



**AGENDA**  
**CITY OF LAKE WORTH BEACH**  
**REGULAR CITY COMMISSION MEETING**  
**CITY HALL COMMISSION CHAMBER**  
**TUESDAY, OCTOBER 19, 2021 - 6:00 PM**

**ROLL CALL:**

**INVOCATION OR MOMENT OF SILENCE:** led by Mayor Betty Resch

**PLEDGE OF ALLEGIANCE:** led by Commissioner Sarah Malega

**AGENDA - Additions / Deletions / Reordering:**

**PRESENTATIONS:** (there is no public comment on Presentation items)

- A. Proclamation recognizing the week of October 18-24, 2021 as Florida City Government Week
- B. [Audit Presentation regarding the Annual Comprehensive Financial Report as of September 30, 2020 by RSM US LLP auditors Brett Friedman, Partner and Harris Anil, Senior Manager](#)

**COMMISSION LIAISON REPORTS AND COMMENTS:**

**PUBLIC PARTICIPATION OF NON-AGENDAED ITEMS AND CONSENT AGENDA:**

**APPROVAL OF MINUTES:**

- A. [Regular Meeting - September 21, 2021](#)
- B. [Special Meeting - September 24, 2021](#)
- C. [Special Meeting - September 27, 2021](#)

**CONSENT AGENDA:** (public comment allowed during Public Participation of Non-Agendaed items)

- A. [Resolution No. 72-2021 – requesting funding for a FUSION Mini-Project Grant Application for South End Recreation Programs](#)
- B. [Change Order 02-final to Globaltech, Inc. for the Utility Radio System Phase 1 Project](#)
- C. [Proclamation recognizing October as National Breast Cancer Awareness Month](#)
- D. [Proclamation recognizing October as Domestic Violence Awareness Month](#)
- E. [Settlement with Kathleen Clack for \\$45,000 \(inclusive of attorney's fees and costs\)](#)

**PUBLIC HEARINGS:**

- A. [Ordinance No. 2021-13 and Ordinance No. 2021-14 – First Reading – amending the Future Land Use Map \(FLUM\) amendment \(Ordinance 2021-13\) and the Zoning Map](#)

(Ordinance 2021-14) on behalf of the PBC School District as follows: (1) a FLUM amendment from the Single Family Residential (SFR) FLU to the Public (P) FLU; and (2) a rezoning from the Single-Family Residential (SF-R) zoning district to the Public (P) zoning district on properties located at 1509 Barton Road, 1511 Barton Road, 1515 Barton Road, and 1421 Barton Road

**UNFINISHED BUSINESS:**

- A. Discussion regarding potential ballot questions for the March 2022 municipal election

**NEW BUSINESS:**

- A. Purchase Order with Atlantic Machinery, Inc. for the procurement of a new RAVO Compact Street Sweeper
- B. Resolution No. 73-2021 – authorizing the submission of a State Water-quality Assistance Grant Application for the Wellesley and 18<sup>th</sup> Avenue North Stormwater System Improvements Project
- C. Ordinance No. 2021-15, amending the Procurement Code
- D. Agreement with JP Morgan Chase Bank, N.A., for citywide banking services
- E. Discussion of Vacant Property Ordinance
- F. Discussion regarding inactive advisory boards

**CITY ATTORNEY'S REPORT:**

**CITY MANAGER'S REPORT:**

**UPCOMING MEETINGS AND WORK SESSIONS:**

October 21 - work session  
October 26 - electric utility  
November 2 - regular  
November 8 - work session

- A. Draft Agenda - November 2, 2021

**ADJOURNMENT:**

The City Commission has adopted Rules of Decorum for Citizen Participation (See Resolution No. 25-2021). The Rules of Decorum are posted within the City Hall Chambers, City Hall Conference Room, posted online at: <https://lakeworthbeachfl.gov/government/virtual-meetings/>, and available through the City Clerk's office. Compliance with the Rules of Decorum is expected and appreciated.

If a person decides to appeal any decision made by the board, agency or commission with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. (F.S. 286.0105)

# City of Lake Worth Beach, Florida



**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2020**

**CITY OF LAKE WORTH BEACH, FLORIDA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2020**

**Prepared by**  
**City of Lake Worth Beach Finance Department**



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***INTRODUCTORY SECTION***



September 7, 2021

The Honorable Mayor,  
Members of the City Commission and  
Citizens of the City of Lake Worth Beach, Florida

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Lake Worth Beach, Florida (the "City"), for the fiscal year ended September 30, 2020. State law requires that all general-purpose local governments annually publish a complete set of financial statements within nine months of the close of each fiscal year. However, due to uncontrollable circumstances related to COVID-19, the City was unable to meet this deadline. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards and government auditing standards by an independent auditing firm. We believe that this report complies with these requirements and continues to present the City's strong tradition of full financial disclosure. This philosophy is reflected by the informative financial analysis provided by the City's Finance Department and statistical tables included herein.

The ACFR's role is to assist in making economic, social and political decisions and to assist in assessing accountability to the citizenry by:

- Comparing actual financial results with the legally adopted budgets, where appropriate;
- Assessing financial condition and results of operations;
- Assisting in determining compliance with finance related laws, rules and regulations; and
- Assisting in evaluating the efficiency and effectiveness of City operations.

We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly present the financial position and results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City.

RSM US LLP, our independent auditors, has issued an unmodified opinion on the City of Lake Worth Beach's financial statements for the fiscal year ended September 30, 2020. The independent auditor's report is located at the front of the financial section of this report.

The City's financial statements have been prepared using the reporting model in accordance with Governmental Accounting Standard Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis (MD&A). MD&A immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A compliments this letter of transmittal and should be read in conjunction with it.

## **PROFILE**

The City was incorporated as a municipality under the laws of the State of Florida in 1913. The City borders West Palm Beach on its northern boundary and the exclusive Town of Palm Beach to the northeast at the Intracoastal Waterway and the Atlantic Ocean. This location provides significant benefits in terms of the quality of life for its residents.

The City operates under a Commission-Manager form of government and provides general municipal services such as public safety, recreation, public works and others as well as certain enterprise activities such as electric, water, sewer, stormwater and waste removal service.

The City is primarily a residential community of approximately 7 square miles with a population of approximately 39,000. The median age has declined over the past two decades from 50 years to 37 years. Tourism, retail and construction are the main industries supporting the local economy. The quarter-mile, municipally-owned beach complex features original 1920's architecture which has an ocean fishing pier, ocean front shops and restaurants, makes this area a popular attraction for residents and tourists alike.

Lake Worth Beach is a dynamic, multi-cultural city with a strong social and environmental consciousness. People are drawn to the City by its independent character, acceptance of different cultures and lifestyles, many historic structures, hip downtown, and distinctive residential neighborhoods. The City has a rich history and is protective of its historic architectural fabric. Over 1,000 historic buildings contribute to the human scale and charm of the downtown and residential areas.

The City is the geographic and artistic center of Palm Beach County. The downtown is considered the artistic soul of Lake Worth Beach with a historic theater and a museum, live music clubs, coffee houses, art galleries, antique malls, retail stores, and many restaurants.

## **REPORTING ENTITY**

This report includes all of the funds of the City. In addition to general government activities, the Community Redevelopment Agency (CRA) is included as a discretely presented component unit.

## **ACCOUNTING AND INTERNAL CONTROL**

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

## **BUDGETARY CONTROLS**

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. In accordance with state laws the Approved Budget is posted on the City's website within 30 days of adoption. Activities of the General Fund, Special Revenue Funds, Debt Service Fund and Capital Project Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department (by fund) level. The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. All expenditures for other than personnel services are controlled by a procurement system, which encumbers purchase orders against budgets prior to issuance to the vendors. Purchase orders are not issued until appropriations are made available.

Administrative budget transfers may occur upon approval of the City Manager as long as the department budget within a fund is not increased. Budget amendments are submitted to Council for their consideration and in accordance with state law are posted to the City's website within five days of adoption.

## **LOCAL ECONOMY**

The City obtains a significant portion of its General Fund annual financial resources from ad valorem property taxes. Lake Worth also operates electric, water and sewer utilities and solid waste collection and stormwater enterprises.

In 2007 the City reached its highest taxable value equaling \$2,957,971,000. However, as the result of the recession, in 2012 the City's assessable tax value decreased to \$1,047,017. Although values have increased since the recession, the City remains below the values realized in 2007. As of 2020, the City's taxable value equals \$2,176,205. When compared to values in adjacent City, there is investment potential.

Because of the City's demographics, attracting new business continues to be difficult. The City's poverty rate is approximately 24%. The City has adopted strategies to attract investment by removing disincentives to investment while also building stability through best practices and innovative approaches related to City rules and regulations. Additionally, because tax values remain low, the City's tax revenues are insufficient to materially expand City services.

As of the City's fiscal year end, September 30, 2020, the city's unemployment rate increased to 7.2% from 3.2% mainly due to the COVID-19 impact. This is slightly lower than the State of Florida's rate of 7.7% and the national rate of 8.1%. The City of Lake Worth Beach's primary employing industries are service occupations, office workers, management, professional and government.

Property taxes have increased over the prior year due to an increase in the assessed value of residential property. Property tax revenues in 2020 provided resources of approximately \$10.6 million or 30% of the General Fund budgeted expenditures of approximately \$35.4 million.

The City's future financial challenges come primarily in the area of constrained property taxes, funding pension obligations and health insurance. However, the City has negotiated a Cash Option Plan, reducing future pension obligations and is evaluating other potential mitigation strategies with the health insurance.

The City's utility operations have made significant progress in addressing the challenges regarding reliability, maintaining competitive billing rates and meeting capital infrastructure and maintenance needs. While these infrastructure "hardening" programs are developed, broader decisions regarding planning, testing and monitoring the City's electrical transmission grid and groundwater inflow to the wastewater system are being refined.

## **LONG RANGE FINANCIAL PLANNING**

Management constantly examines the strategic goals and objectives of the City of Lake Worth Beach and implements policies that will assist in taking advantage of the opportunities. The City utilizes long term financial planning to identify future financial challenges and opportunities through financial forecasting and analysis, then, devises strategies based on the information to achieve financial sustainability.

In prior years, the City did not have the tools to track and project revenues, expenditures and utility rates for electric, water, sewer and stormwater beyond a five-year period. To overcome this challenge, the City has processed all of the major funds through an integrated financial system using multiple real time scenarios to model the best mix of working capital, appropriate levels of capital projects, adequate fund reserves, more accurate utility rates for residents and cash flow levels over a ten year projection period. This integrated financial modelling provides both short-term and long-term information to aid in a better decision-making process.

The City's electric utility provides electricity to its customers using a variety of electric production resources. Among them are the City's entitlements in various Florida Municipal Power Agency (FMPA) projects, the City's own solar farm build atop a closed City landfill, the City's power plant, and a contract with Orlando Utilities Commission for supplemental energy and capacity effective 1/1/2019 with a term of up to seven years. The City has also entered into 20year contracts for the purchase of solar energy from FMPA project(s) that are expected to begin operation in late 2023, which will allow the City's electric utility to achieve the status of having greater than 50% of its energy supply sourced from carbon-free resources and one of the lowest carbon footprints in the state of Florida.

The City's electric utility is currently undertaking upgrades of its electric transmission and distribution systems under its System Hardening and Reliability Improvement Program (SHRIP). The program includes a continuation of its efforts to upgrade components of its transmission system, convert lower voltage electric distribution systems to higher operating voltages, replacing aged components with newer versions designed to withstand category 5 storm wind loads, adding new technology to more rapidly identify outages and restore service, adding field switching and sectionalizing capability to isolate areas of outages and minimize the number of customers impacted by outages, etc.

Using a combination of internal and contracted resources the electric utility team installed over \$4.9 million of capital improvements this past year as it kicked off its System Hardening and Reliability Improvement Program. Notable accomplishments include the installation of plastic wrappings on over 4,500 poles to decrease animal contacts, steel bracket removal and insulator replacements on 270 poles, 309 pole replacements, 866 customer conversions from 4kw to 26kv, 206 new transformers installed, and over 410 miles of poles and wires inspected for potential problems using infrared technology and drones.

The City also conducts a cost of service study of the electric utility, as well as cash flow modeling as a part of the annual budgeting process, that will help ensure that the financial stability of the City's electric utility operations is maintained.

The City's other enterprise utilities which include water, sewer and stormwater activities are also being analyzed for additional infrastructure improvements including groundwater infiltration and treatment in the wastewater system.

## **RELEVANT FINANCIAL POLICIES**

The City operates under a set of Comprehensive Financial Policies that provide a framework for all financial and budgetary decisions and transactions. The City has implemented all Governmental Accounting Board Standards that are applicable as of the end of the current fiscal year.

## **MAJOR INITIATIVES**

In fiscal year 2019, the City of Lake Worth Beach placed major emphasis on creating the conditions for private investment in the municipality. The City's Comprehensive Plan has been updated. Significant infrastructure investments in the Lake Worth Park of Commerce are underway and the Neighborhood Road Improvement program is ahead of schedule. Additionally, the Water Utilities Department has embarked upon major upgrades throughout the City in the replacement of pipes and fire hydrants. As the City invests in itself, developers and residents are also investing. The City's electric utility is continuing to upgrade its electric transmission and distribution systems under its System Hardening and Reliability Improvement Program (SHRIP).

### **Comprehensive Plan**

The City of Lake Worth Beach received an official Notice of In Compliance regarding the City's Evaluation Appraisal Report (EAR) based on amendments to its Comprehensive Plan and Future Land Use Map. The Florida Department of Economic Opportunity (DEO) issued the compliance letter on May 31, 2019 with an effective date of June 1, 2019. Following eighteen (18) months of effort, the City now has a completely re-vamped and progressive road map for its future development. The Comprehensive Plan provides clear, concise and consistent goals and objectives to guide the City's activities across all departments. City staff has already seen an uptick in interest in investment in the City as a result of adopted changes.

### **Lake Worth Park of Commerce**

After 2 years of coordination, physical infrastructure upgrades in the Lake Worth Park of Commerce commenced in February 2018. Upgrades include water, drainage, sewer, electric, roadways, and sidewalks. By leveraging grant dollars awarded from the U.S. Economic Development Administration (\$1.4 million) with Capital Improvement Program monies from various departments, the City is able to maximize existing allocated dollars. The award is tied to the creation of 300 jobs within the Park. Additionally, the City has received a legislative appropriation from the State of Florida for \$1.5 million for FY 19/20 and an award of \$3 million in Local Agency Program funding from the Florida Department of Transportation in December 2019. It is important to note that the majority of ad valorem taxes generated from Park of Commerce are not subject to Save Our Homes legislation.

### **Neighborhood Road Program**

In November 2016, Lake Worth residents authorized the City to issue general obligation bonds to improve local roadways in an amount not to exceed \$40 million. Every neighborhood road was analyzed/ranked on a Pavement Condition Index and a four-year action plan was developed. All roads in Program Year 1, Year 2 and Year 3 were completed as of December 2020. The final Year 4 projects have been completed with the exception of 1 project currently under contract and awaiting the project to start. For a City of less than seven square miles, a \$40 million investment in roads represents a major commitment to itself.

## **Working Capital and Capital Project Funding**

The City of Lake Worth Beach issued two bonds in late summer and early fall of 2020; an Ad Valorem Bond providing \$10,458,000 in project proceeds and a Combined Utility Bond providing \$51,959,240 in project proceeds. These two bond series provided combined funding for City capital projects totaling \$62,417,240.

In addition to providing funding for capital projects, the City took advantage of the historically low interest rate environment by paying off, or refunding, two Bank of America bank notes totaling \$49,413,803 as part of the City's Combined Utility Bond. As part of paying off these bank notes, the City also extended the repayment term, thereby reducing the annual debt service associated with these borrowing and as a consequence, providing increased budgetary and rate flexibility for the City's utilities.

Another significant objective realized with the Ad Valorem borrowing is that the City was able to increase working capital and fund balances in the amount of \$16,135,803. This was accomplished by reimbursing itself for capital projects otherwise paid from reserves. This step increased working capital and fund balance thereby providing the City additional financial flexibility while managing the negative impacts of COVID-19.

## **COVID-19**

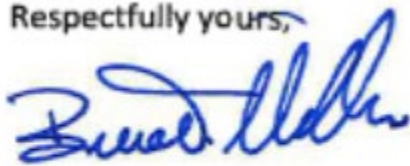
The coronavirus (COVID-19) has resulted in disruption of City operations and caused global, national and local economies to experience significant declines. However, the City has taken steps and will continue to make efforts to protect the safety and well-being of our residents. The City has also taken steps that will ensure continued financial stability. With the guidance of our City leadership we are hopeful that we will come out of this pandemic stronger than ever.

## **AWARDS AND ACKNOWLEDGMENTS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lake Worth Beach for its annual comprehensive financial report for the fiscal year ended September 30, 2019. A Certificate of Achievement in Financial Reporting is valid for a period of one year only. We believe that our current ACFR continues to meet the program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efforts of the entire Finance Department. I express my appreciation to all members of the department who assisted and contributed to its preparation. Credit must also be given to the City Commission and City Management for their commitment and support to improving the City's financial operations.

Respectfully yours,



**Bruce Miller**  
Finance Director







Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Lake Worth Beach  
Florida**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

September 30, 2019

*Christopher P. Morill*

Executive Director/CEO

**City of Lake Worth Beach, Florida**

**List of Principal Officers  
For the Fiscal Year Ended September 30, 2020**

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**City Commission**

The City Commission is comprised of five members who serve overlapping two-year terms and are elected on a nonpartisan basis by residents of the City. The Mayor is elected at-large to serve a two-year term as the presiding officer at City Commission meetings and as the official head of the City of Lake Worth Beach for legislative and ceremonial purposes. The City Commission is responsible for passing ordinances and other policy directives necessary for the operation of the City.

<u>OFFICE HELD</u>	<u>NAME OF OFFICIAL</u>
Mayor	Betty Resch
Vice Mayor/Commissioner - District 3	Kim Stokes
Commissioner – District 1	Sarah Malega
Commissioner – District 2	Christopher McVoy
Commissioner – District 4	Herman Robinson

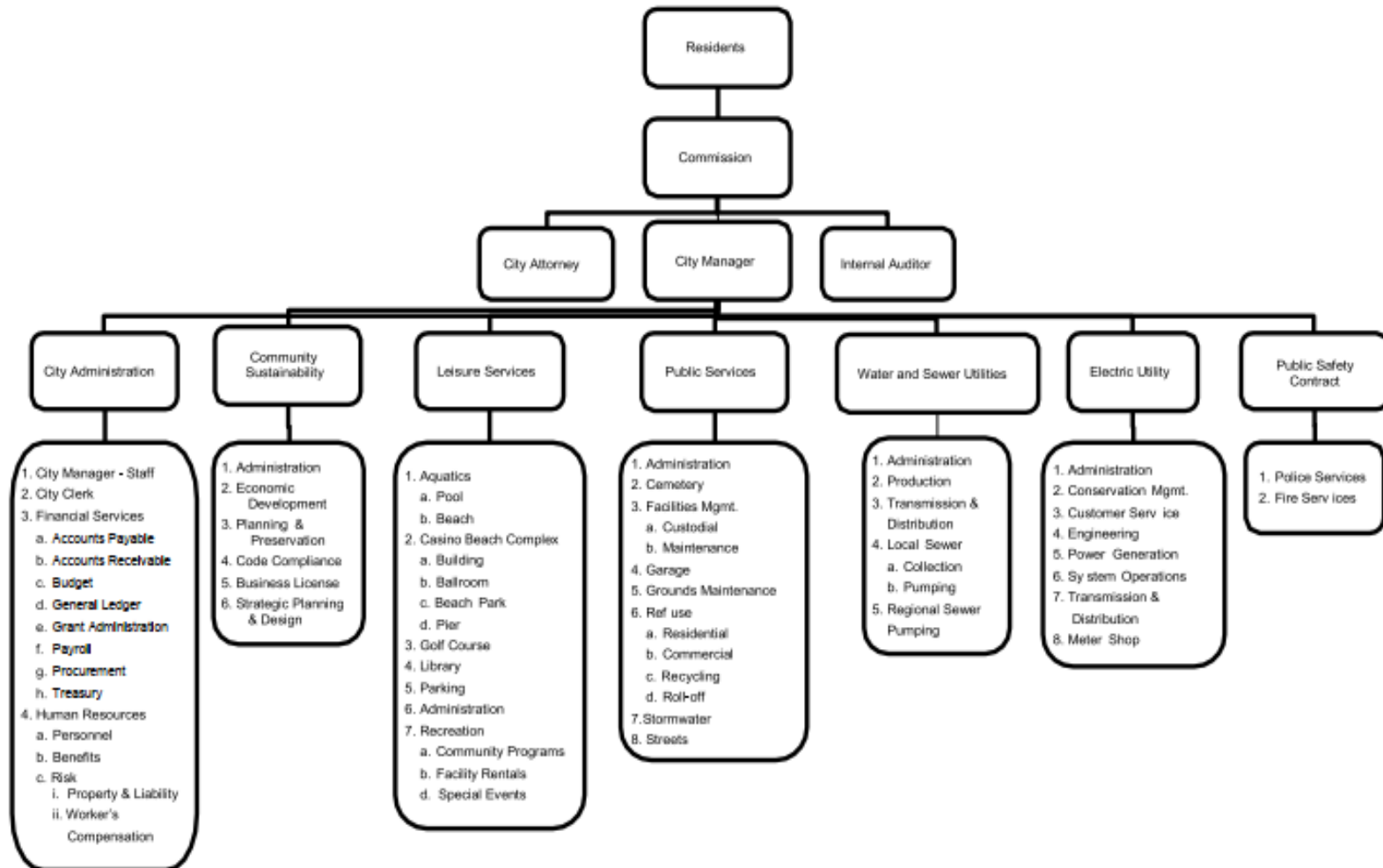
**Management Team:**

City Manager	Michael Bornstein
Assistant City Manager	Juan Ruiz
City Attorney	Christy L. Goddeau
City Clerk	Debbie Andrea
Community Sustainability Director	William Waters
Finance Director	Bruce Miller
Acting Information Technology Director	Nelly Peralta
Human Resources Director	Loren Slaydon
Public Services Director	Jamie Brown
Water & Sewer Utility Director	Brian Shields
Electric Utility Director	Edward Liberty
Internal Auditor	William Brown
Leisure Services Director	Lauren Bennett

Community Redevelopment Agency: Executive Director	Joan Oliva
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City of Lake Worth Beach, Florida

Organizational Chart  
For the Fiscal Year Ended September 30, 2020



## **FINANCIAL SECTION**



RSM US LLP

## Independent Auditor's Report

The Honorable Mayor and Members of the City Commission  
City of Lake Worth Beach, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lake Worth Beach, Florida (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City'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 did not audit the financial statements of the Pension Trust Funds for the General Employees' Retirement System, Police Officers' Relief and Retirement System and the Firefighters' Pension Trust, which together represent 72%, 81% and 45% of the assets, net position/fund balance and additions/revenues, respectively of the aggregate remaining fund information.

The statements for the entities in the listing above were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the entities listed above, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

### Opinion

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lake Worth Beach, Florida as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof 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 14 to the accompanying financial statements, the October 1, 2019 beginning net position of the governmental activities, business-type activities, aggregate discretely presented component units, electric fund, local sewer fund and regional sewer fund have been restated to correct errors. Our opinion is not modified with respect to this matter.

As discussed in Note 14 to the accompanying financial statements, the October 1, 2019 beginning fund balance of the general fund and the CRA capital projects fund have been restated to correct errors. Our opinion is not modified with respect to this matter.

**Other Matters*****Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information and pension and other post-employment (OPEB) related information, as listed in the table of contents, 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 and other auditors 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 Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules, the introductory section and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*RSM US LLP*

Fort Lauderdale, Florida  
September 7, 2021



**City of Lake Worth Beach, Florida  
Management's Discussion and Analysis (Unaudited)**

**For the Fiscal Year Ended September 30, 2020**

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This section of the City's financial statements presents management's analysis of the City's financial performance during the fiscal year that ended on September 30, 2020. Please read it in conjunction with the financial statements, which follow this section.

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements consist of three parts: government-wide financial statements, fund financial statements and notes to the financial statements. This report also includes supplementary information that explains in more detail some of the information in the financial statements.

**Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows by \$176,761,520. Of this amount, \$21,925,414 represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position at September 30, 2020 increased by \$4,377,768 as a result of this year's operations.
- At the end of the current fiscal year, the governmental funds reported combined fund balances of \$41,088,009 an increase of \$9,480,198 in comparison to the prior year. The increase is mainly attributed to non-ad valorem bonds issued during the fiscal year in the amount of approximately \$27 million. Of the total fund balances reported in governmental funds, \$11,879,169 was unassigned in the General Fund. This was an increase of \$7,026,793 from 2019.
- At September 30, 2020, the governmental activities had total loans outstanding balance of \$53,880,282, an increase of approximately \$14.0 million in comparison to the prior year. The increase is mainly due to new non-ad valorem bonds issued during the fiscal year.
- At September 30, 2020, the business-type activities had total loans outstanding of \$76,252,010 which consist of revenue bonds in the amount of \$44,945,423, note payable of \$18,705,463 and state revolving loans for \$12,601,124. The purpose of the revenue bonds was to refund previously issued outstanding revenue bonds, refund prior debt with the Florida Municipal Power Agency (FMPA) to fund improvements to the electrical distribution system, refinance certain utilities capital costs incurred in the past six years and to provide funding for the City's potable water system in the form of a Reverse Osmosis Water Treatment Plant. The note payable was obtained to fund the agreement that the City entered into with Siemens Industry, Inc. for the installation of certain energy savings infrastructure and equipment throughout the City. The state revolving loans were obtained to help fund the construction of the Reverse Osmosis Water Treatment Plant and to help fund the replacement of the 2" watermain lines throughout the City.

**Overview of the Financial Statements**

**Government-Wide Financial Statements**

The government-wide financial statements of the City provide a broad overview of the City's finances and report information about the City using accounting methods similar to those used by private sector companies.



**City of Lake Worth Beach, Florida  
Management's Discussion and Analysis (Unaudited)**

**For the Fiscal Year Ended September 30, 2020**

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The Statement of Net Position includes all of the City's assets, deferred outflows, liabilities, and deferred inflows and provides information about the nature and amounts of investments in resources (assets) and the obligations to City creditors (liabilities). The assets, deferred outflows, liabilities, and deferred inflows are presented in a classified format, which distinguishes between current and long-term assets and liabilities. Net position, the difference between assets and deferred outflows; and liabilities and deferred inflows, provide the basis for computing rate of return, evaluating the capital structure of the City and assessing the liquidity and financial flexibility of the City. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities measures the success of the City's operations over the past year and can be used to determine whether the City has successfully recovered all of its costs through its services provided, as well as its profitability and credit worthiness. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

The government-wide statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities include general government, public safety, physical environment, transportation, culture and recreation. Business-type activities include water and electric utilities, local and regional sewer, stormwater utility, refuse collection and disposal systems.

### **Fund Financial Statements**

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, these funds focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. As a result of this difference in focus, a reconciliation is provided between the fund and government-wide statements in order to better understand the long-term impact of short-term financing decisions.

The City maintains individual governmental funds. Information is presented separately for the General Fund, the Beach Fund and the Neighborhood Road Program Fund, as these are considered to be major funds. Data for the other governmental funds are aggregated into a single presentation. Individual fund data for these other nonmajor funds is provided in the form of combining statements.

Proprietary Funds – The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the operation of providing water service, electric utility service, local and regional sewer service, stormwater utility, refuse collection and disposal. The City uses internal service funds to account for the financing of insurance, garage, information technology services and employee benefits provided to other funds of the City on a cost-reimbursement basis.

**City of Lake Worth Beach, Florida  
Management's Discussion and Analysis (Unaudited)**

**For the Fiscal Year Ended September 30, 2020**

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Because these services primarily support business-type rather than governmental, they have been included within business-type activities in the government-wide statements.

Proprietary funds provide the same type of information as the government-wide business-type statements, only in more detail. The water, electric and local and regional sewer funds are major funds and are presented separately. Data for the other enterprise funds are aggregated into a single presentation. Separate information is provided for each of the City's nonmajor enterprise funds in combining schedules.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside of the government and, consequently, are not reflected in the government-wide statements because the resources are not available to support the City's own programs. The accounting for fiduciary funds is much like that of proprietary funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements.

Other information – In addition to the basic financial statements and notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. The required supplementary information also contains a budgetary comparison schedule for the General Fund and Beach Fund to demonstrate budgetary compliance.

The combining statements referred to earlier in connection with nonmajor governmental and enterprise funds and fiduciary funds are presented immediately following the required supplementary information.

**Government-Wide Financial Analysis**

Our analysis of the government-wide financial statements of the City begins on the next page. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City's activities in a way that will help answer this question. These two statements report the net position of the City and changes in them. You can think of the City's net position – the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, – as one way to measure the financial health or financial position. Over time, increases or decreases in the City's net position is one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions, regulations and new or changed government legislation.

**City of Lake Worth Beach, Florida  
Management's Discussion and Analysis (Unaudited)**

**For the Fiscal Year Ended September 30, 2020**

To begin our analysis, a summary of the City's government-wide statement of net position is presented in Table A-1.

