worley, seconded by Council Member Tuck, to approve Adoption of a Proclamation declaring April Child Abuse Prevention Month in the Town of Lake Placid. **Roll Call Vote:** Unanimous approval.

#### 6. PUBLIC HEARING

##### A. 2nd Reading Ordinance 2016-715 Sewer System Dev Charge Reduction Ordinance

- Town Attorney Harris read on 2<sup>nd</sup> reading Ordinance 2016-715 by Title only.
- Vice Mayor Royce, Town Attorney Harris, and Town Council discussed the Ordinance presented on 2<sup>nd</sup> hearing.
  - Mr. Harris responded to council questions, stated that the changes requested by the council on the 1<sup>st</sup> hearing of the Ordinance are included and that the time limit for the reduction in the charges to hook up to the sewer are stated in the ordinance.
  - Vice Mayor Royce asked for clarification that the option two would be excluded from the ordinance.
  - Mr. Harris confirmed that option two would be excluded.

**Motion** - Moved by Council Member Worley, seconded by Council Member Tuck, to Pass and Adopt Ordinance 2016-715 including option one and removing option two. **Roll Call Vote:** Unanimous approval

##### B. Request for a Zoning Change from Highlands County Agricultural District to Town Planned Development/Development Concept for Aravilla Groves, LPTC.16.003RZ

- Town Planner Thayer presented the request for a Town Planned Development/Development concept and zoning change to the Town Council; the backup material was included in the agenda packet.
- Vice Mayor Royce, Town Council, Town Attorney Harris, Town Planner Thayer, Attorney Ms. Karlson representing the property owners discussed the request for a zoning change to a Town Planned Development/Development Concept.
  - Vice Mayor Royce and the Council, expressed concern that backage and frontage roads to the property were not addressed in the request. This was an issue council

had dealt with during the growth management process.

- o Discussion on whether the applicant should come back with the issue of backage and frontage roads addressed was discussed, and council suggested that a condition that a dedication of a westerly 80 foot of frontage or backage roads is dedicated to the town.
- o Ms. Karlson representing the property owner requested that the property owner be allowed to proceed with the process and will work out the details before the second hearing.
- o Mr. Harris stated that the issue under the ordinance 2016-716 could be addressed under 160-12.5 dealing with infrastructure. Also, recommend to Council to pass on first reading addressing the issues and for the property owner to come back to council on second reading with a plan for access.

**Motion** - Moved by Council Member Worley, seconded by Council Member Tuck, to approve on 1<sup>st</sup> hearing Ordinance 2016-716 with the stipulation amending on 1<sup>st</sup> reading adding in section 160-12.5 adding C which would read the stipulation that there will be 80ft of frontage or backage road both on the Westerly for backage would be , subject to council approval, amending Ordinance 160-12-5 adding C. **Roll Call Vote:** Unanimous approval

#### **C. Variance Request for the proposed Nu-Hope addition LPSP.16.004**

- Town Planner Thayer presented the request for an amendment change the rear setback of 20 foot to a 12-foot setback. The request is for a variance for a rear setback and variance for the addition of a stairwell.
- Council discussed the request.

**Motion** - Moved by Council Member Worley, seconded by Council Member Tuck, to approve the 12 foot rear setback instead of the required 20 feet and to allow an exterior staircase to encroach 48 inches into the rear setback instead of the permitted 32 inches for the proposed addition to Nu-Hope Elder Care Services. **Roll Call Vote:** Unanimous approval

#### **D. Amended Site Plan Review LPSP.15.007SP (Nu-Hope)**

**Motion** - Moved by Council Member Worley, seconded by Council Member Tuck, to approve the amended Site Plan. **Roll Call Vote:** Unanimous approval

#### **E. FFY2015 and/or FFY 2016 Community Development Block Grant Draft Application**

- Mr. Alday noted that this was the 2<sup>nd</sup> public hearing. Mr. Alday presented a PowerPoint on the Revitalization Grant, which was included in the agenda packet. In addition, reviewed the scope of work and the timeline of the grant application process.
- Mr. Alday clarified that in section 5 of the resolution the \$50,000 can be for either local hookups to the system or the amount for the grant administration from Guardian CRM, Inc.
- Utilities Director Barber stated he had not had a chance to review but stated that everything that has been presented is in line. In addition, recommend that the payment for the grant administration be used as the leverage portion. Mr. Barber also reported that in the project area the one owner is hooking up 36 units, and there is an estimated four to five additional property owners to sign on to hookup.
- Mr. Harris stated that the language in section five seemed to be all right.
- Vice Mayor Royce asked if there was any public input.

**Motion** - Moved by Council Member Worley, seconded by Council Member Tuck, to approve the resolution 2016-25 with attorney review. **Roll Call Vote:** Unanimous approval

### **7. TOWN ATTORNEY/PLANNING/DEPARTMENT HEADS/MAYOR/COUNCILMEMBERS**

#### **A. Planning (No Agenda Items for Discussion)**

#### **B. Town Attorney**

##### **1. Eucalyptus Right-of-Way (Heard after Item 8)**

- Mr. Harris explained that the bank and college have agreed to work with the town, to assist with the water issue on Eucalyptus. Mr. Harris requested council approve the Town Administrator and Mr. Harris to move forward with what would be needed to move forward.

**Motion** - Moved by Council Member Boyd, seconded by Council Member Tuck, to approve that the Town Administrator and Town Attorney are authorized to do the following:

1. Employ a surveyor to survey and prepare the legal descriptions for the portions of Eucalyptus to be conveyed to or by the Town.
2. Prepare the appropriate deeds and ordinance to convey the portion of land to Harbor Community Bank in exchange for its portion of Eucalyptus right of way.
3. Search title to confirm ownership of the respective parcels.
4. Ask Harbor Community Bank to equally share in the cost of the transaction. **Roll Call Vote:** Unanimous approval

## **2. Saceman Road Closing**

- Mr. Harris presented and discussed the Saceman Road closing Resolution and the process. The exchange was approved several months ago. Mr. Harris informed council the map of the areas was included in the agenda packet page 223 of 341.
- Council discussed the fee of \$800; Council consensus was to waive the fee.

**Motion** - Moved by Council Member Tuck, seconded by Council Member Boyd, to approve adoption of the resolution and to waive the fee of \$800.00. **Roll Call Vote:** Unanimous approval

## **C. Town Administrator**

### **1. Discussion of Horticulture and Beautification Supervisor(Heard of Item 7.C.7)**

- Council Member Royce stated that he had requested that this be placed on the agenda. The person that would be hired would take ownership of the beautification areas in the town and work with Keep Lake Placid Beautiful.
- Council discussed the position, and the various issues in some of the areas of the town.
- The consensus of Council was to include the position in the upcoming budget planning.

**Motion** - Moved by Council Member Boyd, seconded by Council Member Worley, to approve directing staff to consider a new position in the next budget cycle. **Roll Call Vote:** Unanimous approval

### **2. Personnel policy**

- Mr. Williams stated that staff reviewed the policies presented, personnel policy P4 is being removed from consideration as some areas needed to be revised. Some changes that will be corrected are where the word "City" the word "Town" will be replaced and where Department Head appears that the word Director will replace.
- Council Member Royce requested clarification from Mr. Williams that the request is to have council adopt the policies presented and that staff is comfortable with the policies.
- Mr. Williams stated he agreed.
- Council Member Tuck suggested that where Town Administrator is listed to add "or designee."

**Motion** - Moved by Council Member Tuck, seconded by Council Member Worley, to approve the Town Policies as presented. **Roll Call Vote:** Unanimous approval

### **3. Placid Utilities agreement with Highlands County**

- Mr. Barber overviews key points in the agreement, the previous requirement to build a water tower unless there was a need, and to use the funds for those systems.
- Council Member Royce asked Mr. Williams, Mr. Harris, and Mr. Barber if they were in agreement with the agreement presented and Highlands County Staff is in agreement.
- Mr. Harris stated that the agreement has been reviewed by Mr. Williams and Mr. Barber. Also, the County Attorney Mr. Macbeth has also reviewed the agreement with a couple of changes that he is in agreement.

**Motion** - Moved by Council Member Tuck, seconded by Council Member Worley, to approve the Interlocal Agreement between Highlands County and the Town of Lake Placid **Roll Call Vote:** Unanimous approval

### **4. Purchase of used Mini Excavator from the auction.**

- Mr. Barber requested to purchase a used mini excavator and would like approval from council

to purchase at an auction. Mr. Barber commented that because it was an auction, it would be hard to go through the BID process.

- Council discussed on whether the purchase is required to go through the BID process and suggested that a BID request could ask for used equipment and the price range.

#### **5. Approval Banking Services RFP Staff Recommendation (Heard after Item 7.B.2)**

- Mr. Williams presented the Banking Services RFP and staff recommendations to council. The staff is recommending Harbor Bank for the Towns Banking Services.
- Mr. Shoop, a representative of Harbor Bank, responded to council that the interest rate is good for three years, and the variable rates go by the Federal Funds.

**Motion** - Moved by Council Member Worley, seconded by Council Member Tuck, to approve the banking service agreement between the Town of Lake Placid and Harbor Bank for banking service.

**Roll Call Vote:** Unanimous approval

#### **6. Regional Utilities Advisory Commission Town Council Liaison**

- Mr. Williams requested council to name a new Council Liaison to the Regional Advisory Commission (LPRUAC) which is required under the LPRUAC.

**Motion** - Moved by Council Member Tuck, seconded by Council Member Boyd, to appoint Council Member Worley as the Council Liaison to the Lake Placid Regional Utilities Commission. **Roll Call**

**Vote:** Unanimous approval

**Motion** - Moved by Council Member Tuck, seconded by Council Member Worley, to appoint Council Member Boyd as the Alternate Council Liaison to the Lake Placid Regional Utilities Commission. **Roll Call Vote:** Unanimous approval

#### **7. Tangerine Reconstruction FDEP Recreation Grant Property (Heard after Item 7.B.2)**

- Mayor Holbrook, Council, Mr. Harris and Mr. Williams discussed the Tangerine Reconstruction Project.
  - Mr. Harris discussed with council the issue of the land of the recreation area that would be needed for the roundabout, the grant that purchased the land does allow for a land swap, the town could swap another Town property to allow for the land needed for the project.
  - Mr. Williams commented that the project would be discussed at the county commission meeting on April 19<sup>th</sup>.
  - Council Member Royce has spoken to the county with Mr. Williams. The Highlands County Engineer is going to ask the county projecting the project at \$580,000 in state grants with the roundabout the funds are short an estimated \$118,000. A request from the Commission is to share the cost with a 50% share from the County and the 50%.
  - Council Member Tuck stated she would like to see the funds be used to fix Green Dragon Drive.
  - Council Member Royce clarified with the council that if the county did not want to participate in a cost-sharing for the Roundabout, then the project will come back to the council to decide on whether the town wants to absorb the entire cost overage for the project.

**Motion** - Moved by Council Member Worley, seconded by Council Member Tuck, to approve staff to approach Highlands County with a request to participate in a cost-sharing for the roundabout for Tangerine. **Roll Call Vote:** Unanimous approval

**Motion** - Moved by Council Member Worley, seconded by Council Member Tuck, to approve staff to move forward with doing a land swap as discussed. **Roll Call Vote:** Unanimous approval

#### **8. Discussion of Fire Department / EMS Property**

- Mr. Williams presented a history of the Lake Placid Fire Department property; he reported that research has determined the Town approve and should have deeded the property to

Highlands County, but that had not been done. Currently, Highlands County is wanting to pave the parking and Alleyway.

**Motion** - Moved by Council Member Worley, seconded by Council Member Boyd, to approve giving Highlands County permission to improve the alleyway and roadway. **Roll Call Vote:** Unanimous approval

**9. Lake June Park Pavilion drain field approve to submit to Recreation and Parks Advisory Committee (RPAC) and Tourist Development Commission (TDC).**

- Mr. Williams presented to council and estimate from All Around Septic. As this is an improvement to the Lake area drain fields and would like to request and RPAC and the TDC to cost share with town three-way split and add security cameras to the request.

**Motion** - Moved by Council Member Boyd, seconded by Council Member Tuck, to approve to approve the Town Administrator proceed to request funding from RPAC and the TDC, and allow the Administrator to fix the drain field problem if there is an emergency. **Roll Call Vote:** Unanimous approval

**10. Florida Department of Economic Opportunity - Community Planning Technical Assistance Grant**

- Mr. Williams stated that this grant is the same that was applied for in 2015, and there is no cost to the Town.

**Motion** - Moved by Council Member Worley, seconded by Council Member Tuck, to approve applying for the Grant. **Roll Call Vote:** Unanimous approval

**D. Project updates (Discussed Under Item 7.C.7)**

**1. Green Dragon**

- Mr. Williams stated that after the County Engineer had completed core samples, it was determined that Green Dragon would need a reconstruction of the road. FDOT has withdrawn the \$100,000 for Green Dragon since it was determined additional funds were needed. The town will be going for the 2017 grant application cycle for the \$350,000 required to fix the road properly.

**8. MAYOR/COUNCILMEMBERS**

- Council Member Worley commented that Lake Drive East looks good and suggested that temporary signs should be put up when there is a completed Town project.
- In response to Council Member Tucks inquiry on the remaining of eucalyptus to Waldorf Allif that the signs were put up prematurely and were taken down. The Family of Mayor Allif would be contacted when the renaming ceremony will be held naming the road after the Mayor.
- Mr. Harris reported that the Land Development Regulations LDR's are near completion and will be coming before council soon.
- Council Member Boyd complimented Mr. Williams organization of the agenda packet and that it was well organized and easy to follow.
- Mr. Barber commented that the over Budget on the sewer is mainly because of hiring issues, as it pertains to operators and that Pugh has been called in to help during a shortage of operators.
- Council Member Royce commented that the Cemetery is looking good, but requested staff take a look at the dirt piles in the back and get them spread out.

**CITIZENS NOT ON AGENDA (Heard before Item 7.B.1)**

- Mr. Leblanc presented a request for a crosswalk and presented a visual showing the proposed crosswalk.
- Council discussed the area for the crosswalk.

**Motion** - Moved by Council Member Tuck, seconded by Council Member Worley, to approve staff to plan and determine a cost for a crosswalk. **Roll Call Vote:** Unanimous approval

**9. Adjournment 8:13 PM**

## MINUTES

### LAKE PLACID TOWN COUNCIL

#### Regular Meeting

5/9/2016 5:30 PM

Town of Lake Placid

Town Hall

Mayor Holbrook called the regular meeting of the Lake Placid Town Council to order on Monday, May 9, 2106, at 5:30 pm at Town Hall, 311 W. Interlake Boulevard, Lake Placid, Florida. Pastor Tim Haas, Memorial United Methodist Church gave the invocation, and led the Pledge of Allegiance. A quorum was present.

#### **5:30 PM-Call to Order – Mayor Holbrook**

#### **Roll Call**

##### **Present**

Mayor John Holbrook  
Council Member Ray Royce  
Council Member Debra Worley  
Council Member Arlene Tuck  
Council Member Donald Boyd

##### **Others Present**

Town Administrator Phil Williams  
Town Attorney Bert Harris  
Town Clerk Eva Cooper Hapeman  
Finance Manager Rachel Osborne  
Chief James Fansler

#### **1. SELECTION OF VICE MAYOR**

**Motion** - Moved by Council Member Tuck, seconded by Council Member Boyd, to approve Council Member Royce as Vice Mayor. **Roll Call Vote:** Unanimous approval.

#### **2. CONSENT AGENDA 1**

- A. Approval of Agenda
  - B. Approval of Minutes of the Regular meeting of the Lake Placid Town Council April 11, 2016.
  - C. Approval of Department Head Reports
  - D. Approval of Departmental Financial Reports for the month of April 2016
  - E. Approval of all duly authorized monthly bills Less Royce Supply
  - F. Approval of Resolution to terminate contract with FDOT regarding Green Dragon Drive 2014 Cycle Funding
- Mr. Williams stated FDOT requested a resolution that cancels the original agreement between the Town and the SCOPE Grant for Green Dragon Drive.
  - Council Member Royce stated that the reason for the termination of the of the original grant funds is for the Town to be able to apply again with a new application to adequately cover the cost of the reconstruction of Green Dragon.
  - Mr. Williams stated that the new application for the grant has been submitted.

**Motion** - Moved by Council Member Worley, seconded by Council Member Tuck, to approve Consent Agenda 1 Items A through F and directing staff to draft the resolution terminating the FDOT contact. **Roll Call Vote:** Unanimous approval.

### 3. CONSENT AGENDA 2

#### A. Approval of all bills for the Royce Supply

**Motion** - Moved by Council Member Worley, seconded by Council Member Tuck, to approve Consent Agenda 2 Item A. **Roll Call Vote:** Yes – Worley, Tuck, Boyd, Abstain – Royce. The proper paperwork has been filed with the Town Clerk. Motion Carried.

### 4. PRESENTATIONS

#### A. Tobacco Free Florida Week Proclamation

- Mayor Holbrook welcomed the students from Lake Placid High school.
- Lake Placid High School students read the proclamation before the Town Council.
- Mayor Holbrook and Council expressed support for the Proclamation for Tobacco Free Week for the Town of Lake Placid.

**Motion** - Moved by Council Member Royce, seconded by Council Member Worley, to approve the Proclamation to recognize May 8 through May 14, 2016, as Tobacco Free Florida Week. **Roll Call Vote:** Unanimous approval.