**Table A-1  
Condensed Statement of Net Position (In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Assets:</b>						
Current and other assets	\$ 49,187	\$ 34,456	\$ 112,990	\$ 98,833	\$ 162,177	\$ 133,289
Capital assets	84,258	78,278	166,887	157,014	251,145	235,292
<b>Total assets</b>	<b>133,445</b>	<b>112,734</b>	<b>279,877</b>	<b>255,847</b>	<b>413,322</b>	<b>368,581</b>
Total deferred outflows of resources	9,379	8,548	4,899	5,083	14,278	13,631
<b>Total assets and deferred outflows</b>	<b>\$ 142,824</b>	<b>\$ 121,282</b>	<b>\$ 284,776</b>	<b>\$ 260,930</b>	<b>\$ 427,600</b>	<b>\$ 382,212</b>
<b>Liabilities:</b>						
Current liabilities	\$ 12,279	\$ 5,128	\$ 22,394	\$ 14,307	\$ 34,673	\$ 19,435
Noncurrent liabilities	107,108	92,517	107,983	94,651	215,091	187,168
<b>Total liabilities</b>	<b>119,387</b>	<b>97,645</b>	<b>130,377</b>	<b>108,958</b>	<b>249,764</b>	<b>206,603</b>
Deferred inflows of resources	448	2,026	627	1,153	1,075	3,179
<b>Total liabilities and deferred inflows</b>	<b>119,835</b>	<b>99,671</b>	<b>131,004</b>	<b>110,111</b>	<b>250,839</b>	<b>209,782</b>
<b>Net position:</b>						
Net investment in capital assets	38,366	55,218	95,049	95,692	133,415	150,910
Restricted	12,750	4,501	8,670	8,877	21,420	13,378
Unrestricted (deficit)	(28,127)	(38,108)	50,053	46,250	21,926	8,142
<b>Total net position</b>	<b>22,989</b>	<b>21,611</b>	<b>153,772</b>	<b>150,819</b>	<b>176,761</b>	<b>172,430</b>
<b>Total liabilities, deferred inflows and net position</b>	<b>\$ 142,824</b>	<b>\$ 121,282</b>	<b>\$ 284,776</b>	<b>\$ 260,930</b>	<b>\$ 427,600</b>	<b>\$ 382,212</b>

As shown in Table A-1, net position amounted to approximately \$177 million in fiscal 2020. The major component of this category is "net investment in capital assets," which represents the City's investment in its capital assets, net of the amounts borrowed to purchase these assets. This category of net position decreased from approximately \$151 million in fiscal year 2019 to approximately \$133 million in fiscal year 2020, primarily due to the new debt issued of approximately \$27 million, which was used to replenish reserves previously used to acquire capital assets. This increased current and other assets from approximately \$133 million in 2019 to approximately \$162 million in 2020.

An additional portion of the City's net position, \$21.4 million represents resources that are subject to restrictions on how they may be used. The remaining balance of approximately \$21.9 million is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

**City of Lake Worth Beach, Florida  
Management's Discussion and Analysis (Unaudited)**

**For the Fiscal Year Ended September 30, 2020**

**Table A-2  
Combined Statement of Activities (In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>General Revenues:</b>						
Taxes	\$ 25,101	\$ 24,662	\$ -	\$ -	\$ 25,101	\$ 24,662
Intergovernmental – unrestricted	1,534	1,689	-	-	1,534	1,689
Investment earnings – unrestricted	485	1,076	506	1,380	991	2,456
Miscellaneous	220	209	411	1,058	631	1,267
Charges for services	16,392	9,834	96,154	95,412	112,546	105,246
Operating grants and contributions	48	45	-	-	48	45
Capital grants and contributions	982	1,030	1,196	907	2,178	1,937
<b>Total revenues</b>	<b>44,762</b>	<b>38,545</b>	<b>98,267</b>	<b>98,757</b>	<b>143,029</b>	<b>137,302</b>
<b>Expenses:</b>						
General government	4,403	6,231	-	-	4,403	6,231
Public safety	22,422	21,711	-	-	22,422	21,711
Physical environment	3,282	3,619	-	-	3,282	3,619
Transportation	5,373	5,652	-	-	5,373	5,652
Culture and recreation	6,491	6,653	-	-	6,491	6,653
Interest and fiscal charges	1,451	1,412	-	-	1,451	1,412
Electric utility	-	-	52,993	52,460	52,993	52,460
Water utility	-	-	15,805	12,713	15,805	12,713
Local sewer	-	-	10,048	8,886	10,048	8,886
Regional sewer	-	-	7,963	4,805	7,963	4,805
Stormwater utility	-	-	1,839	1,453	1,839	1,453
Refuse collection and disposal	-	-	6,580	5,150	6,580	5,150
<b>Total expenses</b>	<b>43,422</b>	<b>45,278</b>	<b>95,228</b>	<b>85,467</b>	<b>138,650</b>	<b>130,745</b>
Increase (decrease) in net position before transfers	1,340	(6,733)	3,039	13,290	4,379	6,557
Transfers	352	10,335	(352)	(10,335)	-	-
Change in net position	1,692	3,602	2,687	2,955	4,379	6,557
Net position, beginning	21,611	18,009	150,819	146,964	172,430	164,973
Restatement, Note 14	(314)	-	266	900	(48)	900
<b>Net position, ending</b>	<b>\$ 22,989</b>	<b>\$ 21,611</b>	<b>\$ 153,772</b>	<b>\$ 150,819</b>	<b>\$ 176,761</b>	<b>\$ 172,430</b>

**Governmental Activities:**

Total revenues increased by approximately \$6.2 million primarily due to charges for services from enterprise funds that were previously classified as transfers in during previous fiscal years. Total expenses decreased by approximately \$2 million during the same period due to a reduction in general government expenses.

**Business-Type Activities:**

For the City's business-type activities, the results for the current fiscal year increased overall net position by approximately \$2.6 million to reach approximately \$153.8 million. Revenues decreased by approximately \$490 thousand primarily due to decreased investment earnings and miscellaneous income. Total expenses increased by approximately \$9.7 million during the same period primarily due to contributions towards governmental activities previously classified as transfers in previous fiscal years.

**City of Lake Worth Beach, Florida  
Management's Discussion and Analysis (Unaudited)**

**For the Fiscal Year Ended September 30, 2020**

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**Financial Analysis of the City's Funds**

***Governmental Funds***

At September 30, 2020, the City's governmental funds reported combined fund balances of approximately \$41.1 million, an increase of approximately \$9.5 million in comparison to the prior year. Approximately 29% or \$12.0 million is restricted. The remainder of the fund balance is either non-spendable, committed, assigned or unassigned.

**General Fund** – The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance in the General Fund was approximately \$11.9 million compared to approximately \$4.6 million in 2019. The unassigned fund balance represents approximately 99.7% of the overall fund balance at September 30, 2020. The General Fund recognized approximately \$35.7 million of revenue during the year, offset by approximately \$36.8 million of expenditures. Property taxes increased to approximately \$10.6 million from approximately \$9.7 million in the prior year, which along with utility taxes, charges for services and intergovernmental revenues, are the largest sources of revenue. Public safety expenditures increased by approximately \$1.2 million to approximately \$21.9 million, still representing the largest portion (59.5%) of expenditures. Both the Police and Fire Rescue services are contracted out to the Palm Beach County Sheriff's Office and the Palm Beach Fire Rescue District, respectively. These expenditures are driven by the interlocal agreements with each governmental entity and associated pension costs for former police and fire employees.

**Beach Fund** – The Beach Fund is being used to account for all of the costs involved in operating the City's casino building and all the activities of the beach. In 2011 the fund took an advance in the amount of \$6 million, with \$4 million coming from the Water Fund and \$2 million coming from the Self Insurance Fund. The City determined it was more beneficial to utilize internal financing due to the interest rate earned on the City's investments compared to external financing. During fiscal year 2020, the advance was fully paid from non-ad valorem bond proceeds in the amount of approximately \$6.8 million. Overall revenue and expenditures with the exception of other financing sources in the Beach Fund were consistent with prior year.

**Neighborhood Road Improvement Fund** – The Neighborhood Road Improvement Fund is used to account for all of the cost involved in operating the Neighborhood Road program. The program is the City's largest capital improvement project to date and will dramatically improve transportation throughout the City's residential areas. It is being funded through a general obligation bond not to exceed \$40 million. In 2018, the City issued General Obligation Bond Series 2018 in the amount of \$17,295,000. This was the second and final tranche of the \$40 million bond authorization. The program spent \$7.9 million in fiscal year 2020.

***Proprietary Funds***

Operating revenues in the enterprise funds increased by approximately \$0.7 million. Operating revenue from electric operations decreased by approximately \$1.6 million. The local sewer increased by approximately \$1 million. Water operations increased by approximately \$0.4 million. Operating expenses in the enterprise funds increased by approximately \$9.5 million due to contributions to governmental funds that were classified as transfers out in previous fiscal years.

**City of Lake Worth Beach, Florida  
Management's Discussion and Analysis (Unaudited)**

**For the Fiscal Year Ended September 30, 2020**

**General Fund Budgetary Highlights**

The General Fund's budgeted revenues and expenditures remained the same from the original budget. The actual revenues were approximately \$1.5 million lower than the budget. The City's final actual expenditures through cost saving measures were approximately \$0.6 million less than budget.

The most significant difference between budgeted revenues and actual revenues was noted in state shared revenues and charges for services as both sources came in lower than anticipated.

**Capital Assets and Debt Administration**

**Capital Assets**

As of September 30, 2020, the City's investment in capital assets for its governmental and business-type activities amounts to approximately \$251.0 million invested in a variety of capital assets, which represents a net increase (additions, deductions and depreciation) of approximately \$16 million or 6.8%. Construction-in-progress decreased approximately \$4.6 million to a total of approximately \$26.1 million. The increase in capital assets is mainly attributable to various infrastructure projects throughout the City. Additional information on the City's capital assets can be found in Note 6.

**Table A-3  
Capital assets (In Millions)**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	8.8	8.4	2.6	2.6	11.4	11.0
Construction in progress	0.2	10.7	25.9	20.0	26.1	30.7
Land improvements	7.0	7.0	0.5	0.5	7.5	7.5
Buildings and structures	52.4	32.7	99.2	99.2	151.6	131.9
Infrastructure	89.7	89.7	172.3	162.1	262.0	251.8
Machinery and equipment	4.7	4.4	33.9	33.5	38.6	37.9
Vehicles	1.4	1.4	13.6	12.8	15.0	14.2
<b>Total capital assets</b>	<b>164.2</b>	<b>154.3</b>	<b>348.0</b>	<b>330.7</b>	<b>512.2</b>	<b>485.0</b>
Accumulated depreciation	(80.0)	(76.1)	(181.0)	(173.7)	(261.0)	(249.8)
<b>Net capital assets</b>	<b>84.2</b>	<b>78.2</b>	<b>167.0</b>	<b>157.0</b>	<b>251.2</b>	<b>235.2</b>

**Debt Administration**

As of September 30, 2020, the City had debt outstanding of approximately \$130.3 million. Of this amount, approximately \$53 million and 44.9 million are secured by specific governmental fund and enterprise fund revenue sources, respectively.

**Table A-4  
Long-Term Debt (In Millions)**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue bonds	53.0	38.9	44.9	36.0	97.9	74.9
Notes payable	1.0	0.9	31.3	30.5	32.3	31.4
<b>Total</b>	<b>54.0</b>	<b>39.8</b>	<b>76.3</b>	<b>66.5</b>	<b>130.3</b>	<b>106.3</b>

**City of Lake Worth Beach, Florida  
Management's Discussion and Analysis (Unaudited)**

**For the Fiscal Year Ended September 30, 2020**

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The City's long-term debt increased by approximately \$24 million or 23% due to the net effect of increased borrowings mainly from the new bond issuance of approximately \$27 million and the scheduled principal payments. Other obligations include compensated absences such as unused vacation and sick leave, deposits payable, pension liability and outstanding/estimated insurance claims. Additional information on the City's current long-term debt and liabilities can be found in Note 8.

**Economic Factors and Next Year's Budget and Rates**

The City considered the following economic factors in developing its 2020-2021 fiscal year budget:

- The State of Florida, by constitution, does not have a state personal income tax and, therefore, the State operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties and school boards) primarily rely on property taxes supplemented by a limited array of other permitted taxes (sales, gasoline and utilities) and fees (franchise and occupational license) for their governmental activities. During the past year these revenues increased and for fiscal year 2020, they are estimated to continue this trend.
- The General Fund budget for 2021 of approximately \$38.3 million is approximately \$1.1 million more than the fiscal year 2020 budget. The adopted budget reflected a level service budget with excess revenues strengthening fund balance and working capital.
- The fiscal year 2021 budget maintains and improves service levels wherever possible, with the restraint of gradual increases in revenues. The City of Lake Worth Beach, Florida continues to look for efficiencies and improved productivity in the reorganization of its departments and infrastructure planning of capital assets.

**Currently Known Facts and Decisions**

In fiscal year 2020, the City of Lake Worth Beach placed major emphasis on creating the conditions for private investment in the municipality. The City's Comprehensive Plan has been updated. Significant infrastructure investments in the Lake Worth Park of Commerce are underway and the Neighborhood Road Improvement program is ahead of schedule. Additionally, the Water Utilities Department has embarked upon major upgrades throughout the City in the replacement of pipes and fire hydrants. As the City invests in itself, developers and residents are investing, too.

On March 1, 2020, the Governor of the State of Florida declared a Public Health Emergency as a result of the Novel Coronavirus Disease 2019 (COVID-19), and signed an Executive Order declaring State of Emergency on March 9, 2020. Throughout March 2020, the City and Palm Beach County issued orders designed to protect the health and well-being of the community, to create social distancing, and to minimize contact in an effort to limit community spread of COVID-19.

The COVID-19 coronavirus outbreak has resulted in disruption of the City operations. Global and local economies are experiencing significant declines. The impact of COVID-19 to the City's operational and financial performance is unknown at this time.

**City of Lake Worth Beach, Florida  
Management's Discussion and Analysis (Unaudited)**

**For the Fiscal Year Ended September 30, 2020**

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**Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Lake Worth Beach, Finance Department, 7 North Dixie Highway, Lake Worth, FL 33460.



**City of Lake Worth Beach, Florida**

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City of Lake Worth Beach, Florida

Statement of Net Position  
September 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 14,107,840	\$ 14,361,423	\$ 28,469,263	\$ 1,897,813
Investments	35,639,114	31,269,347	66,908,461	1,180,011
Accounts receivable, net	2,093,445	13,642,632	15,736,077	1,170
Accrued interest receivable	28,162	50,589	78,751	-
Due from other governments	-	1,492,552	1,492,552	-
Internal balances	(2,969,139)	2,969,139	-	-
Inventories	8,383	5,525,648	5,534,031	-
Land held for resale	237,861	-	237,861	9,633,626
Prepaid items	40,838	59,666	100,504	11,400
Restricted assets:				
Cash and cash equivalents	-	3,658,077	3,658,077	-
Investments	-	10,463,733	10,463,733	-
Deposits	-	1,316,174	1,316,174	-
Investment in joint venture	-	28,180,539	28,180,539	-
Capital assets:				
Nondepreciable	8,963,686	28,512,714	37,476,400	2,649,102
Depreciable, net	75,294,432	138,374,672	213,669,104	5,770,816
<b>Total assets</b>	<b>133,444,622</b>	<b>279,876,905</b>	<b>413,321,527</b>	<b>21,143,938</b>
Deferred outflows of resources:				
Deferred outflows relating to pensions	9,149,019	3,962,182	13,111,201	-
Deferred outflows relating to OPEB	230,383	218,969	449,352	-
Deferred charge on refunding	-	718,325	718,325	-
<b>Total deferred outflows of resources</b>	<b>9,379,402</b>	<b>4,899,476</b>	<b>14,278,878</b>	<b>-</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 3,159,420	\$ 5,732,557	\$ 8,891,977	\$ 78,119
Accrued liabilities	7,093,065	9,545,671	16,638,736	20,832
Accrued interest payable	357,139	495,678	852,817	-
Due to primary government	-	-	-	255
Unearned revenue	815,149	-	815,149	-
Liabilities payable from restricted assets	-	1,030,057	1,030,057	-
Due within one year:				
Notes payable	54,598	1,803,869	1,858,467	831,625
Bonds payable	765,000	3,730,000	4,495,000	-
Compensated absences	34,894	56,573	91,467	-
Due in more than a year:				
Notes payable	789,266	29,502,718	30,291,984	3,202,628
Bonds payable	52,271,418	41,215,423	93,486,841	-
Compensated absences	835,281	642,331	1,477,612	-
Insurance claims payable	-	3,349,943	3,349,943	-
Total OPEB liability	1,103,314	1,048,654	2,151,968	-
Deposits payable	-	6,876,848	6,876,848	-
Net pension liability	52,108,262	25,347,319	77,455,581	-
<b>Total liabilities</b>	<b>119,386,806</b>	<b>130,377,641</b>	<b>249,764,447</b>	<b>4,133,459</b>

See notes to financial statements.

City of Lake Worth Beach, Florida

Statement of Net Position (Continued)  
September 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Deferred inflows of resources:				
Deferred inflows relating to pensions	447,600	626,838	1,074,438	-
Net position:				
Net investment in capital assets	38,366,100	95,049,432	133,415,532	4,385,665
Restricted for:				
Debt service	-	5,533,869	5,533,869	-
Working capital	-	1,316,174	1,316,174	-
Renewal and replacement	-	1,820,248	1,820,248	-
Grants	146,415	-	146,415	-
Capital projects	6,986,897	-	6,986,897	-
Public safety	4,596,437	-	4,596,437	-
Community redevelopment	-	-	-	12,613,414
Parking improvements	69,338	-	69,338	-
Public safety	492,506	-	492,506	-
Tree preservation	19,606	-	19,606	-
Energy conservation	220,811	-	220,811	-
Culture and recreation	218,273	-	218,273	-
Unrestricted (deficit)	(28,126,765)	50,052,179	21,925,414	11,400
<b>Total net position</b>	<b>22,989,618</b>	<b>153,771,902</b>	<b>176,761,520</b>	<b>17,010,479</b>

City of Lake Worth Beach, Florida

Statement of Activities  
For the Fiscal Year Ended September 30, 2020

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 4,402,551	\$ 10,709,621	\$ -	\$ 626,271	\$ 6,933,341	\$ -	\$ 6,933,341	\$ -
Public safety	22,422,289	1,545,925	4,008	65,362	(20,806,994)	-	(20,806,994)	-
Physical environment	3,282,429	25,150	-	-	(3,257,279)	-	(3,257,279)	-
Transportation	5,372,627	1,837,134	-	-	(3,535,493)	-	(3,535,493)	-
Culture and recreation	6,491,360	2,274,234	44,198	290,548	(3,882,380)	-	(3,882,380)	-
Interest and fiscal charges	1,450,715	-	-	-	(1,450,715)	-	(1,450,715)	-
<b>Total governmental activities</b>	<b>43,421,971</b>	<b>16,392,064</b>	<b>48,206</b>	<b>982,181</b>	<b>(25,999,520)</b>	<b>-</b>	<b>(25,999,520)</b>	<b>-</b>
Business-type activities:								
Electric	52,993,465	53,508,982	-	-	-	515,517	515,517	-
Water	15,805,291	14,691,895	-	586,278	-	(527,118)	(527,118)	-
Local sewer	10,047,624	8,827,767	-	311,477	-	(908,380)	(908,380)	-
Regional sewer	7,963,192	10,607,742	-	298,523	-	2,943,073	2,943,073	-
Stormwater utility	1,838,722	1,930,639	-	-	-	91,917	91,917	-
Refuse collection and disposal	6,579,918	6,586,508	-	-	-	6,590	6,590	-
<b>Total business-type activities</b>	<b>95,228,212</b>	<b>96,153,533</b>	<b>-</b>	<b>1,196,278</b>	<b>-</b>	<b>2,121,599</b>	<b>2,121,599</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 138,650,183</b>	<b>\$ 112,545,597</b>	<b>\$ 48,206</b>	<b>\$ 2,178,459</b>	<b>(25,999,520)</b>	<b>2,121,599</b>	<b>(23,877,921)</b>	<b>-</b>
Component unit:								
Lake Worth CRA	\$ 4,157,647	\$ -	\$ -	\$ 16,780				(4,140,867)
General revenue:								
Taxes:								
Property and other taxes					13,044,494	-	13,044,494	3,365,636
Franchise fees based on gross receipts					138,871	-	138,871	-
Utility services taxes					5,473,291	-	5,473,291	-
Gas taxes					860,137	-	860,137	-
State and other shared revenues					5,584,568	-	5,584,568	-
Intergovernmental – unrestricted					1,534,497	-	1,534,497	-
Investment income – unrestricted					485,389	505,611	991,000	17,494
Miscellaneous					218,393	410,438	628,831	41,420
Transfers					352,000	(352,000)	-	-
<b>Total general revenues and transfers</b>					<b>27,691,640</b>	<b>564,049</b>	<b>28,255,689</b>	<b>3,424,550</b>
<b>Change in net position</b>					<b>1,692,120</b>	<b>2,685,648</b>	<b>4,377,768</b>	<b>(716,317)</b>
Net Position beginning of year, as restated (Note 14)					<b>21,297,498</b>	<b>151,086,254</b>	<b>172,383,752</b>	<b>17,726,796</b>
Net Position end of year					<b>\$ 22,989,618</b>	<b>\$ 153,771,902</b>	<b>\$ 176,761,520</b>	<b>\$ 17,010,479</b>

City of Lake Worth Beach, Florida

Balance Sheet – Governmental Funds  
September 30, 2020

	General	Beach Fund	Neighborhood Road Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 6,421,617	\$ 2,157,017	\$ -	\$ 5,529,206	\$ 14,107,840
Investments	3,252,793	1,711,216	17,165,509	13,509,596	35,639,114
Accounts receivable, net	1,230,357	219,361	-	643,727	2,093,445
Accrued interest receivable	4,975	2,617	-	20,570	28,162
Inventories	-	-	-	8,383	8,383
Land held for resale	-	-	-	237,861	237,861
Prepaid items	27,558	-	-	13,280	40,838
Due from other funds	9,173,560	-	-	-	9,173,560
<b>Total assets</b>	<b>\$ 20,110,860</b>	<b>\$ 4,090,211</b>	<b>\$ 17,165,509</b>	<b>\$ 19,962,623</b>	<b>\$ 61,329,203</b>
<b>Liabilities</b>					
Accounts and contracts payable	\$ 519,736	\$ 80,619	\$ 1,846,792	\$ 712,273	\$ 3,159,420
Accrued liabilities	6,891,252	147,453	-	54,360	7,093,065
Due to other funds	13,790	154,156	8,837,467	168,147	9,173,560
Unearned revenue	770,088	-	-	45,061	815,149
<b>Total liabilities</b>	<b>8,194,866</b>	<b>382,228</b>	<b>10,684,259</b>	<b>979,841</b>	<b>20,241,194</b>
Fund balances:					
Nonspendable:					
Prepaid items	27,558	-	-	13,280	40,838
Inventories	-	-	-	8,383	8,383
Land held for resale	-	-	-	237,861	237,861
Restricted for:					
Public safety	-	-	-	4,596,437	4,596,437
Grants	-	-	-	146,415	146,415
Capital projects	-	-	6,241,249	6,986,897	13,228,146
Parking improvements	-	-	-	69,338	69,338
Public safety	-	-	-	492,506	492,506
Tree preservation	-	-	-	19,606	19,606
Energy conservation	-	-	-	220,811	220,811
Culture and recreation	-	-	-	218,273	218,273
Assigned to:					
Capital projects	-	3,707,983	240,001	5,989,408	9,937,392
Housing initiative	9,267	-	-	-	9,267
Unassigned (deficit)	11,879,169	-	-	(16,433)	11,862,736
<b>Total fund balances</b>	<b>11,915,994</b>	<b>3,707,983</b>	<b>6,481,250</b>	<b>18,982,782</b>	<b>41,088,009</b>
<b>Total liabilities and fund balances</b>	<b>\$ 20,110,860</b>	<b>\$ 4,090,211</b>	<b>\$ 17,165,509</b>	<b>\$ 19,962,623</b>	<b>\$ 61,329,203</b>

See notes to financial statements.

**City of Lake Worth Beach, Florida**

**Reconciliation of the Balance Sheet of Governmental Funds  
to Statement of Net Position  
September 30, 2020**

Total fund balance – governmental funds		\$ 41,088,009
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities, net of depreciation, are not financial resources and, therefore, are not reported in the fund.		84,258,118
Accrued interest payable not reported in the governmental funds.		(357,139)
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the government funds. These liabilities are comprised of the following:		
Revenue bonds payable, net of premium	\$ (53,036,418)	
Notes payable	(843,864)	
Net pension liability	(52,108,262)	
Total OPEB liability	(1,103,314)	
Compensated absences	(870,175)	(107,962,033)
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.		
Deferred outflows relating to pensions	9,149,019	
Deferred inflows relating to pensions	(447,600)	
Deferred outflows relating to OPEB	230,383	
Deferred inflows relating to OPEB	-	8,931,802
Internal service funds are used by management to charge the costs risk management, IT services, City garage operations and employee benefits to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in business-type activities in the statement of net position.	4,587,024	
Less due to business-type activities for "Look Back" allocation	(7,556,163)	(2,969,139)
<b>Net position of governmental activities</b>		<b>\$ 22,989,618</b>

See notes to financial statements.

City of Lake Worth Beach, Florida

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For the Fiscal Year Ended September 30, 2020

	General	Beach Fund	Neighborhood Road Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property taxes	\$ 10,622,379	\$ -	\$ -	\$ 2,140,741	\$ 12,763,120
Utility and other taxes	5,170,049	-	-	475,662	5,645,711
Licenses and permits	1,074,422	-	-	1,323,854	2,398,276
Fines and forfeitures	961,885	369,708	-	-	1,331,593
Charges for services	12,919,347	3,081,738	-	1,304,995	17,306,080
Intergovernmental	4,761,827	-	-	3,633,892	8,395,719
Investment income	59,821	26,524	199,138	200,166	485,649
Rents and royalties	19,445	-	-	-	19,445
Miscellaneous	70,573	7,697	-	250,882	329,152
<b>Total revenues</b>	<b>35,659,748</b>	<b>3,485,667</b>	<b>199,138</b>	<b>9,330,192</b>	<b>48,674,745</b>
<b>Expenditures:</b>					
Current:					
General government	8,334,094	-	-	78,181	8,412,275
Public safety	21,904,290	-	-	1,219,095	23,123,385
Physical environment	2,285,176	-	-	-	2,285,176
Transportation	1,948,700	686,913	-	134,880	2,770,493
Culture and recreation	2,241,349	2,496,636	-	1,188,554	5,926,539
Capital outlay	8,945	151,900	7,933,455	1,602,251	9,696,551
Debt service:					
Principal	50,664	-	-	730,000	780,664
Interest	26,627	-	-	1,424,088	1,450,715
<b>Total expenditures</b>	<b>36,799,845</b>	<b>3,335,449</b>	<b>7,933,455</b>	<b>6,377,049</b>	<b>54,445,798</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,140,097)</b>	<b>150,218</b>	<b>(7,734,317)</b>	<b>2,953,143</b>	<b>(5,771,053)</b>
Other financing sources (uses):					
Proceeds from debt issuance	7,575,246	6,341,121	-	75,000	13,991,367
Proceeds from bond premiums	494,198	413,686	-	-	907,884
Transfers in	420,593	-	-	15,000	435,593
Transfers out	(15,000)	-	-	(68,593)	(83,593)
<b>Total other financing sources (uses)</b>	<b>8,475,037</b>	<b>6,754,807</b>	<b>-</b>	<b>21,407</b>	<b>15,251,251</b>
<b>Net change in fund balances (deficits)</b>	<b>7,334,940</b>	<b>6,905,025</b>	<b>(7,734,317)</b>	<b>2,974,550</b>	<b>9,480,198</b>
Fund balances (deficit) – beginning of year, as restated (Note 14)	4,581,054	(3,197,042)	14,215,567	16,008,232	31,607,811
Fund balances, end of year	\$ 11,915,994	\$ 3,707,983	\$ 6,481,250	\$ 18,982,782	\$ 41,088,009

See notes to financial statements.

City of Lake Worth Beach, Florida

**Reconciliation of the Statement of Revenues, Expenditures and Changes  
In Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended September 30, 2020**

Net change in fund balances, total governmental funds	\$	9,480,198
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 those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period:		
Capital outlay	\$	9,851,892
Depreciation expense		<u>(3,871,794)</u>
		5,980,098
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 the governmental funds:		
Change in accrued interest payable	-	
Principal payment on notes payable	50,664	
Principal payment revenue bonds	730,000	
Amortization of bond premium	33,894	
Change in compensated absences	(215,427)	
Change in net OPEB liability	(24,382)	
Change in net pension liability	<u>(261,978)</u>	312,771
Issuance of debt		
Bonds payable	(13,991,367)	
Bond premium	(907,884)	(14,899,251)
Certain changes in the statement activities related to pension assets and liabilities are not reported in the net change in the governmental funds:		
Change in deferred outflows relating to pensions	782,246	
Change in deferred inflows relating to pensions	1,567,658	
Change in deferred outflows relating to OPEB	49,029	
Change in deferred inflows relating to OPEB	<u>10,823</u>	2,409,756
Internal service funds are used by management to change the cost of certain activities, such as insurance, to individual funds. The net revenue (expense) of internal service funds are reported with governmental activities:		
Internal service fund change in net position	(4,050,902)	
Current year "Look Back" allocation to Enterprise Funds	<u>2,459,450</u>	(1,591,452)
<b>Change in net position of governmental activities</b>		<u><u>\$ 1,692,120</u></u>

See notes to financial statements.



City of Lake Worth Beach, Florida

Statement of Net Position – Proprietary Funds  
September 30, 2020

	Business-Type Activities – Enterprise Funds						
	Major			Nonmajor		Total Enterprise Funds	Internal Service Funds
	Electric	Water	Local Sewer	Regional Sewer	Enterprise Funds		
<b>Assets</b>							
Current assets:							
Cash and cash equivalents	\$ 179,615	\$ 2,496,376	\$ 1,752,479	\$ 776,751	\$ 4,344,648	\$ 9,549,869	\$ 4,811,554
Investments	224,174	8,630,027	1,608,245	813,570	10,704,877	21,980,893	9,288,454
Accounts receivable, net	8,736,096	1,646,697	1,370,134	1,478,298	401,809	13,633,034	9,598
Accrued interest receivable	741	13,599	2,460	3,225	16,366	36,391	14,198
Due from other government	-	-	-	-	-	-	1,492,552
Inventories	5,219,240	203,108	-	-	-	5,422,348	103,300
Prepaid items	59,666	-	-	-	-	59,666	-
<b>Total current assets</b>	<b>\$ 14,419,532</b>	<b>\$ 12,989,807</b>	<b>\$ 4,733,318</b>	<b>\$ 3,071,844</b>	<b>\$ 15,467,700</b>	<b>\$ 50,682,201</b>	<b>\$ 15,719,656</b>
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	\$ -	\$ 1,291,153	\$ -	\$ 516,924	\$ -	\$ 1,808,077	\$ 1,850,000
Investments	8,905,681	261,723	-	1,296,329	-	10,463,733	-
Deposits	1,316,174	-	-	-	-	1,316,174	-
Investment in joint venture	-	-	-	28,180,539	-	28,180,539	-
Capital assets:							
Land	1,527,194	307,148	5,750	-	732,046	2,572,138	-
Construction in progress	13,520,305	9,639,362	631,913	555,717	1,593,279	25,940,576	-
Land improvements	216,163	-	6,570	4,602	241,637	468,972	-
Buildings and structures	40,597,626	52,448,604	5,829,936	20,325	296,994	99,193,485	-
Infrastructure	51,070,320	58,948,067	30,432,627	25,769,273	6,114,168	172,334,455	-
Machinery and equipment	25,371,873	4,830,695	906,995	293,898	526,240	31,929,701	1,917,468
Vehicles	2,886,665	477,531	1,558,983	77,418	4,781,225	9,781,822	3,892,515
Accumulated depreciation	(85,627,439)	(40,091,261)	(24,972,065)	(19,736,047)	(6,123,892)	(176,550,704)	(4,593,042)
<b>Total noncurrent assets</b>	<b>59,784,562</b>	<b>88,113,022</b>	<b>14,400,709</b>	<b>36,978,978</b>	<b>8,161,697</b>	<b>207,438,968</b>	<b>3,066,941</b>
<b>Total assets</b>	<b>74,204,094</b>	<b>101,102,829</b>	<b>19,134,027</b>	<b>40,050,822</b>	<b>23,629,397</b>	<b>258,121,169</b>	<b>18,786,597</b>

(Continued)

City of Lake Worth Beach, Florida

Statement of Net Position – Proprietary Funds (Continued)  
September 30, 2020

	Business-Type Activities – Enterprise Funds							Internal Service Funds
	Major				Nonmajor	Total	Enterprise Funds	
	Electric	Water	Local Sewer	Regional Sewer	Enterprise Funds	Enterprise Funds		
Deferred outflows of resources:								
Deferred outflows relating to pensions	2,219,125	692,201	335,251	69,934	645,671	3,962,182	-	
Deferred outflows relating to OPEB	115,169	42,194	13,705	1,124	46,777	218,969	-	
Deferred charge on refunding	360,621	357,704	-	-	-	718,325	-	
<b>Total deferred outflows of resources</b>	<b>2,694,915</b>	<b>1,092,099</b>	<b>348,956</b>	<b>71,058</b>	<b>692,448</b>	<b>4,899,476</b>	<b>-</b>	
<b>Liabilities:</b>								
<b>Current liabilities:</b>								
Accounts and contracts payable	\$ 3,165,449	\$ 780,125	\$ 314,960	\$ 869,004	\$ 244,838	\$ 5,374,376	\$ 358,181	
Accrued liabilities	701,146	152,457	36,522	5,209	60,805	956,139	8,589,532	
Accrued interest payable	217,146	278,532	-	-	-	495,678	-	
Compensated absences	24,671	5,696	6,708	-	15,138	52,213	4,360	
Notes payable	801,461	1,002,408	-	-	-	1,803,869	-	
Revenue bonds payable	1,865,000	1,865,000	-	-	-	3,730,000	-	
Payable from restricted assets:								
Accounts and contracts payable	587,255	437,233	-	5,569	-	1,030,057	-	
<b>Total current liabilities</b>	<b>7,362,128</b>	<b>4,521,451</b>	<b>358,190</b>	<b>879,782</b>	<b>320,781</b>	<b>13,442,332</b>	<b>8,952,073</b>	
Noncurrent liabilities:								
Insurance claims payable	-	-	-	-	-	-	3,349,943	
Compensated absences	377,141	100,569	46,729	-	70,335	594,774	47,557	
OPEB liability	551,551	202,068	65,634	5,381	224,020	1,048,654	-	
Notes payable	11,585,793	17,916,925	-	-	-	29,502,718	-	
Revenue bonds payable	15,347,121	17,798,491	1,762,665	-	4,457,146	39,365,423	1,850,000	
Net pension liability	14,662,367	3,993,877	1,846,507	494,679	4,349,889	25,347,319	-	
Payable from restricted assets:								
Deposits payable	5,585,695	1,291,153	-	-	-	6,876,848	-	
<b>Total noncurrent liabilities</b>	<b>48,109,668</b>	<b>41,303,083</b>	<b>3,721,535</b>	<b>500,060</b>	<b>9,101,390</b>	<b>102,735,736</b>	<b>5,247,500</b>	
<b>Total liabilities</b>	<b>55,471,796</b>	<b>45,824,534</b>	<b>4,079,725</b>	<b>1,379,842</b>	<b>9,422,171</b>	<b>116,178,068</b>	<b>14,199,573</b>	

(Continued)

City of Lake Worth Beach, Florida

Statement of Net Position – Proprietary Funds (Continued)  
September 30, 2020

	Business-Type Activities – Enterprise Funds						Internal Service Funds
	Major				Nonmajor	Total	
	Electric	Water	Local Sewer	Regional Sewer	Enterprise Funds	Enterprise Funds	
Deferred inflows of resources:							
Deferred inflows relating to pensions	427,391	53,689	29,923	15,562	100,273	626,838	-
Deferred inflows relating to OPEB	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>427,391</b>	<b>53,689</b>	<b>29,923</b>	<b>15,562</b>	<b>100,273</b>	<b>626,838</b>	<b>-</b>
Net position:							
Net investment in capital assets	22,794,488	47,897,791	12,638,044	6,797,617	3,704,551	93,832,491	1,216,941
Restricted for:							
Debt service	2,666,461	2,867,408	-	-	-	5,533,869	-
Working capital	1,316,174	-	-	-	-	1,316,174	-
Renewal and replacement	262,196	261,723	-	1,296,329	-	1,820,248	-
Unrestricted (deficit)	(6,039,497)	5,289,783	2,735,291	30,632,530	11,094,850	43,712,957	3,370,083
<b>Total net position</b>	<b>20,999,822</b>	<b>56,316,705</b>	<b>15,373,335</b>	<b>38,726,476</b>	<b>14,799,401</b>	<b>146,215,739</b>	<b>4,587,024</b>

Explanation of difference between proprietary funds statement of net position and the government-wide statement of net position:

<b>Total net position</b>	\$ 146,215,739
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time	<u>7,556,163</u>
<b>Net position – business-type activities</b>	<u><u>\$ 153,771,902</u></u>

See notes to financial statements.

City of Lake Worth Beach, Florida

Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds  
For the Fiscal Year Ended September 30, 2020

	Business-Type Activities – Enterprise Funds						
	Major				Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Electric	Water	Local Sewer	Regional Sewer			
Operating revenues:							
Charges for services	\$ 53,508,982	\$ 14,691,895	\$ 8,827,767	\$ 10,607,742	\$ 8,517,147	\$ 96,153,533	\$ 14,017,984
<b>Total operating revenues</b>	<b>53,508,982</b>	<b>14,691,895</b>	<b>8,827,767</b>	<b>10,607,742</b>	<b>8,517,147</b>	<b>96,153,533</b>	<b>14,017,984</b>
Operating expenses:							
Cost of services	41,856,988	8,017,201	7,509,289	6,412,990	6,098,961	69,895,429	19,188,073
General and administrative	8,065,589	2,730,888	1,508,650	1,040,839	1,127,487	14,473,453	-
Depreciation	1,899,628	3,143,666	789,371	421,560	723,096	6,977,321	709,371
<b>Total operating expenses</b>	<b>51,822,205</b>	<b>13,891,755</b>	<b>9,807,310</b>	<b>7,875,389</b>	<b>7,949,544</b>	<b>91,346,203</b>	<b>19,897,444</b>
<b>Operating income (loss)</b>	<b>1,686,777</b>	<b>800,140</b>	<b>(979,543)</b>	<b>2,732,353</b>	<b>567,603</b>	<b>4,807,330</b>	<b>(5,879,460)</b>
Non-operating revenues (expenses):							
Investment income	211,709	102,870	556	28,671	161,805	505,611	134,309
Intergovernmental	-	-	-	-	-	-	1,492,553
Interest and fiscal charges	(872,695)	(849,864)	-	-	-	(1,722,559)	-
Other	341,002	12,918	15,180	-	41,338	410,438	325,153
<b>Total non-operating revenues (expenses)</b>	<b>(319,984)</b>	<b>(734,076)</b>	<b>15,736</b>	<b>28,671</b>	<b>203,143</b>	<b>(806,510)</b>	<b>1,952,015</b>
<b>Income (loss) before transfers and capital contributions</b>	<b>1,366,793</b>	<b>66,064</b>	<b>(963,807)</b>	<b>2,761,024</b>	<b>770,746</b>	<b>4,000,820</b>	<b>(3,927,445)</b>
Capital contributions	-	586,278	311,477	298,523	-	1,196,278	176,543
Transfers out	-	-	-	-	(52,000)	(52,000)	(300,000)
<b>Change in net position</b>	<b>1,366,793</b>	<b>652,342</b>	<b>(652,330)</b>	<b>3,059,547</b>	<b>718,746</b>	<b>5,145,098</b>	<b>(4,050,902)</b>
Net position – beginning of year, as restated	19,633,029	55,664,363	16,025,665	35,666,929	14,080,655	141,070,641	8,637,926
Net position – end of year	\$ 20,999,822	\$ 56,316,705	\$ 15,373,335	\$ 38,726,476	\$ 14,799,401	\$ 146,215,739	\$ 4,587,024

Explanation of difference between proprietary funds statement of revenues, expenses and changes in net position and the government-wide statement of activities:

Change in net position – proprietary funds financial statements	\$ 5,145,098
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds	<u>(2,459,450)</u>
Change in net position – business-type activities	<u>\$ 2,685,648</u>

See notes to financial statements.

City of Lake Worth Beach, Florida

Statement of Cash Flows – Proprietary Funds  
For the Fiscal Year Ended September 30, 2020

	Business-Type Activities – Enterprise Funds						
	Major				Nonmajor	Total Enterprise Funds	Internal Service Funds
	Electric	Water	Local Sewer	Regional Sewer	Enterprise Funds		
Cash flows from operating activities:							
Receipts from customers	\$ 55,023,204	\$ 14,935,041	\$ 8,821,952	\$ 9,881,322	\$ 8,517,733	\$ 97,179,252	\$ -
Receipts from interfund service charges	-	-	-	-	-	-	14,017,984
Payments to suppliers	(36,888,824)	(3,866,949)	(5,863,620)	(6,882,895)	(3,286,996)	(56,789,284)	(10,285,972)
Payments to employees	(7,483,095)	(2,791,355)	(1,177,453)	(186,910)	(2,051,360)	(13,690,173)	(1,224,940)
Payments for interfund services provided	(6,351,353)	(3,063,988)	(1,565,473)	(483,634)	(1,604,709)	(13,069,157)	-
<b>Net cash provided by operating activities</b>	<b>4,299,932</b>	<b>5,212,749</b>	<b>215,406</b>	<b>2,327,883</b>	<b>1,574,668</b>	<b>13,630,638</b>	<b>2,507,072</b>
Cash flows from non-capital financing activities:							
Payments received from other funds	-	2,973,000	-	-	-	2,973,000	1,489,000
Payments made to other funds	-	-	-	-	-	-	-
Other receipts	341,002	12,918	15,180	-	41,338	410,438	325,154
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(52,000)	(52,000)	(300,000)
<b>Net cash provided by (used in) non-capital financing activities</b>	<b>341,002</b>	<b>2,985,918</b>	<b>15,180</b>	<b>-</b>	<b>(10,662)</b>	<b>3,331,438</b>	<b>1,514,154</b>
Cash flows from capital and related financing activities:							
Acquisitions and construction of capital assets, net	(6,540,744)	(7,932,494)	(697,831)	(199,419)	(2,012,302)	(17,382,790)	(177,641)
Proceeds from issuance of debt	1,007,121	5,957,507	1,762,665	-	4,457,146	13,184,439	1,850,000
Proceeds of capital grants, cash transactions	-	586,278	311,477	298,523	-	1,196,278	176,543
Principal paid on revenue bonds and notes	(2,556,211)	(2,732,209)	-	-	-	(5,288,420)	-
Interest and other fiscal charges	(849,427)	(826,979)	-	-	-	(1,676,406)	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(8,939,261)</b>	<b>(4,947,897)</b>	<b>1,376,311</b>	<b>99,104</b>	<b>2,444,844</b>	<b>(9,966,899)</b>	<b>1,848,902</b>
Cash flows from investing activities:							
Purchase of investments	-	(200,000)	(100,000)	(75,000)	(140,000)	(515,000)	(130,000)
Sale of investments	300,000	-	-	-	-	300,000	-
Investment in joint venture	-	-	-	(1,574,343)	-	(1,574,343)	-
Interest and gains or losses on investments	478,213	222,586	104,512	78,889	179,412	1,063,612	154,997
<b>Net cash provided by (used in) investing activities</b>	<b>778,213</b>	<b>22,586</b>	<b>4,512</b>	<b>(1,570,454)</b>	<b>39,412</b>	<b>(725,731)</b>	<b>24,997</b>
<b>Net change in cash and cash equivalents</b>	<b>(3,520,114)</b>	<b>3,273,356</b>	<b>1,611,409</b>	<b>856,533</b>	<b>4,048,262</b>	<b>6,269,446</b>	<b>5,895,125</b>
Cash and cash equivalents, beginning	3,699,729	514,173	141,070	437,142	296,386	5,088,500	766,429
Cash and cash equivalents, ending	\$ 179,615	\$ 3,787,529	\$ 1,752,479	\$ 1,293,675	\$ 4,344,648	\$ 11,357,946	\$ 6,661,554

(Continued)

City of Lake Worth Beach, Florida

Statement of Cash Flows – Proprietary Funds (Continued)  
For the Fiscal Year Ended September 30, 2020

	Business-Type Activities – Enterprise Funds						
	Major				Nonmajor	Total Enterprise Funds	Internal Service Funds
	Electric	Water	Local Sewer	Regional Sewer	Enterprise Funds		
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 1,686,777	\$ 800,140	\$ (979,543)	\$ 2,732,353	\$ 567,603	\$ 4,807,330	\$ (5,879,460)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation	1,899,628	3,143,666	789,371	421,560	723,096	6,977,321	709,371
Provision for uncollectible accounts	360,354	93,968	66,578	-	3,231	524,131	-
Decrease (increase) in assets and deferred outflows:							
Accounts receivable	557,156	30,319	(138,971)	(726,420)	(5,876)	(283,792)	-
Due from other governments	-	-	-	-	-	-	-
Prepaid items	(1,120,180)	15,346	-	-	-	(1,104,834)	18,979
Inventories	-	-	-	-	-	-	269
Deferred outflows relating to pensions	67,571	29,630	11,589	2,157	24,669	135,616	-
Deferred outflows relating to OPEB	(24,509)	(8,979)	(2,917)	(239)	(9,955)	(46,599)	-
Increase (decrease) in liabilities and deferred inflows:							
Accounts and contracts payable	1,708,192	587,245	293,364	785,562	(84,362)	3,290,001	(1,908,277)
Accrued liabilities	(2,061,386)	92,708	2,868	(916,349)	9,937	(2,872,222)	8,519,952
Compensated absences	68,984	446	15,464	-	9,823	94,717	9,080
Insurance claims payable	-	-	-	-	-	-	1,037,158
Customer deposits payable	236,358	24,891	-	-	-	261,249	-
Net OPEB liability	12,188	4,464	1,450	119	4,950	23,171	-
Net pension liability	1,171,153	513,558	200,864	37,396	427,550	2,350,521	-
Deferred inflows relating to pensions	(256,945)	(112,671)	(44,068)	(8,204)	(93,801)	(515,689)	-
Deferred inflows relating to OPEB	(5,409)	(1,982)	(643)	(52)	(2,197)	(10,283)	-
<b>Total adjustments</b>	<b>2,613,155</b>	<b>4,412,609</b>	<b>1,194,949</b>	<b>(404,470)</b>	<b>1,007,065</b>	<b>8,823,308</b>	<b>8,386,532</b>
<b>Net cash provided by operating activities</b>	<b>\$ 4,299,932</b>	<b>\$ 5,212,749</b>	<b>\$ 215,406</b>	<b>\$ 2,327,883</b>	<b>\$ 1,574,668</b>	<b>\$ 13,630,638</b>	<b>\$ 2,507,072</b>
Supplemental disclosure of noncash investing and non-capital financing activities:							
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,492,552
Unrealized gains (losses) on investments	\$ 236	\$ 5,897	\$ 1,178	\$ 1,015	\$ 9,239	\$ 17,565	\$ 6,526

See notes to financial statements.

City of Lake Worth Beach, Florida

Statement of Net Position  
 Fiduciary Funds  
 September 30, 2020

	Pension Trust Funds	Agency Fund
<b>Assets</b>		
Cash and cash equivalents	\$ 2,176,196	\$ -
Investments at fair value:		
U.S. government and agency funds	13,335,169	-
Corporate bonds	17,656,616	-
Common stocks	95,033,714	-
Real estate	18,738,889	-
Mutual funds	1,706,971	-
Accrued interest, dividends and contributions receivable	12,133,334	-
Prepaid items	11,518	-
<b>Total assets</b>	<b>160,792,407</b>	<b>-</b>
<b>Liabilities</b>		
Accounts payable	108,397	-
Deposits payable	-	-
<b>Total liabilities</b>	<b>108,397</b>	<b>-</b>
<b>Net position restricted for pension benefits</b>	<b>\$ 160,684,010</b>	<b>\$ -</b>

See notes to financial statements.

**City of Lake worth Beach, Florida**

**Statement of Changes in Net Position  
Fiduciary Funds  
For the Fiscal Year Ended September 30, 2020**

	Pension Trust Funds
<hr/>	
Additions:	
Contributions:	
Employer	\$ 10,436,096
Chapter 175	68,770
Plan members	1,190,820
State	623,454
	<hr/>
<b>Total contributions</b>	<b>12,319,140</b>
	<hr/>
Investment income:	
Interest and dividends	3,630,106
Net change in fair value of investments	12,502,799
Other income	13,466
	<hr/>
<b>Total investment income</b>	<b>16,146,371</b>
	<hr/>
Less investment expenses	(673,048)
	<hr/>
<b>Net investment income</b>	<b>15,473,323</b>
	<hr/>
<b>Total additions</b>	<b>27,792,463</b>
	<hr/>
Deductions:	
Pension benefits	18,564,556
Administrative expenses	335,142
	<hr/>
<b>Total deductions</b>	<b>18,899,698</b>
	<hr/>
<b>Change in net position</b>	<b>8,892,765</b>
	<hr/>
Net position, beginning of year	151,791,245
	<hr/>
Net position, end of year	<u><u>\$ 160,684,010</u></u>

See notes to financial statements.



City of Lake Worth Beach, Florida

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## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies

The City of Lake Worth Beach, Florida (the City), was incorporated as a municipality in 1913 under Chapter 6713, Laws of Florida. It is located in Palm Beach County and is bordered by the City of West Palm Beach to the north, the Intracoastal Waterway and Atlantic Ocean to the east, the City of Lantana to the south and various municipalities and unincorporated county areas to the west. The City operates under a Commission-Manager form of government and provides a full range of municipal services, including police and fire protection, public works activities, park and recreation activities, and general administrative services. The City also operates six enterprise activities: electric, water, local sewer, regional sewer, stormwater utility and refuse collection and disposal.

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

#### A. Financial Reporting Entity

The financial statements were prepared in accordance with governmental accounting standards, which establish standards for defining and reporting on the reporting entity. The definition of the financial reporting entity is based on the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The City's reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for and which the nature and significance of their relationship with the primary government are such that exclusion would cause the City's financial statements to be misleading or incomplete.

In defining the City for financial reporting purposes, management has considered all potential component units. Component units are legally separate entities for which the primary government is financially accountable which should be included in the City's financial statements because of the nature and significance of their relationship with the primary government.

The decision to include a potential component unit in the City's reporting entity is based on the criteria stated in GASB Statement No 14 – *The Financial Reporting Entity* and GASB Statement No 39 – *Determining Whether Certain Organizations Are Component Units*, as amended by GASB Statement No. 61 – *The Financial Reporting Entity: Omnibus*, which includes the ability to appoint a voting majority of an organization's governing body and: (1) the ability of the City to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or (3) impose specific financial burden.

Based upon the application of the criteria in GASB Statements Nos. 14 and 39, as amended by GASB Statement No. 61, the financial statements of the City's Component Unit, the Community Redevelopment Agency (CRA), have been included in the City's reporting entity as a discretely presented component unit. The CRA is a legally separate entity governed by a board comprised of seven citizens of the City appointed by the City Commission. It does not provide services entirely or almost entirely to the primary government or otherwise, exclusively or almost exclusively, benefits the City and therefore is presented as a discrete component unit. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separated from the government.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### B. Discretely Presented Component Unit

As required by generally accepted accounting principles, the financial statements in this report present the City, the primary government, and its component unit: The Community Redevelopment Agency (CRA). Although a legally separate entity, the CRA is included as a component unit in the City's financial statements because of the significance of their operational or financial relationships with the City which creates the potential of financial benefit/burden to the primary government.

The CRA was established under the authority of Florida Statute Chapter 163, Part III in 1989 to promote and guide the physical and economic redevelopment of targeted areas within the City. The CRA's board, appointed by the City Commission as required by State Statute has full administrative responsibility. Separate financial statements for the CRA are available. The financial statements and statutorily required report can be obtained by contacting the Lake Worth Community Redevelopment Agency office at 29 South J Street, Unit 1, Lake Worth, FL 33460.

##### C. Government-Wide and Fund 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 non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's various utility functions and various other functions of the City. 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 activities demonstrates the degree to which the direct expenses of a given function 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, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining nonmajor governmental funds and nonmajor enterprise funds are aggregated and reported as nonmajor funds.

##### D. 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 and fiduciary fund financial statements, with the exception of the agency fund that has no measurement focus. 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.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### **Note 1. Summary of Significant Accounting Policies (Continued)**

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 City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, OPEB and pensions, are recorded only when payment is due. Acquisitions of general capital assets are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources. Property taxes, charges for services, franchise fees and other taxes, and interest 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. Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred and all eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the City.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges to customers for sales and services. Operating revenues for the enterprise funds include water, electric and sewer service fees; as well as user fees related to the stormwater utility system and solid waste removal. For the internal service funds, operating revenues include charges to other departments for insurance services and information technology costs and other services. Operating expenses for the enterprise and internal service funds include costs of services, administrative fees, insurance payments and depreciation. All revenues and expenses not meeting this definition are considered non-operating items.

#### ***Major Governmental Funds:***

**General Fund** – The General Fund is the general operating fund of the City. All general tax revenue and other receipts that are not allocated by law or contractual agreement in another fund are accounted for in this fund. The general operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

**Beach Fund** – The Beach Fund is a special revenue fund that was established to account for the charges for services, fines and forfeitures and expenditures of the beach, pier, pool, beach parking and casino building. Revenues from parking and special events are committed to fund tourism within the City. This fund has been determined by management to be a major fund for public interest and consistency purposes.

**Neighborhood Road Program Fund** – The Neighborhood Road Program Fund is a capital projects fund that was established to account for the roadway improvements within the City. This program is being funded by proceeds received from general obligation bonds of \$40 million.

#### ***Major Enterprise Funds:***

The enterprise funds are used to account for operations that are financed and operated in a manner similar to a commercial enterprise, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of the revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The City's major enterprise funds accounts for the operations of providing electric, water and local and regional sewer services.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### **Note 1. Summary of Significant Accounting Policies (Continued)**

Electric – The Electric Fund is used to account for the provision of electric service to residents of the service area. All activities to provide such service are accounted for in this fund, including administration, generation, transmission, distribution and customer service.

Water – The Water Fund is used to account for the provision of water service to residents of the service area. All activities to provide such service are accounted for in this fund, including administration, generation, transmission, distribution and customer service.

Local Sewer – The Local Sewer Fund is used to account for the provision of sewer service to customers of the local service areas. All activities to provide such service are accounted for in this fund, including administration, collection, pumping, treatment, disposal and customer service. This fund has been determined by management to be a major fund.

Regional Sewer – The Regional Sewer Fund is used to account for the provision of sewer service to customers of the regional service areas. All activities to provide such service are accounted for in this fund, including administration, collection, pumping, treatment, disposal and customer service.

Additionally, the City reports the following fund types:

#### **Nonmajor Special Revenue Funds:**

These funds are used to account for the proceeds of specific revenue sources, other than expendable trusts or major capital projects that are legally restricted to expenditures for specified purposes. These funds include the Building Permit, Golf, Parking Improvement, Code Remediation, Grants, Tree Beautification, Utility Conservation, Simpkin Trust, Library Trust, Law Enforcement and Firefighters Education and Law Enforcement Confiscated Property.

#### **Nonmajor Debt Service Fund:**

This fund is used to account for the financial resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

#### **Nonmajor Capital Project Funds:**

These funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds. The funds include the Park of Commerce Fund, Discretionary Sales Tax Fund and the Capital Projects Fund.

#### **Nonmajor Enterprise Funds:**

These funds are used to account for the operations that are financed and operated in a manner similar to private business enterprises. It is the intent of the City Commission that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the periodic determination of net income is appropriate for accountability purposes. These funds include the Stormwater Utility Fund and the Refuse Collection and Disposal Fund.

#### **Internal Service Funds:**

The Internal Service Funds account for the goods or services provided by one department to other departments of the City on a cost-reimbursement basis. These funds include the Information Technology, Insurance, City Garage and Employee Benefits.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### Pension Trust Funds:

The Pension Trust Funds are accounted for in essentially the same manner as proprietary funds, using the same measurement focus and basis of accounting. The City has the following pension trust funds: General Employees' Retirement System; Police Officers' Relief and Retirement System and the Firefighters' Pension Trust.

##### Agency Funds:

The Agency Fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. This fund is used to account for assets the City holds as an agent for individuals, private organizations, other governments and/or other funds. The Agency Fund was closed as of the year ended September 30, 2020.

#### E. Interfund Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds (i.e., amounts owed for goods/services rendered to a particular fund by another fund in the reporting entity) are reported as "due to/from other funds" (current portion). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable financial resources.

#### F. Receivables

Receivables include amounts due from other governments and others for services provided by the City. The City recognizes receivables in its various funds based on the accounting basis required for that fund.

Utility (electric, water, local and regional sewer, stormwater utility and refuse collection and disposal) operating revenue is generally recognized on the basis of cycle billings rendered monthly. The cycle with the meter-reading date closest to September 30 is selected as the cutoff for billing accrual purposes. The City accrues revenue for services delivered for which meters have not been read by September 30 as unbilled revenues.

All trade and other receivables are reported at original amount, net of an allowance for doubtful receivables based on a review of outstanding amounts on a regular basis. Management determines that allowance by specifically identifying uncollectible accounts and a general allowance is calculated based on the City's historic bad-debt experience.

#### G. Inventories

Inventories consist principally of materials and supplies held for consumption and are recorded at cost using the first-in first-out method. The cost of inventories is reported using the consumption method, whereby inventories are recorded as expenditures/expenses when used. In the governmental funds, reported inventories are included in fund balance as non-spendable resources. Unless if they are acquired with restricted resources in which case they remain restricted fund balance.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### H. Land Held for Resale

The discretely present component unit reports land held resale. Such balances are recorded at lower of cost or net realizable value.

##### I. Prepaid Items

Prepaid items consist of certain costs which have been paid prior to the end of the fiscal year but represent items which are applicable to future accounting periods. Reported amounts in governmental funds are equally offset by non-spendable amounts of fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" and are accounted for on the consumption method.

##### J. Restricted Assets

Restricted assets in the enterprise funds consist of bond proceeds designated for construction; other monies required to be restricted for debt service, maintenance and improvements under the terms of various bonds, certificates and loans; and assets restricted by customers' deposits.

##### K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., utility lines, roads, bridges, sidewalks and similar items), regardless of their acquisition date, are reported at cost or estimated historical cost in the applicable governmental or business-type activities columns in the government-wide financial statements. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value at the date of acquisition. Capital assets are defined as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Depreciation is charged as an expense against operations using the straight-line method over the following estimated useful lives:

Assets	Years
Land improvements	4-40
Infrastructure	4-20
Buildings and structure	10-40
Machinery and equipment	3-15
Vehicles	5

##### L. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. One is the deferred charge on refunding reported in the proprietary funds and government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. The second item is the deferred outflows relating to the pension plans and is discussed in further detail in the pension note. The third item is the deferred outflows relating to other postemployment benefits other than pensions and is discussed in further detail in OPEB note.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category. The item is deferred inflows relating to the pension plans and is discussed further in pension note.