#### B. Keep Lake Placid Beautiful (KLPB) Responsibility Discussion

- Mayor Holbrook, Council, Town Administrator Williams and Bill Brantley representative of Keep Lake Placid Beautiful (KLPB), discussed KLPB and the resignation of Mike Eisenhart from KLPB, the hiring of a Town employee and designation of duties between the Town and KLPB.
  - Mr. Williams requested guidance from Town Council on whether to proceed with the hiring process for a Horticulture and Beautification Town Employee, since the early resignation of Mike Eisenhart. Also, he stated that an advertisement for a Town position of “Horticultural and Beautification Supervisor” has been placed to explore possible candidates and asked Council whether they want to move forward in hiring early or would prefer to wait until the new budget.
  - Consensus of Council to have staff meet with KLPB and develop an action plan, and bring the plan back to Council.
  - Mr. Brantley expressed that KLPB’s desires to have the new person hired to work under the direction of KLPB and not under the Town Administrator.
  - In response to questions from council, Mr. Brantley stated that Mr. Eisenheart did the grant writing in addition to the other work.
  - Mr. Williams responded to council that KLPB receives \$20,000 from the Town but also receives much more, including assistance from the Sheriff’s office and the selling of the display signs. In addition, he stated that KLPB would be willing to expand duties to include the spraying for weeds in the sidewalk areas.
  - Mayor Holbrook stated that there needed to be a well-defined list of responsibilities for each group.
  - Mr. Williams commented that he would like to see a workshop to discuss.
  - Both Council Member Royce and Council Member Worley stated they were in favor of moving forward in the hiring process.
  - Council Member Royce commented that a public-private partnership has worked well in the past and that a contractual relationship to be well defined between the Town and KLPB.

- Mr. Williams informed Council that in 2004, Mr. Fulton and Council had discussed the continued expansion of KLPB and that with the expansion of KLPB areas that there would be a need for an additional employee hired. During that time there were nine employees in the department, currently there are eight employees.

**Motion** - Moved by Council Member Royce, seconded by Council Member Worley, to direct Mr. Williams to engage in conversation with KLPB in order to determine what potential models may work in order to maintain a cooperative relationship to move forward, and to continue a search for a person whose primary responsibilities are to work on maintenance of beautification projects, streets, parking lots, sidewalks, and any other areas of responsibility. **Roll Call Vote:** Unanimous approval.

- Mayor Holbrook recognized the members of KLPB that were in attendance thanking for their contribution.
- Mayor Holbrook inquired on the timeline for completion of the Stuart Park restroom.
- Mr. Brantley stated the Bathroom construction at Stuart Park was estimated to be completed within the next 45 days.

## 5. Public Hearing

### A. Vacating and Closing Alleyway Considerations Jack Saceman Property

- Mr. Harris stated the vacating and closing of the alleyway for the Saceman property has been in the works for some time; the deed has been signed; the resolution presented to Council, and the recording of the deed will finalize the process.

**Motion** - Moved by Council Member Worley, seconded by Council Member Tuck, to approve the adoption of the Resolution closing the alleyway; and to authorize the Mayor to record the deed upon approval. **Roll Call Vote:** Unanimous approval.

## 6. TOWN ATTORNEY/PLANNING/DEPARTMENT HEADS/MAYOR/COUNCILMEMBERS

### A. Planning (No Items on Agenda)

### B. Town Attorney

#### 1. Eucalyptus Drive at Hibiscus Avenue Property Responsibility

- Mr. Harris informed Council on the background involving Eucalyptus Drive and options for Council to consider.
  - The plat shows Eucalyptus, but the Property appraiser's Website does not show the right of way for Eucalyptus.
  - Mr. Harris stated that the town can claim the road under statute 95-361, but the width of the claim is in question, therefore, inquired if Council would approve a title search be done.
  - The adjacent owners along the road are corporative.
- Council discussed the various options, including having a survey completed for Eucalyptus. Also, council discussed claiming the road under 95.361.
  - Mr. Harris stated that he is confident that under 95.361 the Town can claim the road but was concerned about not knowing what the width is.
  - The consensus from Council to have Mr. Harris get a quote on the cost of having a title search completed and to bring back to Council.

#### 2. Tangerine DEP Grant Discussion

- Mr. Harris informed Council on the background involving Lake June Park and the Florida Recreation Development Assistance Program (FRDAP).

- The land for the park was acquired under the FRDAP grant, and the land purchased under the grant is encumbered and may only be used for recreation. The Attorney with Department of Environmental Protection has found another Town Grant from 1976 and is researching.
- Mr. Harris and Mr. Williams have been working on the option that would allow for the swapping of Town property to allow for the additional right of way needed for the Tangerine project, which is set to begin soon.
- Mr. Harris discussed the proposed resolution which would authorize the mayor to execute the appropriate documents to handle the swapping of lands needed for the right of way. In addition, he reported that the original grant does not seem to have been recorded, but suggested the town wait to see what the research shows about what the Town did in 1976.

**Motion** - Moved by Council Member Royce, seconded by Council Member Worley, to approve adoption of the Resolution. **Roll Call Vote:** Unanimous approval.

### C. Town Administrator

1. **Creation of Field Supervisor position within the Utilities Department.** (No discussion on Agenda Item, pulled prior to meeting)

2. **Personnel policy reviews: P7 Disability or Handicap Accommodation, P11 Decision Review, P22 Job Development – Training, P47 Workplace Harassment, P48 Leaves of Absence**

- Mr. Williams presented to council personnel policies for consideration.
- Council Member Worley commented on the possibility of saving money on Town insurance by holding vehicle safety training which Highlands County requires of their employees.
- Mr. Williams responded, safety training would be covered by the safety policies.
- Council Member Worley suggested that in reference to paid sick time, that any time the employee does not use that the sick time that has been accrued would be lost.

**Motion** - Moved by Council Member Royce, seconded by Council Member Tuck, to approve adoption Motion to adopt as town personnel policies P7 Disability or Handicap Accommodation, P11 Decision Review, P22 Job Development – Training, P47 Workplace Harassment and P48 Leaves of Absence as presented by Mr. Williams. **Roll Call Vote:** Unanimous approval.

3. **Reclassification of Public Works Employees to Public Works Foreman**

- Mr. Williams recommended Alan Keefer for the Public Works Foreman position and expressed that in working with Mr. Keefer recently, everything that he had asked him to do was done. Also, Mr. Williams recommended moving Mr. Keefer from \$13.00 per hour to \$16.00

**Motion** - Moved by Council Member Worley, seconded by Council Member Boyd, to approve personnel reclassification of Alan Keefer from pay grade \$13.00 to pay grade \$16.00 per hour effective May 10, 2016, and to direct staff to prepare a budget amendment to accommodate the reclassification. **Roll Call Vote:** Unanimous approval.

4. **Request to speak Luke and Walt Johnson re Nuisance Ordinance**

- Luke Johnson and Walt John owners of 92 acres in the Lake Rachard area stated they are following the Nuisance Code, which requires that grass not exceed 18 inches high. The property owners expressed that this requirement is a hardship due to the expense of having the large property mowed. They had requested the ability to have cattle to graze. They indicated a willingness to work with the town to come up with a solution for mowing such a large area of land.

- Mayor Holbrook, Council, Mr. Williams, Mr. Harris and property owners Luke Johnson and Walt Johnson discussion included various options.
  - The property is zoned as residential, not agriculture. The property owners could have the property rezoned back to agriculture.
  - As R-1A there are various permitted uses agricultural growing or growing horticultural plants. Those rules include that there cannot be buildings for sales nor, displays, stands, and other rules that would apply to the property.
  - In response to the owners request to have cattle possibly for grazing on the property, the zoning code does not allow for the grazing of cattle in residential zoning area.
  - Mr. Harris suggested checking with the Town Planners to get clarification on what is allowed for growing of agricultural or horticultural plants on the property.
  - Chief Fansler commented that the owners should have known before purchasing the property, and this issue could affect how code enforcement will deal with this issue.

#### **5. Nuisance Ordinance**

- Mr. Williams stated he is working with Mr. Harris to bring the Nuisance Ordinance up-to-date and requested suggestions from Town Council for revising the ordinance.
- Mr. Williams gave an example of a house in the town limits that is possibly condemned and how the ordinance can handle these types of issues.
- Mr. Harris suggested researching other nuisance ordinances that are being utilized by other cities.
- Mayor suggested the ordinance be reviewed and solve the issues in the town.

#### **6. Request to speak Jesse Taggart Lake June Point**

- Mr. Taggart representing the board of directors of Lake June Point Home Owners Association (HOA) is requesting a sidewalk be built from Tangerine to Lake June Point.
- Mayor Holbrook, Council, Mr. Harris, Mr. Taggart, and Mr. Robert Summers discussed the sidewalk, what the estimated cost of putting a sidewalk in the area and multi-use paths.
  - Mayor Holbrook commented that in the past there was a grant that was looked into. In addition, he stated that the estimated cost would be \$400,000.
  - Council Member Royce inquired on whether the HOA would be willing to donate funds as leverage. Also, Council Member Royce suggested checking with Highlands County about a possible multi-use path.
  - In response to HOA possibly leveraging funds, Mr. Taggate said that he would check with the HOA and find out.
  - Council Member Royce commented that there was limited right of way along the area requested for the sidewalk.

#### **7. Turn lane into McDonalds on Southbound US 27**

- Mr. Williams requested that Council join the staff in support of a turn lane southbound US 27 into McDonalds prior to construction.
- Council was in consensus for a turn lane and that in the future that Planned Developments for the Town address turn lanes at that time.

#### **D. Project updates (No Discussion for Agenda Item)**

Green Dragon Drive patched

**7. MAYOR/COUNCILMEMBERS**

- Council Member Worley requested that the sprinklers along Interlake be changed as they are going on around 5 am and should be 4 am.

**8. CITIZENS NOT ON AGENDA** (No Discussion for Agenda Item)

**9. ADJOURNMENT 7:30 PM**

Mayor Holbrook, hearing no objections, declared the meeting adjourned at 7:30 pm.

## MINUTES

### LAKE PLACID TOWN COUNCIL

#### Regular Meeting

6/13/2016 5:30 PM

Town of Lake Placid

Town Hall

Mayor Holbrook called the regular meeting of the Lake Placid Town Council to order on Monday, June 13, 2106, at 5:30 pm at Town Hall, 311 W. Interlake Boulevard, Lake Placid, Florida. Chief Fansler gave the invocation and led the Pledge of Allegiance. A quorum was present.

#### **Call to Order – Mayor Holbrook 5:30 PM**

#### **Roll Call**

##### **Present**

Mayor John Holbrook  
Council Member Ray Royce (Arrived at 6:32 pm)  
Council Member Debra Worley  
Council Member Arlene Tuck  
Council Member Donald Boyd

##### **Others Present**

Town Administrator Phil Williams  
Town Attorney Bert Harris  
Town Clerk Eva Cooper Hapeman  
Finance Manager Rachel Osborne  
Utilities Director Joe Barber  
Town Planner, Joedine Thayer  
Chief James Fansler

#### **1. CONSENT AGENDA 1**

- A. Approval of Agenda
- B. Approval of Minutes of the Regular meeting of the Lake Placid Town Council May 9, 2016.
- C. Approval of Department Head Reports
- D. Approval of Departmental Financial Reports for the month of May 2016
- E. Approval of all duly authorized monthly bills
- F. Approval for Henscratch Farms to hold wine tasting and Sales at the Caladium Festival July 29<sup>th</sup> Through July 31<sup>st</sup>, 2016 and also at the Arts & Crafts Fair February 4<sup>th</sup> and 5<sup>th</sup> 2017.
- G. FDOT STATE HIGHWAY LIGHTING MAINTENANCE AND COMPENSATION AGREEMENT 2016/17 At Amended agenda addition

**Motion** - Moved by Council Member Tuck, seconded by Council Member Worley, to approve Consent Agenda 1 Items A through G and directing staff to draft the resolution terminating the FDOT contact. **Roll Call Vote:** Unanimous approval.

- Mr. Williams informed Council that the FDOT Lighting agreement is \$10.00 more than in the past per light.

#### **2. CONSENT AGENDA 2 (NO ITEMS)**

### 3. PRESENTATIONS

#### A. Presentation by Todd Moore re Softball Tournament July 16th through July 20<sup>th</sup>

- Mr. Moore gave a presentation on the upcoming Softball/Baseball Tournament at Lake June Recreation Park.

### 4. Public Hearing (NO ITEMS)

### 5. TOWN ATTORNEY/PLANNING/DEPARTMENT HEADS/MAYOR/COUNCILMEMBERS

#### A. Planning

##### 1. Request for Waiver of Fees (Application and Advertising) for Rezoning and Land Use Change for Maulden property.

- Ms. Thayer, Town Planner, presented a request that the application fee is waived as well as the advertisement fees.
  - Maulden's property was not included in the rezoning and land use process.
  - The North Triangle were annexed into the Town of Lake Placid. After their annexation, a rezoning to a Planned Development/Development Concept with Business Park Uses and an amendment to the future land use to Commercial-General was done at no charge to the property owners.
  - Ms. Maulden's property lies contiguous to the North Triangle properties, which were annexed into the Town in December 2015.
  - Ms. Thayer said that Ms. Mauldin's property was not included in the rezoning and land use changes along with the other properties of the North Triangle.
  - Ms. Mauldin had family issues and had spent a considerable amount of time in the last two years away from home, and this had made it difficult for her to be contacted by the Town. It was Ms. Maulden's understanding that when she consented to the annexation that a rezoning and future land use amendment would be automatic for her property. Ms. Maulden wishes to apply for a rezoning and future land use amendment to duplicate the neighboring North Triangle properties. Ms. Maulden is requesting that she be granted a waiver by the Town of the application and advertising fees. The application fee for a combination rezoning and small scale future land use amendment is \$1,650.00, and the cost of the required three advertisements is approximate \$750.00 for a total cost of approximately \$2,400.00
- Mayor Holbrook, Council, Ms. Thayer, Mr. Harris and Ms. Maulden discussed the request for council to waive the fees.
  - Council Member Worley stated that Ms. Mauldin was not cooperative during the DEP grant to hookup up to town water or the annexation process. Council Member Worley said although she was not for waiving the fees because Ms. Maulden had not been cooperative, Council Member Worley has decided for waiving the fees for the good of the Town and the whole North Triangle Area.

**Motion** - Moved by Council Member Royce, seconded by Council Member Tuck, to approve waiving the application fee and absorb the cost for the advertisements. **Roll Call Vote:** Unanimous approval.

##### 2. Update on West Interlake Boulevard Rezoning and Future Land Use Change

- Ms. Thayer, Town Planner, requested the Town Council to provide guidance on completion of rezoning and future land use amendment for Mr. and Mrs. Tefft for property that was annexed along West Interlake. Ms. Thayer presented to the Council a copy of the letter to the property owners of the properties that were annexed as it pertained to rezoning and future land use.
  - June 2015 a letter was sent to the property owners along West Interlake Blvd, the letter gave the property owners a deadline to contact the planning staff to begin the process of rezoning and land use amendment with no charge to the applicant. In the event, the deadline was not met; the property owners would be responsible for all fees.

- Ms. Thayer informed Council that the Tefft's, although responded to the letter in mid-July 2015 and met with the planning staff to discuss the type of zoning for the property, and were considering a Bed and Breakfast that would not require a zoning change. After the initial meeting, the planning staff did not hear from the Tefft's and planning did not contact them.
- In April 2016, Mrs. Tefft contacted the planning staff and inquired about the status of the rezoning and future land use amendment for their property. The Tefft's were provided with additional information from which to make a determination whether a rezoning and/or land use change were appropriate for their situation.
- Mayor Holbrook, Council, and Ms. Thayer discussed on whether to approve waiving the fees.
  - Ms. Thayer responded to the council that planning recommends waiving the fees.
  - Council further discussed and was in consensus that a deadline was given in the letter, and the Teffts did not meet the deadline that was given in 2015 in order to have fees waived.

**Motion** - Moved by Council Member Worley, seconded by Council Member Tuck, to adhere to the previous motion that July 31, 2015, a deadline which after that date the property owners would then be required to pay the fees. **Roll Call Vote:** Unanimous approval.

## **B. Town Attorney**

### **1. Regional Utility agreement with Highlands County amending the requirement for a water tank.**

- Mr. Harris presented the revised Interlocal Agreement and discussed the proposed changes. Mr. Harris stated he has been working with the County Attorney Mr. Macbeth on the changes, which were included in the agenda packet.

**Motion** - Moved by Council Member Worley, seconded by Council Member Boyd, to approve Interlocal Agreement Between Highlands County And The Town Of Lake Placid Amending The Lake Placid Regional Utilities Interlocal Agreement to the Highlands County Board of County Commissioners for consideration. **Roll Call Vote:** Unanimous approval.

### **2. Tangerine Drive Improvement Project: RESOLUTION OF THE LAKE PLACID TOWN COUNCIL REGARDING AMENDMENT OF THE FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION, FLORIDA RECREATION DEVELOPMENT ASSISTANCE PROGRAM AGREEMENTS RELATING TO ACQUISITION AND DEVELOPMENT OF LAKE JUNE PARK**

- Mr. Harris reviewed the resolution with Council discussing the issue as it pertains to the right-of-way that is needed for the reconstruction of Tangerine.
- Mayor Holbrook read the resolution by title only.

**Motion** - Moved by Council Member Worley, seconded by Council Member Tuck, to approve to Adopt The Resolution To FDEP **Roll Call Vote:** Unanimous approval.

## **D. Town Administrator**

### **1. Creation of Field Supervisor position within the Utilities Department.**

- Mr. Barber reviewed the request for approval to create a field supervisor position. Also, commented that the department has been through three operators and that the position is difficult to fill.
- Council Member Worley commented that employees that receive training should sign a commitment to the town for a specified amount of time.
- Mr. Williams commented that the policy on training addresses the issue, whereby an employee that are trained by the Town would require paying back the cost of the training.

**Motion** - Moved by Council Member Tuck, seconded by Council Member Boyd, to approve Field Supervisor position. **Roll Call Vote:** Unanimous approval.

## 2. Approve Purchase of Tomoka Water Plant Generator.

- Mr. Barber requested the council approves the purchase of a Tomoka Water Plant Generator, the generator has failed. The cost approximately \$22,000 to repair and currently the department is spending \$2500 per month for a rental generator. Also, stated that he would be going through the Florida Sheriff's Association (FSA) yearly bid award to purchase the generator.
- Mr. Barber and Council discussed purchasing the generator and then refunding the funds back to the Tomoka \$400,000 once the revised Interlocal is complete.

**Motion** - Moved by Council Member Worley, seconded by Council Member Tuck, to approve Purchase of Tradewinds Generator using funds from Water Capital Improvement Acct. Money can be refunded from the \$400,000 given to us by the county once the agreement is completed. **Roll Call Vote:** Unanimous approval.