#### M. Compensated Absences

It is the City's policy to permit employees to accumulate, within certain limits, earned but unused vacation time and sick leave, which will be paid to employees upon separation from City service. All vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### N. 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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line amortization method, which approximates the effective interest method. Bonds are reported net of the applicable bond premiums or discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

#### O. Self-insurance

The City is partially self-insured for general and auto liability, property, workers' compensation and employees' health and dental. The operating funds are charged premiums by the City's Self-Insurance Fund, which is accounted for as an internal service fund. The accrued liability for estimated claims reported in the self-insurance fund represents an estimate of the eventual loss on claims including claims incurred but not yet reported.

#### P. Pensions

For the purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. 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. Investments in real estate are recorded at market using valuation techniques such as the market approach or the income approach for which sufficient and reliable data is available.



## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### **Note 1. Summary of Significant Accounting Policies (Continued)**

The City applies GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, GASB 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and GASB 82, Pension Issues-An Amendment of GASB Statements No. 67, No. 68 and No. 7, for the measurement, recognition and disclosure of pension expenditures or expenses, liabilities and assets.

#### **Q. Other Post-Employment Benefits (OPEB)**

The City applies GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefit Plans Other Than Pensions*, for the measurement, recognition and disclosure of OPEB expenditures or expenses, liabilities and assets. This plan is not accounted for in a trust fund and is funded on a pay as you go basis.

#### **R. Property Taxes**

The City's property tax is levied, becomes a lien on real and personal property located in the City, and is recorded as a receivable on November 1 of each year based upon the assessed value established by the Broward County Property Appraiser as of the prior January 1. The City is permitted by Florida law to levy ad-valorem taxes for real and tangible personal property taxes up to \$10 per \$1,000 of assessed value, except for special benefits and debt service obligations which may be issued with the approval of those taxpayers subject to ad-valorem taxes. Taxes become payable on November 1st each year and are discounted 1% for each month for payment prior to the following March 1st. All unpaid taxes become delinquent on April 1st and are subject to the issuance of Tax Sale Certificates on June 1st.

The City's tax revenue is first paid to the Broward County Tax Collector who then remits such collections to the City based on a calendar prescribed by law. The City's taxes are billed along with all other taxes due to Broward County taxing entities. The Tax Collector pays the City interest on monies held from the day of collection to the day of distribution. The City has no control over the investment program of the Tax Collector as this program is governed by Florida Statutes.

The City levied taxes at a rate of approximately 5.49 mills plus County-levied Fire Municipal Services Taxing Unit rate of 3.46 and debt service of 1.11, for a total of 10.06 on all City parcels.

#### **S. Nature and Purpose of Fund Balance**

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Commission through an ordinance are classified as committed fund balances. These amounts cannot be used for any other purpose unless the City Commission removes or changes the specified use by ordinance. Amounts that are restricted to specific purposes either by: (a) constraints placed on the use of resources by creditors, grantors, contributors or laws and regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that are constrained by the City's intent to be used for specific purposes but are neither committed nor restricted are classified as assigned fund balances. Assignments are made by the City Manager. The City Commission delegated this responsibility to the City Manager through an ordinance. Non-spendable fund balances include amounts that cannot be spent because they are either: (a) not in spendable form, or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### **Note 1. Summary of Significant Accounting Policies (continued)**

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

#### **T. Minimum Fund Balance Policy**

The City's policy is to maintain an adequate fund balance to provide liquidity in the event of an economic downturn or natural disaster. The City Commission has adopted a financial standard to maintain an adequate level of total unassigned/unrestricted fund balance in the General Fund to provide for necessary cash flow to minimize any short-term borrowings. As of September 30, 2020, this balance was approximately \$11.9 million.

#### **U. Net Position**

Net position is the result of assets and deferred outflows of resources less liabilities and deferred inflows of resources. The net position of the government-wide and proprietary funds are categorized as: 1) net investment in capital assets; capital assets, reduced by accumulated depreciation and any outstanding debt incurred to acquire, construct or improve those assets excluding unexpended bond proceeds, 2) restricted or 3) unrestricted. The first category represents net position related to property, plant, equipment, and infrastructure. The restricted category represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints or by legislation in excess of the related liabilities payable from restricted assets. Unrestricted net position consists of the net position not meeting the definition of either of the two other components.

#### **V. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets/deferred outflows and liabilities/deferred inflows and disclosure of contingent assets/deferred outflows and liabilities/deferred inflows at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from estimates.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 2. Stewardship, Compliance and Accountability

**Excess of expenditures over appropriations:** The following expenditures exceeded appropriations by the amounts indicated:

General Fund:	
Finance	\$ 16,460
Police	160,051
Fire	342,180
Administration	3,494
Debt service-principal	26,544
Other Funds:	
Simpkin Trust Fund	\$ 281
Parking Improvement Fund	84

The expenditures were funded by appropriated fund balance, where applicable.

The General Obligation Bond 2018 Fund has a deficit fund balance as of September 30, 2020 of \$16,433. It is anticipated that the deficit will be eliminated over time.

#### Note 3. Deposits and Investments

**Deposits:** In addition to insurance provided by the Federal Depository Insurance Corporation (FDIC), all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity's name.

**Investments:** As required by Florida Statutes, the City has adopted a written investment policy, which, from time to time, is amended by the City. Investments are made in accordance with provisions of the Florida Statutes and the City's policies. The City is authorized to invest in the State Board of Administration funds (Florida Prime), the Florida Public Assets for Liquidity Management (FL PALM), obligations of the U.S. Treasury, its agencies, repurchase agreements collateralized by U.S. Treasury, and U.S. Government Agency-Backed Obligations, and money market mutual funds comprised of U.S. Treasury and/or U.S. Government Agency-Backed Obligations.

The City's pension fund investment policies are determined by the respective Boards of Trustees. Their portfolios may consist of obligations guaranteed by the U.S. government, time or savings accounts, corporate bonds, common or preferred stocks, international equity funds, mutual funds and certain other investments.

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

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**Note 3. Deposits and Investments (Continued)**

The investment objectives of the Plans are to preserve the purchasing power of each Plan's assets and earn a reasonable rate of return over the long-term while minimizing short-term volatility. To achieve these objectives, the Plans seek to create a conservative, well diversified and balanced portfolio of high-quality equity, fixed income and money market securities. Unless authorized by law or local ordinance, investments of the assets of the Plans are subject to the limitations of state statutes.

The Pension Plans have investments in a combination of stocks, bonds, government securities and other investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect balances and the amounts reported in the statement of plan net position and the statement of changes in plan net position. The Plans, through their investment advisors, monitor the Plan's investments and the risks associated therewith on a regular basis, which the Plans believe minimizes these risks.

The Plans each issue stand-alone financial statements. Investment disclosures relating to each Plans' interest rate risk, credit risk, custodial credit risk, concentration of credit risk and related fair value measurement disclosures required by GASB are included in the separate stand-alone plan financial statements. Such disclosures are not required to be included in the City's financial statements herein.

**City Investments**

At year end the City and the Discretely Present Component Unit had the following investments:

City Investments	Fair Value	Investment Maturities (in years)		
		Less than 1	1-5	More than 5
U.S. Treasuries	\$ 18,846,180	\$ 18,846,180	\$ -	\$ -

**Discretely Presented Component Unit (DPCU)**

Community Redevelopment Agency Investments	Fair Value	Investment Maturities (in years)		
		Less than 1	1-5	More than 5
U.S. Agencies	\$ 998,590	\$ 998,590	\$ -	\$ -

The DPCU Community Redevelopment Agency does not have a separate deposit and investment policy and it follows the deposit and investment policies of the City as discussed below.

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 3. Deposits and Investments (Continued)**

**Credit Risk** – The City’s investment policy does not address the requirement of ratings by a nationally recognized statistical rating organization (NRSRO), i.e. Standard and Poor’s and Moody’s Investment Services. The City’s investment policy is designed to ensure the prudent management of public funds.

At year end the City and the Discretely Present Component Unit investments had the following ratings:

Investments	City	
	Balance	Ratings
U.S. Treasuries	\$ 18,846,180	AA+
Florida PRIME	44,527	AAAm
Money Market Fund	39,759,628	Not rated
FL PALM	18,721,859	AAAm
	<u>\$ 77,372,194</u>	
	<u>Community Redevelopment Agency</u>	
Investments	Balance	Ratings
Money Market Fund	\$ 181,421	Not rated
U.S. Agencies	998,590	AA+
	<u>\$ 1,180,011</u>	

**Concentration of Credit Risk** – The City’s investment policy limits its investments in the Florida PRIME and FL PALM to 25% at any one time. Investments in U.S. Treasuries can be up to 100% while federal agencies are limited to 50% of all City investment balances at any one time. GASB Statement No. 40 requires disclosure when the percentage is 5% or more in any one issuer. Investments guaranteed by the U.S. Government, mutual funds, external investment pools and other pooled investments are exempt from this disclosure.

**Interest Rate Risk** – The City has an investment policy that limits the maturities on individual investments to no more than ten years.

**Custodial Credit Risk** – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To avoid this risk, the City and the DPCU register all securities in their name.

**Risks and Uncertainties** – The City’s Pension Plans have investments in a combination of stocks, bonds, government securities and other investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect balances and the amounts reported in the statement of plan net position and the statement of changes in plan net position. The Plans, through their investment advisors, monitor the Plan’s investments and the risks associated therewith on a regular basis, which the Plans believe minimizes these risks.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 3. Deposits and Investments (Continued)

**Fair Value Hierarchy** – GASB Statement No. 72, *Fair Value Measurement and Application*, establishes a hierarchy disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Various inputs are used in determining the fair value of investments. These inputs are categorized into a fair value hierarchy consisting of three broad levels for financial statement purposes as follows:

**Level 1:** Investments reflect unadjusted quoted prices in active markets for identical assets.

**Level 2:** Investments reflect prices that are based on similar observable assets, either directly or indirectly, which may include inputs in markets that are not considered to be active.

**Level 3:** Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

The following are descriptions of the valuation methodologies used for assets measured at fair value:

**Government securities:** Valued using pricing models maximizing the use of observable inputs for similar securities.

**Mutual funds:** Valued at the daily closing price as reported by the plans. Mutual funds are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds are deemed to be actively traded.

**Corporate bonds:** Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yield of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 3. Deposits and Investments (Continued)**

Fair values of investments held by the City at year end are classified as follows:

Investments	Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S Treasuries	\$ 18,846,180	\$ -	\$ 18,846,180	\$ -
Investments measured at fair value	<u>18,846,180</u>	<u>\$ -</u>	<u>\$ 18,846,180</u>	<u>\$ -</u>
Investments measured at amortized cost:				
Money market funds	39,759,628			
Florida PRIME	<u>44,527</u>			
	<u>39,804,155</u>			
Investments measured at net asset value (NAV)				
FL PALM	<u>18,721,859</u>			
Total investments	<u>\$ 77,372,194</u>			

The Florida Public Assets for Liquidity Management (FL PALM) offers a short-term investment program for Florida Public agency investors. The FL PALM offers a fully liquid, variable rate investment option for participants to invest in shares of fixed-rate, fixed-term investments through the FL PALM Term Portfolio. The investment objective is to provide investors with the highest possible investment yield, while maintaining liquidity and preserving capital. FL PALM is directed by a Board of Trustees, which is made up of experienced school board members, superintendents, public agency officials, and an Advisory Committee of senior finance officers from member Districts and public agencies. The FL PALM investments are measured at the net asset value (NAV) per share, or equivalent. The redemption frequency is daily and unlimited. There are no unfunded commitments as of year-end.

Fair values of investments held by the Discretely Presented Component Units are classified at year end as follows:

Investments	Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S Agencies	\$ 998,590	\$ -	\$ 998,590	\$ -
Total investments measured at fair value	<u>998,590</u>	<u>\$ -</u>	<u>\$ 998,590</u>	<u>\$ -</u>
Investments measured at amortized cost:				
Money market funds	<u>181,421</u>			
Total investments	<u>\$ 1,180,011</u>			

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 4. Receivables**

Accounts, special assessments and other receivables, including restricted accounts receivable and the related allowance for doubtful accounts at year end are as follows:

	General Fund	Beach Fund	Nonmajor Governmental Funds	Total
Customer accounts	\$ 152,471	\$ 224,732	\$ 166,324	\$ 543,527
Utility and other taxes	677,578	-	84,312	761,890
Intergovernmental	679,872	-	563,847	1,243,719
Other receivables	-	95	2,842	2,937
Gross receivables	1,509,921	224,827	817,325	2,552,073
Less allowance for doubtful accounts	(279,564)	(5,466)	(173,598)	(458,628)
Total	\$ 1,230,357	\$ 219,361	\$ 643,727	\$ 2,093,445

	Community Redevelopment Agency Trust	NSP2	CRA Capital Projects	Total
Customer accounts	\$ 914	\$ 256	\$ -	\$ 1,170

For fiscal year 2020, approximately 87% of the City's regional sewer fund revenues and 79% of corresponding receivables are generated from three major customers. The following table summarizes the concentration percentage by customer.

Customer	Revenues	Receivables
City Lake Worth Beach	48%	17%
Town of Lantana	14%	23%
Village of Palm Springs	25%	39%
	87%	79%



**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 5. Interfund Receivables, Payables, Advances and Transfers**

Interfund activity and balances for the City are summarized as follows as of and for the year ended:

**Due to/from Other Funds**

	<u>Receivable Fund</u>
Major Fund:	
General Fund	<u>\$ 9,173,560</u>
	<u>Payable Fund</u>
Major Fund:	
General Fund	\$ 13,790
Beach Fund	154,156
Neighborhood Road Program Fund	8,837,467
Nonmajor governmental funds:	<u>168,147</u>
	<u>\$ 9,173,560</u>

Balances due to the General Fund from the Neighborhood Road Program Fund in the amount of \$8,837,467 are related to amounts borrowed to fund road improvement projects throughout the City. The balance will be liquidated in fiscal year 2021 with available debt proceeds.

The other balances in interfund receivables/payables resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**Interfund Transfers**

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Governmental Fund:		
General Fund	\$ 420,593	\$ 15,000
Nonmajor Governmental Funds	15,000	68,593
Nonmajor Enterprise Funds	-	52,000
Internal Service Fund	-	300,000
	<u>\$ 435,593</u>	<u>\$ 435,593</u>

Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted for debt service from the funds collecting the receipts to the appropriate fund making the debt service payments when it becomes due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 6. Capital Assets**

**Governmental Activities Capital Assets**

Summary of changes in the governmental activities capital asset balances for the year ended follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 8,406,967	\$ 346,276	\$ -	\$ -	\$ 8,753,243
Construction in progress	10,743,059	9,236,087	-	(19,768,703)	210,443
<b>Total capital assets not being depreciated</b>	<b>19,150,026</b>	<b>9,582,363</b>	<b>-</b>	<b>(19,768,703)</b>	<b>8,963,686</b>
Capital assets being depreciated					
Land improvements	7,024,436	-	-	-	7,024,436
Buildings and structures	32,742,426	-	-	19,623,803	52,366,229
Infrastructure	89,744,726	-	-	-	89,744,726
Machinery and equipment	4,370,961	201,823	(24,417)	144,900	4,693,267
Vehicles	1,389,546	67,706	(50,435)	-	1,406,817
<b>Total capital assets being depreciated</b>	<b>135,272,095</b>	<b>269,529</b>	<b>(74,852)</b>	<b>19,768,703</b>	<b>155,235,475</b>
Accumulated depreciation					
Land improvements	2,284,619	73,958	-	-	2,358,577
Buildings and structures	14,235,248	2,653,855	-	-	16,889,103
Infrastructure	55,015,648	936,315	-	-	55,951,963
Machinery and equipment	3,328,589	183,432	(24,417)	-	3,487,604
Vehicles	1,279,997	24,234	(50,435)	-	1,253,796
<b>Total accumulated depreciation</b>	<b>76,144,101</b>	<b>3,871,794</b>	<b>(74,852)</b>	<b>-</b>	<b>79,941,043</b>
<b>Total capital assets being depreciated, net</b>	<b>59,127,994</b>	<b>(3,602,265)</b>	<b>-</b>	<b>19,768,703</b>	<b>75,294,432</b>
<b>Total capital assets</b>	<b>\$ 78,278,020</b>	<b>\$ 5,980,098</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 84,258,118</b>

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 6. Capital Assets (Continued)**

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

General government	\$ 31,605
Culture and recreation	935,094
Transportation	2,706,300
Public safety	190,155
Physical environment	8,640
Total depreciation expense	<u>\$ 3,871,794</u>

**Business-Type Activities Capital Assets**

Summary of changes in business-type activities capital asset balances for the year ended follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 2,572,138	\$ -	\$ -	\$ -	\$ 2,572,138
Construction in progress	20,070,040	15,019,862	(25,818)	(9,123,508)	25,940,576
Total capital assets not being depreciated	<u>22,642,178</u>	<u>15,019,862</u>	<u>(25,818)</u>	<u>(9,123,508)</u>	<u>28,512,714</u>
Capital assets being depreciated					
Land improvements	468,972	-	-	-	468,972
Buildings and structures	99,193,485	-	-	-	99,193,485
Infrastructure	162,099,222	1,111,723	-	9,123,508	172,334,453
Machinery and equipment	33,523,305	387,320	(12,960)	-	33,897,665
Vehicles	12,813,909	1,067,344	(257,411)	-	13,623,842
Total capital assets being depreciated	<u>308,098,893</u>	<u>2,566,387</u>	<u>(270,371)</u>	<u>9,123,508</u>	<u>319,518,417</u>
Accumulated depreciation					
Land improvements	446,874	6,941	-	-	453,815
Buildings and structures	56,836,141	2,236,092	-	-	59,072,233
Infrastructure	78,299,496	3,338,454	-	-	81,637,950
Machinery and equipment	28,775,343	753,857	(12,960)	-	29,516,240
Vehicles	9,369,570	1,351,348	(257,411)	-	10,463,507
Total accumulated depreciation	<u>173,727,424</u>	<u>7,686,692</u>	<u>(270,371)</u>	<u>-</u>	<u>181,143,745</u>
Total capital assets being depreciated, net	<u>134,371,469</u>	<u>(5,120,305)</u>	<u>-</u>	<u>9,123,508</u>	<u>138,374,672</u>
Total capital assets	<u>\$ 157,013,647</u>	<u>\$ 9,899,557</u>	<u>\$ (25,818)</u>	<u>\$ -</u>	<u>\$ 166,887,386</u>

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 6. Capital Assets (Continued)**

Depreciation expenses was charged to the functions/programs of the primary government as follows:

Electric	\$	1,899,628
Water		3,143,666
Local sewer		789,371
Regional sewer		421,560
Stormwater utility		252,553
Refuse collection and disposal		470,543
Information technology		270,498
Self insurance		6,183
City garage		432,690
Total depreciation expense	<u>\$</u>	<u>7,686,692</u>

**Discretely Presented Component Unit**

Summary of changes in the discretely presented component unit capital asset balances for the year ended follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 773,206	\$ -	\$ -	\$ -	\$ 773,206
Construction in progress	1,849,521	26,375	-	-	1,875,896
Total capital assets not being depreciated	<u>2,622,727</u>	<u>26,375</u>	<u>-</u>	<u>-</u>	<u>2,649,102</u>
Capital assets being depreciated					
Land improvements	223,831	-	-	-	223,831
Infrastructure	9,283,579	-	-	-	9,283,579
Buildings and structures	161,729	-	-	-	161,729
Machinery and equipment	178,804	-	-	-	178,804
Total capital assets being depreciated	<u>9,847,943</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,847,943</u>
Accumulated depreciation					
Land improvements	94,665	11,192	-	-	105,857
Infrastructure	3,443,196	367,343	-	-	3,810,539
Buildings and structures	36,071	5,391	-	-	41,462
Machinery and equipment	112,804	6,465	-	-	119,269
Total accumulated depreciation	<u>3,686,736</u>	<u>390,391</u>	<u>-</u>	<u>-</u>	<u>4,077,127</u>
Total capital assets being depreciated, net	<u>6,161,207</u>	<u>(390,391)</u>	<u>-</u>	<u>-</u>	<u>5,770,816</u>
Total capital assets	<u>\$ 8,783,934</u>	<u>\$ (364,016)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,419,918</u>

Depreciation expense was charged to the function/program of the primary government as follows:

Community redevelopment	<u>\$ 390,391</u>
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## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 7. Investment in Joint Venture

In September 1992, the City entered into a joint interlocal agreement (the Agreement) with Palm Beach County (the County) and three municipalities (Riviera Beach, Lake Worth and the Town of Palm Beach) (together with the City, the Entities) whereby prior separate agreements were consolidated into a single unified agreement to establish rules and procedures for the operation and management of the existing East Central Regional Wastewater Facility (ECR) in which each participating Entity has an equity interest. The ECR was created to receive, treat and dispose of sewage generated within each participating municipality and the County (the Members). The initial term of the Agreement is for 30 years with a renewable term of 30 years. In the event the ECR is sold or disposed of, proceeds of the sale or disposition shall be prorated among each Member, based on their reserve capacity as of the date of disposition.

The Agreement provides for the establishment of a Governing Board (the Board), comprised of one Member representative participating in the Agreement, to administer the ECR. In accordance with the Agreement, the Board has the power to enter into contracts, employ personnel and enter into debt in accordance with Section 163.01(7) of Florida Statutes. The City of West Palm Beach operates and manages the ECR on behalf of the Board consistent with the terms of the Agreement. Annually, the Board establishes a schedule of wastewater flow charges to pass onto the Entities so the ECR is self-sustaining. The Board shall not be authorized to create or distribute a profit or surplus to any Entity. In addition, the Board shall calculate an annual renewal and replacement fund contribution for the sole purpose of funding each Entity's pro-rata share of extraordinary expenses, renewal and improvements or replacement of capital assets or any other part thereof at the facility. The agreement may not be amended except upon the written agreement of the Entities holding a cumulative capacity allocation of 100%.

The City accounts for this Joint Venture using the equity method in accordance with GAAP. The City's investment in the joint venture at year end was \$28,180,539.

Reserve capacity percentages are estimated to be as follows at year end:

Entity	Flow Allocation MGD	Reserve Capacity Percentage
Palm Beach County	24.0	34.3%
City of West Palm Beach	20.5	29.3%
City of Lake Worth Beach	11.5	16.4%
City of Riviera Beach	8.0	11.4%
Town of Palm Beach	6.0	8.6%
	<u>70.0</u>	<u>100.0%</u>

Complete audited financial statements for ECR may be obtained at the City of West Palm Beach Finance Department, 200 Second Street, West Palm Beach, Florida 33402.

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 8. Long-Term Debt**

The following is a summary of the changes in long-term debt for the fiscal year ended for governmental and business-type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Notes payable	\$ 894,528	\$ -	\$ (50,664)	\$ 843,864	\$ 54,598
Revenue bonds	37,945,000	13,991,367	(730,000)	51,206,367	765,000
Bond premium	956,061	907,884	(33,894)	1,830,051	-
Compensated absences	654,748	977,973	(762,546)	870,175	34,894
Total long-term debt	<u>\$ 40,450,337</u>	<u>\$ 15,877,224</u>	<u>\$ (1,577,104)</u>	<u>\$ 54,750,457</u>	<u>\$ 854,492</u>
<b>Business-type activities:</b>					
Notes payable	\$ 19,828,509	\$ -	\$ (1,123,046)	\$ 18,705,463	\$ 1,210,253
State revolving loans	10,642,482	2,499,016	(540,374)	12,601,124	593,616
Revenue bonds	36,035,000	11,793,633	(3,625,000)	44,203,633	3,730,000
Bond premium	-	741,790	-	741,790	-
Compensated absences	595,107	784,535	(680,738)	698,904	56,573
Total long-term debt	<u>\$ 67,101,098</u>	<u>\$ 15,818,974</u>	<u>\$ (5,969,158)</u>	<u>\$ 76,950,914</u>	<u>\$ 5,590,442</u>

For the governmental activities, compensated absences and other post-employment benefits are generally liquidated by the General Fund.

**Governmental and Business-Type Activities Debt**

**Note payable:** In connection with the energy savings project, the City entered into an agreement with Siemens Industry, Inc. for the installation of certain energy saving infrastructure and equipment throughout the City. The City also entered into a note payable agreement with a bank for \$22.8 million to fund the energy savings project. Under the note payable agreement, the City is required to establish an escrow account for the purpose of funding costs associated with the project and certain other restrictive covenants. The note payable requires quarterly payments ranging from \$277,098 to \$560,985 including principal and interest at 3.04%, beginning March 2017 through December 2031. In the event of default, the lender may provide a written notice to declare all amounts then due under the financing agreements, and all remaining payments due during the fiscal year in effect when the default occurs to be immediately due and payable, or request the City promptly deliver the equipment at the City's expense to the creditor. Creditor may exercise any other remedy available, at law or in equity, with respect to such event of default. As of September 30, 2020, the principal outstanding on the note for governmental and business-type activities was \$843,864 and \$18,705,463, respectively.

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 8. Long-Term Debt (Continued)**

Debt service requirements to maturity on the note payable are as follows:

Year(s)	Note Payable	
	Principal	Interest
2021	\$ 1,264,851	\$ 580,131
2022	1,355,018	540,637
2023	1,453,711	498,356
2024	1,540,965	453,110
2025	1,629,426	405,279
2026-2030	9,565,474	1,210,013
2031-2032	2,739,882	62,819
	<u>\$ 19,549,327</u>	<u>\$ 3,750,345</u>

**Non-ad valorem revenue bonds, series 2020A and taxable series 2020B:** In August 2020, the City issued non-ad valorem revenue bonds, series 2020A and taxable series 2020B, in the amount of \$8,985,000 and \$ 16,800,000, respectively. The series 2020A proceeds are to be used to finance certain capital improvements, which include improvements to the City's public works facility, various roadway improvements and certain sewer improvements. The taxable series 2020B proceeds are to be used to refinance certain capital costs incurred in the past six years, which include certain transportation and other improvements. The series 2020A and taxable series 2020B mature in July 2035 and July 2040 with an interest rate ranging from 1.120% to 2.580% and 3.0% to 5.0%, respectively. The bonds are due in annual principal and interest installments secured by the City's non-ad valorem revenues through July 1, 2040 and subject to redemption prior to maturity as provided in the bond agreement.

Under the terms of the authorizing resolution related to the bonds, should the City default in any of its obligations or covenants created by such resolution, the bondholders may, in addition to any remedy set forth in such resolution, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted and contained in such resolution, and may enforce and compel the performance of all duties required by the resolution, or by any applicable statutes to be performed by the City or by any officer thereof. As of September 30, 2020, the principal amounts outstanding on the Series 2020A and 2020B bonds are \$8,985,000 and \$16,800,000, respectively.

Debt service requirements to maturity on the bonds are as follows:

Year(s)	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ -	\$ 375,020	\$ -	\$ 316,113	\$ -	\$ 691,133
2022	621,296	434,107	523,704	365,919	1,145,000	800,026
2023	1,077,094	409,255	907,906	344,971	1,985,000	754,226
2024	1,112,364	372,033	937,636	313,595	2,050,000	685,628
2025	1,153,060	332,216	971,940	280,032	2,125,000	612,248
2026-2030	3,643,670	1,178,452	3,071,330	993,343	6,715,000	2,171,795
2031-2035	3,451,041	719,072	2,908,959	606,122	6,360,000	1,325,194
2036-2040	2,932,842	268,105	2,472,158	225,992	5,405,000	494,097
	<u>\$ 13,991,367</u>	<u>\$ 4,088,260</u>	<u>\$ 11,793,633</u>	<u>\$ 3,446,087</u>	<u>\$ 25,785,000</u>	<u>\$ 7,534,347</u>

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 8. Long-Term Debt (Continued)**

Governmental Activities

**General Obligation Bonds, Series 2017 and 2018:** In November 2016, a majority of the electors voting at a referendum within the City approved the issuance of general obligation bonds in a principal amount not exceeding \$40 million for purposes of improving local roadways. In May 2017, the City issued General Obligation Bonds, Series 2017, in the principal amount of \$21,685,000 for the exclusive purpose of improving local roadways with an interest rate ranging from 2.375% to 5.00%. In August 2018, the City issued an additional General Obligation Bonds, Series 2018, in the principal amount of \$17,295,000 for the exclusive purpose of improving local roadways with an interest rate ranging from 3.00% to 5.00%. The City may issue up to the remaining \$1,020,000 authorized amount of general obligation bonds pursuant to the referendum described above. The current 2017 and 2018 GOB series bonds are due in annual principal and interest installments secured in by the City's ad-valorem taxes through July 1, 2048 and subject to redemption prior to maturity as provided in the Series 2017 and 2018 bond agreements. Under the terms of the authorizing resolution related to bonds, should the City default in any of its obligations or covenants created by such resolution, the bondholders may, in addition to any remedy set forth in such resolution, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted and contained in such resolution, and may enforce and compel the performance of all duties required by the resolution, or by any applicable statutes to be performed by the City or by any officer thereof. As of September 30, 2020, the principal amounts outstanding on the GOB series 2017 and 2018 bonds are \$20,485,000 and \$16,730,000, respectively.