## 3. Approve Purchase of used Mini Excavator from FSA Bid sheet.

- Mr. Barber requested approval to purchase a mini excavator utilizing the Florida Sheriff's Association (FSA) yearly bid award to purchase. The unit is brand new at a good price compared to the used units recently researched.

**Motion** - Moved by Council Member Worley, seconded by Council Member Tuck, to approve Purchase of John Deere 35G Mini Excavator from FSA using \$40,000 that has already been set aside and budgeted for purchase. **Roll Call Vote:** Unanimous approval.

## 4. Keep Lake Placid Beautiful (KLPB) & Town Responsibilities

- Mr. Williams presented a list of responsibilities for KLPB and The Town in regards to the Town Islands and other areas and reviewed the responsibility list included in the agenda packet.
- Mayor Holbrook, Council, Mr. Williams, and Mr. Brantley representative of KLPB discussed the KLPB responsibilities, along with the Towns.
  - The recommendation that an appreciation resolution is drafted for Mr. Eisenhart of KLPB.
  - Mr. Brantley reported that the annual budget of \$10,000 per year is received for being affiliated with keep American beautiful.
  - Council discussed the presented list of duties.
  - Council Member Worley suggested utilizing low maintains plants.

**Motion** - Moved by Council Member Tuck, seconded by Council Member Royce, to approve drafting a resolution for Mr. Eisenhart from KLPB. **Roll Call Vote:** Unanimous approval.

**Motion** - Moved by Council Member Tuck, seconded by Council Member, to approve maintaining the last Town Council meetings motion from May 9, 2016, and removing from the responsibility list under Town responsibilities bullet point Maintain islands free of weeds.

**Roll Call Vote:** Unanimous approval.

## 5. Main Avenue and Heartland Blvd Intersection Dangers

- Council Member Worley requested the intersection be placed on agenda and stated that the intersection is dangerous.
- Council discussed the intersection issues and suggested having the County conduct a Traffic study.
- Council Member Royce suggested asking Highlands County to make the intersection a four-way stop.

**Motion** - Moved by Council Member Royce, seconded by Council Member Worley, to direct staff to forward Council concerns to Highlands County staff with a request for a traffic study at the intersection and to consider a four-way stop. **Roll Call Vote:** Unanimous approval.

#### 6. **Town Personnel Policies Section P4 E-Verify, Section 9 Code of Ethics, Section 23 Political Activity**

- Mr. Williams presented to council additions to the personnel policy, which includes E-Verify.

**Motion** - Moved by Council Member Royce, seconded by Council Member Worley, to approve Town personnel policy Section P4 E-Verify, Section 9 Code of Ethics, Section 23 Political Activity Policies referred. **Roll Call Vote:** Unanimous approval.

#### 7. **Town Administrator vehicle allowance**

- Mr. Williams requested that council approve a conversion from furnished vehicle to a vehicle allowance for him. In addition, Mr. Williams stated that the 2012 Ford Explorer furnished has been in for repairs for the same issue on five occasions, had as of June 6/6/2016 was in the shop for three weeks.
- Council discussed insurance while the vehicle is being used for Town Business. The staff was instructed to research the type of insurance.

**Motion** - Moved by Council Member Worley, seconded by Council Member Tuck, to approve Town Administrator a Car Allowance for \$4200 and fuel. **Roll Call Vote:** Unanimous approval.

#### **Town Administrator**

- Mr. Williams commented that a Town Property Modification Permission form was developed in the past which was included in the agenda packet. In addition, stated that Mr. Barber had been asked to permit reviews for various permits in the Town. Mr. Williams stated that the Town is losing approximately \$400 for each of these reviews, which is the amount other cities are charging for these permit reviews and the Town needs a process to in place.
- Council, Mr. Williams, and Bert Harris discussed how to track what modifications are being done and who approved the modification.

**Motion** - Moved by Council Member Royce, seconded by Council Member Worley, to instruct staff to develop a permit review and fee schedule proposal. **Roll Call Vote:** Unanimous approval.

#### **E. Project updates**

##### 1. **Meeting Dates**

- a. Special Meeting 5:30 PM June 23, 2016
- b. Joint LPA and Town Council Special Meeting LDR's  
1<sup>st</sup> hearing date August 15, 2016, 2<sup>nd</sup> hearing LDR's Town Council  
Special Meeting August 22, 2016, or at the Regular Town Council  
Meeting September 12, 2016

#### **6. MAYOR/COUNCILMEMBERS**

- Council Member Royce complimented Mr. Williams and Alan Keefer that the Cemetary looks much better,
- Council Member Worley also commended the staff for the work that has been done.
- Mayor Holbrook complimented staff about the paving a fixing of the roads.

#### **7. Citizens Request to Speak (Was not present)**

A. Gina Guirola

#### **8. CITIZENS NOT ON AGENDA**

- Mr. Brantley commented on the Tourist Development Council (TDC) is changing the logo from Visit Highland County to Visit Sebring. Mr. Brantley informed council that out of the \$360,000 the TDC receives from the 2% bed tax Lake Placid is responsible for \$64,800 to \$72,000 which is generated by Lake Placid. He spoke to the Chamber and the Mural Society and stated that the Town receives about \$1000 to \$2000 back from the TDC.
- Mr. Brantley was told to address council on the possibly of the Town having its own TDC or Special Benefits District. That way the funds would go for promoting the Town. The TDC primarily markets the County to Northern; He stated that Lake Placid is unique as the town can market to the South, which the TDC does not do.
- Mr. Brantley stated he had tried twice to be placed on the TDC board and was not selected; there currently is not anyone representing the Town of the TDC Board.
- Mr. Williams had been informed of the situation.
- Council Member Royce discussed the TDC structure of funds that are specific, portion to lakes, and portion to marketing. He agreed that the Town should look into what the Towns options are.

## **9. ADJOURNMENT: 7:36 PM**

**LAKE PLACID TOWN COUNCIL  
Special Meeting  
Minutes  
June 23, 2016, 4:30 PM**

Mayor John Holbrook called the regular meeting of the Lake Placid Town Council to order on Monday, June 23, 2016 at 5:30 pm at Town Hall, 311 W. Interlake Boulevard, Lake Placid, Florida.

**1. 5:30 P.M. Call to Order – Mayor John Holbrook**

**2. Roll Call**

**Present**

Mayor John Holbrook  
Council Member Ray Royce  
Council Member Donald Boyd  
Council Member Arlene Tuck

**Absent**

Council Member Debra Worley

**Others**

**Present**

Town Administrator Phil Williams  
Town Clerk Eva Cooper Hapeman  
Finance Manager Rachel Osborne  
Wade Sansbury, CPA Mauldin & Jenkins

**3. FY2015 Town Audit**

Discussion: Mayor Holbrook, Town Council, Town Administrator, Mauldin & Jenkins Wade Sansbury, CPA and Finance Manager Rachel Osborne. (Note: Final FY2015 Audit Attached)

- Mr. Sansbury CPA for Mauldin & Jenkins presented the FY2015. Mr. Sansbury reviewed the Towns Audited Financial Statements, and informed council of a change in respect to the addition Florida Retirement System (FRS) Pension liability is required to be included in the Towns financials according to GASB Statement No. 68.
- Mr. Sansbury responded to Council in regards to the new GASB 68, that FRS is reliable and did not foresee any issue for the town being responsible for payout to the employees.

**Motion** - Moved by Council Member Royce, seconded by Council Member Tuck, approve acceptance of the FY Town Audit. **Roll Call Vote:** Unanimous approval.

**4. CITIZENS NOT ON THE AGENDA (NONE)**

**Discussion**

Council Member Royce discussed with Council the Tourist Development Council, and the Town should. In addition, Council Member Royce stated that the TDC has funds that the Town could approach along with approaching RPAC. In addition, that the Town needs to be represented in order to receive some of the funds that are available.

**5. ADJOURNMENT 6:30 PM**

**TOWN OF LAKE PLACID, FLORIDA**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
SEPTEMBER 30, 2015**

**TOWN OF LAKE PLACID,  
FLORIDA FINANCIAL  
STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

TABLE OF CONTENTS

FINANCIAL SECTION

	<u>Page</u>
Independent Auditor's Report .....	1
Management's Discussion and Analysis .....	3
 Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position .....	11
Statement of Activities.....	12
Fund Financial Statements	
Balance Sheet – Governmental Funds .....	13
Reconciliation of the Balance Sheet – Governmental Funds To the Statement of Net Position .....	14
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds .....	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual–General Fund .....	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual–Infrastructure Fund.....	18
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual–Grant Fund .....	19
Statement of Net Position – Proprietary Funds .....	20
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds .....	21
Statement of Cash Flows – Proprietary Funds .....	22
Notes to Financial Statements .....	24
 Required Supplementary Information:	
Schedule of the Town’s Proportionate Share of the Net Pension Liability - FRS .....	47
Schedule of Contributions - FRS .....	48
Schedule of the Town’s Proportionate Share of the Net Pension Liability - HIS .....	49
Schedule of Contributions - HIS.....	50

OTHER REPORTS

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	51
Schedule of Findings and Responses .....	53
Schedule of Prior Year Findings .....	55

Independent Auditor's Management Letter .....56  
Independent Auditor's Report – Investment Compliance .....58



## INDEPENDENT AUDITOR'S REPORT

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Honorable Mayor and  
Members of the Town  
Council,  
Town of Lake Placid, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **Town of Lake Placid, Florida** (the "Town"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, the Infrastructure Fund, and the Grant Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 12, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of October 1, 2014. These standards significantly changed the accounting for the Town's net pension liability and the related disclosures. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12 and the schedule of the Town's proportionate share of the net pension liability and schedule of contributions on pages x through x, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2016, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Bradenton, Florida  
June 22, 2016

This discussion and analysis of the Town of Lake Placid, Florida (the "Town"), is to inform readers of the Town's financial performance and provide an overview of the activities for the fiscal year ending September 30, 2015. The information contained in this Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events and conditions. This discussion and analysis is intended to be read in conjunction with the accompanying basic financial statements.

## **FINANCIAL HIGHLIGHTS**

- The Town's combined assets and deferred outflows exceeded its liabilities and deferred inflows by \$18,110,784. Total Net Position increased \$65,292, from last years restated net position.
- Compared to last year, net position from Governmental Activities changed by (\$330,917). Net position from Business-type Activities changed by \$396,209.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This section of the discussion and analysis serves as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: (1) Government-wide Financial Statements, (2) Fund Financial Statements, and (3) Notes to the Financial Statements.

### **Government-wide Financial Statements**

The Government-wide Financial Statements are designed to provide readers with a broad view of the Town's overall financial status. Financial statements consist of the Statement of Net Position and the Statement of Activities.

The *Statement of Net Position* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Net Position combines and consolidates governmental funds current financial resources with capital assets and long-term obligations. Other non-financial factors should also be taken into consideration, such as changes to the Town's property tax base and the condition of the Town's infrastructure, to assess the overall health and financial condition of the Town.

The *Statement of Activities* presents information on how the Town's net position changed during the most recent fiscal year. All of the current year revenue and expenses are taken into account regardless of when cash is received or paid.

Both the Statement of Net Position and the Statement of Activities are prepared utilizing the accrual basis of accounting.

For classification reasons, the Statement of Net Position and the Statement of Activities is divided into two activities: (1) Governmental Activities and (2) Business-type Activities.

- Governmental Activities–The Town’s basic services are reported here, including: general administration, planning and zoning, public safety, transportation, and recreation. Ad Valorem Taxes, Utility Service Taxes, Sales Taxes, Local Option Gas Taxes, Surtaxes, Local Communication Service Taxes, and franchise fees finance most of these activities.
- Business-type Activities–The Town’s water, wastewater, cemetery, and sanitation operations are reported here. The Town charges a fee to customers to help cover all or most of the cost for services it provides.

## **Reporting the Town’s Most Significant Funds**

### **Fund Financial Statements**

The Town, like other states and local governments, uses fund accounting to ensure and demonstrate compliance with financial related requirements. The Town’s fund financial statements only provide detailed information about the most significant funds, not the Town as a whole. Each fund is considered a separate accounting entity and has its own accounts and sub-accounts, respectfully. The Town’s funds are also divided into two categories: (1) Governmental Funds and (2) Proprietary Funds.

***Governmental Fund Type***–The Town’s basic services are reported in Governmental Funds. The statements focus on how money flows into and out of those funds and the balances left over at year-end, which are available for spending. General Fund expenditures are incurred to provide general administration, planning and zoning, public safety, transportation, and recreational services and facilities. These funds are reported using an accounting method, identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted into cash. The government fund statements also provide a detailed short-term view of the Town’s general operations and the basic services it provides. The Town maintains the General Fund, the Infrastructure Fund, and the Grant Fund, which are considered to be major funds. The General Fund, the Infrastructure Fund, and the Grant Fund information are presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances.

***Proprietary Fund Types***– The Town charges customers a fee for services provided. These services are reported as Proprietary Funds, which include water, wastewater, cemetery, and sanitation operations. Business-type funds are reported using an accrual method of accounting. Proprietary Fund information is presented separately in the Fund Financial Statement of Net Position, the Statement of Revenues, Expenses and Change in Net Position, and the Statement of Cash Flows.

## **Notes to the Financial Statements**

Notes to the Financial Statements are additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements.

Notes to Financial Statements help explain the computation of specific items, as well as provide a more comprehensive assessment of the Town's financial condition. The Notes to Financial Statements may include information on debt, accounts, contingent liabilities, or contextual information explaining the financial numbers.

The information contained within the notes not only supplements financial statement information, but may also clarify line-items that are part of the financial statements. The Notes to the Financial Statements are also used to explain the method of accounting used to prepare the financial statements, and they provide valuations for how particular accounts have been represented. Notes to the Financial Statements can be found immediately after the Statement of Cash Flows.

## GOVERNMENT-WIDE-FINANCIAL ANALYSIS

The government-wide financial statements report information about the Town as a whole.

### Statement of Net Position

The Statement of Net Position includes all of the government's assets and liabilities. Net position may serve over time as a useful indicator of the Town's financial position. The Statement of Net Position is divided into two categories: (1) Governmental Activities and (2) Business-type Activities.

At the end of the fiscal year, September 30, 2015, the Town reported positive balances in all three categories of net position: the Town as a whole, as well as for its separate governmental and business-type activities.

#### Statement of Net Position As of September 30, 2015

	Governmental Activities		Business-type Activities		Totals	
	(Restated)		(Restated)		(Restated)	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 3,047,909	\$ 3,434,538	\$ 3,599,610	\$ 3,283,881	\$ 6,647,519	\$ 6,718,419
Capital assets	3,010,067	3,094,042	11,273,430	11,160,130	14,283,497	14,254,172
Total assets	6,057,976	6,528,580	14,873,040	14,444,011	20,931,016	20,972,591
Deferred outflows	357,217	24,496	267,842	18,367	625,059	42,863
Other liabilities	70,100	456,151	413,841	382,267	483,941	838,418
Long-term liabilities	787,046	480,126	1,698,069	1,651,418	2,485,115	2,131,544
Total liabilities	857,146	936,277	2,111,910	2,033,685	2,969,056	2,969,962

Deferred inflows	272,165	-	204,070	-	476,235	-
Net position:						
Net investment in						
capital assets	3,010,067	3,094,042	10,135,970	9,915,434	13,146,037	13,009,476
Restricted	1,422,523	1,334,069	451,503	444,390	1,874,026	1,778,459
Unrestricted	853,292	1,188,688	2,237,429	2,068,869	3,090,721	3,257,557
Total net position	\$ 5,285,882	\$ 5,616,799	\$ 12,824,902	\$ 12,428,693	\$ 18,110,784	\$ 18,045,492

The largest portion of the Town's net position, \$13,146,037 reflects the Town's investment in capital assets less any related outstanding debt used to acquire those assets. The Town uses these capital assets to supply services to citizens. These assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay these debts must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities.

An additional portion of the Town's net position, \$1,874,026 represents resources that are subjected to external restrictions, on how they may be used. The major restrictions on net position are funding source restrictions. The remaining balance of total net position of \$3,090,721 is unrestricted and may be utilized to meet the Town's obligations to citizens and creditors.

## Statement of Activities

The Statement of Activities presents the operating results of the Town as well as miscellaneous revenue, expenses, capital revenue, capital expenses, and the combined net change for the fiscal year.

### Statement of Activities As of September 30, 2015

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 56,913	\$ 57,571	\$ 2,377,733	\$ 2,302,084	\$ 2,434,646	\$ 2,359,655
Operating grants and						

contributions	163,703	143,699	-	-	163,703	
	143,699	Capital grants and				
contributions	389,298	750,391	154,000	-	543,298	750,391
General revenues:						
Property taxes	584,036	576,469	-	-	584,036	576,469
Other taxes	909,762	903,468	-	-	909,762	903,468
Other	92,684	123,381	43,462	28,400	136,146	151,781
Total revenues	<u>2,196,396</u>	<u>2,554,979</u>	<u>2,575,195</u>	<u>2,330,484</u>	<u>4,771,591</u>	<u>4,885,463</u>
Operating Expenses:						
General government	262,750	170,297	-	-	262,750	170,297
Public safety	927,512	754,521	-	-	927,512	754,521
Transportation	515,799	363,929	-	-	515,799	363,929
Culture and recreation	365,427	332,129	-	-	365,427	332,129
Interest	-	-	-	-	-	-
Water	-	-	1,333,270	1,301,051	1,333,270	1,301,051
Wastewater	-	-	719,932	650,904	719,932	650,904
Sanitation	-	-	533,786	493,600	533,786	493,600
Cemetery	-	-	47,823	38,151	47,823	38,151
Total operating expenses	<u>2,071,488</u>	<u>1,620,876</u>	<u>2,634,811</u>	<u>2,483,706</u>	<u>4,706,299</u>	<u>4,104,582</u>
Increase in net position before transfers	124,908	934,103	(59,616)	(153,222)	65,292	780,881
Transfers	<u>(455,825)</u>	<u>(219,872)</u>	<u>455,825</u>	<u>219,872</u>	<u>-</u>	<u>-</u>
Change in net position	(330,917)	714,231	396,209	66,650	65,292	780,881
Net position, beginning - as restated	5,616,799	4,902,568	12,428,693	12,362,043	18,045,492	17,264,611
Net position, ending	<u>\$ 5,285,882</u>	<u>\$ 5,616,799</u>	<u>\$ 12,824,902</u>	<u>\$ 12,428,693</u>	<u>\$ 18,110,784</u>	<u>\$ 18,045,492</u>

## Governmental Activities

Compared to last year, the Town's governmental net position changed by (\$330,917), due to grant activity in operating expense, a decrease in grant revenue received, and an increase in the net pension liability.

## Business-type Activities

Compared to last year, the Town's total business-type net position changed by \$396,209. This change is mainly due to capital contributions.

## FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

### Governmental Funds

*General Government*, which includes administrative, planning and zoning expenses, are offset with revenues collected from taxes and governmental fees. This fiscal year, General Government expenditures

increased due to grant activity. Grant funding is a major fund and is being treated as such. Grant expenditures totaled \$470,998. The *Grant Fund* accounts for the grant revenues and expenditures relating to major public works' projects.

*Public Safety*, which includes police and code enforcement, experienced an overall increase in expenses of \$58,331. The increase was due to an increase in capital outlay of \$37,600.

*Transportation*, which includes streets and roads, experienced an increase in expenses of \$79,900 due to road maintenance.

*Recreation*, which includes parks and recreational areas, increased costs by \$33,300. This increase was primarily due to an increase in repair and maintenance for greatly needed upgrades and operational expense. Parks and recreation operating expenses are primarily offset with revenues collected from general governmental taxes and fees. The County also provides financial support to this department.

The *Infrastructure Fund*, which relates to fixed capital expenditure and fixed capital outlay related with the construction or improvement of public facilities, land acquisitions or improvement, design and engineering costs related thereto, had zero expenditures for the year. A transfer of \$81,700 was transferred into the Grant Fund to comply with grant requirements. Infrastructure expenditures were offset by revenues collected from Infrastructure Surtax and interest income.

## **Proprietary Funds**

There are no significant differences between the fund statements and the Statement of Activities.

Business-type activities, which include: Water, Wastewater, Cemetery, and Sanitation netted an increase over last year's business-type expenses by \$151,105. This expense was offset by total revenues and transfers-in of the business-type activities.

*Water System* operational and capital outlay obligations are being met timely. When compared to last year, water expenses increased only by \$26,094. *Wastewater* expenses increased \$59,577, due to wastewater plant and lines upgrade.

*Sanitation*, which includes miscellaneous trash and brush disposal for residential and commercial customers, had no significance increase in expenses. The main contributing factors in this increase were due to repairs and maintenance. Sanitation and refuse removal services are limited to commercial and residential customers residing within the Town's limits.

No significant change in Cemetery operations. *Cemetery*, which includes cemetery lot sales, mausoleum spaces and memorial fees, experienced a slight increase in expenses due to transfer-out to the cemetery trust account.

## **BUDGETARY HIGHLIGHTS**

This fiscal year, General Fund overall actual to budget variance was a positive \$80,026.

The cause of the General budget variance is due to actual revenue below budgeted revenue of (\$613,232) and actual expenditures below budgeted expenditures of \$978,010, which resulted in a shortage of revenues over expenditures of \$364,778. The shortage is mainly due to budgeted grant revenue not received.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets—The Town’s capital assets, for its governmental and business-type activities, as of September 30, 2015, are \$14,283,497. This investment in capital assets includes land, buildings, improvements, vehicles and equipment, water system and wastewater system improvements and upgrades.

### **Governmental Activities**

Government-Activities capital assets decreased by (\$83,975), from the prior year, due to current year depreciation expense exceeding additions. For further details, see Note 5 – Capital Assets

This year’s Government-type capital projects completed

- Purchase of equipment
- Sidewalks
- Streets
- Land Purchase Parking
- Software upgrade

Government -type capital projects in progress, as of September 30, 2015

- CDBG Project for Streets
- Streets, Roads and Sidewalks Improvement
- Alleyways

Future Governmental projects

- Road and Sidewalk Improvement
- Alleyways

### **Business-type Activities**

Business-type capital assets convey an increase of \$113,300, from the prior year, due to wastewater improvements. For further details, see Note 5 – Capital Assets

This year's Business-type capital projects completed

- Replace meters and lines
- CDBG Project for Wastewater
- Software upgrade

Business-type capital projects in progress, as of September 30, 2015

- Water meters
- Wastewater connections
- Wastewater Plant assessment
- Capital projects – Generator
- Equipment

Future Business-type projects

- Water Lines Improvement
- Wastewater Plant Improvement

### **Long-term Liabilities and Pension Plans**

For further details, see Note 7– Long Term Liabilities and Note 8 – Pension Plan

At the end of the fiscal year, the Town's total long-term liabilities outstanding is as follows:

#### **Debt Outstanding**

**As of September 30, 2015**

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
--------------------------------	---------------------------------	---------------

	2015	2014	2015	2014	2015	2014
Compensated absences	\$ 98,310	\$ 60,050	\$ 44,194	\$ 91,748	\$ 142,504	\$ 151,798
Net pension liability	688,736	420,076	516,415	314,974	1,205,151	735,050
Loans payable	-	-	1,137,460	1,244,696	1,137,460	1,244,696
Total debt	\$ 787,046	\$ 480,126	\$ 1,698,069	\$ 1,651,418	\$ 2,485,115	\$ 2,131,544

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## **Governmental Activities**

Total governmental debt outstanding is zero as all debt related to governmental activities was paid off in prior years and no new debt was issued.

New accounting standards for the Town's retirement system (the Florida Retirement System) were implemented in the current year. GASB 68 Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures were required to be adopted by the Town during 2015. The new GASB statements require the Town's proportionate share of the net pension liability (NPL) of the Florida Retirement System, to be recognized on the balance sheets of the Town and other participating employers. For further details about the Town's pension plan please see Note 8 – Pension Plan.

## **Business-type Activities**

The remaining balance of Business-type loan payables is currently \$1,137,460. For further details, see Note 7– Long Term Liabilities

From wastewater revenue, the Town of Lake Placid paid two semi-annual payments to the State of Florida Department of Environmental Protection (*SRF Loan I*) for the construction of the wastewater treatment plant, the North Main Street lift station and the maintenance warehouse. The principal payments amounted to \$55,889.

From wastewater revenue, the Town of Lake Placid paid two semi-annual payments to the Department of Environmental Protection (*SRF Loan II*) for the Gravity and Low Pressure Wasterwater Collection System. Total principal paid was \$51,346.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The General Fund adopted the final levying of Ad Valorem taxes at an operating millage rate of 3.65 mills.

The following key factors were considered in preparing the budgets for the 2015-2016 fiscal year:

- There was a 1% to 5% salary increase to compensate for inflation and the cost of living. Some employees received a merit raise. The merit raise depended upon the employee's job performance or job certification.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town of Lake Placid finances for anyone with an interest. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Finance Manager, Town of Lake Placid, 311 W. Interlake Boulevard, Lake Placid, Florida 33852.

## **BASIC FINANCIAL STATEMENTS**



**TOWN OF LAKE PLACID, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2015**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 2,650,532	\$ 2,681,518	\$ 5,332,050
Investments	61,215	-	61,215
Accounts receivables, net	36,138	242,312	278,450
Due from other governments	59,430	245	59,675
Internal balances	240,594	(240,594)	-
Inventory	-	162,553	162,553
Restricted asset, cash and cash equivalents	-	704,733	704,733
Restricted investments	-	48,843	48,843
Capital assets			
Non-depreciable	1,009,499	575,253	1,584,752
Depreciable, net	2,000,568	10,698,177	12,698,745
Total assets	<u>6,057,976</u>	<u>14,873,040</u>	<u>20,931,016</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows - pension	357,217	267,842	625,059
Total assets and deferred outflows	<u>\$ 6,415,193</u>	<u>\$ 15,140,882</u>	<u>\$ 21,556,075</u>
<b>Liabilities</b>			
Accounts payable	\$ 33,157	\$ 89,022	\$ 122,179
Accrued liabilities	36,943	34,004	70,947
Accrued interest payable	-	4,079	4,079
Customer deposits payable	-	286,736	286,736
Noncurrent liabilities			
Due within one year	59,000	135,621	194,621
Due in more than one year	728,046	1,562,448	2,290,494
Total liabilities	<u>857,146</u>	<u>2,111,910</u>	<u>2,969,056</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows - pension	272,165	204,070	476,235
<b>Net position</b>			
Net investment in capital assets	3,010,067	10,135,970	13,146,037
Restricted for			
Infrastructure	1,405,698	-	1,405,698
Park improvements	16,247	-	16,247
Law enforcement	578	-	578
Cemetery long-term care	-	314,756	314,756
Debt service	-	136,747	136,747
Unrestricted	853,292	2,237,429	3,090,721
Total net position	<u>5,285,882</u>	<u>12,824,902</u>	<u>18,110,784</u>
Total liabilities, deferred inflows and net position	<u>\$ 6,415,193</u>	<u>\$ 15,140,882</u>	<u>\$ 21,556,075</u>

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF LAKE PLACID, FLORIDA  
STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating</u>		<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
			<u>Grants and Contributions</u>	<u>Capital Grants and Contributions</u>			
			<u>Contributions</u>	<u>Contributions</u>			
<b>Functions/programs</b>							
<b>Governmental activities</b>							
General government	\$ 262,750	\$ 25,799	\$ -	\$ -	\$ (236,951)	\$ -	\$ (236,951)
Public safety	927,512	13,274	2,116	389,298	(522,824)	-	(522,824)
Transportation	515,799	-	51,587	-	(464,212)	-	(464,212)
Culture/recreation	365,427	17,840	110,000	-	(237,587)	-	(237,587)
<b>Total governmental activities</b>	<u>2,071,488</u>	<u>56,913</u>	<u>163,703</u>	<u>389,298</u>	<u>(1,461,574)</u>	<u>-</u>	<u>(1,461,574)</u>
<b>Business-type activities</b>	1,333,270	1,256,225	-	154,000	-	76,955	76,955
	719,932	663,591	-	-	-	(56,341)	(56,341)
Water	533,786	432,713	-	-	-	(101,073)	(101,073)
Wastewater	47,823	25,204	-	-	-	(22,619)	(22,619)
Sanitation	<u>2,634,811</u>	<u>2,377,733</u>	<u>-</u>	<u>154,000</u>	<u>-</u>	<u>(103,078)</u>	<u>(103,078)</u>
Cemetery	<u>\$ 4,706,299</u>	<u>\$ 2,434,646</u>	<u>\$ 163,703</u>	<u>\$ 543,298</u>	<u>(1,461,574)</u>	<u>(103,078)</u>	<u>(1,564,652)</u>
Total business-type activities							
<b>Total primary government</b>							

**General revenues**

Taxes

Property taxes

Gas taxes	80,164	-	80,164
Infrastructure taxes	218,746	-	218,746
Communications services tax	99,108	-	99,108
Franchise fees	187,211	-	187,211
Utility taxes	213,708	-	213,708
Half cent sales tax	110,825	-	110,825
State shared revenues	73,109	-	73,109
Investment earnings	7,380	5,245	12,625
Miscellaneous	11,595	37,227	48,822
Gain on sale of capital asset	600	990	1,590
<b>Transfers</b>	<u>(455,825)</u>	455,825	-
Total general revenues and transfers	<u>1,130,657</u>	<u>499,287</u>	1,629,944
<b>Change in net position</b>	<u>(330,917)</u>	<u>396,209</u>	65,292
<b>Net position, beginning of year</b>	<u>5,616,799</u>	12,428,693	18,045,492
<b>Net position, end of year</b>	<u>\$ 5,285,882</u>	<u>\$ 12,824,902</u>	\$ 18,110,784

The accompanying notes to financial statements are an integral part of this statement.

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015**

	<u>General Fund</u>	<u>Infrastructure Fund</u>	<u>Grant Fund</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 1,305,261	\$ 1,345,271	\$ -	\$ 2,650,532
Investments	61,215	-	-	61,215
Accounts receivable, net	36,138	-	-	36,138
Due from other funds	21,942	60,427	630	82,999
Due from other governments	59,430	-	-	59,430
Advances to other funds	186,560	-	-	186,560
<b>Total assets</b>	<u>\$ 1,670,546</u>	<u>\$ 1,405,698</u>	<u>\$ 630</u>	<u>\$ 3,076,874</u>
<b>Liabilities and fund balances</b>				
Liabilities				
Accounts payable	\$ 32,527	\$ -	\$ 630	\$ 33,157
Accrued liabilities	36,943	-	-	36,943
Due to other funds	28,965	-	-	28,965
Total liabilities	<u>98,435</u>	<u>-</u>	<u>630</u>	<u>99,065</u>
Fund balances				
Nonspendable				
Advances to other funds	186,560	-	-	186,560
Restricted				
Infrastructure improvements	-	1,405,698	-	1,405,698
Park improvements	16,247	-	-	16,247
Law enforcement	578	-	-	578
Assigned				
Capital improvements	552,723	-	-	552,723
Unassigned	816,003	-	-	816,003
Total fund balances	<u>1,572,111</u>	<u>1,405,698</u>	<u>-</u>	<u>2,977,809</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,670,546</u>	<u>\$ 1,405,698</u>	<u>\$ 630</u>	<u>\$ 3,076,874</u>

**RECONCILIATION OF THE BALANCE SHEET-  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015**

**Fund balances, total governmental funds** \$ 2,977,809

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

Governmental capital assets	\$ 5,693,039	
Accumulated depreciation	<u>(2,682,972)</u>	3,010,067

Deferred outflows, deferred inflows, and the net pension liability related to the Town's pension plan are not expected to be liquidated with expendable available financial resources and, therefore are not reported in the funds.

Deferred outflows - pensions	357,217	
Deferred inflows - pensions	(272,165)	
Net pension liability	<u>(688,736)</u>	(603,684)

Noncurrent liabilities, are not due and payable in the current period and therefore, are not reported in the funds.

Compensated absences		<u>(98,310)</u>
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**Net position of governmental activities** \$ 5,285,882

**STATEMENT OF REVENUES, EXPENDITURES AND**

**CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>General Fund</u>	<u>Infrastructure Fund</u>	<u>Grant Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Taxes	\$ 1,164,227	\$ 218,746	\$ -	\$ 1,382,973
Licenses and permits	36,332	-	-	36,332
Intergovernmental revenues	347,637	-	389,298	736,935
Fines and forfeitures	12,965	-	-	12,965
Impact fees	-	-	-	-
Investment earnings	4,725	2,655	-	7,380
Miscellaneous revenues	19,211	-	-	19,211
<b>Total revenues</b>	<u>1,585,097</u>	<u>221,401</u>	<u>389,298</u>	<u>2,195,796</u>
<b>Expenditures</b>				
Current				
General government	308,394	-	-	308,394
Public safety	796,827	-	-	796,827
Transportation	364,238	-	-	364,238
Culture and recreation	199,692	-	-	199,692
Capital outlay	37,577	51,247	470,998	559,822
<b>Total expenditures</b>	<u>1,706,728</u>	<u>51,247</u>	<u>470,998</u>	<u>2,228,973</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(121,631)</u>	<u>170,154</u>	<u>(81,700)</u>	<u>(33,177)</u>
<b>Other financing sources (uses)</b>				
Proceeds from the sale of capital assets	600	-	-	600
Transfers in	31,999	-	81,700	113,699
Transfers out	-	(81,700)	-	(81,700)
<b>Total other financing sources (uses)</b>	<u>32,599</u>	<u>(81,700)</u>	<u>81,700</u>	<u>32,599</u>
<b>Change in fund balances</b>	(89,032)	88,454	-	(578)
<b>Fund balances, beginning of year</b>	<u>1,661,143</u>	1,317,244	-	2,978,387
<b>Fund balances, end of year</b>	<u>\$ 1,572,111</u>	\$ 1,405,698	\$ -	\$ 2,977,809

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

**TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**Net Change in Fund Balances – Total Governmental Funds** \$ (578)

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

Governmental funds report capital outlays as expenditures.  
However, in the Statement of Activities, the cost of these assets  
is depreciated over their estimated useful lives.

Capital outlay	\$ 184,423	
Less current year depreciation	<u>(268,398)</u>	(83,975)

Some expenses reported in the Statement of Activities do not  
require the use of current financial resources and therefore, are  
not reported as expenditures in governmental funds.