Debt service requirements to maturity on the bonds are as follows:

GOB Bond Series 2017			GOB Bond Series 2018		
Year(s)	Principal	Interest	Year(s)	Principal	Interest
2021	\$ 440,000	\$ 732,125	2021	\$ 325,000	\$ 655,463
2022	465,000	710,125	2022	340,000	639,213
2023	490,000	686,875	2023	360,000	622,213
2024	510,000	662,375	2024	375,000	604,213
2025	540,000	636,875	2025	395,000	585,463
2026-2030	3,080,000	2,798,238	2026-2030	2,290,000	2,615,113
2031-2035	3,585,000	2,281,331	2031-2035	2,745,000	2,157,819
2036-2040	4,190,000	1,681,125	2036-2040	3,260,000	1,647,288
2041-2045	4,955,000	921,269	2041-2045	3,910,000	991,725
2046-2047	2,230,000	117,775	2046-2048	2,730,000	214,288
	<u>\$ 20,485,000</u>	<u>\$ 11,228,113</u>		<u>\$ 16,730,000</u>	<u>\$ 10,732,798</u>

Business-Type Activities

**Utility System Refunding Revenue Bonds, Series 2013** – On April 24, 2013 the City issued \$54,030,000 in Utility System Refunding Revenue Bonds, Series 2013 with an interest rate of 2.68% were issued to advance refund \$54,955,000 of the then outstanding 2008 series bonds. The 2008 Series Bonds had an interest rate of 4.20%. The 2013 Series Bonds are due in annual principal installments of \$1,980,000 to \$4,390,000 through October 1, 2028. The annual bond interest rate is 2.68% which is subject to adjustment upon an event of taxability, as provided in the series 2013 bond agreement. Under the terms of the authorizing resolutions related to the bond, should the City default in any of its obligations or covenants created by such resolutions, the bondholders may, under certain circumstances set forth in such resolutions by suit, action or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted and contained in such resolutions, and may enforce and compel the performance of all duties required by the resolutions, or by any applicable statutes to be performed by the City or by any officer thereof. As of September 30, 2020, the principal amount outstanding on the bonds is \$32,410,000.



**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

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**Note 8. Long-Term Debt (Continued)**

Debt service requirements to maturity on the bonds are as follows:

<b>Utility System Refunding Revenue Bonds 2013</b>		
<b>Year(s)</b>	<b>Principal</b>	<b>Interest</b>
2021	\$ 3,730,000	\$ 818,606
2022	3,835,000	717,235
2023	3,935,000	613,117
2024	4,045,000	506,185
2025	4,160,000	396,238
2026-2029	12,705,000	557,507
	<u>\$ 32,410,000</u>	<u>\$ 3,608,888</u>

**State Revolving Loan Payable** – In connection with the City's Reverse Osmosis Treatment Plant, the City entered into loan agreements with the State Department of Environmental Protection's Drinking Water Revolving Fund Loan Program. The resulting loans were approximately \$7,092,000 with interest rate ranging from 2.61% to 2.82%. The City is required to maintain rates and charges for the services furnished by the water system which will be sufficient to provide revenues equal to or exceeding 1.15 times the sum of the semi-annual loan payments (debt service). The loans are payable in semi-annual principal installments through October 2031. As of September 30, 2020, the principal outstanding on the notes was \$4,611,123.

In connection with the replacement of approximately 17 miles of 2-inch water lines which were corroded within the City's water distribution system, the City entered into loan agreements with the State Department of Environmental Protection's Drinking Water Revolving Fund Loan Program. The resulting loans were approximately \$11,047,000 with interest rates ranging from 0.57% to 1.57%. The loans are payable in semi-annual installments of principal and interest through March 2048. As of September 30, 2020, the City has drawn down \$7,337,468 with the principal outstanding of \$5,875,426 on the project phases that have been closed. An amortization schedule for the funds that have not been drawn will not be finalized until the final draw on the loans are made.

In connection with the water distribution replacement project for the Lake Osborne Estates Water Main Improvements, the City entered into loan agreements with the State Department of Environmental Protection's Drinking Water Revolving Fund Loan Program. The resulting loan was approximately \$3,034,000 with an interest rate of 0.50%. As of September 30, 2020, the City has drawn down \$2,114,575. An amortization schedule will not be finalized until the final draw on the loan is made.

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 8. Long-Term Debt (Continued)**

Debt service requirements to maturity on the loans are as follows:

<b>State Revolving Loans</b>			
Year(s)	Principal		Interest
2021	\$ 593,616	\$	158,948
2022	604,654		147,910
2023	615,951		136,613
2024	627,514		125,050
2025	639,350		113,215
2026-2030	3,350,443		378,620
2031-2035	1,847,110		112,058
2036-2040	1,101,842		56,538
2041-2045	731,032		26,810
2046-2050	375,037		3,883
	<u>\$ 10,486,549</u>	<u>\$</u>	<u>1,259,645</u>
Loans with no repayment yet scheduled	2,114,575		
	<u>\$ 12,601,124</u>		

Under the terms of loan agreements, should the City default in any of its obligations or covenants created by such agreements, the State Department of Environmental Protection may, in addition to any remedy set forth in such agreement by suit, action or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted and contained in such agreements, and may enforce and compel the performance of all duties required by the agreements, or by any applicable statutes to be performed by the City or by any officer thereof. Default in payment of principal and interest on any of the loans described above or any future loans could cause an acceleration of the entire amount of such loans.

**Discretely Presented Component Unit**

The following is a summary of the changes in long-term debt for the Community Redevelopment Agency for the year ended:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable	\$ 3,653,125	\$ -	\$ (521,875)	\$ 3,131,250	\$ 521,875
Line of credit	-	903,003	-	903,003	309,750
Total	<u>\$ 3,653,125</u>	<u>\$ 903,003</u>	<u>\$ (521,875)</u>	<u>\$ 4,034,253</u>	<u>\$ 831,625</u>

**Community Redevelopment Agency (CRA) Revenue Note, Series 2016** – In December 2016, the City authorized the CRA to issue a revenue note of up to \$4,000,000 with an interest rate of 4.70% for property acquisition and other improvements in the designated CRA area of the City. In December 2019, the CRA Board of Directors approved the refinancing of the note to lower the interest rates. The revenue note is due in annual principal installments ranging from \$334,375 to \$900,000 from January 2018 through 2026. The revenue note is payable from a pledge of tax increment revenues. As of September 30, 2020, the principal outstanding on the note is \$2,006,250.

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 8. Long-Term Debt (Continued)**

**Community Redevelopment Agency (CRA) Revenue Note, Series 2018** – In January 2018, the City authorized the CRA to issue a revenue note of up to \$1,500,000 with an interest rate of 4.70% for property acquisition and other improvements in the designated CRA area of the City. In December 2019, the CRA Board of Directors approved the refinancing of the note to lower the interest rates. The revenue note is due in annual principal installments ranging \$187,500 through January 2026. The revenue note is payable from a pledge of tax increment revenues. As of September 30, 2020, the principal outstanding on the note is \$1,125,000.

In the event of default, the outstanding principal balance and accrued interest on the notes, together with any additional amounts payable may be accelerated and become immediately due and payable without demand or notice of any kind.

At September 30, 2020, debt service requirements on the Revenues Notes Series 2016 and 2018 to maturity are as follows:

<b>Discretely Presented Component Units – Note Payable</b>							
Year(s)	Series 2016		Series 2018		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	
2021	\$ 334,375	\$ 78,373	\$ 187,500	\$ 43,948	\$ 521,875	\$ 122,321	
2022	334,375	64,534	187,500	36,188	521,875	100,722	
2023	334,375	51,627	187,500	28,950	521,875	80,577	
2024	334,375	38,721	187,500	21,713	521,875	60,434	
2025	334,375	25,814	187,500	14,475	521,875	40,289	
2026	334,375	12,907	187,500	7,238	521,875	20,145	
	<u>\$ 2,006,250</u>	<u>\$ 271,976</u>	<u>\$ 1,125,000</u>	<u>\$ 152,512</u>	<u>\$ 3,131,250</u>	<u>\$ 424,488</u>	

**Community Redevelopment Agency Convertible Line of Credit** – In January 2020, the City authorized the CRA to enter into an agreement with a bank for a convertible line of credit of \$1,500,000 with an interest rate of 2.50% for property acquisition and other improvements in the designated CRA area of the City. The line of credit is payable from a pledge of tax increment revenues. In the event of default, repayment of the line of credit will be secured by but not limited to the collateral property acquired with the loan proceeds. As of September 30, 2020, the principal drawn from the line of credit and outstanding is \$903,003.

<b>Discretely Presented Component Units – Line of Credit</b>		
Year(s)	Principal	Interest
2021	\$ 309,750	\$ 6,276
2022	84,750	17,437
2023	84,750	14,946
2024	84,750	12,490
2025	84,750	10,019
2026-2030	254,253	15,001
	<u>\$ 903,003</u>	<u>\$ 76,169</u>

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

#### Note 8. Long-Term Debt (Continued)

**Debt Covenants** — The various bond indebtedness and note agreements provide for annual debt service requirements, provisions for the flow of monies through various restricted accounts and minimum amounts to be contained in various sinking funds. Additionally, the utility system revenue bonds include rate covenants and renewal and replacement fund requirements.

The City Charter permits the City to pledge the funds or property taxing power of the City for the payment of debt. This is subject to mandatory requirements that the total indebtedness of the City shall never exceed an amount equal to 25% of the total assessed value of the taxable property within its corporate limits. As of September 30, 2020, the City's debt limit is \$544,051,250.

**Pledged Revenues** – The City issues bonds and notes that are served by a pledge of specific revenues. Total pledged revenues to repay the principal and interest of those bonds and notes for the year ended are as follows:

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Non-ad Valorem Revenues	Business-Type Activities	
Sources of Revenue Pledged:	Ad Valorem Revenues	Non-ad Valorem Revenues	Electric and Water Revenues	Tax Increment Revenues
Current Revenue Pledged	\$ 15,599,744	\$ 27,515,906	\$ 14,025,379	\$ 3,365,636
Current Debt Service	6,916,250	-	6,916,233	677,724
Total Future Revenues Pledged	65,119,377	18,079,627	75,510,220	4,034,003
Purpose of Debt	Local Roadways	Capital Improvements	Utilities and Refunding	Economic Development
Term of Commitment	2018 - 2048	2020-2048	2013 - 2048	2018 - 2028
Percentage of Debt Service to Current Year Pledged Revenues	44.34%	0.00%	49.31%	20.14%

#### Note 9. Employee Retirement Systems

**General Information** – The City contributes to three single-employer retirement systems covering substantially all full-time employees. The General Employees' Retirement System, the Police Officers' Relief and Retirement System and the Firefighters' Pension Trust (collectively, the Pension Trust Funds) are defined benefit pension plans. Each plan issues a publicly available financial report that includes the applicable financial statements and required supplementary information for the plan. The reports can be obtained by contacting the City's finance department.

#### Summary of Significant Accounting Policies

The Pension Trust Funds financial statements are prepared using the accrual basis of accounting. Contributions to the Pension Trust Funds are recognized as revenue at the time they are due. Benefit payments and refunds are recognized as expenses as they become payable and administrative expenses are recognized at the time the expense is incurred. Investments are reported at fair value. Interest and dividend income are recognized when earned. Gains and losses on sales and exchanges of securities are valued at the last reported sales price at current exchange rates.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 9. Employee Retirement Systems (Continued)

##### General Employees' Retirement System (GERS)

**Plan Description** – The GERS is a single-employer defined benefit plan covering all eligible employees. The Plan was established by the City effective October 1, 1996 under the Code of Ordinances for the City of Lake Worth Beach, Florida, Chapter 10, Article II. The Plan was amended October 1, 2010 under Ordinance No 2010-19.

The Plan is administered by a board of five trustees comprised of the mayor of the City, the City's finance director; one member appointed by the City Commission who must be a resident of the City and two persons elected by the members.

All regular full-time employees other than Police Officers or Firefighters participate in the Plan.

**Benefits Provided** – The Plan provides retirement, death and disability benefits. The benefit provisions are established and may be amended under the authority of City Ordinance.

Normal retirement for participants retiring before October 1, 2015, is 20 vesting credits or vesting credits plus years of age totaling 75 or more, provided the participant has at least 10 vesting credits. Normal retirement age for participants retiring after October 1, 2015, is 55 years of age and 30 vesting credits or 65 years of age and 10 vesting credits. The Plan provides a normal retirement benefit equal to 3% of average final compensation for each year of credited service worked through September 30, 2011. The normal retirement benefit for credits earned on or after October 1, 2010 will be 2% of average final compensation. The monthly benefits are increased annually by \$ 2.50 for each full year from the members' date of retirement. Participants retiring on or after October 1, 2010, will not be eligible for the annual adjustment.

**Deferred Retirement Option Plan (the "DROP")** – Members who have attained normal retirement age, as described above, are eligible for the Deferred Retirement Option Plan (the DROP). Upon entering the DROP, the member's accrued benefit is frozen. An account is established for each participant in the DROP, which is credited with the member's normal retirement benefit plus or minus investment earnings or losses. Investment earnings or losses are credited or debited to the participant's account at either the same rate realized as the Plan or, if so elected in advance, at a fixed rate of interest established by the Plan administrator. The value of the DROP balance at September 30, 2020 was \$1,995,678.

**Contributions** – All participants are required to contribute 7.8% of pretax earnings, which the City pays as a pickup contribution pursuant to Internal Revenue Code Section 414(h)(2). Pursuant to Florida law, the City is ultimately responsible for the actuarially soundness of the Plan. Therefore, each year, the City must contribute an amount determined by the Trustees in conjunction with the Plan's actuary to be sufficient, along with the employee's contribution, to fund the defined benefits under the Plan.

##### Police Officers' Relief and Retirement System (PRS):

**Plan Description** – The PRS is a single-employer defined benefit plan covering all eligible police officers. The PRS was established by the City under the Code of Ordinances for the City of Lake Worth Beach, Florida, Chapter 16, Article IV Division I. The PRS was last amended July 1, 2014, under Ordinance No. 2014-21. The PRS is also governed by certain provisions of Chapter 185, Florida Statutes, Part VII, Chapter 112, Florida Statutes and the Internal Revenue Code. Effective July 1, 2014, and in accordance with Ordinance 2014-31, Lake Worth Police Officer's Relief and Pension Fund, Division 2 Share Accounts, merged into the PRS.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### **Note 9. Employee Retirement Systems (Continued)**

The PRS is administered by a board of five trustees comprised of the mayor of the City, the City's finance director, one member appointed by the City Commission, that must be a resident of the City, and two police officers elected by the members.

The City transferred its police functions to the Palm Beach County Sheriff's Office effective October 1, 2009. At that time, the Plan became closed to new members. All of the City's former full-time sworn police officers are eligible to participate in the PRS.

**Benefits Provided** – The Plan provides retirement, death and disability benefits. The benefit provisions are established and may be amended under the authority of City Ordinance.

Normal retirement age is the earlier of age 55 with 10 years of credited service, completion of 20 years of credited services, regardless of age or when age plus service measured in months equals or exceeds 75 years, provided the member has at least 10 years of credited service. The Plan provides a normal retirement benefit equal to 3% of average final compensation for each year of credited service worked. The monthly benefits are increased annually by \$2.50 for each full year from the member's date of retirement.

**Deferred Retirement Option Plan (the "DROP")** – Members who have attained normal retirement age, as described above, are eligible for the DROP. Upon entering the DROP, the member's accrued benefit is frozen. An account is established for each participant in the DROP, which is credited with the member's normal retirement benefit plus or minus investment earnings or losses. Investment earnings or losses are credited or debited to the participant's account at either the same rate realized as the Plan or, if so elected in advance, at a fixed rate of interest established by the Plan administrator. The value of the DROP balance at September 30, 2020 was \$628,375.

**Contributions** – Police employees are required by an ordinance of the City to contribute 7.06% of pretax earnings, which the City pays as a pickup contribution pursuant to Internal Revenue Code Section 414(h)(2). The City is required to contribute the remaining amounts necessary to fund the system, based on an amount determined by the plan's actuaries as of October 1st of each preceding year. The contribution requirements of plan members and the City are established and may be amended by the PRS Board of Trustees and the City Commission.

During the fiscal year ended September 30, 2020, the City received payments from the State for the PRS in the amount of \$623,454. These contributions which consist of excise taxes collected by the State on property and casualty insurance premiums on policies written within the City are required under Chapter 185 Florida Statutes. These revenues and expenditures were appropriately recorded in the General Fund.

#### **Firefighters' Pension Trust (FPT):**

**Plan Description** – The FPT is a single-employer defined benefit plan covering all eligible firefighters. The FPT was established by the City in accordance with a City ordinance and state statutes.

The City transferred its fire operations to Palm Beach County effective October 1, 2009. At that time, the Plan became closed to new members. All of the City's former certified firefighters are eligible to participate in the FPT.

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

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**Note 9. Employee Retirement Systems (Continued)**

**Benefits Provided** – The Plan provides retirement, death and disability benefits. The benefit provisions are established and may be amended under the authority of City Ordinance.

Normal retirement age is the earlier of age 55 with 10 years of credited service or completion of 20 years of credited service, regardless of age or when age plus service measured in months equals or exceeds 900. The Plan provides a normal retirement benefit equal to 3.75% of average final compensation for each year of credited service worked, including prior fire service and military service purchased by the member.

**Deferred Retirement Option Plan (the “DROP”)** – Members who continue in employment past normal retirement date may either accrue larger pensions or freeze their accrued benefit and enter the DROP. Eligibility is either 20 years of service or age 55 with 10 years of service. Each participant in the DROP has an account credited with benefits not received and investment earnings. The value of the DROP balance at September 30, 2020 was \$18,659,018.

**Contributions** – Firefighters are required by Lake Worth City Ordinance to contribute 11.25% of pretax earnings, which the City pays as a pickup contribution pursuant to Internal Revenue Code Section 414(h)(2). The City is required to contribute the remaining amounts necessary to fund the plan, based on an amount determined by the Plan’s actuaries as of October 1st of each preceding year. The contribution requirements of Plan members and the City are established and may be amended by the FPT Board of Trustees and the City Commission.

During the fiscal year ended September 30, 2020, the City received payments from the State for the FPT in the amount of \$68,770. These contributions which consist of excise taxes collected by the State on property and casualty insurance premiums on policies written within the City are required under Chapter 175 Florida Statutes. These revenues and expenditures were appropriately recorded in the General Fund.

At October 1, 2019, the following plan members were covered by the Plans:

	General Employees’ Retirement System	Police Officers’ Relief and Retirement System	Firefighters’ Pension Trust
Active employees	276	10	7
Inactive plan members or beneficiaries currently receiving benefits	311	97	70
Inactive plan members entitled but not yet receiving benefits	12	-	1
	<u>599</u>	<u>107</u>	<u>78</u>

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 9. Employee Retirement Systems (Continued)**

Net Pension Liability of the City

The City's net pension liability was determined based on a measurement date of September 30, 2019. The components of the net pension liability of the City at September 30, 2020, were as follows:

	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust	Total
Total pension liability	\$ 108,714,231	\$ 53,401,488	\$ 67,131,107	\$ 229,246,826
Plan fiduciary net position	71,483,084	33,305,790	47,002,371	151,791,245
Net pension liability	<u>\$ 37,231,147</u>	<u>\$ 20,095,698</u>	<u>\$ 20,128,736</u>	<u>\$ 77,455,581</u>
Plan fiduciary net position as a percentage of the total pension liability	65.75%	62.37%	70.02%	66.21%

**Actuarial Assumptions** – The total pension liability based on the measurement date of September 30, 2019 was determined by using actuarial valuations as of October 1, 2018, with update procedures used to roll forward the total pension liability. The actuarial valuations used the following actuarial assumptions:

	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust
Inflation	2.50%	2.50%	2.50%
Salary increases	5.00% - 7.50% *	6.50%	6.50%
Investment rate of return	7.30%	7.15%	7.15%

\* Depending on years of service, including inflation

For the GERS, PRS and FPT plans, mortality rates were based on the RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale BB.



**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 9. Employee Retirement Systems (Continued)**

**Investment Policy** –The GERS, PRS and FPT plans’ policy in regard to the allocation of invested assets is established and may be amended by their respective Boards. Plan assets are managed on a total return basis with long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following are the Plans adopted asset allocations:

	Target Allocations		
	General Employees’ Retirement System	Police Officers’ Relief and Retirement System	Firefighters’ Pension Trust
Domestic equities	40 - 65%	40 - 65%	40 - 60%
International equities	5 - 20%	5 - 20%	5 - 20%
Fixed income	15 - 25%	15 - 25%	20 - 40%
Real assets	-	-	0 -10%
Real estate	0 - 15%	0 - 15%	0 - 10%
TIPS	0 - 10%	0 - 10%	-
Cash and cash equivalents	Minimal	Minimal	Minimal

**Long-Term Expected Rate of Return** – The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation are summarized in the following table:

	Long-Term Expected Real Rate of Return		
	General Employees’ Retirement System	Police Officers’ Relief and Retirement System	Firefighters’ Pension Trust
Domestic equities	7.50%	7.50%	7.50%
International equities	8.50%	8.50%	8.50%
Fixed income	2.50 - 3.50%	2.50 - 3.50%	2.50 - 3.50%
Real estate	4.50%	4.50%	4.50%

**Rate of Return** – For the year ended September 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.54% for GERS, 10.38% for PRS, and 11.54% for FPT. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 9. Employee Retirement Systems (Continued)**

**Discount Rate** – This discount rate used to measure the total pension liability was 7.30% for GERS, 7.15% for PRS and FPT. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates (statutorily required) and the member rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The changes in the net pension liability for each plan follows:

	General Employee’s Retirement System		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of September 30, 2019 Measurement date	\$ 108,063,294	\$ 72,091,129	\$ 35,972,165
Changes for the year:			
Service cost	1,344,924	-	1,344,924
Interest	7,757,646	-	7,757,646
Changes of benefit terms	512,928	-	512,928
Difference between expected and actual experience	(807,331)	-	(807,331)
Changes in assumptions	993,106	-	993,106
Contributions – employer	-	4,205,995	(4,205,995)
Contributions – employee	-	1,124,756	(1,124,756)
Net investment income	-	3,351,987	(3,351,987)
Benefit payments	(9,150,336)	(9,150,336)	-
Administrative expenses	-	(140,447)	140,447
Net changes	650,937	(608,045)	1,258,982
Balances as of September 30, 2020 Measurement date	\$ 108,714,231	\$ 71,483,084	\$ 37,231,147

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 9. Employee Retirement Systems (Continued)**

	Police Officers' Relief and Retirement System		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of September 30, 2019 Measurement date	\$ 52,206,957	\$ 32,328,488	\$ 19,878,469
Changes for the year:			
Service cost	210,912	-	210,912
Interest	3,702,052	-	3,702,052
Changes of benefit terms	-	-	-
Difference between expected and actual experience	24,508	-	24,508
Changes in assumptions	666,720	-	666,720
Other (addition to share plan accounts)	270,932	-	270,932
Contributions – employer and state	-	3,233,586	(3,233,586)
Contributions – employee	-	73,571	(73,571)
Net investment income	-	1,451,429	(1,451,429)
Benefit payments	(3,680,593)	(3,680,593)	-
Administrative expenses	-	(100,691)	100,691
Net changes	1,194,531	977,302	217,229
Balances as of September 30, 2020 Measurement date	\$ 53,401,488	\$ 33,305,790	\$ 20,095,698
	Firefighters' Pension Trust		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of September 30, 2019 Measurement date	\$ 66,114,854	\$ 47,122,406	\$ 18,992,448
Changes for the year:			
Service cost	241,178	-	241,178
Interest	4,680,993	-	4,680,993
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(61,252)	-	(61,252)
Changes in assumptions	621,002	-	621,002
Other (addition to share plan accounts)	97,844	-	97,844
Contributions – employer and state	-	2,872,622	(2,872,622)
Contributions – employee	-	169,763	(169,763)
Net investment income	-	1,487,404	(1,487,404)
Benefit payments	(4,563,512)	(4,563,512)	-
Administrative expenses	-	(86,312)	86,312
Net changes	1,016,253	(120,035)	1,136,288
Balances as of September 30, 2020 Measurement date	\$ 67,131,107	\$ 47,002,371	\$ 20,128,736

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 9. Employee Retirement Systems (Continued)**

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following presents the net pension liability of the City, calculated using the discount rate of 7.30% for GERS and 7.15% for PRS and FPTF, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate for each plan:

	1% Decrease 6.30%	Current Discount Rate 7.30%	1% Increase 8.30%
General Employee's Retirement System	\$ 48,185,904	\$ 37,231,147	\$ 28,019,168
	1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
Police Officers' Relief and Retirement System	\$ 25,028,649	\$ 20,095,698	\$ 15,959,513
	1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
Firefighters' Pension Trust	\$ 24,723,035	\$ 20,128,736	\$ 16,276,810

**Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions**

For the year ended September 30, 2020, the City recognized pension expense as follows:

	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust	Total
Pension expense	\$ 5,224,205	\$ 3,075,439	\$ 2,692,595	\$ 10,992,239

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

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**Note 9. Employee Retirement Systems (Continued)**

At year end the City reported deferred outflows of resources and deferred inflows of resources related to pensions as following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	_____	_____
<b>General Employees' Retirement System</b>		
Differences between expected and actual experience	\$ 118,470	\$ 569,881
Assumption changes	1,464,972	-
Net difference between projected and actual earnings on pension plan investments	-	350,843
	_____	_____
Total deferred amounts to be recognized in pension expense in future periods	1,583,442	920,724
Pension contributions made subsequent to the measurement date	4,236,368	-
	_____	_____
Total deferred amounts	<u>\$ 5,819,810</u>	<u>\$ 920,724</u>

	Deferred Outflows of Resources	Deferred Inflows of Resources
	_____	_____
<b>Police Officers' Relief and Retirement System</b>		
Net difference between projected and actual earnings on pension plan investments	\$ 418,042	\$ -
	_____	_____
Total deferred amounts to be recognized in pension expense in future periods	418,042	-
Pension contributions made subsequent to the measurement date	3,647,981	-
	_____	_____
Total deferred amounts	<u>\$ 4,066,023</u>	<u>\$ -</u>

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 9. Employee Retirement Systems (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Firefighters' Pension Trust</b>		
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 153,714
Total deferred amounts to be recognized in pension expense in future periods	-	153,714
Pension contributions made subsequent to the measurement date	3,225,368	-
Total deferred amounts	<u>\$ 3,225,368</u>	<u>\$ 153,714</u>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the subsequent year ending September 30, 2021.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Years Ending September 30,	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust	Total
2021	\$ 383,373	\$ 80,267	\$ (250,064)	\$ 213,576
2022	(224,910)	(5,887)	(267,844)	(498,641)
2023	151,031	175,042	(684)	325,389
2024	353,224	168,620	364,878	886,722
Total	<u>\$ 662,718</u>	<u>\$ 418,042</u>	<u>\$ (153,714)</u>	<u>\$ 927,046</u>

**Note 10. Deferred Compensation Plans**

The City offers its employees two deferred compensation plans in accordance with Internal Revenue Code Sections 401a and 457. The funds are administrated by ICMA Retirement Corporation. All assets of the Plans are held in trust, custodial accounts or annuity contracts, for the exclusive benefit of the participants and their beneficiaries. Consequently, those Plan assets and liabilities are not recorded by the City. During fiscal year 2020, the City contributed approximately \$159,000 into the 401a plan on behalf of employees. The City does not contribute to the 457 plan, as it is 100% employee contributions.

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

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**Note 11. Other Postemployment Benefits (OPEB)**

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* specifies that governments must recognize their total OPEB liability and related deferred outflows of resources, deferred inflows of resources, and OPEB expense in the financial statements based on the actuarial present value of projected benefit payments.

Plan Description and Funding Policy. Employees who retire from the City and their dependents are eligible to continue to participate (single employer plan) in the City's health insurance plan currently offered through the City at the "blended" employee group rate, which is determined annually by the City. The benefits of the Plan conform to Florida Statutes, which are the legal authority for the Plan.

The following table provides a summary of the number of participants in the plan as of the measurement date:

Active employees	436
Inactive plan members entitled but not yet receiving benefits	326
	<u>762</u>

Currently, the City's OPEB benefits are unfunded. This plan is not accounted for in a trust fund. To date, the City has followed a pay as you go funding policy, therefore, only those amounts necessary to provide for the City's reporting of current year benefit costs and expenses have been contributed from the General Fund. Contribution rates are determined by the City. The Plan does not issue a stand-alone financial report and it is not included in the report of a public employee retirement system or a report of another entity.

**Actuarial Methods and Assumptions:** The actuarial valuation of the calculation of OPEB involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the City and plan members) and include the types of benefits in force at the valuation date and the historical pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

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**Note 11. Other Postemployment Benefits (OPEB) (Continued)**

The total OPEB liability at September 30, 2020, was based on an actuarial valuation dated September 30, 2018, with a measurement date of September 30, 2019, using the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.50%
Discount rate	2.75%
Salary increases	For general employees, 7.5% – 5.0% depending on service, including inflation
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	Mortality tables used in the July 1, 2018 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2008 through 2013.
Healthcare cost trend rates	Based on the Getzen Model, with a trend rate of 6.5%, decreasing gradually to an ultimate trend rate of 4.24%, plus 0.43% increase for excise tax.
Aging factors	Based on the 2013 study “Health Care Costs – From Birth to Death.”

Changes in assumptions and other inputs include the change in the discount rate from 3.83% as of the beginning of the measurement period to 2.75% as of September 30, 2019. This change is reflected in the Schedule of Changes in Total OPEB Liability. There were no benefit changes during the year.

**Discount Rate:** The discount rate used to measure the total OPEB liability was 2.75%. Because the City’s OPEB costs are funded on a pay-as-you-go basis, a tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating as of the measurement date was used to determine the total OPEB liability.