Pension expense		(208,104)
Change in compensated absences		<u>(38,260)</u>

**Change in net position of governmental activities** \$ (330,917)

**GENERAL FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>		<u>Variance with</u>	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<b>Revenues</b>				
Taxes	\$ 1,184,892	\$ 1,167,442	\$ 1,164,227	\$ (3,215)
Licenses and permits	35,778	36,332	36,332	-
Intergovernmental revenues	555,297	957,667	347,637	(610,030)
Fines and forfeitures	9,000	13,070	12,965	(105)
Investment earnings	3,700	4,701	4,725	24
Miscellaneous revenues	13,745	19,117	19,211	94
Total revenues	<u>1,802,412</u>	<u>2,198,329</u>	<u>1,585,097</u>	<u>(613,232)</u>
<b>Expenditures</b>				
Current				
General government	313,040	377,863	308,394	69,469
Public safety	764,287	838,222	796,827	41,395
Transportation	407,856	396,662	364,238	32,424
Culture and recreation	159,456	207,920	199,692	8,228
Capital outlay	390,981	864,071	37,577	826,494
Total expenditures	<u>2,035,620</u>	<u>2,684,738</u>	<u>1,706,728</u>	<u>978,010</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(233,208)</u>	<u>(486,409)</u>	<u>(121,631)</u>	<u>364,778</u>
<b>Other financing sources (uses)</b>				
Proceeds from the sale of capital assets	-	600	600	-
Transfers in	278,773	316,751	31,999	(284,752)
Transfers out	(15,000)	-	-	-
Total other financing sources (uses)	<u>263,773</u>	<u>317,351</u>	<u>32,599</u>	<u>(284,752)</u>
<b>Change in fund balance</b>	30,565	(169,058)	(89,032)	80,026
<b>Fund balance, beginning of year</b>	<u>1,661,143</u>	<u>1,661,143</u>	<u>1,661,143</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 1,691,708</u>	<u>\$ 1,492,085</u>	<u>\$ 1,572,111</u>	<u>\$ 80,026</u>

**INFRASTRUCTURE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>		<u>Variance with</u>	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<b>Revenues</b>				
Taxes	\$ 203,622	\$ 243,241	\$ 218,746	\$ (24,495)
Investment earnings	2,000	2,655	2,655	-
Total revenues	<u>205,622</u>	<u>245,896</u>	<u>221,401</u>	<u>(24,495)</u>
<b>Expenditures</b>				
Capital outlay	<u>175,000</u>	<u>392,737</u>	<u>51,247</u>	<u>341,490</u>
Total expenditures	<u>175,000</u>	<u>392,737</u>	<u>51,247</u>	<u>341,490</u>
<b>Excess of revenues</b>				
<b>    over expenditures</b>	<u>30,622</u>	<u>(146,841)</u>	<u>170,154</u>	<u>316,995</u>
<b>Other financing sources (uses)</b>				
Transfers in	18,088	349,069	-	(349,069)
Transfers out	(71,770)	(238,404)	(81,700)	156,704
Total other financing sources (uses)	<u>(53,682)</u>	<u>110,665</u>	<u>(81,700)</u>	<u>(192,365)</u>
<b>Change in fund balance</b>	(23,060)	(36,176)	88,454	124,630
<b>Fund balance, beginning of year</b>	<u>1,317,244</u>	<u>1,317,244</u>	<u>1,317,244</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 1,294,184</u>	<u>\$ 1,281,068</u>	<u>\$ 1,405,698</u>	<u>\$ 124,630</u>

**GRANT FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>Revenues</b>				
Intergovernmental revenues	\$ -	\$ -	\$ 389,298	\$ 389,298
Total revenues	-	-	389,298	389,298
<b>Expenditures</b>				
Capital outlay	-	-	470,998	(470,998)
Total expenditures	-	-	470,998	(470,998)
<b>Deficiency of revenues under expenditures</b>	-	-	(81,700)	(81,700)
<b>Other financing sources</b>				
Transfers in	-	-	81,700	81,700
Total other financing sources	-	-	81,700	81,700
<b>Change in fund balance</b>	-	-	-	-
<b>Fund balance (deficit), beginning of year</b>	-	-	-	-
<b>Fund balance (deficit), end of year</b>	\$ -	\$ -	\$ -	\$ -

SEPTEMBER 30, 2015

	Enterprise Funds				
	Cemetery				
	Water	Wastewater	Sanitation	(Nonmajor)	Total
<b>Assets</b>					
Current assets					
Cash and cash equivalents	\$ 2,148,307	\$ 323,450	\$ 170,877	\$ 38,884	\$ 2,681,518
Restricted cash and cash equivalents	229,657	140,826	19,494	314,756	704,733
Accounts receivable, net	154,031	58,101	30,180	-	242,312
Due from other governments	-	-	245	-	245
Due from other funds	19,126	103,710	52,440	265	175,541
Inventory	58,141	8,821	-	95,591	162,553
Total current assets	2,609,262	634,908	273,236	449,496	3,966,902
Noncurrent assets					
Restricted investments	-	-	-	48,843	48,843
Capital assets, non-depreciable	151,113	420,987	-	3,153	575,253
Capital assets, net	6,410,496	4,036,824	218,588	32,269	10,698,177
Total noncurrent assets	6,561,609	4,457,811	218,588	84,265	11,322,273
Total assets	9,170,871	5,092,719	491,824	533,761	15,289,175
<b>Deferred Outflows of Resources</b>					
Deferred outflows - pension	150,040	61,194	51,223	5,385	267,842
Total assets and deferred outflows	\$ 9,320,911	\$ 5,153,913	\$ 543,047	\$ 539,146	\$ 15,557,017
<b>Liabilities</b>					
Current liabilities					
Accounts payable	\$ 23,828	\$ 25,784	\$ 35,787	\$ 3,623	\$ 89,022
Accrued liabilities	16,900	7,788	8,521	795	34,004
Due to other funds	170,795	58,780	-	-	229,575
Compensated absences	8,300	1,200	17,000	-	26,500
Liabilities payable from restricted assets					
Accrued interest	-	4,079	-	-	4,079
Loan payable, current	-	109,121	-	-	109,121
Customer deposits payable	229,657	37,585	19,494	-	286,736
Total current liabilities	449,480	244,337	80,802	4,418	779,037
Noncurrent liabilities					
Compensated absences	5,568	744	11,381	-	17,693
Advances from other funds	-	-	186,560	-	186,560
Net pension liability	289,286	117,986	98,761	10,383	516,416
Loan payable, net of current portion	-	1,028,339	-	-	1,028,339

Total non-current liabilities	294,854	1,147,069	296,702	10,383	1,749,008
Total liabilities	744,334	1,391,406	377,504	14,801	2,528,045
<b>Deferred Inflows of Resources</b>					
Deferred inflows - pension	114,316	46,624	39,027	4,103	204,070
<b>Net position</b>					
Net investment in capital assets	6,561,609	3,320,351	218,588	35,422	10,135,970
Restricted for					
Cemetery long-term care	-	-	-	314,756	314,756
Debt service	-	136,747	-	-	136,747
Unrestricted	1,900,652	258,785	(92,072)	170,064	2,237,429
Total net position	8,462,261	3,715,883	126,516	520,242	12,824,902
Total liabilities, deferred inflows, and net position	\$ 9,320,911	\$ 5,153,913	\$ 543,047	\$ 539,146	\$ 15,557,017

**Operating revenues**

Charges for services

Sale of cemetery plots

\$ 1,247,293	\$ 661,731	\$ 432,713	\$ -	\$ 2,341,737
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and mausoleum spaces

-	-	-	22,811	22,811
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Miscellaneous

<u>8,932</u>	<u>1,860</u>	<u>-</u>	<u>2,393</u>	<u>13,185</u>
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Total operating revenues

<u>1,256,225</u>	<u>663,591</u>	<u>432,713</u>	<u>25,204</u>	<u>2,377,733</u>
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**Operating expenses**

Personal services

558,898	229,953	231,268	23,568	1,043,687
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Administrative

19,784	5,447	769	224	26,224
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Utilities

47,192	61,800	1,667	3,050	113,709
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Landfill fees

-	-	164,079	-	164,079
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Repairs and maintenance

261,043	121,188	52,092	1,109	435,432
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Supplies

60,261	21,038	27,429	959	109,687
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Depreciation

304,203	215,945	37,265	9,795	567,208
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Insurance

46,637	25,237	11,780	3,822	87,476
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Professional

24,731	15,718	3,994	1,073	45,516
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Miscellaneous

10,521	3,234	3,443	4,223	21,421
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Total operating expenses

<u>1,333,270</u>	<u>699,560</u>	<u>533,786</u>	<u>47,823</u>	<u>2,614,439</u>
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**Operating loss**

<u>(77,045)</u>	<u>(35,969)</u>	<u>(101,073)</u>	<u>(22,619)</u>	<u>(236,706)</u>
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**Nonoperating revenues (expenses)**

System development fees

27,627	-	-	-	27,627
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Perpetual care fees

-	-	-	9,600	9,600
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Investment earnings (loss)

3,837,695	604	109	5,245	
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Gain on disposal of capital assets

990	-	-	-	990
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Interest expense

-	(20,372)	-	-	(20,372)
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Total nonoperating revenues

<u>-</u>	<u>(20,372)</u>	<u>-</u>	<u>-</u>	<u>(20,372)</u>
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(expenses)	32,454	(19,677)	604	9,709	23,090
Income (loss) before capital contributions and transfers	(44,591)	(55,646)	(100,469)	(12,910)	(213,616)
<b>Capital contributions</b>	641,824	-	-	-	641,824
<b>Transfers in</b>	26,000	-	-	-	26,000
<b>Transfers out</b>	(17,700)	(35,220)	(4,023)	(1,056)	(57,999)
<b>Changes in net position</b>	605,533	(90,866)	(104,492)	(13,966)	396,209
<b>Total net position, beginning of year</b>	7,856,728	3,806,749	231,008	534,208	12,428,693
<b>Total net position, end of year</b>	\$ 8,462,261	\$ 3,715,883	\$ 126,516	\$ 520,242	\$ 12,824,902

**Cash flows from operating activities**

Cash received from customers	\$ 1,237,207	\$ 664,503	\$ 431,742	\$ 25,204	\$ 2,358,656
Cash paid to suppliers for goods and services	(490,540)	(243,716)	(247,233)	(13,061)	(994,550)
Cash paid to employees for services and benefits	(502,539)	(202,623)	(193,689)	(19,987)	(918,838)
Net cash provided (used) by operating activities	<u>244,128</u>	<u>218,164</u>	<u>(9,180)</u>	<u>(7,844)</u>	<u>445,268</u>

**Cash flows from noncapital financing activities**

Transfer to other funds	81,672	-	(21,997)	(1,975)	57,700
Transfer from other funds	-	(115,027)	(51,213)	-	(166,240)
Cash received from perpetual care fees	-	-	-	9,600	9,600
Cash received from system development fees	<u>27,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,627</u>
Net cash provided (used) by noncapital financing activities	<u>109,299</u>	<u>(115,027)</u>	<u>(73,210)</u>	<u>7,625</u>	<u>(71,313)</u>

**Cash flows from capital and related financing activities**

Acquisition and construction of capital assets	(19,317)	(15,306)	(2,657)	(1,872)	(39,152)
Cash received from sale of capital assets	1,458	-	-	-	1,458
Principal paid on notes payable	-	(107,236)	-	-	(107,236)
Interest paid	<u>-</u>	<u>(20,794)</u>	<u>-</u>	<u>-</u>	<u>(20,794)</u>
Net cash used in capital and related financing activities	<u>(17,859)</u>	<u>(143,336)</u>	<u>(2,657)</u>	<u>(1,872)</u>	<u>(165,724)</u>

**Cash flows from investing activities**

Purchase of investments	-	-	-	(122)	(122)
Interest received	<u>3,837</u>	<u>695</u>	<u>604</u>	<u>109</u>	<u>5,245</u>
Net cash provided (used) by investing activities	<u>3,837</u>	<u>695</u>	<u>604</u>	<u>(13)</u>	<u>5,123</u>
<b>Net change in cash and cash equivalents</b>	<b>339,405</b>	<b>(39,504)</b>	<b>(84,443)</b>	<b>(2,104)</b>	<b>213,354</b>
<b>Cash and cash equivalents, beginning of year</b>	<b><u>2,038,559</u></b>	<b><u>503,780</u></b>	<b><u>274,814</u></b>	<b><u>355,744</u></b>	<b><u>3,172,897</u></b>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 2,377,964</u></b>	<b><u>\$ 464,276</u></b>	<b><u>\$ 190,371</u></b>	<b><u>\$ 353,640</u></b>	<b><u>\$ 3,386,251</u></b>

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**Cash and cash equivalents classified as**

Cash and cash equivalents	\$ 2,148,307	\$ 323,450	\$ 170,877	\$ 38,884	\$ 2,681,518
Restricted cash and cash equivalents	229,657	140,826	19,494	314,756	704,733
Total cash and cash equivalents	<u>\$ 2,377,964</u>	<u>\$ 464,276</u>	<u>\$ 190,371</u>	<u>\$ 353,640</u>	<u>\$ 3,386,251</u>

**Reconciliation of operating loss to net****cash provided (used) by operating activities**

Operating loss	\$	(77,045)	\$	(35,969)	\$	(101,073)	\$	(22,619)	\$	(236,706)
Adjustment to reconcile operating loss to net cash provided by operating activities:										
Depreciation		304,203		215,945		37,265		9,795		567,208
Change in operating assets and liabilities:										
(Increase) decrease in assets:										
Accounts receivable		(16,528)		1,262		551		-		(14,715)
Inventory		(9,845)		(1,491)		-		339		(10,997)
Deferred outflows - pension		(139,751)		(56,998)		(47,710)		(5,016)		(249,475)
Increase (decrease) in liabilities:										
Accounts payable		(10,526)		11,437		18,020		1,060		19,991
Accrued liabilities		6,671		4,222		5,031		443		16,367
Compensated absences payable		(37,720)		(12,542)		2,707		-		(47,555)
Customer deposits payable		(2,490)		(350)		(1,522)		-		(4,362)
Deferred inflows - pension		114,316		46,624		39,027		4,103		204,070
Net pension liability		112,843		46,024		38,524		4,051		201,442
Net cash provided (used) by operating activities										
	\$	<u>244,128</u>	\$	<u>218,164</u>	\$	<u>(9,180)</u>	\$	<u>(7,844)</u>	\$	<u>445,268</u>

**Noncash investing, capital, and financing activities:**

Contributed assets from other funds	\$	487,824	\$	-	\$	-	\$	-	\$	487,824
Contributed assets from developers		<u>154,000</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>154,000</u>
Net noncash investing, capital, and financing activities										
	\$	<u>641,824</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>641,824</u>

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## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the presentation of the financial report of the Town of Lake Placid, Florida (the "Town"), conform to generally accepted accounting principles (GAAP) as applicable to governmental units. This report, the accounting systems, and classification of accounts conform to standards of the Governmental Accounting Standards Board (GASB).

The following summary of the Town's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

**A. Reporting entity**—The Town is a municipality of the State of Florida and is located in Highlands County, Florida. In addition to the public safety, recreation and general government services provided to its approximately 1,800 residents, the Town operates water, wastewater, sanitation, and cemetery enterprises. The Town is governed by an elected mayor and four-member council.

The financial statements of the Town have been prepared in conformity with Accounting Principles Generally Accepted (GAAP) in the United States of America as applied to governmental units. The more significant of the Town's accounting policies are described below.

The accompanying financial statements present the financial position, results of operations and cash flows of the applicable fund types governed by the Council of the Town (Town Council), the reporting entity of government for which the Town Council is considered to be financially accountable. There are no potential component units or related organizations of the Town that meet the criteria for inclusion in the Town's basic financial statements.

**B. Basic financial statements**—The government-wide and fund financial statements along with the notes to the financial statements comprise the basic financial statements. The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the Town's water, wastewater and sanitation functions and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Position presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement focus, basis of accounting and financial statement presentation**—The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, state and other grant resources, revenue is recognized at the time the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, licenses and permits, intergovernmental revenue, charges for services and investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses, and balance of current financial resources. The Town has presented the following governmental funds:

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Major Governmental Funds

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Resources are generated primarily from local property and utility service taxes, franchises, licenses and permits, and intergovernmental revenue.

The *Infrastructure Fund* is also considered a major fund. It accounts for the voted one cent local option sales surtax. The proceeds for this surtax may only be expended on capital assets specified by statutes.

The *Grant Fund* is also considered a major fund. It accounts for the grant revenues and expenditures relating to major public works of the Town.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determination of operating income and changes in net position, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. The Town's proprietary funds are all classified as enterprise funds. The Town has presented the following major proprietary funds:

### Major Proprietary Funds

The *Water Fund* accounts for the operation of the Town's water and reuse services to customers.

The *Wastewater Fund* accounts for the operations of the Town's wastewater service to customers.

The *Sanitation Fund* accounts for the operations of the Town's garbage service.

Additionally, the Town reports the following nonmajor fund:

The *Cemetery Fund* accounts for the operations and maintenance of the Town's cemetery.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for sales and services. Operating expenses for

enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets and amortization of intangible assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**D. Budgets and budgetary accounting**—Annual appropriated budgets are adopted for all funds. The legally adopted budgets are prepared on a basis consistent with GAAP.

The Town's procedures in establishing the budgetary data reflected in the financial statements generally are as follows:

Enterprise Funds—The Town adopts an operating budget on a modified accrual basis which is not the same basis of accounting as that used to account for the actual results of operations (accrual basis). The primary differences between the budgetary basis and the basis used to account for the results of operation are that the Town budgets capital outlays and debt service transfers, which includes principal payments. Additionally, the Town does not budget depreciation expense.

The level of budgetary control is at the function level due to Town Council's required approval of budget transfers among expenditure/expense categories.

Unexpended budgetary appropriations lapse at year-end. The Town utilizes purchase orders in the purchasing process to document the proper authorization of expenditure/expense and monitors year to date expenditure/expense on a monthly basis to avoid over-expenditures of the budget, but does not use formal encumbrance accounting.

The budgets are integrated into the accounting system, and the budgetary data, as presented in these financial statements for all funds with annual budgets, compare the expenditures with the final amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedule for the General Fund, Infrastructure Fund, and Grant Fund presents actual expenditures in accordance with GAAP in the United States of America on a basis consistent with the legally adopted budgets as amended.

**E. Cash and cash equivalents**—Cash and cash equivalents are defined as short-term highly liquid investments that are both readily convertible to known amounts of cash and have an original maturity of three months or less. The cash and cash equivalents presented on the Statement of Cash Flows—Proprietary Funds are composed of restricted and unrestricted cash and cash equivalents.

**F. Interfund transactions**—During the course of operations, transactions occur between individual funds for certain operating expenses or services rendered. Short-term interfund loans are classified as "due to/from other funds." All short-term interfund receivables and payables are planned to be eliminated shortly after year end. Any balances outstanding between governmental activities and business-type activities for due to/from are reported in the government-wide financial statements as internal balances. Long-term interfund loans are classified as advances.

## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Inventories**—In the Water Fund and Wastewater Fund, inventories are valued at cost and are recorded as they are used (consumption method). Cost is determined on a weighted average method. In the Cemetery Fund, inventory includes costs incurred to construct a mausoleum at the Town's Cemetery. These costs will be recognized as a reduction to proceeds as the sale of spaces and niches takes place.

**H. Prepaid items**—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. A prepaid expense/expenditure is recognized when a cash expense/expenditure is made for goods or services that were purchased for consumption but not consumed as of September 30.

**I. Restricted assets**—Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the proprietary funds consist of customer deposits, Wastewater loan reserve and debt service accounts, and a cemetery perpetual care fund. Customer deposits are used to ensure against nonpayment of billings and/or property damage. The deposits remain the property of the customers and therefore, are considered not available for current operations.