The City’s total OPEB liability at year-end follows:

Total OPEB liability:	
Service cost	\$ 28,506
Interest on total OPEB liability	76,947
Changes of assumptions and other inputs	189,844
Benefit payments	<u>(247,744)</u>
Net change in total OPEB liability	47,553
Total OPEB liability, beginning	<u>2,104,415</u>
Total OPEB liability, ending	<u><u>\$ 2,151,968</u></u>



City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

**Note 11. Other Postemployment Benefits (OPEB) (Continued)**

**Sensitivity of the total OPEB liability to changes in the discount rate:** The following table presents the total OPEB liability, calculated using the discount rate of 2.75%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than current discount rate:

	1% Decrease 1.75%	Current Discount Rate 2.75%	1% Increase 3.75%
Total OPEB liability	\$ 2,364,599	\$ 2,151,968	\$ 1,975,099

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates:** The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage-point lower or one percentage-point higher than the current trend rate:

	1% Trend Decrease (a)	Trend Rate Assumption 6.5%	1% Trend Increase (b)
Total OPEB liability	\$ 2,045,493	\$ 2,151,968	\$ 2,273,358

(a) 5.5%, gradually decreasing to an ultimate trend rate of 4.67% in 2028

(b) 7.5%, gradually decreasing to an ultimate trend rate of 5.67% in 2028

**OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB:** For the year ended September 30, 2020, the City recognized OPEB expense of \$ 184,266 and deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 60,490	\$ -
Assumption changes	135,414	-
	195,904	
Contributions made subsequent to the measurement date	253,448	-
Total deferred amounts	\$ 449,352	\$ -

The balance of \$253,448 reported as deferred outflows of resources related to OPEB resulting from City contributions paid subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending September 30, 2021.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 11. Other Postemployment Benefits (OPEB) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Years Ending September 30,	OPEB Plan
2021	\$ 99,920
2022	78,724
2023	17,260
Total	<u>\$ 195,904</u>

#### Note 12. Commitments and Contingencies

**Florida Municipal Power Agency (FMPA) Agreements** – The City’s electric utility operates pursuant to various power sales contracts with a number of other power producers and a Power Supply Acquisition Agreement and Project Support contract with the FMPA. FMPA owns an 8.806% undivided interest in Florida Power & Light Company’s St. Lucie Unit No. 2 (St. Lucie Unit No. 2), a nuclear powered electric generating facility and a 25% interest in Orlando Utilities Commission’s Stanton Energy Center Coal Fired Unit No. 1 (Stanton Unit No. 1). The contracts with FMPA give the City and each of the other participants in the St. Lucie Project and the Stanton Project entitlement shares aggregating 100% of FMPA’s ownership interest in St. Lucie Unit No. 2 and Stanton Unit No. 1. FMPA also has a Reliability Exchange Agreement with Florida Power & Light Company that enables the City to exchange 50% of its share of the output from St. Lucie Unit No. 2 for a like amount from Stanton Unit No. 1. Under the FMPA agreements, the City is to receive approximately 21 megawatts (mw) of power from St. Lucie and 10 mw of power from Stanton. Costs associated with power purchases under these agreements are charged against operations as incurred. Revenue from participating sales contracts are recognized as earned. The City has also made commitments to purchases of electricity from the to-be-built FMPA Municipal Solar Projects which are schedule to begin delivering energy to the City in 2023. Pursuant to the City’s agreement with the FMPA, the City was required to make a specified contribution to the FMPA. The City satisfied part of this requirement during fiscal year 2003 by transferring certain fuel inventory. The City has recorded a long-term, restricted deposit of \$1,316,174 as it would be refundable to the City in the event that the FMPA were to dissolve.

**Orlando Utility Commission (OUC) Agreement** – As of December 31, 2013, the City exited its contract with FMPA supplemental power supply acquisition and project support which consists of approximately 52% of total supply. As of January 1, 2014, the City’s electric utility entered a power supply acquisition agreement with Orlando Utilities Commission (OUC) for its supplemental power supply. The agreement provides for OUC to provide the least costly power and energy for the City’s Electric Utilities Department by either operating the City’s existing equipment or by providing power and energy from various facilities with which the City has generation entitlement contacts. Costs associated with power purchases under this agreement are charged against operations as incurred. Revenue from participating sales contracts are recognized as earned.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### **Note 12. Commitments and Contingencies (Continued)**

During the duration of the contract the City shall maintain on its senior unsecured debt securities, a rating by Standard and Poor's Corporation of BB+, Moody's Investors Service, Inc., of Baa1, Fitch IBCA of BBB+, or another nationally recognized rating service reasonable acceptable to OUC Standard, whichever is lower. In the event the City's ratings fall below the specified minimum rating, the City will be required to provide a Letter of Credit, cash or bond or other assurances reasonably sufficient to assure the City's performance of its purchase and payment obligations under the agreement. The agreement with OUC is for a three-year term beginning January 1, 2014 with two additional option years. The City executed the second option year in January 2018. The City renewed the agreement with OUC beginning January 1, 2019 until December 31, 2022. The City has two (2) unilateral one (1) year extensions until December 31, 2024. The parties will also have a mutual option to extend until December 31, 2025, which shall be mutually agreed to by no later than June 1, 2024.

**Litigation, Claims and Assessments** – The City is a defendant in various legal actions and the ultimate outcome of these lawsuits is uncertain. However, in the opinion of the City's management, the ultimate outcome will not have a material adverse effect on the City's financial condition.

Amounts received and receivables from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to not be material, except for amounts related to FEMA as discussed below.

**FEMA Grants** – The City worked with FEMA to finalize all of the claims filed by the City related to Hurricanes Jeanne, Frances and Wilma in 2004 and 2005. Amounts received or receivable from FEMA are subject to audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability to the City. The City received initial determination letters for all large projects (those with a cost of more than \$57,500) in late December of 2011. The net questioned costs for the three storms were approximately \$2.8 million. The City has availed itself of the appeal opportunities afforded under 44 CFR, Sec 206.206 Federal Regulations, which allows for two appeals. The City is currently in the appeal process. That appeal process is not expected to be resolved until fiscal year 2022.

The U.S. Department of Homeland Security, Office of Inspector General (DHSOIG) conducted an audit of FEMA Disaster Declarations Nos. 1545 (Hurricane Frances), 1561 (Hurricane Jeanne) and 1609 (Hurricane Wilma) between January and May 2012. The purpose of this was to review the findings of the FEMA/State of Florida closeout audits. DHSOIG issued reports to the FEMA Regional Director in November 2012 and December 2012. In July of 2013, the City was notified by the State that there were additional net questioned costs for the three storms which were approximately \$1.1 million. The City has availed itself of the appeal opportunities afforded under 44 CFR, Sec. 206.206 Federal Regulations which allows for two appeals. The City is currently in the appeal process. That appeal process is not expected to be resolved until fiscal year 2022.

At fiscal year-end September 30, 2020, the City recorded an estimated liability of \$3.6 million for amounts that may be due to FEMA (required to be repaid), in the event that the City's aforementioned appeals are unsuccessful.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 13. Self-Insurance Program

The City is subject to Florida State Statutes regarding civil actions to recover damages for covered claims under Florida Sovereign Immunity Laws, which effectively limits the amount of liability of municipalities to individual claims of \$200,000 or \$300,000, for all claims relating to the same incident.

Liabilities are recorded when a claim or loss has been reported. The City analyzes its losses and finances, both uninsured and insured risks. All insurance premiums and claims are charged to the appropriate Fund. The City is a member of a self-insured risk retention group for property coverage on all properties, other than Utilities. The approximately \$46 million of coverage is purchased with a shared limit of \$340,000,000 and a \$25,000,000 named windstorm sublimit. There is a \$5,000 all other peril deductible and a 5% windstorm deductible with a minimum of \$20,000. Utility property is insured with ACE American Insurance Company with a dedicated limit of approximately \$128 million. This is subject to a \$300,000 all other peril deductible and a 5% named windstorm deductible with a minimum of \$250,000. The City purchased a \$1,000,000 excess third-party liability over a \$100,000 self-insured retention.

The City is self-insured for workers' compensation and has a self-insured retention level of \$500,000 per claim, with statutory excess, and \$1,000,000 excess for employer's liability through PGIT. In the past 3 years all workers' compensation claims were within the limit of the policy. There were no significant reductions in coverage during the fiscal year compared to prior year. The City has a self-insured retention level of \$100,000 per occurrence for general and professional liability and automobile liability. Due to risk limitations, the City's beach, pier and lifeguard stands are considered uninsurable by the City's risk pool. Therefore, the cost of repair or replacement to these assets must be absorbed directly by the City unless reimbursement is provided by federal emergency funding. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards.

Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. All funds of the City participate in the program and make payments to the Insurance Fund based on estimates of the amounts needed to pay prior and current year claims, establish reserves for future claims and provide for administrative costs of the program. Interfund premiums are based upon the insured funds' number of employees and value of facilities. A liability for workers' compensation, general liability and property claims of approximately \$3,350,000 is reported in the fund at year end.

Changes in the balances of claims payable for 2020 and 2019, are as follows:

	Fiscal Year Ended	
	2020	2019
Claims payable, beginning of year	\$ 2,312,785	\$ 1,888,045
Provision for claims	2,500,842	1,082,513
Claims paid	(1,463,684)	(657,773)
Claims payable, end of year	<u>\$ 3,349,943</u>	<u>\$ 2,312,785</u>

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### **Note 14. Restatement – Prior Period Adjustment**

The beginning net position and fund balances of the following opinion units as of October 1, 2019 were restated to correct the following errors:

- The City disposed of certain CRA land assets held for resale in prior years but did not remove such assets from the accounting records at the time of disposal. An adjustment was recorded to dispose of such assets as of the prior fiscal year ended in the amount of \$2,554,004.
- To City did not accrue revenues for electric and sewer services provided to customers in fiscal year 2019. An adjustment was recorded to properly recognize revenues for customer receivables due as of the prior fiscal year ended in the amount of \$1,267,709.
- The City did not record the required true-up adjustment liability due to regional customers receiving sewer services through the Regional Sewer Fund for the year ended September 30, 2019. An adjustment was recorded to properly recognize the liability and related expenses incurred as of the prior fiscal year ended in the amount of \$916,795.
- The City recorded various transactions related to operating revenues and expenses/expenditures in the incorrect accounting period. An adjustment was recorded to properly recognize such revenues and expenses/expenditures in the proper accounting periods in the amount of \$385,217.
- The City recorded an adjustment to properly report the capital lease liability balance as of the prior fiscal year ended in the amount of \$12,282.

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 14. Restatement – Prior Period Adjustment (Continued)**

The restatement adjustments recorded are summarized below for each opinion unit affected:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Unit</b>
Net Position – October 1, 2019, as previously reported	\$ 21,611,225	\$ 150,819,112	\$ 172,430,337	\$ 20,280,800
Restatement:				
Assets held for resale	-	-	-	(2,554,004)
Unbilled accounts receivable	-	1,267,709	1,267,709	-
Regional sewer true-up adjustment	-	(916,795)	(916,795)	-
Operating revenues and expenses, net	(301,445)	(83,772)	(385,217)	-
Lease liability	(12,282)	-	(12,282)	-
Net Position – October 1, 2019, as restated	<u>\$ 21,297,498</u>	<u>\$ 151,086,254</u>	<u>\$ 172,383,752</u>	<u>\$ 17,726,796</u>

	<b>Governmental Funds</b>					<b>Component Unit</b>
	General	Beach Fund	Neighborhood Road Program Fund	Nonmajor Governmental Funds	Total Governmental Funds	
Fund Balance (deficit) – October 1, 2019, as previously reported	\$ 4,882,499	\$ (3,197,042)	\$ 14,215,567	\$ 16,008,232	\$ 31,909,256	\$ 15,149,991
Restatement:						
Assets held for resale	-	-	-	-	-	(2,554,004)
Operating revenues and expenditures, net	(301,445)	-	-	-	(301,445)	-
Fund Balance (deficit) – October 1, 2019, as restated	<u>\$ 4,581,054</u>	<u>\$ (3,197,042)</u>	<u>\$ 14,215,567</u>	<u>\$ 16,008,232</u>	<u>\$ 31,607,811</u>	<u>\$ 12,595,987</u>

	<b>Business-Type Activities – Enterprise Funds</b>						<b>Internal Service Funds</b>
	Major			Nonmajor Enterprise Funds		Total Enterprise Funds	
	Electric	Water	Local Sewer	Regional Sewer			
Net Position – October 1, 2019, as previously reported	\$ 18,817,486	\$ 55,664,363	\$ 15,657,271	\$ 36,583,724	\$ 14,080,655	\$ 140,803,499	\$ 8,637,926
Restatement:							
Unbilled accounts receivable	899,315	-	368,394	-	-	1,267,709	-
Regional sewer true-up adjustment	-	-	-	(916,795)	-	(916,795)	-
Operating revenues and expenses, net	(83,772)	-	-	-	-	(83,772)	-
Net Position - October 1, 2019, as restated	<u>\$ 19,633,029</u>	<u>\$ 55,664,363</u>	<u>\$ 16,025,665</u>	<u>\$ 35,666,929</u>	<u>\$ 14,080,655</u>	<u>\$ 141,070,641</u>	<u>\$ 8,637,926</u>

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 14. Restatement – Prior Period Adjustment (Continued)**

The effect of the restatement on the net change in net position of the Component Unit as of September 30, 2019 is zero as the disposal occurred prior to fiscal year ended September 30, 2019. The effect of the restatements on the net change in fund balance/net position for the fiscal year ended September 30, 2019 for each opinion unit follows:

	Governmental Activities	Business-Type Activities	Total	Component Unit			
Change in Net Position – September 30, 2019, as previously reported	\$ 3,602,388	\$ 2,955,555	\$ 6,557,943	\$ 3,402,483			
Restatement:							
Unbilled accounts receivable	-	1,267,709	1,267,709	-			
Regional sewer true-up adjustment	-	(916,795)	(916,795)	-			
Operating revenues and expenses, net	(301,445)	(83,772)	(385,217)	-			
Lease liability	(12,282)	-	(12,282)	-			
Change in Net Position – September 30, 2019, as restated	<u>\$ 3,288,661</u>	<u>\$ 3,222,697</u>	<u>\$ 6,511,358</u>	<u>\$ 3,402,483</u>			
<b>Governmental Funds</b>							
	General	Beach Fund	Neighborhood Road Program Fund	Nonmajor Governmental Funds	Total Governmental Funds	Component Unit	
Change in Fund Balance (deficit) – September 30, 2019, as previously reported	\$ 232,450	\$ 234,444	\$ (8,738,167)	\$ 4,666,129	\$ (3,605,144)	\$ 638,506	
Restatement:							
Operating revenues and expenditures, net	(301,445)	-	-	-	(301,445)	-	
Change in Fund Balance (deficit) – September 30, 2019, as restated	<u>\$ (68,995)</u>	<u>\$ 234,444</u>	<u>\$ (8,738,167)</u>	<u>\$ 4,666,129</u>	<u>\$ (3,906,589)</u>	<u>\$ 638,506</u>	
<b>Business-Type Activities – Enterprise Funds</b>							
	Electric	Water	Local Sewer	Regional Sewer	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Change in Net Position – September 30, 2019, as previously reported	\$ (1,085,311)	\$ 1,585,058	\$ (1,238,646)	\$ 4,338,983	\$ 700,632	\$ 4,300,716	\$ (2,683,485)
Restatement:							
Unbilled accounts receivable	899,315	-	368,394	-	-	1,267,709	-
Regional sewer true-up adjustment	-	-	-	(916,795)	-	(916,795)	-
Operating revenues and expenses, net	(83,772)	-	-	-	-	(83,772)	-
Change in Net Position - September 30, 2019, as restated	<u>\$ (269,768)</u>	<u>\$ 1,585,058</u>	<u>\$ (870,252)</u>	<u>\$ 3,422,188</u>	<u>\$ 700,632</u>	<u>\$ 4,567,858</u>	<u>\$ (2,683,485)</u>

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### **Note 15. Pronouncements Issued But Not Yet Adopted**

GASB Statement No. 84, *Fiduciary Activities*, was issued January 2017. This statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2021. \*

GASB Statement No. 87, *Leases*, was issued June 2017. This Statement improves the accounting and financial reporting for leases by governments. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2022. \*

GASB Statement No. 90, *Majority Equity Interests-An Amendment of GASB Statements No. 14 and No. 61*, was issued August 2018. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2021. \*

GASB Statement No. 91, *Conduit Debt Obligations*, was issued May 2019. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with: (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2023. \*

GASB Statement No. 92, *Omnibus 2020*, was issued January 2020. This statement enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for the City beginning with its year ending September 30, 2022.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, was issued in March 2020. This statement addresses accounting and financial reporting implications that result from the replacement of a LIBOR. The requirements of this Statement are effective for the City beginning with its year ending September 30, 2022. \*

\*Effective dates represent postponement as per GASB Statement No. 95.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, was issued March 2020. This statement improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for the City beginning with its year ending September 30, 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for the City beginning with its year ending September 30, 2023.



## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### **Note 15. Pronouncements Issued But Not Yet Adopted (Continued)**

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, was issued June 2020. The primary objectives of this Statement are to: (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for the City beginning with its year ending September 30, 2022. Except for the requirement of this Statement that: (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans, and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trust that meet the criteria in paragraph 30 of Statement 67 or paragraph 30 of Statement 74, respectively, are effective immediately.

The City's management has not yet determined the effect these statements will have on the City's financial statements.

#### **Note 16. Subsequent Events**

In October 2020, the City Commission passed a resolution authorizing the issuance of Consolidated Utilities Revenue Bonds, Series 2020, in the amount of approximately \$89 million with a premium of approximately \$13.7 million. The bonds were issued to finance improvements to the City's utilities systems and refinance the outstanding 2013 Series Bonds and Note Payable agreement, which was issued to fund the energy savings project.

***City of Lake Worth Beach, Florida***

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**REQUIRED SUPPLEMENTARY INFORMATION  
UNAUDITED**

City of Lake Worth Beach, Florida

Required Supplementary Information (unaudited)  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 General Fund  
 For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 10,698,677	\$ 10,698,677	\$ 10,622,379	\$ (76,298)
Utility service taxes	4,172,332	4,172,332	4,171,041	(1,291)
Gas tax	969,092	969,092	860,137	(108,955)
Franchise fees	96,874	96,874	138,871	41,997
<b>Total taxes</b>	<b>15,936,975</b>	<b>15,936,975</b>	<b>15,792,428</b>	<b>(144,547)</b>
Licenses and permits:				
Business	1,077,500	1,077,500	991,292	(86,208)
Non-business	135,040	135,040	83,130	(51,910)
<b>Total licenses and permits</b>	<b>1,212,540</b>	<b>1,212,540</b>	<b>1,074,422</b>	<b>(138,118)</b>
Fines and forfeitures:				
Public safety	32,618	32,618	25,694	(6,924)
Library fines	6,381	6,381	1,114	(5,267)
Violations of local ordinances	752,946	752,946	935,077	182,131
<b>Total fines and forfeitures</b>	<b>791,945</b>	<b>791,945</b>	<b>961,885</b>	<b>169,940</b>
Charges for services:				
General government	12,118,297	12,118,297	11,763,242	(355,055)
Public safety	370,000	370,000	204,742	(165,258)
Physical environment	841,450	841,450	851,738	10,288
Transportation	46,151	46,151	55,758	9,607
Culture and recreation	136,706	136,706	43,867	(92,839)
<b>Total charges for services</b>	<b>13,512,604</b>	<b>13,512,604</b>	<b>12,919,347</b>	<b>(593,257)</b>
Intergovernmental:				
State and other shared revenues	5,456,106	5,456,106	4,761,827	(694,279)
<b>Total intergovernmental</b>	<b>5,456,106</b>	<b>5,456,106</b>	<b>4,761,827</b>	<b>(694,279)</b>
Other revenues:				
Investment income	50,000	50,000	59,821	9,821
Rents and royalties	20,572	20,572	19,445	(1,127)
Miscellaneous	141,039	141,039	70,573	(70,466)
<b>Total other revenues</b>	<b>211,611</b>	<b>211,611</b>	<b>149,839</b>	<b>(61,772)</b>
<b>Total revenues</b>	<b>37,121,781</b>	<b>37,121,781</b>	<b>35,659,748</b>	<b>(1,462,033)</b>
Expenditures:				
General Government:				
City commission	443,626	443,626	414,013	29,613
City manager	701,344	701,344	604,805	96,539
City clerk	529,903	529,903	504,486	25,417
Finance	1,607,379	1,607,379	1,623,839	(16,460)
Internal auditing	-	-	-	-
Personnel	177,728	177,728	162,205	15,523
City attorney	-	-	-	-
Community development	324,342	324,342	298,331	26,011
Business license	590,156	590,156	578,247	11,909
Building maintenance	3,462,703	3,462,703	3,335,481	127,222
Cost of services	825,874	825,874	812,687	13,187
<b>Total general government</b>	<b>8,663,055</b>	<b>8,663,055</b>	<b>8,334,094</b>	<b>328,961</b>

(Continued)

City of Lake Worth Beach, Florida

Required Supplementary Information (unaudited)  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 General Fund (Continued)  
 For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public safety:				
Police	16,204,665	16,204,665	16,364,716	(160,051)
Fire	3,139,794	3,139,794	3,481,974	(342,180)
Building and zoning	687,380	687,380	686,328	1,052
Code and administration	1,476,005	1,476,005	1,371,272	104,733
<b>Total public safety</b>	<b>21,507,844</b>	<b>21,507,844</b>	<b>21,904,290</b>	<b>(396,446)</b>
Physical environment:				
Cemetery	262,336	262,336	245,705	16,631
Grounds maintenance	2,142,784	2,142,784	2,039,471	103,313
<b>Total physical environment</b>	<b>2,405,120</b>	<b>2,405,120</b>	<b>2,285,176</b>	<b>119,944</b>
Transportation:				
Administration	277,256	277,256	303,800	(26,544)
Streets, drains and sidewalks	1,869,537	1,869,537	1,644,900	224,637
<b>Total transportation</b>	<b>2,146,793</b>	<b>2,146,793</b>	<b>1,948,700</b>	<b>198,093</b>
Culture and recreation:				
Library	614,143	614,143	581,302	32,841
Recreation	1,950,470	1,950,470	1,660,047	290,423
<b>Total culture and recreation</b>	<b>2,564,613</b>	<b>2,564,613</b>	<b>2,241,349</b>	<b>323,264</b>
Capital outlay	33,854	33,854	8,945	24,909
Debt service:				
Principal	47,170	47,170	50,664	(3,494)
Interest	28,099	28,099	26,627	1,472
<b>Total debt service</b>	<b>75,269</b>	<b>75,269</b>	<b>77,291</b>	<b>(2,022)</b>
<b>Total expenditures</b>	<b>37,396,548</b>	<b>37,396,548</b>	<b>36,799,845</b>	<b>596,703</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(274,767)</b>	<b>(274,767)</b>	<b>(1,140,097)</b>	<b>(865,330)</b>
Other financing sources (uses):				
Proceeds from debt issuance, including premiums	505,228	505,228	8,069,444	(7,564,216)
Transfers in	420,593	420,593	420,593	-
Transfers out	(15,000)	(15,000)	(15,000)	-
Appropriated fund balance	(636,054)	(636,054)	-	(636,054)
<b>Total other financing sources (uses)</b>	<b>274,767</b>	<b>274,767</b>	<b>8,475,037</b>	<b>8,200,270</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>7,334,940</b>	<b>\$ 7,334,940</b>
Fund balance – beginning of year, as restated (Note 14)			4,581,054	
Fund balance – end of year			<u>\$ 11,915,994</u>	

City of Lake Worth Beach, Florida

Required Supplementary Information (unaudited)  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Beach Fund  
 For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 3,720,230	\$ 3,720,230	\$ 3,081,738	\$ (638,492)
Fines and forfeitures	227,500	227,500	369,708	142,208
Investment income	5,000	5,000	26,524	21,524
Miscellaneous	9,823	9,823	7,697	(2,126)
<b>Total revenues</b>	<b>3,962,553</b>	<b>3,962,553</b>	<b>3,485,667</b>	<b>(476,886)</b>
<b>Expenditures:</b>				
Current:				
Transportation	724,170	724,170	686,913	37,257
Culture and recreation	2,672,687	2,672,687	2,496,636	176,051
Capital outlay	202,568	202,568	151,900	50,668
Debt service:				
Principal	550,000	550,000	-	550,000
Interest	55,682	55,682	-	55,682
<b>Total expenditures</b>	<b>4,205,107</b>	<b>4,205,107</b>	<b>3,335,449</b>	<b>869,658</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(242,554)</b>	<b>(242,554)</b>	<b>150,218</b>	<b>392,772</b>
<b>Other financing sources:</b>				
Proceeds from debt issuance, including premiums	-	-	6,754,807	6,754,807
Appropriated fund balance	242,554	242,554	-	(242,554)
<b>Total other financing sources</b>	<b>242,554</b>	<b>242,554</b>	<b>6,754,807</b>	<b>6,512,253</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>6,905,025</b>	<b>\$ 6,905,025</b>
Fund balance (deficit), beginning of year			(3,197,042)	
Fund balance, end of year			\$ 3,707,983	

**Notes to Required Supplementary Information  
For the Fiscal Year Ended September 30, 2020**

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**Note 1. Budgets and Legal Compliance**

The City follows these procedures in establishing budgetary data:

- a. The City Manager submits to the City Commission a proposed operating budget for the General Fund for the ensuing fiscal year. The operating budget includes proposed expenditures and the sources of receipts to finance them.
- b. Public hearings are conducted at City Hall to obtain taxpayer comments. Prior to September 30, the budget is legally enacted through passage of a resolution.
- c. The budget is approved by the City Commission and becomes the basis for the millage levied by the City Commission.
- d. The City Manager is authorized to transfer budgeted amounts within any department; however, any revisions that alter the total expenditures of any department or fund must be approved by the City Commission. The City Commission may amend the current year's budget appropriation by passage of a budget amendment resolution. Expenditures may not exceed legal appropriations at the department level. Encumbrances lapse at year-end. Encumbrances are re-appropriated in the following year's budget.
- e. Formal budgetary integration is employed as a management control device during the year.
- f. In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the financial statements and schedules represent final authorized amounts. Therefore, the department level is the legal level of budgetary control. Budgeted amounts are as originally adopted or as amended.
- g. The City is not legally required to, and does not, adopt budgets for the Law Enforcement and Firefighters Education Fund and Law Enforcement Confiscated Property Fund.

City of Lake Worth Beach, Florida

**Required Supplementary Information (unaudited)**  
**General Employees' Retirement System**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Six Fiscal Years**

Fiscal Year:	2020	2019	2018	2017	2016	2015
Measurement Date:	2019	2018	2017	2016	2015	2014
<b>Total pension liability:</b>						
Service cost	\$ 1,344,924	\$ 1,276,370	\$ 1,264,754	\$ 1,026,628	\$ 1,289,330	\$ 1,269,805
Interest	7,757,646	7,622,289	7,623,881	7,765,990	7,865,429	7,897,624
Benefit changes	512,928	2,327,011	-	-	-	-
Differences between expected and actual experience	(807,331)	217,106	186,801	(2,300,009)	(967,020)	(289,809)
Changes of assumptions	993,106	957,440	2,876,644	-	-	-
Benefit payments, including refunds of member contributions	(9,150,336)	(9,382,152)	(8,029,499)	(9,099,308)	(9,316,942)	(9,308,177)
Net change in total pension liability	650,937	3,018,064	3,922,581	(2,606,699)	(1,129,203)	(430,557)
Total pension liability – beginning	108,063,294	105,045,230	101,122,649	103,729,348	104,858,551	105,289,108
Total pension liability – ending (a)	\$ 108,714,231	\$ 108,063,294	\$ 105,045,230	\$ 101,122,649	\$ 103,729,348	\$ 104,858,551
<b>Plan fiduciary net position</b>						
Contributions – employer	\$ 4,205,995	\$ 3,987,293	\$ 4,086,164	\$ 4,440,602	\$ 4,614,165	\$ 4,553,202
Contributions – member	1,124,756	1,124,419	1,102,815	848,814	844,870	928,387
Net investment income	3,351,987	6,162,213	7,822,485	4,307,428	508,074	7,515,916
Benefit payments, including refunds of member contributions	(9,150,336)	(9,382,152)	(8,029,499)	(9,099,308)	(9,316,942)	(9,308,177)
Administrative expenses	(140,447)	(141,352)	(124,525)	(142,750)	(128,684)	(126,863)
Net change in plan fiduciary net position	(608,045)	1,750,421	4,857,440	354,786	(3,478,517)	3,562,465
Plan fiduciary net position – beginning	72,091,129	70,340,708	65,483,268	65,128,482	68,606,999	65,044,534
Plan fiduciary net position – ending (b)	\$ 71,483,084	\$ 72,091,129	\$ 70,340,708	\$ 65,483,268	\$ 65,128,482	\$ 68,606,999
City net pension liability – ending (a) - (b)	\$ 37,231,147	\$ 35,972,165	\$ 34,704,522	\$ 35,639,381	\$ 38,600,866	\$ 36,251,552
Plan fiduciary net position as a percentage of the total pension liability	65.75%	66.71%	66.96%	64.76%	62.79%	65.43%
Covered payroll	\$ 15,972,516	\$ 14,415,632	\$ 14,138,657	\$ 10,882,231	\$ 10,831,667	\$ 11,902,397
City net pension liability as percentage of covered payroll	233.10%	249.54%	245.46%	327.50%	356.37%	304.57%

Note:

a. This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years which the information is available.

b. Effective October 1, 2018, the investment return assumption was lowered from 7.40% to 7.30%.