**J. Capital assets**—Capital assets, which include property, plant and equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Where cost could not be determined from the available records, estimated historical costs were used to record the estimated value of the assets. Assets acquired by gift or bequests are recorded at their fair market value at the date of transfer.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred, if any, during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized for the year ended September 30, 2015.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

<b>Assets</b>	<b>Years</b>
Buildings	10 – 40
Improvements	5 – 40
Infrastructure	20 – 40
Equipment	3 – 15

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**K. Long-term obligations**—In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. In the fund financial statements, governmental fund types recognize premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums received are reported as other financing sources. Discounts on debt issuances are reported as other financing uses. Issuance costs whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Long-term debt and other obligations financed are reported as liabilities in the applicable governmental activities and business-type activities. Loan issuance costs are expensed when incurred.

**L. Compensated absences**—Vacation leave begins accumulating on the employee's date of hire. However, the employee is not eligible to use vacation benefits until after six months of employment. Vacation leave is earned each pay period based on the length of service. Upon voluntary separation of service, employees with up to five years of service will receive payment for up to but not more than 15 days. Employees with six to fifteen years of service will receive payment for up to but not more than 20 days. Employees with 16 years or more of service will receive payment for up to but not more than 25 days. In addition, department heads shall be allowed to receive payment for an additional eight days of accrued time.

Sick leave accumulates at the rate of one sick day (eight hours) per month for all employees. However, new hires must be employed for three months before they can utilize sick time that has been accrued. Sick leave accrued shall not exceed a maximum of 960 hours. Upon separation of service, employees with ten years of service will receive payment for up to but not more than 60 days. Employees with 20 years or more of service will receive payment for up to but not more than 90 days.

A liability has been recorded at September 30, 2015, for unused vacation and vested sick leave. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

**M. Fund balance/net position**—Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

Government-wide and proprietary fund net position are divided into three categories:

Net investment in capital assets—consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding and was used to finance those assets.

Restricted net position—consist of amounts constrained to specific purposes by their providers (such as grantors, bondholders, higher levels of government, and contributors), through constitutional provisions) by enabling legislation or contributor restrictions.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unrestricted—all other net position is reported in this category.

**Fund balance**—Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

**Nonspendable**—Fund balances are reported as nonspendable when amounts cannot be spent because they are either: (1) not in spendable form (i.e. items that are not expected to be converted to cash such as inventory and prepaid items) or (2) legally or contractually required to be maintained intact.

**Restricted**—Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**Committed**—Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Council through the adoption of a resolution or ordinance. Only the Town Council may modify or rescind the commitment. These self-imposed limitations must be set in place prior to the end of the fiscal year.

**Assigned**—Fund balances are reported as assigned when amounts are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent is stipulated by the Town Council or an official for whom that authority has been given by Town Council. With the exception of the General Fund, amounts in all other governmental funds that are not *nonspendable, restricted, or committed* will be considered to be *assigned*. Also, at fiscal year end, any appropriation of existing fund balance to eliminate a projected budgetary deficit in the next year's budget is considered to be an assignment of fund balance.

**Unassigned**—Fund balances reported as unassigned are the residual amount of balances that do not meet any of the above criterion. The Town reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in other funds.

**Net position**—Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets, and

adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**N. Property taxes**—Ad valorem taxes for the current fiscal year (beginning October 1, 2014) are assessed on July 1, 2014, based on property values as of January 1, 2014. The taxes are billed in the month of November 2014 by the Highlands County Tax Collector who remits collected taxes to the Town monthly. Taxes are due November 1, 2014, and become delinquent April 1, 2015. Tax certificates are sold for delinquent taxes by June 1, 2015. Generally, the Town collects substantially all of its current year property taxes during the year in which they are due. No accrual for the property tax levy becoming due in November 2015 is included in the accompanying financial statements since such taxes were levied to finance expenditures of the next fiscal year.

**O. Use of estimates**—The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**P. Deferred Outflows / Inflows of Resources**—The Town implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of October 1, 2012. These standards establish accounting and financial reporting for deferred outflows/inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

The Town has deferred inflows and deferred outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the Town's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service life of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. The changes in proportion and differences between Town contributions and proportionate share of contributions are also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the Town to the pension plan before year end but subsequent to the measurement date of the Town's net pension liability are reported as deferred outflows of resources.

**Q. Pension**—For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town's FRS plan and additions to/deductions from this plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit

payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE 2. DEPOSITS AND INVESTMENTS**

Cash and cash equivalents at September 30, 2015, consist of the following:

	Governmental	Business-type
Unrestricted		
Petty cash and change funds	\$ 50	\$ 200
Demand deposits	2,650,482	2,681,318
Certificates of deposit	61,215	-
Total unrestricted cash	2,711,747	2,681,518
Restricted		
Demand deposits	-	704,733
Certificates of deposit	-	48,843
Total restricted cash	-	753,576
Total cash and cash equivalents	\$ 2,711,747	\$ 3,435,094

**Deposits**—Custodial Credit Risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. At year end, all deposits were entirely insured by Federal depository insurance or guaranteed by qualified public depositories in Florida pursuant to chapter 280.07, Florida Statutes. Other than the preceding, the Town has no formal policy on custodial credit risk.

**Investments**—Florida Statutes authorize the Town to invest in direct obligations of the U.S. Treasury, Florida State Board of Administration (SBA) Local Government Surplus Funds Trust Fund ("Florida PRIME"), savings accounts or certificates of deposit in qualified public depositories, and SEC registered money market funds. As of September 30, 2015, the Town was invested in only certificates of deposit. Of these certificates of deposit, all will mature in 2016.

**NOTE 3. RECEIVABLES**

Receivables at September 30, 2015, consist of the following:

	General Fund	Water Fund	Wastewater Fund	Sanitation Fund	Total
Receivables					

Accounts	\$ -	\$ 157,278	\$ 58,477	\$ 30,477	\$ 246,232
Franchise fees	17,372	-	-	-	17,372
Taxes	18,766	-	-	-	18,766
Less allowance for uncollectible receivables	-	(3,247)	(376)	(297)	(3,920)
	<u>\$ 36,138</u>	<u>\$ 154,031</u>	<u>\$ 58,101</u>	<u>\$ 30,180</u>	<u>\$ 278,450</u>

### NOTE 3. RECEIVABLES (Continued)

The following is a summary of the amounts due from other governments at September 30, 2015, which are considered fully collectible:

	<u>Governmental Activities</u>
State of Florida	\$ <u>59,430</u>
	<u>                    </u>

### NOTE 4. INTERFUND TRANSACTIONS

At September 30, 2015, the Town had the following due to/from other funds:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
Major governmental funds		
General Fund	\$ 21,942	\$ 28,965
Infrastructure Fund	60,427	-
Grant Fund	630	-
Major enterprise funds		
Water Fund	19,126	170,795
Wastewater Fund	103,710	58,780
Sanitation Fund	52,440	-
Non-major enterprise fund		
Cemetery Fund	265	-
Totals	<u>\$ 258,540</u>	<u>\$ 258,540</u>

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods or services are provided, transactions are recorded in the accounting system, and the payments between funds are made. Additionally at year end, the Town reports an advance to other funds in the General Fund in the amount of \$186,560 and an advance from other funds in the Sanitation Fund. This balance is anticipated to be repaid over a five year period and is thus recorded by the Town as an advance at year end.

Interfund transfers for the year ended September 30, 2015, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds		
General Fund	\$ 31,999	\$ -
Infrastructure Fund	-	81,700
Grant Fund	81,700	-
Major enterprise funds		
Water Fund	26,000	17,700
Wastewater Fund	-	35,220
Sanitation Fund	-	4,023
Non-major enterprise fund		
Cemetery Fund	-	1,056
Totals	<u>\$ 139,699</u>	<u>\$ 139,699</u>

#### NOTE 4. INTERFUND TRANSACTIONS (CONTINUED)

Transfers between funds are primarily due to the following:

1. Transfers from the Wastewater Fund to the Water Fund represent monthly service fees and funding of capital improvements.
2. Transfers from the Water Fund, Wastewater Fund, Sanitation Fund, and Cemetery Fund to the General Fund represent the amounts budgeted for operations of general government activities.
3. Transfers from the General Fund, Infrastructure Fund, and Sewer Fund to the Grant Fund represent Town matching funds for Grant Fund projects.

#### NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2015, is as follows:

	<b>Balance</b>			<b>Balance</b>
	<b>October 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>September 30</b>
<b>Governmental Activities</b>				
Capital assets, not being depreciated				
Land	\$ 566,050	\$ 51,347	\$ -	\$ 617,397
Construction in progress	392,102	-	-	392,102
Total capital assets, not being depreciated	<u>958,152</u>	<u>51,347</u>	<u>-</u>	<u>1,009,499</u>
Capital assets, being depreciated				
Buildings	540,519	-	(2,950)	537,569
Improvements	2,596,584	44,946	(1,860)	2,639,670
Equipment	1,183,298	88,130	(9,495)	1,261,933
Infrastructure	244,368	-	-	244,368
Total capital assets, being depreciated	<u>4,564,769</u>	<u>133,076</u>	<u>(14,305)</u>	<u>4,683,540</u>
Less accumulated depreciation for				
Buildings	(287,447)	(16,586)	2,950	(301,083)
Improvements	(1,117,218)	(168,970)	1,860	(1,284,328)
Equipment	(837,737)	(77,073)	9,495	(905,315)
Infrastructure	(186,477)	(5,769)	-	(192,246)

Total accumulated depreciation	<u>(2,428,879)</u>	<u>(268,398)</u>	<u>14,305</u>	<u>(2,682,972)</u>
Total capital assets, being depreciated, net	<u>2,135,890</u>	<u>(135,322)</u>	<u>-</u>	<u>2,000,568</u>
Governmental activities capital assets, net	<u>\$ 3,094,042</u>	<u>\$ (83,975)</u>	<u>\$ -</u>	<u>\$ 3,010,067</u>
	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

**NOTE 5. CAPITAL ASSETS (CONTINUED)**

	<u>Balance</u>			<u>Balance</u>
	<u>October 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>September 30</u>
<b>Business-type Activities</b>				
Capital assets, not being depreciated				
Land	\$ 483,498	\$ -	\$ -	\$ 483,498
Construction in progress	115,477	-	(23,722)	91,755
Total capital assets, not being depreciated	<u>598,975</u>	<u>-</u>	<u>(23,722)</u>	<u>575,253</u>
Capital assets, being depreciated				
Buildings	162,199	-	-	162,199
Improvements	11,967,168	576,888	-	12,544,056
Equipment	3,253,439	128,277	(935)	3,380,781
Total capital assets, being depreciated	<u>15,382,806</u>	<u>705,165</u>	<u>(935)</u>	<u>16,087,036</u>
Less accumulated depreciation for				
Buildings	(41,976)	(4,769)	-	(46,745)
Improvements	(3,649,677)	(448,280)	-	(4,097,957)
Equipment	(1,129,998)	(114,159)	-	(1,244,157)
Total accumulated depreciation	<u>(4,821,651)</u>	<u>(567,208)</u>	<u>-</u>	<u>(5,388,859)</u>
Total capital assets, being depreciated, net	<u>10,561,155</u>	<u>137,957</u>	<u>(935)</u>	<u>10,698,177</u>
Business-type activities capital assets, net	<u>\$ 11,160,130</u>	<u>\$ 137,957</u>	<u>\$ (24,657)</u>	<u>\$ 11,273,430</u>

Depreciation expense was charged to functions/programs as follows:

**Governmental Activities**

General government	\$ 37,092
Public safety	39,399
Transportation	42,392
Culture/recreation	149,515
	<hr/>
Total depreciation expense, governmental activities	<u>\$ 268,398</u>

**Business-type activities**

Water	\$ 304,203
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Wastewater	215,945
Sanitation	37,265
Cemetery	9,795

Total depreciation expense, business-type activities \$ 567,208

## NOTE 6. RESTRICTED ASSETS

The balances of the restricted cash and cash equivalents at September 30, 2015, are as follows:

### Enterprise funds

#### Customer deposits

Water Fund	\$	229,657
Wastewater Fund		37,585
Sanitation Fund		19,494

#### Wastewater Fund

Loan debt reserve and debt service accounts	103,241
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#### Cemetery Fund

Perpetual care fund	314,756
Perpetual care fund - investment	48,843

Total enterprise funds restricted assets	\$ 753,576
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## NOTE 7. LONG TERM LIABILITIES

A. Changes in Long-term Obligations for the year ended September 30, 2015, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities					
Net pension liability	\$ 420,076	\$ 574,721	\$ (306,061)	\$ 688,736	\$ -
Compensated absences	60,050	57,998	(19,738)	98,310	59,000
Total governmental activities	\$ 480,126	\$ 632,719	\$ (325,799)	\$ 787,046	\$ 59,000
Business-type activities					
Loans payable	\$ 1,244,696	\$ -	\$ (107,236)	\$ 1,137,460	\$ 109,121
Net pension liability	314,974	430,927	(229,486)	516,415	-
Compensated absences	91,748	43,313	(90,867)	44,194	26,500
Total business-type activities	\$ 1,651,418	\$ 474,240	\$ (427,589)	\$ 1,698,069	\$ 135,621

For governmental activities compensated absences and the net pension liability are liquidated by the General Fund. For business-type activities, compensated absences are liquidated by the Water, Wastewater and Sanitation Funds. For business-type activities, the net pension liability is liquidated by the Water, Wastewater, Sanitation, and Cemetery Funds.

## NOTE 7. LONG TERM LIABILITIES (CONTINUED)

### B. Loan Covenants

The loan agreements with the State Department of Environmental Protection provide for:

- The Town to maintain rates and charges for the services furnished by the water and wastewater system to provide pledged revenue at least equal to 1.15 times the sum of payments due in such fiscal year. During 2015, the Town's coverage ratio was 3.10.
- The Town to maintain a loan debt service account where six monthly deposits are made. The first five monthly deposits are one-sixth of the semi-annual loan payment and the sixth monthly deposit is equal to at least the amount required to make the total on deposit in the account equal to the semiannual loan payment.
- The Town to deposit and maintain in the loan repayment reserve account an amount specified in the loan agreements. This account can only be used by the Town to cure a temporary and unexpected deficiency in any semiannual loan payment.

### C. Loans Payable

Loans payable at September 30, 2015, were as follows:

#### Business-type activities

Loan payable, \$132,187 at 3.08% and \$934,123 at 1.86%; from the State of Florida, Department of Environmental Protection's State Revolving Loan Program; semi-annual payments of \$33,335 beginning December 15, 2003 through 2023; secured by a pledge of net revenues of the water and wastewater systems. \$ 490,032

Loan payable, \$135,810 at 1.46% and \$890,390 at 1.46%, from the State of Florida, Department of Environmental Protection's State Revolving Loan Program; semi-annual payments of \$30,681 beginning August 15, 2007 through 2027; secured by a pledge of net revenues of the water and wastewater system. 647,428

Total loans payable \$ 1,137,460

### Debt Service Requirements to Maturity

	Annual Year Payable	Business-type Activities		
		Principal	Interest	Total
	2016	\$ 109,121	\$ 18,908	\$ 128,029
<b>Fisc</b>	2017	111,043	16,988	128,031
	2018	113,005	15,028	128,033
	2019	114,995	13,036	128,031
	2020	117,025	11,006	128,031
	2021-2025	481,561	25,254	506,815
	2026-2027	90,710	1,328	92,038

<u>\$ 1,137,460</u>	<u>\$ 101,548</u>	<u>\$ 1,239,008</u>
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Total interest expense incurred for business-type activities amounted to \$20,372 for the year ended September 30, 2015.

## **NOTE 8. PENSION PLAN**

### **Florida Retirement System (FRS)**

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

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

### **Pension Plan**

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

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

regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

## **NOTE 8. PENSION PLAN (Continued)**

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

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

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

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2014 through June 30, 2015, and from July 1, 2015 through September 30, 2015, respectively, were as follows: Regular—7.37% and 7.26%; Special Risk Administrative Support—42.07% and 32.95%; Special Risk—19.82% and 22.04%; Senior Management Service—21.14% and 21.43%; Elected Officers'—43.24% and 42.27%; and DROP participants—12.28% and 18.75%. These employer contribution rates include 1.20% and 1.26% HIS Plan subsidy for the periods October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015, respectively.

The Town's contributions, including employee contributions, to the Pension Plan totaled \$131,021 for the fiscal year ended September 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2015, the Town reported a liability of \$774,708 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Town's proportionate share of the net pension liability was based on the Town's 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2015, the Town's

proportionate share was 0.005997886 percent, which was an increase of 0.000333 percent from its proportionate share measured as of June 30, 2014.

**NOTE 8. PENSION PLAN (Continued)**

For the fiscal year ended September 30, 2015, the Town recognized pension expense of \$82,523. In addition the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ 81,786	\$ 18,374
Change of assumptions	51,420	-
Net difference between projected and actual earnings on Pension Plan investments	272,873	457,861
Changes in proportion and differences between Town Pension Plan contributions and proportionate share of contributions	124,939	-
Town Pension Plan contributions subsequent to the measurement date	37,518	-
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 568,536</u>	<u>\$ 476,235</u>

The deferred outflows of resources related to the Pension Plan, totaling \$37,518 resulting from Town contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
	<u>                    </u>
2016	\$ 10,957
2017	10,957
2018	10,957
2019	10,956
2020	10,956
Thereafter	-

Actuarial Assumptions – The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Investment rate of return	7.65%, net of pension plan investment expense, including inflation

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

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

## NOTE 8. PENSION PLAN (Continued)

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.11%	3.10%	1.65%
Intermediate-Term Bonds	18.00%	4.18%	4.05%	5.15%
High Yield Bonds	3.00%	6.79%	6.25%	10.95%
Broad US Equities	26.50%	8.51%	6.95%	18.90%
Developed Foreign Entities	21.20%	8.66%	6.85%	20.40%
Emerging Market Equities	5.30%	11.58%	7.60%	31.15%
Private Equity	6.00%	11.80%	8.11%	30.00%
Hedge Funds/Absolute Return	7.00%	5.81%	5.35%	10.00%
Real Estate (Property)	12.00%	7.11%	6.35%	13.00%
<b>Total</b>	<b>100.00%</b>			
 Assumed Inflation - Mean		 2.60%		 2.00%

(1) As outlined in the Pension Plan's investment policy

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

Sensitivity of the Town's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.65%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.65%) or one percentage point higher (8.65%) than the current rate:

	Current	
1% Decrease	Discount Rate	1% Increase

	(6.65%)	(7.65%)	(8.65%)
	_____	_____	_____
Town's proportionate share of the net pension liability	\$ 2,007,441	\$ 774,708	\$ (251,130)

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

## **NOTE 8. PENSION PLAN (Continued)**

Payables to the Pension Plan - At September 30, 2015, the Town reported a payable in the amount of \$0 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2015.

### **HIS Plan**

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

Benefits Provided – For the fiscal year ended September 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2015, the HIS contribution for the period October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015 was 1.20% and 1.26%, respectively. The Town contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contribution are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Town's contributions to the HIS Plan totaled \$50,200 for the fiscal year ended September 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2015, the Town reported a liability of \$430,443 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Town's proportionate share of the net pension liability was based on the Town's 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2015, the Town's proportionate share was 0.004220684 percent, which was an increase of 0.000055844 percent from its proportionate share measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the Town recognized pension expense of \$35,192. In addition the Town reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

**NOTE 8. PENSION PLAN (Continued)**

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Change of assumptions	33,865	-
Net difference between projected and actual earnings on HIS Plan investments	233	-
Changes in proportion and differences between Town HIS Plan contributions and proportionate share of contributions	16,943	-
Town HIS Plan contributions subsequent to the measurement date	5,482	-
Total	\$ 56,523	\$ -

The deferred outflows of resources related to the HIS Plan, totaling \$5,482 resulting from Town contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2016	\$ 10,209
2017	10,208
2018	10,208
2019	10,208
2020	10,208
Thereafter	-

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

Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Municipal bond rate	4.29 %

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

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

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

**NOTE 8. PENSION PLAN (Continued)**

Sensitivity of the Town’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Town’s proportionate share of the net pension liability calculated using the discount rate of 4.29%, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (3.29%) or one percentage point higher (5.29%) than the current rate:

	1% Decrease (3.29%)	Current Discount Rate (4.29%)	1% Increase (5.29%)
Town's proportionate share of the net pension liability	\$ 490,470	\$ 430,443	\$ 380,390

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

Payables to the Pension Plan - At September 30, 2015, the Town reported a payable in the amount of \$0 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2015.

**Investment Plan**

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

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

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

## **NOTE 8. PENSION PLAN (Continued)**

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

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

## **NOTE 9. RISK MANAGEMENT**

The Town, in October 1996, entered into an agreement with other political subdivisions to join a local government risk management pool called Public Risk Management of Florida (PRM). PRM was organized to develop and administer a protected self-insured retention program for its member organizations. PRM provides the Town with coverage from risks in the areas of property, automobile, general liability, police professional, workmen's compensation, public officials' liability, and crime. Health insurance, which is provided by the Town to its employees, is purchased from a commercial carrier. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

PRM is a total risk and cost sharing pool for its members. PRM uses specific excess insurance to cover losses above predetermined self-insured retention levels and aggregate excess insurance to protect the loss fund in the event it becomes exhausted. In the event any or all of the reinsurance providers are unable to meet their obligations under existing agreements, PRM would be liable for such defaulted amounts.

Premium payments to PRM are allocated to each fund pro-ratably based upon the fund's share of the cost.

## **NOTE 10. COMMITMENTS AND CONTINGENCIES**

The Town is subject to various disputes, legal proceedings and labor relation claims which arise in the normal course of its operations. Although the outcome of these issues is not presently determinable, it is the opinion of the Town that the resolution of these matters will not have a material adverse effect to the financial condition of the Town.

## NOTE 11. RELATED PARTY TRANSACTIONS

During the year, the Town used The Hometown Network, Inc, a business owned by a Council Member, to provide internet and computer maintenance. These services for the year amounted to \$204.

## NOTE 12. CHANGE IN ACCOUNTING PRINCIPLE

The Town has determined that a restatement to the October 1, 2014 beginning net position was required to recognize the change in accounting principle for implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of October 1, 2014, through which accounting for pension plans and the related disclosure requirements were modified. This adjustment resulted in a change to the beginning net position of the Town as follows.

Net position, Governmental Activities, previously reported	\$ 6,012,379
Implementation of GASB 68	(395,580)
Beginning net position, Governmental Activities, as restated	<u>\$ 5,616,799</u>
Net position, Business-type Activities, previously reported	\$12,725,300
Implementation of GASB 68	(296,607)
Beginning net position, Business-type Activities, as restated	<u>\$12,428,693</u>
Net position, Water Fund, previously reported	\$ 8,022,882
Implementation of GASB 68	(166,154)
Beginning net position, Water Fund, as restated	<u>\$ 7,856,728</u>
Net position, Wastewater Fund, previously reported	\$ 3,874,515
Implementation of GASB 68	(67,766)
Beginning net position, Wastewater Fund, as restated	<u>\$ 3,806,749</u>
Net position, Sanitation Fund, previously reported	\$ 287,732
Implementation of GASB 68	(56,724)
Beginning net position, Sanitation Fund, as restated	<u>\$ 231,008</u>
Net position, Cemetery Fund, previously reported	\$ 540,171
Implementation of GASB 68	(5,963)
Beginning net position, Cemetery Fund, as restated	<u>\$ 534,208</u>

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**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -  
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

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Reporting Period Ending Measurement Date	<u>9/30/2015</u> <u>6/30/2015</u>	<u>9/30/2014</u> <u>6/30/2014</u>
Town's proportion of the FRS net pension liability	0.005997886%	0.005664645%
Town's proportionate share of the FRS net pension liability	\$ 774,708	\$ 345,627
Town's covered employee payroll	\$ 1,203,485	\$ 1,355,238
Town's proportionate share of the FRS net pension liability as a percentage of its covered employee payroll	64.37%	25.50%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	92.00%	96.09%

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

Reporting Period Ending Measurement Date	<b>9/30/2015</b> <b>6/30/2015</b>	<b>9/30/2014</b> <b>6/30/2014</b>
Contractually required FRS contribution	\$ 146,234	\$ 124,080
FRS Contributions in relation to the contractually required FRS contribution	146,234	124,080
FRS Contribution deficiency (excess)	\$ -	\$ -
Covered employee payroll	\$ 1,203,485	\$ 1,355,238
FRS Contributions as a percentage of covered employee payroll	12.15%	9.16%

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

Reporting Period Ending Measurement Date	<u>9/30/2015</u> <u>6/30/2015</u>	<u>9/30/2014</u> <u>6/30/2014</u>
Town's proportion of the HIS net pension liability	0.004220684%	0.004164840%
Town's proportionate share of the HIS net pension liability	\$ 430,443	\$ 389,423
Town's covered employee payroll	\$ 1,203,485	\$ 1,355,238
Town's proportionate share of the HIS net pension liability as a percentage of its covered employee payroll	35.77%	28.73%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	1.22%	1.06%

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

Reporting Period Ending	9/30/2015	9/30/2014
Measurement Date	6/30/2015	6/30/2014
Contractually required HIS contribution	\$ 16,134	\$ 14,267
HIS Contributions in relation to the contractually required HIS contribution	16,134	14,267
HIS Contribution deficiency (excess)	\$ -	\$ -
Covered employee payroll	\$ 1,203,485	\$ 1,355,238
HIS Contributions as a percentage of covered employee payroll	1.34%	1.05%

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

## **OTHER REPORTS**

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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Honorable Mayor and Members of  
the Town Council,  
Town of Lake Placid, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lake Placid, Florida (the "Town"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated June 29, 2016. Our report includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control that we consider to be a material weakness.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct errors that could be material to the financial statements.

detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2015-001 to be a material weakness.

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## **Compliance and Other Matters**

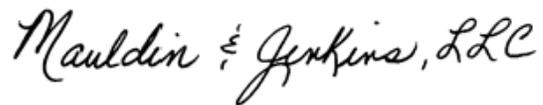
As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Town's Responses to Findings**

The Town's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Town's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Bradenton, Florida  
June 22, 2016

SECTION I  
SUMMARY OF AUDIT RESULTS

**Financial Statements**

Type of auditor's report issued	Unmodified
Internal control over financial reporting: Material weaknesses identified?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no
Significant deficiencies identified not considered to be material weaknesses?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

**Federal Awards**

There was not an audit of major federal award programs or state award programs as of September 30, 2015, due to the total amount expended by the Town being less than \$500,000.

SECTION II  
FINANCIAL STATEMENT FINDINGS AND RESPONSES

**2015 - 001. Journal Entries**

Criteria: Good sound internal controls require financial statements to be properly prepared, reconciled and reviewed to ensure proper reporting in accordance with generally accepted accounting principles.

Condition: The Town did not appropriately address the above criteria as it relates to the reporting of accounts payable, due to / due from other funds, and fund balance items that existed as of September 30, 2015, within the General Fund, Grant Fund, Water Fund, Wastewater Fund, Cemetery Fund, and Sanitation Fund.

Context: We addressed this matter with Town officials and they were able to determine the necessary adjustments to correct the accounts noted above as of September 30, 2015.

Effect: Audit adjustments were necessary to increase assets by \$106,805, increase liabilities by \$102,629, decrease revenues \$5,481, and decrease expenses by \$9,657 across the funds as of September 30, 2015.

Recommendation: We recommend the Town thoroughly review the preparation of the year end trial balance and related entries to ensure that all of these adjustments are properly accounted for in order to facilitate the preparation of GAAP financial statements to satisfy the audit reporting requirements of the Town.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding and recommendation. We will continue to improve our end of year reporting process in future years for year end and month end reporting purposes.

SECTION III  
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable

None reported

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## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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Honorable Mayor and Members of  
the Town Council,  
Town of Lake Placid, Florida

### Report on the Financial Statements

We have audited the financial statements of the Town of Lake Placid, Florida (the "Town"), as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated June 29, 2016.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Auditor General.

### Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 29, 2016, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations in the preceding annual financial audit report requiring correction.

### Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name, official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the

management letter, unless disclosed in the notes to the financial statements. The Town of Lake Placid, Florida was incorporated in 1927. Additional information on the Town's creation is disclosed within the Town's footnotes. The Town has no component units.

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## **Financial Condition**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires that we report the results of our determination as to whether or not the Town has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

## **Annual Financial Report**

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the Town for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

## **Special District Component Units**

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the Town for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

## **Other Matters**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

## **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Mayor and Members of the Town Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Bradenton, Florida  
June 22, 2016

57



## INDEPENDENT AUDITOR'S REPORT

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Honorable  
Mayor and  
Members of  
the Town  
Council,  
Town of Lake Placid, Florida

We have examined the Town of Lake Placid, Florida's (the "Town") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2015. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Town's compliance with specified requirements.

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of the Town and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Bradenton,

Florida

*Mauldin & Jenkins, LLC*

June 22, 2016

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## MINUTES

### LAKE PLACID TOWN COUNCIL Regular Meeting 7/11/2016 5:30 PM Town of Lake Placid Town Hall

Mayor Holbrook called the regular meeting of the Lake Placid Town Council to order on Monday, July 11, 2016, at 5:30 pm at Town Hall, 311 W. Interlake Boulevard, Lake Placid, Florida. Bert Harris gave the invocation and led the Pledge of Allegiance. A quorum was present.

#### **Call to Order – Mayor Holbrook 5:31 PM**

#### **Roll Call**

##### **Present**

Mayor John Holbrook  
Council Member Ray Royce  
Council Member Debra Worley  
Council Member Arlene Tuck

##### **Absent**

Council Member Donald Boyd

##### **Others Present**

Town Administrator Phil Williams  
Town Attorney Bert Harris  
Town Clerk Eva Cooper Hapeman  
Finance Manager Rachel Osborne  
Utilities Director Joe Barber

#### **1. CONSENT AGENDA 1**

- A. Approval of Agenda
- B. Approval of Minutes of the Regular meeting of the Lake Placid Town Council June 13, 2016.
- C. Approval of Department Head Reports
- D. Approval of Departmental Financial Reports for the month of June 2016
- E. Approval of all duly authorized monthly bills
- F. Re-appoint to the Lake Placid Regional Utilities Advisory Commission, Jon Draper and Tal Rancourt and Re-appoint to the Lake Placid Recreation Commission Todd Moore.
- G. Appoint Phil Williams and Recreation Commission Chairman Todd Moore with Alternate Town Clerk Eva Cooper Hapeman as RPAC voting members for Town of Lake Placid
- H. Softball Tournament Cost Tracking
- I. Resolution of appreciation for Retiring Mike Eisenhart

- Mr. Williams stated there is a correction for Item G pm the appointment to the Recreation Commission removing Ms. Cooper Hapeman as an alternate.

**Motion** - Moved by Council Member Royce, seconded by Council Member Worley, to approve Consent Agenda 1 with the changes to item G. **Roll Call Vote:** Unanimous approval.

- Mayor Holbrook read the Resolution of appreciation for Retiring Mike Eisenhart from Keep Lake Placid Beautiful and thanked him for his services to the Town.

#### **2. CONSENT AGENDA 2 (No Items)**

### 3. PRESENTATIONS

#### A. Chamber of Commerce request support of Town Council for Highlands County Board of County Commissioners (HCBCC) requests to reallocate Tourist Development Commission funds to Lake Placid

- Mr. Brantley representing the Greater Lake Placid Chamber of Commerce requested support from council to approach the HCBCC to request to reallocate Tourist Development Commission (TDC) funds that have been generated within the Lake Placid area. Mr. Brantley discussed the following reasons for the request:
  - The new TDC logo highlights Sebring, with Avon Park first and Lake Placid second in smaller print.
  - Lake Placid does not have representation on the TDC council.
  - The Lake Placid area is unique as it has a summer season whereas Sebring and Avon Park does not.
  - Mr. Brantley commented that the Town is in a better position to know how to market the Greater Lake Placid area.
  - Council Member Royce inquired if anyone has contacted the Highlands County Commission, whereas Mr. Brantley responded that the next step is to be on the agenda at the next HCBCC meeting on July 19<sup>th</sup>.
- Mayor Holbrook, Council, Mr. Williams, and Mr. Brantley discussed the issues as follows:
  - The Town should be involved or have someone on the board of the TDC.

**Motion** - Moved by Council Member Royce, seconded by Council Member Worley, approve the Town of Lake Placid support the efforts of the Greater Lake Placid Chamber of Commerce in the exploration of options in regards to the Tourist Development Tax allocation strategy and how the marketing programs promoting the Greater Lake Placid area may be better served. **Roll Call**

**Vote:** Unanimous approval.

### 4. Budget 2016-2017 / TENTATIVE MILLAGE

#### A. Tentative Millage Rate

- Council Member Tuck suggested that the millage should be raised in the event through the budget development process that something comes up that can be deemed a need for funding. She stated that by voting to keep the millage the same there is not a way to raise it if needed, but through the budget process, the millage can be lowered.
- Council Member Royce stated he was not in favor of raising the millage rate.

**Motion** - Moved by Council Member Royce, seconded by Council Member Worley, approval of 3.65 as the tentative millage rate. **Roll Call Vote: Yes- Royce, Worley No-Tuck. Motion Carried**

### 5. Public Hearing (No Agenda Items)

### 6. TOWN ATTORNEY/PLANNING/DEPARTMENT HEADS/MAYOR/COUNCILMEMBERS

#### A. Planning (No Agenda Items)

#### B. Town Attorney (No Agenda Items)

#### C. Town Administrator

##### 1. Dewey Junction LLC Request Consent to store Lumber outside.

- Mayor Holbrook, Council, Mr. Harris, Mr. Williams, and Mr. Leblanc discussed the proposed Temporary Use Agreement for consideration; the agreement allows for a business that is interested in leasing a space in the building at 110 West Interlake Blvd, to be able to open as soon as possible, prior to the required fire suppression system is installed.
  - Mr. Leblanc stated the Fire Marshall has agreed to allow the lumber to be stored outside the building, and that the assembled product may be stored in the warehouse.

**Motion** - Moved by Council Member Worley, seconded by Council Member Tuck, to approve The Limited Temporary Use Agreement as stated. **Roll Call Vote:** Unanimous approval.

**2. Approval of Interlocal Agreement for Planning Services in 2016-17 budget year.**

**Motion** - Moved by Council Member Royce, seconded by Council Member Worley, to approve the 2016-2017 Interlocal Agreement between Highlands County and the Town of Lake Placid for Planning Services. **Roll Call Vote:** Unanimous approval.

**3. Personnel policies P33 Employee Assistance Program and P34 Drug-Free Workplace**

**Motion** - Moved by Council Member Royce, seconded by Council Member Worley, to approve Personnel policies P33 Employee Assistance Program and P34 Drug-Free Workplace. **Roll Call Vote:** Unanimous approval.

**4. Approval of \$1,000 for Envisors assistance with State Revolving Fund grant application for Wastewater line to Jake June Recreation.**

- Mr. Williams requested Council consider \$1,000 for Envisors assistance with State Revolving Fund grant application for Wastewater line to Jake June Recreation.

**Motion** - Moved by Council Member Tuck, seconded by Council Member Worley, to approve \$1,000 for Envisors assistance with State Revolving Fund grant application for Wastewater line to Jake June Recreation. **Roll Call Vote:** Unanimous approval.

**D. Project updates**

**1. Tangerine construction delay.**

- Mr. Williams reported that the Tangerine construction would be delayed due to the need for South Florida Management permit. The delay would be between three to six months.

**2. Stuart Park sidewalk repair**

- Mr. Williams reported that Ibanez had been hired to repair the sidewalks in Stuart Park prior to the Caladium Festival.

**7. MAYOR/COUNCILMEMBERS**

- Council Member Tuck inquired about the lighting bill for the recreation seemed higher, the Utility bill for Pugh Utilities of \$7560.00 and the repair of the Garbage Truck of \$6068.00. Also, she stated that the Town should consider raising the Bid Threshold.
  - Utility Director commented that in reference to the Pugh Utilities that the Town piggyback on Spring Lake.
  - Mr. Williams commented that the Recreation held a tournament in regards to the recreation lighting and the garbage truck amount was for repairs.
- Mr. Williams reported that the Town has received the Grant for the CRA Study.