City of Lake Worth Beach, Florida

**Required Supplementary Information (unaudited)**  
**Police Officers' Relief and Retirement System**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Six Fiscal Years**

Fiscal Year:	2020	2019	2018	2017	2016	2015
Measurement Date:	2019	2018	2017	2016	2015	2014
<b>Total pension liability:</b>						
Service cost	\$ 210,912	\$ 193,882	\$ 229,634	\$ 255,209	\$ 238,693	\$ 280,511
Interest	3,702,052	3,661,397	3,713,027	3,837,201	3,902,610	3,915,664
Differences between expected and actual experience	24,508	434,141	(97,978)	(655,445)	287,033	115,847
Changes of assumptions	666,720	656,642	266,889	635,049	-	-
Benefit payments, including refunds of member contributions	(3,680,593)	(3,678,987)	(4,422,363)	(5,427,902)	(5,567,874)	(3,923,670)
Other	270,932	295,992	235,027	209,050	209,050	202,603
Net change in total pension liability	1,194,531	1,563,067	(75,764)	(1,146,838)	(930,488)	590,955
Total pension liability – beginning	52,206,957	50,643,890	50,719,654	51,866,492	52,796,980	52,206,025
Total pension liability – ending (a)	\$ 53,401,488	\$ 52,206,957	\$ 50,643,890	\$ 50,719,654	\$ 51,866,492	\$ 52,796,980
<b>Plan fiduciary net position</b>						
Contributions – employer and state	\$ 3,233,586	\$ 3,119,402	\$ 3,013,393	\$ 2,882,783	\$ 2,773,209	\$ 2,543,956
Contributions – member	73,571	68,521	73,533	169,346	102,916	208,801
Net investment income	1,451,429	2,189,339	3,021,517	1,744,263	449,322	2,906,179
Benefit payments, including refunds of member contributions	(3,680,593)	(3,678,987)	(4,422,363)	(5,427,902)	(5,567,874)	(3,923,670)
Administrative expenses	(100,691)	(91,942)	(91,961)	(94,732)	(89,064)	(96,476)
Net change in plan fiduciary net position	977,302	1,606,333	1,594,119	(726,242)	(2,331,491)	1,638,790
Plan fiduciary net position – beginning	32,328,488	30,722,155	29,128,036	29,854,278	32,185,769	30,546,979
Plan fiduciary net position – ending (b)	\$ 33,305,790	\$ 32,328,488	\$ 30,722,155	\$ 29,128,036	\$ 29,854,278	\$ 32,185,769
City net pension liability – ending (a) - (b)	\$ 20,095,698	\$ 19,878,469	\$ 19,921,735	\$ 21,591,618	\$ 22,012,214	\$ 20,611,211
Plan fiduciary net position as a percentage of the total pension liability	62.37%	61.92%	60.66%	57.43%	57.56%	60.96%
Covered payroll	\$ 1,042,087	\$ 970,555	\$ 1,041,543	\$ 1,275,960	\$ 1,250,989	\$ 1,333,456
City net pension liability as percentage of covered payroll	1928.41%	2048.15%	1912.71%	1692.19%	1759.58%	1545.70%

Note:

a. This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years which the information is available.

b. Effective October 1, 2018, the investment return assumption was lowered from 7.30% to 7.15%.

City of Lake Worth Beach, Florida

**Required Supplementary Information (unaudited)**  
**Firefighters' Pension Trust**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Six Fiscal Years**

Fiscal Year:	2020	2019	2018	2017	2016	2015
Measurement Date:	2019	2018	2017	2016	2015	2014
<b>Total pension liability:</b>						
Service cost	\$ 241,178	\$ 260,076	\$ 285,547	\$ 302,838	\$ 332,003	\$ 297,315
Interest	4,680,993	4,749,735	4,762,802	4,650,666	4,483,334	4,332,379
Differences between expected and actual experience	(61,252)	(544,886)	(322,397)	120,719	198,870	(241,254)
Changes of assumptions	621,002	613,640	185,206	608,377	978,453	-
Benefit payments, including refunds of member contributions	(4,563,512)	(5,341,813)	(4,213,072)	(3,877,251)	(3,184,398)	(3,217,144)
Other	97,844	424,869	1,531,430	547,964	1,101,767	275,168
Net change in total pension liability	1,016,253	161,621	2,229,516	2,353,313	3,910,029	1,446,464
Total pension liability – beginning	66,114,854	65,953,233	63,723,717	61,370,404	57,460,375	56,013,911
Total pension liability – ending (a)	<u>\$ 67,131,107</u>	<u>\$ 66,114,854</u>	<u>\$ 65,953,233</u>	<u>\$ 63,723,717</u>	<u>\$ 61,370,404</u>	<u>\$ 57,460,375</u>
<b>Plan fiduciary net position</b>						
Contributions – employer and state	\$ 2,872,622	\$ 2,794,091	\$ 2,811,277	\$ 2,709,016	\$ 2,550,030	\$ 2,625,210
Contributions – member	169,763	84,971	105,985	108,980	118,270	123,344
Net investment income	1,487,404	4,981,565	4,306,470	2,748,904	(828,763)	3,079,060
Benefit payments, including refunds of member contributions	(4,563,512)	(5,341,813)	(4,213,072)	(3,877,251)	(3,184,398)	(3,217,144)
Administrative expenses	(86,312)	(84,970)	(70,801)	(80,852)	(92,510)	(217,064)
Rollover	-	424,869	1,531,430	547,964	1,101,767	275,168
Net change in plan fiduciary net position	(120,035)	2,858,713	4,471,289	2,156,761	(335,604)	2,668,574
Plan fiduciary net position – beginning	47,122,406	44,263,693	39,792,404	37,635,643	37,971,247	35,302,673
Plan fiduciary net position – ending (b)	<u>\$ 47,002,371</u>	<u>\$ 47,122,406</u>	<u>\$ 44,263,693</u>	<u>\$ 39,792,404</u>	<u>\$ 37,635,643</u>	<u>\$ 37,971,247</u>
City net pension liability – ending (a) - (b)	<u>\$ 20,128,736</u>	<u>\$ 18,992,448</u>	<u>\$ 21,689,540</u>	<u>\$ 23,931,313</u>	<u>\$ 23,734,761</u>	<u>\$ 19,489,128</u>
Plan fiduciary net position as a percentage of the total pension liability	70.02%	71.27%	67.11%	62.45%	61.33%	66.08%
Covered payroll	\$ 639,283	\$ 755,301	\$ 942,090	\$ 968,706	\$ 1,050,059	\$ 1,073,629
City net pension liability as percentage of covered payroll	3148.64%	2514.55%	2302.28%	2470.44%	2260.33%	1815.26%

Note:

a. This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years which the information is available.

b. Effective October 1, 2018, the investment return assumption was lowered from 7.30% to 7.15%.

City of Lake Worth Beach, Florida

**Required Supplementary Information (unaudited)**  
**General Employees' Retirement System – Schedule of Contributions**  
**Last Ten Fiscal Years**

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2020	\$ 4,236,368	\$ 4,236,368	\$ -	\$ 15,834,827	26.8%
2019	4,205,995	4,205,995	-	15,972,516	26.3%
2018	3,987,293	3,987,293	-	14,415,632	27.7%
2017	4,086,164	4,086,164	-	14,138,657	28.9%
2016	4,440,602	4,440,602	-	10,882,231	40.8%
2015	4,614,165	4,614,165	-	10,831,667	42.6%
2014	4,553,202	4,553,202	-	11,902,397	38.3%
2013	3,982,877	3,982,877	-	11,547,885	34.5%
2012	3,293,953	3,293,953	-	11,916,382	27.6%
2011	2,786,433	2,786,433	-	10,951,357	25.4%

Notes to Schedule:

Valuation date: October 1, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	19 years (single equivalent amortization period)
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	5.0%-7.5%, depending on years of service, including inflation
Investment rate of return	7.30%
Mortality	RP- 2000 Combined Healthy Participant Mortality Table (for preretirement mortality) and the RP-2000 Mortality Table for Annuitants (for postretirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates as used for Non-Special-Risk Class members of the Florida Retirement System (FRS) in the July 1, 2017 Actuarial Valuation. Florida Statutes Chapter 112.63 mandates the use of the same mortality assumptions used by FRS in either of the two most recently published FRS actuarial valuation reports.

City of Lake Worth Beach, Florida

**Required Supplementary Information (unaudited)**  
**Police Officers' Relief and Retirement System – Schedule of Contributions**  
**Last Ten Fiscal Years**

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2020	\$ 3,307,932	\$ 3,307,932	\$ -	\$ 1,071,183	308.8%
2019	3,233,586	3,233,586	-	1,042,087	310.3%
2018	2,742,005	2,823,410	(81,405)	970,555	290.9%
2017	2,696,961	2,778,366	(81,405)	1,041,543	266.8%
2016	2,615,683	2,673,733	(58,050)	1,275,960	209.5%
2015	2,548,833	2,564,159	(15,326)	1,250,989	205.0%
2014	2,341,353	2,341,353	-	1,333,456	175.6%
2013	2,071,189	2,071,189	-	1,445,490	143.3%
2012	1,733,395	1,733,395	-	1,460,425	118.7%
2011	1,569,833	1,569,833	-	1,553,664	101.0%

Notes to Schedule:

Valuation date: October 1, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	10 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	6.5%, including inflation
Investment rate of return	7.15%
Mortality	RP- 2000 Combined Healthy Participant Mortality Table (for preretirement mortality) and the RP-2000 Mortality Table for Annuitants (for postretirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates as used for Special-Risk Class members of the Florida Retirement System (FRS) in the July 1, 2017 actuarial valuation, as mandated by Florida Statutes Chapter 112.63.

City of Lake Worth Beach, Florida

**Required Supplementary Information (unaudited)  
Firefighters' Pension Trust – Schedule of Contributions  
Last Ten Fiscal Years**

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2020	\$ 3,243,971	\$ 3,243,971	\$ -	\$ 445,929	727.5%
2019	2,872,622	2,872,622	-	639,283	449.4%
2018	2,794,091	2,794,091	-	755,301	369.9%
2017	2,811,277	2,811,277	-	942,090	298.4%
2016	2,709,016	2,709,016	-	968,706	279.7%
2015	2,550,030	2,550,030	-	1,050,059	242.8%
2014	2,625,210	2,625,210	-	1,073,629	244.5%
2013	2,332,795	2,332,795	-	994,538	234.6%
2012	1,845,288	1,845,288	-	1,073,889	171.8%
2011	1,705,530	1,705,530	-	1,118,599	152.5%

Notes to Schedule:

Valuation date: October 1, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	10 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	6.50%
Investment rate of return	7.15%
Mortality	RP- 2000 Combined Healthy Participant Mortality Table (for preretirement mortality) and the RP-2000 Mortality Table for Annuitants (for postretirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB.

City of Lake Worth Beach, Florida

**Required Supplementary Information (unaudited)**  
**Pension Trust Funds – Schedule of Investment Returns**  
**Last Ten Fiscal Years**

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expenses		
	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust
2020	10.54 %	10.38 %	11.54 %
2019	4.91	4.98	3.46
2018	9.63	8.15	11.92
2017	12.84	11.44	11.14
2016	7.30	6.76	7.51
2015	0.43	1.48	(2.16)
2014	12.19	10.14	9.03
2013	16.25	15.44	13.81
2012	19.43	19.80	20.64
2011	(0.89)	(0.34)	0.38

City of Lake Worth Beach, Florida

**Required Supplementary Information (unaudited)**  
**City of Lake Worth Beach OPEB Plan**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**Last Three Fiscal Years**

Fiscal year ending September 30:	2020	2019	2018
Measurement date September 30:	2019	2018	2017
Total pension liability:			
Service cost	\$ 28,506	\$ 21,674	\$ 21,929
Interest on total OPEB liability	76,947	63,806	62,760
Changes in benefit terms	-	184,337	-
Differences between expected and actual experience	-	141,142	-
Changes of assumptions	189,844	7,230	(63,321)
Benefit payments	(247,744)	(230,272)	(214,928)
Net change in total OPEB liability	47,553	187,917	(193,560)
Total OPEB liability – beginning	2,104,415	1,916,498	2,110,058
Total OPEB liability – ending	<u>\$ 2,151,968</u>	<u>\$ 2,104,415</u>	<u>\$ 1,916,498</u>
Covered payroll	\$ 19,767,821	\$ 19,192,059	\$ 19,430,154
Total OPEB liability as percentage of covered payroll	10.89%	10.97%	9.86%

**Notes to schedule:**

Schedule is intended to show information for ten years. Additional years will be presented as they become available.

The discount rate was changed from 3.83% to 2.75% for fiscal year 2020.

# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

**THE FOLLOWING COMBINING STATEMENTS INCLUDE THE NONMAJOR GOVERNMENTAL FUNDS, NON- MAJOR ENTERPRISE FUNDS, INTERNAL SERVICE FUNDS, FIDUCIARY FUNDS AND THE DISCRETELY PRESENTED COMPONENT UNITS. IN ADDITION, BUDGET - TO- ACTUAL SCHEDULES ARE PRESENTED.**



## City of Lake Worth Beach, Florida

### Nonmajor Governmental Funds

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#### **Special Revenue Funds**

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to private purpose trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

##### **Building Permit Fund**

To account for revenues and expenditures associated with the services provided by the building department.

##### **Golf Fund**

This fund accounts for the operations and rental payments of City-owned golf courses.

##### **Parking Improvement Fund**

Was established by the City Commission to segregate funds and accumulate funds from development assessments on downtown-area properties. These funds are to be used for parking lot maintenance, striping and the possible installation of parking meters to control downtown parking use.

##### **Code Remediation Fund**

To account for the transactions from code compliance liens placed on city properties which have been vacated and the properties acquired through foreclosures.

##### **Grants Fund**

To account for certain revenues and expenditures related to federal, state and local grants awarded to the City.

##### **Tree Beautification Fund**

Accounts for the collection of tree removal fees and donations that are to be used for the preservation, maintenance, relocation or restoration of tree ecosystems on public or private land within the City limits.

##### **Utility Conservation Fund**

To account for the receipt and disbursement of funds collected from surcharges (Resolution 48-2009) for Energy Conservation programs.

##### **Simpkin Trust Fund**

To account for the receipt and disbursement of donated monies for the library.

##### **Library Trust Fund**

To account for the receipt and disbursement of monies for the library.

##### **Law Enforcement and Firefighters Education Fund**

To account for state contributions for police and firefighter education and the expenditures incurred.

##### **Law Enforcement Confiscated Property Fund**

To account for the receipt of monies from the sale of confiscated property and disbursement for special law enforcement activities in accordance with Florida statutes and federal regulations.

## **City of Lake Worth Beach, Florida**

### **Nonmajor Governmental Funds**

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#### **Debt Service Fund**

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

##### **General Obligation Bond (GOB) 2018 Fund**

To account for principal and interest costs on the GOB series 2018 which is funded by property taxes.

#### **Capital Projects Funds**

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

##### **Park of Commerce Fund**

To account for the construction costs of the Park of Commerce Project, funded by City funds, grants, and other financing.

##### **Discretionary Sales Tax Fund**

To account for the "Palm Beach County District Schools, Cities and County Government Infrastructure One-Cent Sales Surtax" for the acquisition or construction of major capital facilities and the purchase of capital items.

##### **Capital Projects Fund**

To account for the acquisition or construction of major capital facilities and the purchase of capital items other than those financed by proprietary fund operations.

City of Lake Worth Beach, Florida

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 September 30, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund GOB 2018	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 1,655,279	\$ -	\$ 3,873,927	\$ 5,529,206
Investments	4,673,194	-	8,836,402	13,509,596
Accounts receivable, net	50,979	-	592,748	643,727
Accrued interest receivable	7,057	-	13,513	20,570
Inventories	8,383	-	-	8,383
Land held for resale	237,861	-	-	237,861
Prepaid items	13,280	-	-	13,280
<b>Total assets</b>	<b>\$ 6,646,033</b>	<b>\$ -</b>	<b>\$ 13,316,590</b>	<b>\$ 19,962,623</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 371,988	\$ -	\$ 340,285	\$ 712,273
Accrued liabilities	54,360	-	-	54,360
Due to other funds	151,714	16,433	-	168,147
Unearned revenue	45,061	-	-	45,061
<b>Total liabilities</b>	<b>623,123</b>	<b>16,433</b>	<b>340,285</b>	<b>979,841</b>
Fund balances:				
Nonspendable:				
Prepaid items	13,280	-	-	13,280
Inventories	8,383	-	-	8,383
Land held for resale	237,861	-	-	237,861
Restricted for:				
Public safety	4,596,437	-	-	4,596,437
Grants	146,415	-	-	146,415
Parking improvements	69,338	-	-	69,338
Public safety	492,506	-	-	492,506
Tree preservation	19,606	-	-	19,606
Energy conservation	220,811	-	-	220,811
Culture and recreation	218,273	-	-	218,273
Capital projects	-	-	6,986,897	6,986,897
Assigned to:				
Capital projects	-	-	5,989,408	5,989,408
Unassigned (deficit)	-	(16,433)	-	(16,433)
<b>Total fund balances (deficit)</b>	<b>6,022,910</b>	<b>(16,433)</b>	<b>12,976,305</b>	<b>18,982,782</b>
<b>Total liabilities and fund balances (deficit)</b>	<b>\$ 6,646,033</b>	<b>\$ -</b>	<b>\$ 13,316,590</b>	<b>\$ 19,962,623</b>

City of Lake Worth Beach, Florida

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
Nonmajor Governmental Funds  
For the Fiscal Year Ended September 30, 2020**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund GOB 2018	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Property taxes	\$ -	\$ 2,140,741	\$ -	\$ 2,140,741
Utility and other taxes	-	-	475,662	475,662
Licenses and permits	1,323,854	-	-	1,323,854
Charges for services	1,304,995	-	-	1,304,995
Intergovernmental	359,919	-	3,273,973	3,633,892
Investment income	70,336	-	129,830	200,166
Miscellaneous	73,882	-	177,000	250,882
<b>Total revenues</b>	<b>3,132,986</b>	<b>2,140,741</b>	<b>4,056,465</b>	<b>9,330,192</b>
<b>Expenditures:</b>				
Current:				
General government	61,314	-	16,867	78,181
Public safety	1,219,095	-	-	1,219,095
Transportation	134	-	134,746	134,880
Culture and recreation	1,188,554	-	-	1,188,554
Capital outlay	441,698	-	1,160,553	1,602,251
Debt service:				
Principal	-	730,000	-	730,000
Interest	-	1,424,088	-	1,424,088
<b>Total expenditures</b>	<b>2,910,795</b>	<b>2,154,088</b>	<b>1,312,166</b>	<b>6,377,049</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>222,191</b>	<b>(13,347)</b>	<b>2,744,299</b>	<b>2,953,143</b>
<b>Other financing sources (uses):</b>				
Transfers in	15,000	-	-	15,000
Transfers out	(68,593)	-	-	(68,593)
Proceeds from debt issuance	75,000	-	-	75,000
<b>Total other financing sources</b>	<b>21,407</b>	<b>-</b>	<b>-</b>	<b>21,407</b>
<b>Net change in fund balance (deficit)</b>	<b>243,598</b>	<b>(13,347)</b>	<b>2,744,299</b>	<b>2,974,550</b>
Fund balances (deficit), beginning of year	5,779,312	(3,086)	10,232,006	16,008,232
Fund balances (deficit), end of year	\$ 6,022,910	\$ (16,433)	\$ 12,976,305	\$ 18,982,782

City of Lake Worth Beach, Florida

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 September 30, 2020

	Building Permit	Golf	Parking Improvement	Code Remediation	Grants	Tree Beautification	Utility Conservation	Simpkin Trust	Library Trust	Law Enforcement and Firefighters Education	Law Enforcement Confiscated Property	Total Nonmajor Special Revenue Funds
<b>Assets:</b>												
Cash and cash equivalents	\$ 733,739	\$ 302,445	\$ 24,676	\$ 82,619	\$ 316,998	\$ 19,606	\$ -	\$ 17,717	\$ 54,021	\$ 90,696	\$ 12,762	\$ 1,655,279
Investments	3,833,512	-	44,591	445,171	-	-	247,233	93,895	-	-	8,792	4,673,194
Accounts receivable, net	15,354	-	-	-	35,625	-	-	-	-	-	-	50,979
Accrued interest receivable	5,858	-	71	678	-	-	292	142	-	-	16	7,057
Inventories	-	8,383	-	-	-	-	-	-	-	-	-	8,383
Land held for resale	-	-	-	237,861	-	-	-	-	-	-	-	237,861
Prepaid items	-	13,280	-	-	-	-	-	-	-	-	-	13,280
<b>Total assets</b>	<b>\$ 4,588,463</b>	<b>\$ 324,108</b>	<b>\$ 69,338</b>	<b>\$ 766,329</b>	<b>\$ 352,623</b>	<b>\$ 19,606</b>	<b>\$ 247,525</b>	<b>\$ 111,754</b>	<b>\$ 54,021</b>	<b>\$ 90,696</b>	<b>\$ 21,570</b>	<b>\$ 6,646,033</b>
<b>Liabilities:</b>												
Accounts and contracts payable	\$ 77,219	\$ 52,599	\$ -	\$ 35,962	\$ 206,208	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 371,988
Accrued liabilities	27,073	27,287	-	-	-	-	-	-	-	-	-	54,360
Due to other funds	-	125,000	-	-	-	-	26,714	-	-	-	-	151,714
Unearned revenue	-	45,061	-	-	-	-	-	-	-	-	-	45,061
<b>Total liabilities</b>	<b>104,292</b>	<b>249,947</b>	<b>-</b>	<b>35,962</b>	<b>206,208</b>	<b>-</b>	<b>26,714</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>623,123</b>
<b>Fund balances:</b>												
Nonspendable:												
Prepaid items	-	13,280	-	-	-	-	-	-	-	-	-	13,280
Inventories	-	8,383	-	-	-	-	-	-	-	-	-	8,383
Land held for resale	-	-	-	237,861	-	-	-	-	-	-	-	237,861
Restricted for:												
Public safety	4,484,171	-	-	-	-	-	-	-	-	90,696	21,570	4,596,437
Grants	-	-	-	-	146,415	-	-	-	-	-	-	146,415
Parking improvements	-	-	69,338	-	-	-	-	-	-	-	-	69,338
Public safety	-	-	-	492,506	-	-	-	-	-	-	-	492,506
Tree preservation	-	-	-	-	-	19,606	-	-	-	-	-	19,606
Energy conservation	-	-	-	-	-	-	220,811	-	-	-	-	220,811
Culture and recreation	-	52,498	-	-	-	-	-	111,754	54,021	-	-	218,273
<b>Total fund balances</b>	<b>4,484,171</b>	<b>74,161</b>	<b>69,338</b>	<b>730,367</b>	<b>146,415</b>	<b>19,606</b>	<b>220,811</b>	<b>111,754</b>	<b>54,021</b>	<b>90,696</b>	<b>21,570</b>	<b>6,022,910</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,588,463</b>	<b>\$ 324,108</b>	<b>\$ 69,338</b>	<b>\$ 766,329</b>	<b>\$ 352,623</b>	<b>\$ 19,606</b>	<b>\$ 247,525</b>	<b>\$ 111,754</b>	<b>\$ 54,021</b>	<b>\$ 90,696</b>	<b>\$ 21,570</b>	<b>\$ 6,646,033</b>

City of Lake Worth Beach, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Special Revenue Funds  
 For the Fiscal Year Ended September 30, 2020

	Building Permit	Golf	Parking Improvement	Code Remediation	Grants	Tree Beautification	Utility Conservation	Simpkin Trust	Library Trust	Law Enforcement and Firefighters Education	Law Enforcement Confiscated Property	Total Nonmajor Special Revenue Funds
Revenues:												
Licenses and permits	\$ 1,323,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,323,854
Charges for services	171	1,304,824	-	-	-	-	-	-	-	-	-	1,304,995
Intergovernmental	-	-	-	-	355,911	-	-	-	-	4,008	-	359,919
Investment income	59,544	-	628	6,330	-	-	2,728	982	-	-	124	70,336
Miscellaneous	-	9,898	-	58,756	-	4,999	-	-	229	-	-	73,882
<b>Total revenues</b>	<b>1,383,569</b>	<b>1,314,722</b>	<b>628</b>	<b>65,086</b>	<b>355,911</b>	<b>4,999</b>	<b>2,728</b>	<b>982</b>	<b>229</b>	<b>4,008</b>	<b>124</b>	<b>3,132,986</b>
Expenditures:												
Current:												
General government	-	-	-	-	-	-	61,314	-	-	-	-	61,314
Public safety	871,032	-	-	194,875	153,163	-	-	-	-	-	25	1,219,095
Physical environment	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	134	-	-	-	-	-	-	-	-	134
Culture and recreation	-	1,177,184	-	-	11,089	-	-	281	-	-	-	1,188,554
Capital outlay	95,423	-	-	-	346,275	-	-	-	-	-	-	441,698
Debt service:												
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Interest and other costs	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>966,455</b>	<b>1,177,184</b>	<b>134</b>	<b>194,875</b>	<b>510,527</b>	<b>-</b>	<b>61,314</b>	<b>281</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>2,910,795</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>417,114</b>	<b>137,538</b>	<b>494</b>	<b>(129,789)</b>	<b>(154,616)</b>	<b>4,999</b>	<b>(58,586)</b>	<b>701</b>	<b>229</b>	<b>4,008</b>	<b>99</b>	<b>222,191</b>
Other financing sources (uses):												
Transfers in	-	-	-	-	15,000	-	-	-	-	-	-	15,000
Transfers out	(38,593)	-	-	-	-	-	-	(30,000)	-	-	-	(68,593)
Proceeds from debt issuance	-	75,000	-	-	-	-	-	-	-	-	-	75,000
<b>Total other financing sources (uses)</b>	<b>(38,593)</b>	<b>75,000</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>-</b>	<b>-</b>	<b>(30,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,407</b>
<b>Net change in fund balances</b>	<b>378,521</b>	<b>212,538</b>	<b>494</b>	<b>(129,789)</b>	<b>(139,616)</b>	<b>4,999</b>	<b>(58,586)</b>	<b>(29,299)</b>	<b>229</b>	<b>4,008</b>	<b>99</b>	<b>243,598</b>
Fund balances (deficit), beginning of year	4,105,650	(138,377)	68,844	860,156	286,031	14,607	279,397	141,053	53,792	86,688	21,471	5,779,312
Fund balances, end of year	\$ 4,484,171	\$ 74,161	\$ 69,338	\$ 730,367	\$ 146,415	\$ 19,606	\$ 220,811	\$ 111,754	\$ 54,021	\$ 90,696	\$ 21,570	\$ 6,022,910

City of Lake Worth Beach, Florida

Combining Balance Sheet  
 Nonmajor Capital Projects Funds  
 September 30, 2020

	Park of Commerce	Discretionary Sales Tax	Capital Projects	Total Nonmajor Capital Projects Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 6,522	\$ 2,809,066	\$ 1,058,339	\$ 3,873,927
Investments	4,160,871	3,736,230	939,301	8,836,402
Accounts receivable, net	84,608	443,614	64,526	592,748
Accrued interest receivable	6,362	5,716	1,435	13,513
<b>Total assets</b>	<b>\$ 4,258,363</b>	<b>\$ 6,994,626</b>	<b>\$ 2,063,601</b>	<b>\$ 13,316,590</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 265,646	\$ 7,729	\$ 66,910	\$ 340,285
Fund balances:				
Restricted for:				
Capital Projects	-	6,986,897	-	6,986,897
Assigned to:				
Capital projects	3,992,717	-	1,996,691	5,989,408
<b>Total fund balances</b>	<b>3,992,717</b>	<b>6,986,897</b>	<b>1,996,691</b>	<b>12,976,305</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,258,363</b>	<b>\$ 6,994,626</b>	<b>\$ 2,063,601</b>	<b>\$ 13,316,590</b>

City of Lake Worth Beach, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Capital Projects Funds  
 For the Fiscal Year Ended September 30, 2020

	Park of Commerce	Discretionary Sales Tax	Capital Projects	Total Nonmajor Capital Projects Funds
Revenues:				
Utility and other taxes	\$ -	\$ -	\$ 475,662	\$ 475,662
Intergovernmental	626,271	2,647,702	-	3,273,973
Investment income	62,543	55,559	11,728	129,830
Miscellaneous	-	-	177,000	177,000
<b>Total revenues</b>	<b>688,814</b>	<b>2,703,261</b>	<b>664,390</b>	<b>4,056,465</b>
Expenditures:				
Current:				
General government	9,128	7,547	192	16,867
Transportation	-	30,577	104,169	134,746
Capital outlay	907,186	103,630	149,737	1,160,553
<b>Total expenditures</b>	<b>916,314</b>	<b>141,754</b>	<b>254,098</b>	<b>1,312,166</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(227,500)</b>	<b>2,561,507</b>	<b>410,292</b>	<b>2,744,299</b>
<b>Net change in fund balances</b>	<b>(227,500)</b>	<b>2,561,507</b>	<b>410,292</b>	<b>2,744,299</b>
Fund balances, beginning of year	4,220,217	4,425,390	1,586,399	10,232,006
Fund balances, end of year	<b>\$ 3,992,717</b>	<b>\$ 6,986,897</b>	<b>\$ 1,996,691</b>	<b>\$ 12,976,305</b>



City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Building Permit Fund  
 For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Licenses and permits	\$ 1,202,000	\$ 1,202,000	\$ 1,323,854	\$ 121,854
Charges for services	150	150	171	21
Investment income	15,000	15,000	59,544	44,544
<b>Total revenues</b>	<b>1,217,150</b>	<b>1,217,150</b>	<b>1,383,569</b>	<b>166,419</b>
<b>Expenditures:</b>				
Current:				
Public safety	1,698,439	1,698,439	871,032	827,407
Capital outlay	649,195	649,195	95,423	553,772
<b>Total expenditures</b>	<b>2,347,634</b>	<b>2,347,634</b>	<b>966,455</b>	<b>1,381,179</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,130,484)</b>	<b>(1,130,484)</b>	<b>417,114</b>	<b>1,547,598</b>
<b>Other financing sources (uses):</b>				
Transfers out	(38,593)	(38,593)	(38,593)	-
Appropriated fund balance	1,169,077	1,169,077	-	(1,169,077)
<b>Total other financing sources (uses)</b>	<b>1,130,484</b>	<b>1,130,484</b>	<b>(38,593)</b>	<b>(1,169,077)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>378,521</b>	<b>\$ 378,521</b>
Fund balance, beginning of year			4,105,650	
Fund balance, end of year			\$ 4,484,171	