**8. CITIZENS NOT ON AGENDA**

- Mrs. Holbrook and Officer Mullins requested an opinion from Town Council in reference to the Christmas Decorations for Devane Circle. Suggestion were to encourage the businesses to donate lights and to possibly hold a Christmas decorations contest around Devane Park. Council were in support of the ideas presented.

**9. ADJOURNMENT 7:00 PM**

**LAKE PLACID TOWN COUNCIL**  
**Budget Workshop**  
**7/21/2016 5:30 PM**  
**Town of Lake Placid**  
**Town Hall**

Mayor Holbrook called the Budget Workshop of the Lake Placid Town Council to order on Monday, July 21, 2016, at 6:21 pm at Town Hall, 311 W. Interlake Boulevard, Lake Placid, Florida. A quorum was present

**Call to Order – Mayor Holbrook**

**PRESNT**

Mayor John Holbrook  
Council Member Ray Royce  
Council Member Debra Worley  
Council Member Arlene Tuck  
Council Member Donald Boyd

**Others Present**

Town Administrator Phil Williams  
Town Attorney Bert Harris  
Town Clerk Eva Cooper Hapeman  
Finance Manager Rachel Osborne  
Utilities Director Joe Barber

**1. FY2016-2017 Budget Workshop**

**Budget Review by department and discussion: Mayor Holbrook, Town Council, Town Administrator Williams, Chief Fansler, Finance Manager Rachel Osborne, and Utilities Director Joe Barber.**

- **Lake Placid Police Department (LPPD)**
  - Funds requested from the Infrastructure account \$80,000 to build a 25ft x 30ft building to replace the dilapidated shed. In addition, \$37,000 to purchase a new vehicle.
  - Council instructed staff to remove the \$37,000 from the budget, due to Mr. Williams Town vehicle is available to LPPD.
  - Council also instructed staff to remove the \$80,000, for a new building, from budget. A discussion for a new Town Hall and/or building for the LPPD would be discussed at a later date.
  - Council consensus to remove the \$80,000 and \$37,000 from the LPPD and apply towards the \$200,000 road improvement, which would reduce the balance of \$117,000 from the Infrastructure fund.
  
- **Streets and Roads section of the proposed budget was discussed.**
  - Council discussed the \$200,000 for roads and consensus to budget the funds out of the General Funds not the Infrastructure funds.
  - The purchase of one truck and a half of a mower (other half from recreation budget) to remain in the budget was agreed.
  
- **Parks/Recreation**
  - Budget for street lights on Dal Hall to remain in the budget.
  - Budget amount for one truck and one and one half mowers to remain in the budget. The additional grater equipment is to be removed from the budget.
  - Council recommended vehicle repairs and maintenance amount to be reduced due to the purchase of a new vehicle.

- Council recommended road repairs in the amount of \$100,000 to be budgeted out of the general fund. Budget the other \$100,000 from infrastructure reserves. The budgeting of \$200,000 from the infrastructure Account will not get approved.
- Council requested an estimated figure for general fund reserves. Finance Manager stated that the Infrastructure Account has approximately \$1.4 million dollars, the general reserve for the future purchase of a town hall building was \$504,000 and the General Fund other reserves are about \$306,000. Totaling General Fund reserves of \$810,000.
- Council consensus was for staff to bring the 30% budget in increase, from the prior year, to about 10%.
- Council also asked staff to decrease the general fund reserves transfer of \$75,000 to \$50,000. The \$25,000 could be used to reduce the general fund budget and offset the \$200,000 for road improvement.
- Council requested staff to reduce paving repairs expenses to \$30,000.
- **Sanitation**
  - Council discussed the profit/loss in sanitation activity for five years and Sanitation revenues have been operating in the negative for the past three years. The option to increase the non-ad valorem assessment by \$20.00 and to begin charging for extra non-standard pickup (per code) would hopefully pull sanitation out of the negative. Council is considering changing for non-ad valorem assessment of approximately \$200.00 per year, per residential customer and, abiding the current Town Code by properly billing for extra non-standard pickup. The estimated effective date will be October 1, if approved by Council.

## 2. ADJOURNMENT

## MINUTES

### LAKE PLACID TOWN COUNCIL Regular Meeting 8/8/2016 5:30 PM Town of Lake Placid Town Hall

Mayor Holbrook called the regular meeting of the Lake Placid Town Council to order on Monday, August 08, 2016, at 5:30 pm at Town Hall, 311 W. Interlake Boulevard, Lake Placid, Florida. Mayor Holbrooks gave the invocation and led the Pledge of Allegiance. A quorum was present

#### **Call to Order 5:30 – Mayor Holbrook**

#### **Roll Call**

##### **Present**

Mayor John Holbrook  
Council Member Ray Royce  
Council Member Debra Worley-Arrived at 6:34 PM  
Council Member Arlene Tuck

##### **Absent**

Council Member Donald Boyd

##### **Others Present**

Town Administrator Phil Williams  
Town Clerk Eva Cooper Hapeman  
Finance Manager Rachel Osborne  
Utilities Director Joe Barber

#### **1. CONSENT AGENDA 1**

- A. Approval of Agenda
- B. Approval of Minutes of the Regular meeting of the Lake Placid Town Council July 11, 2016  
Town Council Special Meeting July 21, 2016, Town Council Budget workshop July 21, 2016.
- C. Approval of Department Head Reports
- D. Approval of Departmental Financial Reports for the month of July 2016
- E. Approval of all duly authorized monthly bills less Royce Supply

**Motion** - Moved by Council Member Royce, seconded by Council Member Tuck, to approve Consent Agenda 1 Items A through E. **Roll Call Vote:** Unanimous approval.

#### **2. CONSENT AGENDA 2**

- A. Approve monthly bills Royce Supply

**Motion** - Moved by Council Member Royce, seconded by Council Member Tuck, to Table Consent Agenda 2. **Roll Call Vote:** Unanimous approval.

**Motion** - Moved by Council Member Worley, seconded by Council Member Tuck, to approve Consent Agenda 2 Item A. **Roll Call Vote:** Yes – Worley, Tuck, Abstain – Royce. The proper paperwork has been filed with the Town Clerk. Motion Carried.

#### **3. PRESENTATIONS (No Items on Agenda)**

#### **4. Public Hearing**

- A. First Hearing - ORD-7016-729 Amending Section 80-1 and 80-41 Sanitation Fee Change
  - Mayor Holbrook read Ordinance 7016-729 by title.

- Council Member Tuck suggested postponing the first reading until Town Attorney Harris is present.
- Council discussed the proposed garbage ordinance, and changes.
- Council Member Royce commented that recycling begins at the county level in February 2017, this would cause the current recycle bins to be removed.

**Motion** - Moved by Council Member Royce, seconded by Council Member Tuck, to approve on First Reading Ordinance 2016-729 with the following changes: Section 80-1 (A) Strike "divided into Twelve (12) monthly payments of fifteen (\$15.00) per month" Strike the word "Occupied. Strike "Said collection fee may be paid on a monthly basis upon the same terms and provisions for the collection of water reserve". **Roll Call Vote:** Unanimous approval

**B. First Hearing - ORD-7016-730 Amending Section 9-21 Background Checks**

- Mayor Holbrook read Ordinance 7016-730 by title.
- Mr. Williams commented on the proposed Ordinance, that the Florida Statue has been added to the existing ordinances. The Town is required to acquire a unique FBI "ORI" number in order to obtain FBI histories and back ground checks. The FDLE suggested adding the state statute to the ordinances to support the FBI application for an ORI number which will enable the town to better protect the towns infrastructure and reduce liability by being accountable in our background checks.
- Council discussed the proposed ordinance, and indicated minor changes.

**Motion** - Moved by Council Member Royce, seconded by Council Member Tuck, to approve on First Reading Ordinance 2016-730 with the following additional changes: Add to Section 9-25 C No. 8 Town Administrator or Manager and No. 7 Town Financial Officer. **Roll Call Vote:** Unanimous approval

**C. First Hearing - ORD-7016-731 Amending Chapter 4 Competitive Bidding**

- Mayor Holbrook read Ordinance 7016-731 by title.
- Council Member tuck suggested getting at least three bids when the purchase is under the \$10,000 limit in the ordinance, the bids would not be required to be brought back to council.
- Council Member Royce commented that the required three bids could be set as policy
- Ms. Osborne confirmed that three bids are included in the procedures and policies.
- Council discussed the proposed ordinance and replacing the words department heads to or Mayors Designee.

**Motion** - Moved by Council Member Tuck, seconded by Council Member Royce, to approve on First Reading Ordinance 2016-731 changing the following: Section 4-2 replacing department heads with "or Mayors Designee" **Roll Call Vote:** Unanimous approval

**5. TOWN ATTORNEY/PLANNING/DEPARTMENT HEADS/MAYOR/COUNCIL MEMBERS**

**A. Planning (No Items on Agenda)**

**B. Town Attorney (No Items on Agenda)**

**C. Town Administrator**

**1. 2016-17 Budget Discussion**

- Council discussed Mr. Williams recommendation to take the cost of the mower for recreation from the recreation Capital Improvement Account.
- Council Member Tuck suggested to discuss the budget at the next budget hearing on Thursday and move to the Item 7.A.

2. 2016-08-08 WWTP Permit Renewal (Council Member Worley arrived 6:34pm)
- Mr. Barber requested approval for waive the bid requirement for the North Wastewater Treatment Plant a Task order for Polson to do the WWTP Permit Renewal.

**Motion** - Moved by Council Member Royce, seconded by Council Member Tuck, to waive the BID requirement and approve Task order for Polson Engineering to prepare and submit FDEP permit renewal application for the North Wastewater Treatment Plant. **Roll Call Vote:** Unanimous approval

3. Tourist Development Council Logo Discussion
- Mr. Williams presented to council the Logo's that the TDC will be presenting to the Board of County Commissioners.
  - Council discussed the TDC variations of the different proposed logo's.
    - Concern was expressed in regards to not included fishing, boating and that using the checker flag is for an event that happens once a year.
    - Council Member Worley informed council that she had attended the TDC meeting for the logo discussion and that the TDC was recommending the first logo.
    - Mr. Williams suggested that a letter could be sent to the Board of County Commissions and the Tourist Development with the Council's recommendation.

**Motion** - Moved by Council Member Tuck, seconded by Council Member Royce, to recommend to the Highlands County Board of County Commissioners and the Tourist Development Commission (TDC) in reference to the proposed logo to remove the checker flag and to utilize symbols, Lakes, Fishing, and Golf. **Roll Call Vote:** Unanimous approval

#### **D. Project updates (No Items on Agenda)**

### **6. MAYOR/COUNCILMEMBERS**

- Council Member Worley suggested that the water tower at Magnolia be painted, and that the Town could request funding from the Tourist Development Council.
- Council Member Royce discussed the removal of some posts that are sticking out of the lake and Lake June Recreation Area.
- Mr. Williams commented that Mr. Harris had indicated that the automatic renewal for Bishop Park was sufficient.
  - Council discussed the possibility of selling Bishop Park. Mr. Williams to research the possibility.
- Mr. Williams informed council that the Town is now purchasing pizzas for the inmates that are working, this had been the practice of the Keep Lake Placid Beautiful in the past.
- Mayor Holbrook commented on a Thank You Note received from Mr. Eisenhart. In addition, Mayor Holbrook informed council that Mr. and Mrs. Brantly donated a charature of the Town that they had won at the Lake Placid Chamber Banquet.

### **7. CITIZEN ON AGENDA**

#### **A. Marlene Barger request to speak re Caladium Fest park preparations**

- Ms. Barger presented and discussed a PowerPoint addressing a visitor's view of Lake Placid, the maintenance in areas of the Town and town preparation for events.
  - Mayor Holbrook, Council, Mr. Williams and Ms. Barger discussed town maintenance, event preparation, what the Town has done, and how to improve.
  - Mr. Williams in reference to some of the areas of concern that the town was in a transition period with the town taking over areas that Keep Lake Placid Beautiful had previously been responsible for, and the town had noticed that the caladiums that had been previously planted the weeds were not removed first and that next year the weeds will be removed prior to planting. Mr. Williams confirmed that the position filled by the Town to take over KLPB

areas and sidewalks had only been in place for approximately four weeks. In addition a maintenance calendar has been established.

- Ms. Barger requested a Strategic Maintenance Plan be put in place and a plan in coordination with Town Events and what is the cost of the electric for any of the annual events.
- Chamber Director May commented that the Chamber and Mr. Williams are already developing a list/plan well in advance to the events in the future.

**B. Robert Summers re Trails and Paths**

- Mr. Summers inquired if Mr. Williams had received information on FDOT grant. Mr. Summers requested approval for grant.
- Mr. Williams commented he was unaware that council wanted him to proceed with this type of grant.
- Council discussed the trails and paths. Highlands County had included it on the improvement plans in the past.
- Council Member Royce suggested Mr. Williams investigate the status of the Grant for this type of project.

**8. CITIZENS NOT ON AGENDA (None)**

**9 . AJOURNMENT 7:45 PM**

**LAKE PLACID TOWN COUNCIL**  
**Budget Workshop**  
**08/11/2016 5:30 PM**  
**Town of Lake Placid**  
**Town Hall**

Mayor Holbrook called the Budget Workshop of the Lake Placid Town Council to order on Monday, August 11, 2016, at 6:21 pm at Town Hall, 311 W. Interlake Boulevard, Lake Placid, Florida. A quorum was present

**Call to Order – Mayor Holbrook**

**PRESENT**

Mayor John Holbrook  
Council Member Ray Royce  
Council Member Debra Worley  
Council Member Arlene Tuck

**ABSENT**

Council Member Donald Boyd

**Others Present**

Town Administrator Phil Williams  
Town Clerk Eva Cooper Hapeman  
Finance Manager Rachel Osborne  
Utilities Director Joe Barber

**1. FY2016-2017 Budget Workshop**

- **Budget Review by department and Discussion: Town Council, Town Administrator, Chief Fansler, Finance Manager Rachel Osborne, and Utilities Director Joe Barber.**
  - Ms. Osborne presented two variations of a proposed budget. The first variation decreases road improvement \$30,000, deletes road repairs \$30,000 and decreased horticulture repair and maintenance \$5000, for an adjustment of \$65,000. Mr. Williams and Ms. Osborne's recommended option A of the two variations of the budget, which brings the increase from prior year's budget to the proposed budget to 11% of the general fund.
  - Council Member Royce recommended that in the future the Council address clarifying the difference between the fund balance versus the reserves and the way in which these funds be utilized.
  - Council discussed the recreation user fee account, which has an estimated \$60,000 in the account. Mr. Williams had previously suggested utilizing the user fees to purchase a mower for the recreation area. Ms. Osborne confirmed the user fees are used for capital improvements. Consensus of council was in agreement to utilize the user fees for the equipment that is needed.
  - Council Member Tuck requested that since the mower for \$30,000 was going to be purchased out of the user fees, that it be removed from recreations and put back into road improvements. Council discussed and recommended putting the \$30,000 into road improvements.

**2. ADJOURNMENT 6:15 PM**

**LAKE PLACID TOWN COUNCIL**  
**Special Meeting**  
**8/23/2016 5:30 PM**  
**Town of Lake Placid**  
**Town Hall**

Mayor Holbrook called the regular meeting of the Lake Placid Town Council to order on Monday, August 23, 2016, at 5:37 pm at Town Hall, 311 W. Interlake Boulevard, Lake Placid, Florida. A quorum was present.

**5:37 PM - Call to Order – Mayor Holbrook**

**Roll Call**

**Present**

Mayor John Holbrook  
Council Member Ray Royce  
Council Member Debra Worley  
Council Member Arlene Tuck

**Absent**

Council Member Donald Boyd

**Others Present**

Town Administrator Phil Williams  
Town Attorney Bert Harris  
Town Clerk Eva Cooper Hapeman

**1. Public Hearing**

**A. First Hearing - ORD-7016-729 Amending Section 80-1 and 80-41 Sanitation Fee Change**

- Mayor Holbrook read Ordinance 7016-729 by Title.
- Mayor Holbrook, Council, Mr. Harris and Mr. Williams discussed the proposed Ordinance.
  - Council Member Worley expressed the desire to have the town do recycling. In addition was not in agreement with the discussion to begin charging for debris pick up.
  - Mr. Williams stated the white goods (i.e. washers, dryers etc.) are picked up 100 times per year.
- Council discussed debris pick up concerns, process and charging for debris in the future.
  - Council Member Royce recommended that council should pass the ordinance as presented and revisits the issue at a later date.
- Council Member Royce inquired about the commercial section 80-1 C 1 and 2 that has been left blank.
  - Mr. Harris commented that the commercial section was going to be addressed later.
  - After discussion consensus of Council was to complete 80-1 C 1 and 2 with pickup charges. Council Member Royce amended his motion.

**Motion** - Moved by Council Member Royce, seconded by Council Member Tuck, to approve on First Reading Ordinance 2016-729. **Roll Call Vote:** Unanimous approval

**Amended Motion** - Moved by Council Member Royce, seconded by Council Member Tuck, include under section 80-1 C1 to \$25.00 and 80-1 C2 to \$30.00. **Roll Call Vote:** Unanimous approval

**B. First Hearing - ORD-7016-730 Amending Section 9-21 Background Checks**

- Mayor Holbrook read Ordinance 7016-730 by Title.

**Motion** - Moved by Council Member Royce, seconded by Council Member Tuck, to approve on First Reading Ordinance 2016-730. **Roll Call Vote:** Unanimous approval

**C. First Hearing - ORD-7016-731 Amending Chapter 4 Competitive Bidding**

- Mayor Holbrook read Ordinance 7016-731 by Title.

**Motion** - Moved by Council Member Tuck, seconded by Council Member Worley, to approve on First Reading Ordinance 2016-731 read by title and that the Town refer to Town Policy to handle expenditures under \$5000. **Roll Call Vote:** Unanimous approval

**AJOURNMENT: 6:11 PM**