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Golf Fund  
 For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 1,215,325	\$ 1,215,325	\$ 1,304,824	\$ 89,499
Miscellaneous	1,000	1,000	9,898	8,898
<b>Total revenues</b>	<b>1,216,325</b>	<b>1,216,325</b>	<b>1,314,722</b>	<b>98,397</b>
<b>Expenditures:</b>				
Current:				
Culture and recreation	1,207,575	1,207,575	1,177,184	30,391
<b>Total expenditures</b>	<b>1,207,575</b>	<b>1,207,575</b>	<b>1,177,184</b>	<b>30,391</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>8,750</b>	<b>8,750</b>	<b>137,538</b>	<b>128,788</b>
<b>Other financing sources (uses):</b>				
Appropriated fund balance	(8,750)	(8,750)	-	8,750
Proceeds from debt issuance	-	-	75,000	75,000
<b>Total other financing sources (uses)</b>	<b>(8,750)</b>	<b>(8,750)</b>	<b>75,000</b>	<b>83,750</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>212,538</b>	<b>\$ 212,538</b>
Fund balance (deficit), beginning of year			(138,377)	
Fund balance, end of year			\$ 74,161	

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Parking Improvement Fund  
 For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 500	\$ 500	\$ 628	\$ 128
Expenditures:				
Transportation	50	50	134	(84)
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>450</u>	<u>450</u>	<u>494</u>	<u>44</u>
Other financing sources (uses):				
Appropriated fund balance	<u>(450)</u>	<u>(450)</u>	<u>-</u>	<u>450</u>
<b>Total other financing sources (uses)</b>	<u>(450)</u>	<u>(450)</u>	<u>-</u>	<u>450</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>494</u>	<u>\$ 494</u>
Fund balance, beginning of year			<u>68,844</u>	
Fund balance, end of year			<u>\$ 69,338</u>	

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Code Remediation Fund  
 For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Investment income	\$ 4,000	\$ 4,000	\$ 6,330	\$ 2,330
Miscellaneous	180,000	180,000	58,756	(121,244)
<b>Total revenues</b>	<b>184,000</b>	<b>184,000</b>	<b>65,086</b>	<b>(118,914)</b>
<b>Expenditures:</b>				
Current:				
Public safety	256,500	256,500	194,875	61,625
<b>Total expenditures</b>	<b>256,500</b>	<b>256,500</b>	<b>194,875</b>	<b>61,625</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(72,500)</b>	<b>(72,500)</b>	<b>(129,789)</b>	<b>(57,289)</b>
<b>Other financing sources (uses):</b>				
Appropriated fund balance	72,500	72,500	-	(72,500)
<b>Total other financing sources (uses)</b>	<b>72,500</b>	<b>72,500</b>	<b>-</b>	<b>(72,500)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(129,789)</b>	<b>\$ (129,789)</b>
Fund balance, beginning of year			860,156	
Fund balance, end of year			<u>\$ 730,367</u>	

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Grants Fund  
 For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 2,703,794	\$ 2,703,794	\$ 355,911	\$ (2,347,883)
<b>Total revenues</b>	<b>2,703,794</b>	<b>2,703,794</b>	<b>355,911</b>	<b>(2,347,883)</b>
<b>Expenditures:</b>				
Current:				
Public safety	283,657	283,657	153,163	130,494
Culture and recreation	11,787	11,787	11,089	698
Capital Outlay	2,185,000	2,185,000	346,275	1,838,725
<b>Total expenditures</b>	<b>2,480,444</b>	<b>2,480,444</b>	<b>510,527</b>	<b>1,969,917</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>223,350</b>	<b>223,350</b>	<b>(154,616)</b>	<b>(377,966)</b>
<b>Other financing sources (uses):</b>				
Transfers in	15,000	15,000	15,000	-
Appropriated fund balance	(238,350)	(238,350)	-	238,350
<b>Total other financing sources (uses)</b>	<b>(223,350)</b>	<b>(223,350)</b>	<b>15,000</b>	<b>238,350</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(139,616)</b>	<b>\$ (139,616)</b>
Fund balance, beginning of year			286,031	
Fund balance, end of year			\$ 146,415	

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Tree Beautification Fund  
 For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Miscellaneous	\$ 6,000	\$ 6,000	\$ 4,999	\$ (1,001)
<b>Total revenues</b>	<b>6,000</b>	<b>6,000</b>	<b>4,999</b>	<b>(1,001)</b>
<b>Expenditures:</b>				
Current:				
Physical environment	6,000	6,000	-	6,000
<b>Total expenditures</b>	<b>6,000</b>	<b>6,000</b>	<b>-</b>	<b>6,000</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>4,999</b>	<b>4,999</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>4,999</b>	<b>\$ 4,999</b>
Fund balance, beginning of year			14,607	
Fund balance, end of year			\$ 19,606	

City of Lake Worth Beach, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Utility Conservation Fund  
For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 2,728	\$ 2,728
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>2,728</b>	<b>2,728</b>
Expenditures:				
Current:				
General government	114,178	114,178	61,314	52,864
<b>Total expenditures</b>	<b>114,178</b>	<b>114,178</b>	<b>61,314</b>	<b>52,864</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(114,178)</b>	<b>(114,178)</b>	<b>(58,586)</b>	<b>55,592</b>
Other financing sources (uses):				
Appropriated fund balance	114,178	114,178	-	(114,178)
<b>Total other financing sources (uses)</b>	<b>114,178</b>	<b>114,178</b>	<b>-</b>	<b>(114,178)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(58,586)</b>	<b>\$ (58,586)</b>
Fund balance, beginning of year			<u>279,397</u>	
Fund balance, end of year			<u>\$ 220,811</u>	

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Simpkin Trust Fund  
 For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Investment income	\$ 2,500	\$ 2,500	\$ 982	\$ (1,518)
<b>Total revenues</b>	<b>2,500</b>	<b>2,500</b>	<b>982</b>	<b>(1,518)</b>
<b>Expenditures:</b>				
Current:				
Culture and recreation	-	-	281	(281)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>281</b>	<b>(281)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,500</b>	<b>2,500</b>	<b>701</b>	<b>(1,799)</b>
<b>Other financing sources (uses):</b>				
Transfers out	(30,000)	(30,000)	(30,000)	-
Appropriated fund balance	27,500	27,500	-	(27,500)
<b>Total other financing sources (uses)</b>	<b>(2,500)</b>	<b>(2,500)</b>	<b>(30,000)</b>	<b>(27,500)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(29,299)</b>	<b>\$ (29,299)</b>
Fund balance, beginning of year			141,053	
Fund balance, end of year			<b>\$ 111,754</b>	



City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Library Trust Fund  
 For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues:				
Miscellaneous	\$ 5,000	\$ 5,000	\$ 229	\$ (4,771)
<b>Total revenues</b>	<b>5,000</b>	<b>5,000</b>	<b>229</b>	<b>(4,771)</b>
Expenditures	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>5,000</b>	<b>5,000</b>	<b>229</b>	<b>(4,771)</b>
Other financing sources (uses):				
Appropriated fund balance	(5,000)	(5,000)	-	5,000
<b>Total other financing sources (uses)</b>	<b>(5,000)</b>	<b>(5,000)</b>	<b>-</b>	<b>5,000</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>229</b>	<b>\$ 229</b>
Fund balance, beginning of year			<u>53,792</u>	
Fund balance, end of year			<u>\$ 54,021</u>	

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Neighborhood Road Program Fund  
 For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 199,138	\$ 199,138
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>199,138</b>	<b>199,138</b>
Expenditures:				
Capital outlay	20,214,304	20,214,304	7,933,455	12,280,849
<b>Total expenditures</b>	<b>20,214,304</b>	<b>20,214,304</b>	<b>7,933,455</b>	<b>12,280,849</b>
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	<b>(20,214,304)</b>	<b>(20,214,304)</b>	<b>(7,734,317)</b>	<b>12,479,987</b>
Other financing sources (uses):				
Appropriated fund balance	20,214,304	20,214,304	-	(20,214,304)
<b>Total other financing sources (uses)</b>	<b>20,214,304</b>	<b>20,214,304</b>	<b>-</b>	<b>(20,214,304)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(7,734,317)</b>	<b>\$ (7,734,317)</b>
Fund balance, beginning of year			14,215,567	
Fund balance, end of year			<u>\$ 6,481,250</u>	

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Law Enforcement and Firefighters Education Fund

For the Fiscal Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
<b>Revenues:</b>				
Intergovernmental	\$ 6,000	\$ 6,000	\$ 4,008	\$ (1,992)
<b>Total revenues</b>	<b>6,000</b>	<b>6,000</b>	<b>4,008</b>	<b>(1,992)</b>
<b>Expenditures:</b>				
Public safety	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>6,000</b>	<b>6,000</b>	<b>4,008</b>	<b>(1,992)</b>
<b>Other financing sources (uses):</b>				
Appropriated fund balance	(6,000)	(6,000)	-	6,000
<b>Total other financing sources (uses)</b>	<b>(6,000)</b>	<b>(6,000)</b>	<b>-</b>	<b>6,000</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>4,008</b>	<b>\$ 4,008</b>
Fund balance, beginning of year			86,688	
Fund balance, end of year			\$ 90,696	

City of Lake Worth Beach, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Law Enforcement Confiscated Property Fund  
For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	124	124
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>124</b>	<b>124</b>
<b>Expenditures:</b>				
Public safety	-	-	25	(25)
Capital outlay	10,000	10,000	-	(10,000)
<b>Total expenditures</b>	<b>10,000</b>	<b>10,000</b>	<b>25</b>	<b>(10,025)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(10,000)</b>	<b>(10,000)</b>	<b>99</b>	<b>10,099</b>
<b>Other financing sources (uses):</b>				
Appropriated fund balance	10,000	10,000	-	(10,000)
<b>Total other financing sources (uses)</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>	<b>(10,000)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>99</b>	<b>\$ 99</b>
Fund balance, beginning of year			21,471	
Fund balance, end of year			\$ 21,570	

City of Lake Worth Beach, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Government Obligation Bond 2018  
For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
<b>Revenues:</b>				
Property taxes	\$ 2,154,088	\$ 2,154,088	\$ 2,140,741	\$ (13,347)
Investment income	500	500	-	(500)
<b>Total revenues</b>	<b>2,154,588</b>	<b>2,154,588</b>	<b>2,140,741</b>	<b>(13,847)</b>
<b>Current:</b>				
Debt service:				
Principal	730,000	730,000	730,000	-
Interest	1,424,088	1,424,088	1,424,088	-
<b>Total expenditures</b>	<b>2,154,088</b>	<b>2,154,088</b>	<b>2,154,088</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>500</b>	<b>500</b>	<b>(13,347)</b>	<b>(13,847)</b>
Other financing sources (uses)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 500</b>	<b>\$ 500</b>	<b>(13,347)</b>	<b>\$ (13,847)</b>
Fund balance (deficit), beginning of year			\$ (3,086)	
Fund balance (deficit), end of year			<u>\$ (16,433)</u>	

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Park of Commerce Fund  
 For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ 626,271	\$ 626,271
Investment income	-	-	62,543	62,543
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>688,814</b>	<b>688,814</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	9,128	(9,128)
Capital outlay	2,545,346	2,545,346	907,186	1,638,160
<b>Total expenditures</b>	<b>2,545,346</b>	<b>2,545,346</b>	<b>916,314</b>	<b>1,629,032</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(2,545,346)</b>	<b>(2,545,346)</b>	<b>(227,500)</b>	<b>2,317,846</b>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Appropriated fund balance	2,545,346	2,545,346	-	(2,545,346)
<b>Total other financing sources (uses)</b>	<b>2,545,346</b>	<b>2,545,346</b>	<b>-</b>	<b>(2,545,346)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(227,500)</b>	<b>\$ (227,500)</b>
Fund balance, beginning of year			<u>4,220,217</u>	
Fund balance, end of year			<u>\$ 3,992,717</u>	

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Discretionary Sales Tax Fund  
 For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
<b>Revenues:</b>				
Sales tax	\$ 47,000	\$ 47,000	\$ 2,647,702	\$ 2,600,702
Investment income	-	-	55,559	55,559
<b>Total revenues</b>	<b>47,000</b>	<b>47,000</b>	<b>2,703,261</b>	<b>2,656,261</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	7,547	(7,547)
Transportation	47,000	47,000	30,577	16,423
Capital outlay	103,630	103,630	103,630	-
<b>Total expenditures</b>	<b>150,630</b>	<b>150,630</b>	<b>141,754</b>	<b>8,876</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(103,630)</b>	<b>(103,630)</b>	<b>2,561,507</b>	<b>2,665,137</b>
<b>Other financing sources (uses):</b>				
Transfers out	-	-	-	-
Appropriated fund balance	103,630	103,630	-	(103,630)
<b>Total other financing sources (uses)</b>	<b>103,630</b>	<b>103,630</b>	<b>-</b>	<b>(103,630)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>2,561,507</b>	<b>\$ 2,561,507</b>
Fund balance, beginning of year			4,425,390	
Fund balance, end of year			<u>\$ 6,986,897</u>	

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Capital Projects Fund  
 For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
<b>Revenues:</b>				
Utility and other taxes	\$ -	\$ -	\$ 475,662	\$ 475,662
Investment income	-	-	11,728	11,728
Miscellaneous	-	-	177,000	177,000
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>664,390</b>	<b>664,390</b>
<b>Expenditures:</b>				
Current:				
General government	27,000	27,000	192	26,808
Transportation	103,345	103,345	104,169	(824)
Capital outlay	396,299	396,299	149,737	246,562
<b>Total expenditures</b>	<b>526,644</b>	<b>526,644</b>	<b>254,098</b>	<b>272,546</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(526,644)</b>	<b>(526,644)</b>	<b>410,292</b>	<b>936,936</b>
<b>Other financing sources (uses):</b>				
Transfers in	6,695,000	6,695,000	-	(6,695,000)
Appropriated fund balance	(6,168,356)	(6,168,356)	-	6,168,356
<b>Total other financing sources (uses)</b>	<b>526,644</b>	<b>526,644</b>	<b>-</b>	<b>(526,644)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>410,292</b>	<b>\$ 410,292</b>
Fund balance, beginning of year			<u>1,586,399</u>	
Fund balance, end of year			<u><u>\$1,996,691</u></u>	



## City of Lake Worth Beach, Florida

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### Nonmajor Enterprise Funds

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Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the City Commission is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the periodic determination of net income is appropriate for accountability purposes.

#### **Stormwater Utility Fund**

This fund accounts for fees and charges related to the operation and maintenance of a stormwater management system.

#### **Refuse Collection and Disposal Fund**

To account for the provision of solid waste removal for the residents of the service area. All activities to provide such service are accounted for, including collection and disposal.

**City of Lake Worth Beach, Florida**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**September 30, 2020**

	Stormwater Utility	Refuse Collection and Disposal	Total Nonmajor Enterprise Funds
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 3,365,295	\$ 979,353	\$ 4,344,648
Investments	3,671,771	7,033,106	10,704,877
Accounts receivable, net	-	401,809	401,809
Accrued interest receivable	5,613	10,753	16,366
<b>Total current assets</b>	<b>7,042,679</b>	<b>8,425,021</b>	<b>15,467,700</b>
Non-current assets:			
Capital assets:			
Land	138,346	593,700	732,046
Construction in progress	1,593,279	-	1,593,279
Land improvements	241,637	-	241,637
Buildings and structures	-	296,994	296,994
Infrastructure	6,114,168	-	6,114,168
Machinery and equipment	449,553	76,687	526,240
Vehicles	380,233	4,400,992	4,781,225
Accumulated depreciation	(3,143,300)	(2,980,592)	(6,123,892)
<b>Total non-current assets</b>	<b>5,773,916</b>	<b>2,387,781</b>	<b>8,161,697</b>
<b>Total assets</b>	<b>12,816,595</b>	<b>10,812,802</b>	<b>23,629,397</b>
Deferred outflows of resources:			
Deferred outflows relating to pensions	139,187	506,484	645,671
Deferred outflows relating to OPEB	7,998	38,779	46,777
<b>Total deferred outflows of resources</b>	<b>147,185</b>	<b>545,263</b>	<b>692,448</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts and contracts payable	\$ 67,224	\$ 177,614	\$ 244,838
Accrued liabilities	15,042	45,763	60,805
Compensated absences	88	15,050	15,138
<b>Total current liabilities</b>	<b>82,354</b>	<b>238,427</b>	<b>320,781</b>
Non-current liabilities:			
Compensated absences	11,758	58,577	70,335
Bonds payable	3,932,146	525,000	4,457,146
OPEB liability	38,305	185,715	224,020
Net pension liability	1,015,063	3,334,826	4,349,889
<b>Total non-current liabilities</b>	<b>4,997,272</b>	<b>4,104,118</b>	<b>9,101,390</b>
<b>Total liabilities</b>	<b>5,079,626</b>	<b>4,342,545</b>	<b>9,422,171</b>
Deferred inflows of resources:			
Deferred inflows relating to pensions	23,244	77,029	100,273
Deferred inflows relating to OPEB	-	-	-
<b>Total deferred inflows of resources</b>	<b>23,244</b>	<b>77,029</b>	<b>100,273</b>
Net position:			
Net investment in capital assets	1,841,770	1,862,781	3,704,551
Unrestricted	6,019,140	5,075,710	11,094,850
<b>Total net position</b>	<b>7,860,910</b>	<b>6,938,491</b>	<b>14,799,401</b>

City of Lake Worth Beach, Florida

Combining Statement of Revenues, Expenses and Changes in Net Position  
 Nonmajor Enterprise Funds  
 For the Fiscal Year Ended September 30, 2020

	Stormwater Utility	Refuse Collection and Disposal	Total Nonmajor Enterprise Funds
Operating revenues:			
Charges for services	\$ 1,930,639	\$ 6,586,508	\$ 8,517,147
Operating expenses:			
Cost of services	1,203,307	4,895,654	6,098,961
General and administrative	274,920	852,567	1,127,487
Depreciation	252,553	470,543	723,096
<b>Total operating expenses</b>	<b>1,730,780</b>	<b>6,218,764</b>	<b>7,949,544</b>
<b>Operating income</b>	<b>199,859</b>	<b>367,744</b>	<b>567,603</b>
Non-operating revenues (expenses):			
Investment income	54,796	107,009	161,805
Other	11,861	29,477	41,338
<b>Total non-operating revenues (expenses)</b>	<b>66,657</b>	<b>136,486</b>	<b>203,143</b>
<b>Income before transfers</b>	<b>266,516</b>	<b>504,230</b>	<b>770,746</b>
Other financing (uses):			
Transfers out	-	(52,000)	(52,000)
<b>Change in net position</b>	<b>266,516</b>	<b>452,230</b>	<b>718,746</b>
Net position, beginning of year	7,594,394	6,486,261	14,080,655
Net position, end of year	\$ 7,860,910	\$ 6,938,491	\$ 14,799,401

City of Lake Worth Beach, Florida

Combining Statement of Cash Flows  
 Nonmajor Enterprise Funds  
 For the Fiscal Year Ended September 30, 2020

	Stormwater Utility	Refuse Collection and Disposal	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Receipts from customers	\$ 1,946,457	\$ 6,571,276	\$ 8,517,733
Payments to suppliers	(736,725)	(2,550,271)	(3,286,996)
Payments to employees	(475,554)	(1,575,806)	(2,051,360)
Payments for interfund services received	(376,706)	(1,228,003)	(1,604,709)
<b>Net cash provided by (used in) operating activities</b>	<b>357,472</b>	<b>1,217,196</b>	<b>1,574,668</b>
Cash flows from non-capital financing activities:			
Other receipts	11,861	29,477	41,338
Transfer to other funds	-	(52,000)	(52,000)
<b>Net cash provided by (used in) non-capital financing activities</b>	<b>11,861</b>	<b>(22,523)</b>	<b>(10,662)</b>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital asset, net	(982,082)	(1,030,220)	(2,012,302)
Proceeds from issuance of debt	3,932,146	525,000	4,457,146
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>2,950,064</b>	<b>(505,220)</b>	<b>2,444,844</b>
Cash flows from investing activities:			
Purchase of investments	(50,000)	(90,000)	(140,000)
Sale of investments	-	-	-
Interest and gains or losses on investments	68,358	111,054	179,412
<b>Net cash provided by (used in) investing activities</b>	<b>18,358</b>	<b>21,054</b>	<b>39,412</b>
<b>Net change in cash and cash equivalents</b>	<b>3,337,755</b>	<b>710,507</b>	<b>4,048,262</b>
Cash and cash equivalents, beginning	27,540	268,846	296,386
Cash and cash equivalents, ending	\$ 3,365,295	\$ 979,353	\$ 4,344,648

(Continued)

City of Lake Worth Beach, Florida

Combining Statement of Cash Flows  
 Nonmajor Enterprise Funds (Continued)  
 For the Fiscal Year Ended September 30, 2020

	Stormwater Utility	Refuse Collection and Disposal	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 199,859	\$ 367,744	\$ 567,603
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	252,553	470,543	723,096
Provision for uncollectible accounts	(76)	3,307	3,231
Decrease (increase) in assets and deferred outflows:			
Accounts receivable	15,970	(21,846)	(5,876)
Deferred outflows relating to OPEB	4,861	19,808	24,669
Deferred outflows relating to pensions	(1,702)	(8,253)	(9,955)
Increase (decrease) in liabilities and deferred inflows:			
Accounts and contracts payable	(189,547)	105,185	(84,362)
Accrued liabilities	4,331	5,606	9,937
Compensated absences	4,979	4,844	9,823
Net OPEB liability	846	4,104	4,950
Net pension liability	84,258	343,292	427,550
Deferred inflows relating to OPEB	(375)	(1,822)	(2,197)
Deferred inflows relating to pensions	(18,485)	(75,316)	(93,801)
<b>Total adjustments</b>	<b>157,613</b>	<b>849,452</b>	<b>1,007,065</b>
<b>Net cash provided by operating activities</b>	<b>\$ 357,472</b>	<b>\$ 1,217,196</b>	<b>\$ 1,574,668</b>
Supplemental disclosure of investing activities:			
Unrealized gains on investments	\$ 3,742	\$ 5,497	\$ 9,239

*City of Lake Worth Beach, Florida*

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## **City of Lake Worth Beach, Florida**

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### **Internal Service Funds**

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Internal Service Funds are used to account for activity that provides goods or services to other funds or departments of the primary government and its component units on a cost reimbursement basis.

#### **Information Technology**

The fund was established to centralize oversight, management and funding of the City's computer network, telephone and internet communication system.

#### **Insurance Fund**

This fund was established to enable centralized oversight, management and funding of the City's insurance coverage, deductibles and uninsured risks.

#### **City Garage Fund**

This fund was established to centralize oversight, management and funding of maintaining the City's vehicles.

#### **Employee Benefits**

This fund was established to enable centralized oversight, management and funding of the City's employee benefits.

City of Lake Worth Beach, Florida

Combining Statement of Net Position  
Internal Service Funds  
September 30, 2020

	Information Technology	Insurance	City Garage	Employee Benefits	Total Internal Service Funds
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 4,536	\$ 6,056	\$ 173,979	\$ 4,626,983	\$ 4,811,554
Investments	-	6,637,168	1,058,225	1,593,061	9,288,454
Accounts receivable, net	-	-	408	9,190	9,598
Accrued interest receivable	-	10,146	1,616	2,436	14,198
Due from other governments	-	1,492,552	-	-	1,492,552
Due from other funds	-	-	-	-	-
Inventories	-	-	103,300	-	103,300
Prepaid items	-	-	-	-	-
<b>Total current assets</b>	<b>4,536</b>	<b>8,145,922</b>	<b>1,337,528</b>	<b>6,231,670</b>	<b>15,719,656</b>
Non-current assets:					
Restricted assets:					
Cash and cash equivalents	350,000	-	1,500,000	-	1,850,000
Machinery and equipment	1,858,458	59,010	-	-	1,917,468
Vehicles	36,064	-	3,856,451	-	3,892,515
Accumulated depreciation	(1,507,055)	(17,514)	(3,068,473)	-	(4,593,042)
<b>Total non-current assets</b>	<b>737,467</b>	<b>41,496</b>	<b>2,287,978</b>	<b>-</b>	<b>3,066,941</b>
<b>Total assets</b>	<b>\$ 742,003</b>	<b>\$ 8,187,418</b>	<b>\$ 3,625,506</b>	<b>\$ 6,231,670</b>	<b>\$ 18,786,597</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts and contracts payable	\$ 95,729	\$ 16,212	\$ 67,549	\$ 178,691	\$ 358,181
Accrued liabilities	17,967	3,553,086	11,313	5,007,166	8,589,532
Compensated absences	1,733	-	2,627	-	4,360
<b>Total current liabilities</b>	<b>115,429</b>	<b>3,569,298</b>	<b>81,489</b>	<b>5,185,857</b>	<b>8,952,073</b>
Non-current liabilities:					
Insurance claims payable	-	3,349,943	-	-	3,349,943
Compensated absences	34,670	-	12,887	-	47,557
Bonds payable	350,000	-	1,500,000	-	1,850,000
<b>Total non-current liabilities</b>	<b>384,670</b>	<b>3,349,943</b>	<b>1,512,887</b>	<b>-</b>	<b>5,247,500</b>
<b>Total liabilities</b>	<b>500,099</b>	<b>6,919,241</b>	<b>1,594,376</b>	<b>5,185,857</b>	<b>14,199,573</b>
Net position:					
Net investment in capital assets	387,467	41,496	787,978	-	1,216,941
Unrestricted	(145,563)	1,226,681	1,243,152	1,045,813	3,370,083
<b>Total net position</b>	<b>241,904</b>	<b>1,268,177</b>	<b>2,031,130</b>	<b>1,045,813</b>	<b>4,587,024</b>



City of Lake Worth Beach, Florida

Combining Statement of Revenues, Expenses and Changes in Net Position  
Internal Service Funds  
For the Fiscal Year Ended September 30, 2020

	Information Technology	Insurance	City Garage	Employee Benefits	Total Internal Service Funds
Operating revenues:					
Charges for services	\$ 1,738,196	\$ 2,879,699	\$ 1,121,146	\$ 8,278,943	\$ 14,017,984
<b>Total operating revenues</b>	<b>1,738,196</b>	<b>2,879,699</b>	<b>1,121,146</b>	<b>8,278,943</b>	<b>14,017,984</b>
Operating expenses:					
Cost of services	1,853,985	7,490,949	861,740	8,981,399	19,188,073
Depreciation	270,498	6,183	432,690	-	709,371
<b>Total operating expenses</b>	<b>2,124,483</b>	<b>7,497,132</b>	<b>1,294,430</b>	<b>8,981,399</b>	<b>19,897,444</b>
<b>Operating income (loss)</b>	<b>(386,287)</b>	<b>(4,617,433)</b>	<b>(173,284)</b>	<b>(702,456)</b>	<b>(5,879,460)</b>
Non-operating revenues (expenses):					
Intergovernmental	-	1,492,553	-	-	1,492,553
Investment income (loss)	-	92,274	16,898	25,137	134,309
Other	856	290,111	33,390	796	325,153
<b>Total non-operating revenues (expenses)</b>	<b>856</b>	<b>1,874,938</b>	<b>50,288</b>	<b>25,933</b>	<b>1,952,015</b>
<b>Income (loss) before transfers and contributions</b>	<b>(385,431)</b>	<b>(2,742,495)</b>	<b>(122,996)</b>	<b>(676,523)</b>	<b>(3,927,445)</b>
Capital contributions	-	-	176,543	-	176,543
Transfers in	-	-	-	-	-
Transfers out	-	-	(300,000)	-	(300,000)
<b>Change in net position</b>	<b>(385,431)</b>	<b>(2,742,495)</b>	<b>(246,453)</b>	<b>(676,523)</b>	<b>(4,050,902)</b>
Net position, beginning of year	627,335	4,010,672	2,277,583	1,722,336	8,637,926
Net position, end of year	\$ 241,904	\$ 1,268,177	\$ 2,031,130	\$ 1,045,813	\$ 4,587,024

City of Lake Worth Beach, Florida

Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended September 30, 2020

	Information Technology	Insurance	City Garage	Employee Benefits	Total Internal Service Funds
Cash flows from operating activities:					
Receipts from interfund charges	\$ 1,738,196	\$ 2,879,699	\$ 1,121,146	\$ 8,278,943	\$ 14,017,984
Payments to suppliers	(1,137,480)	(4,794,638)	(488,935)	(3,864,919)	(10,285,972)
Payments to employees	(624,025)	(181,102)	(349,916)	(69,897)	(1,224,940)
<b>Net cash (used in) provided by operating activities</b>	<b>(23,309)</b>	<b>(2,096,041)</b>	<b>282,295</b>	<b>4,344,127</b>	<b>2,507,072</b>
Cash flows from non-capital financing activities:					
Other receipts	856	290,112	33,390	796	325,154
Payments received from other funds	-	1,489,000	-	-	1,489,000
Transfers out	-	-	(300,000)	-	(300,000)
<b>Net cash provided by (used in) non-capital financing activities</b>	<b>856</b>	<b>1,779,112</b>	<b>(266,610)</b>	<b>796</b>	<b>1,514,154</b>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets, net	(140,521)	-	(37,120)	-	(177,641)
Proceeds from issuance of debt	350,000	-	1,500,000	-	1,850,000
Contributed capital, cash transactions	-	-	176,543	-	176,543
<b>Net cash provided by capital and related financing activities</b>	<b>209,479</b>	<b>-</b>	<b>1,639,423</b>	<b>-</b>	<b>1,848,902</b>
Cash flows from investing activities:					
Purchase of investments	-	(90,000)	(15,000)	(25,000)	(130,000)
Sale of investments	-	-	-	-	-
Interest and gains or losses on investments	-	106,839	18,386	29,772	154,997
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>16,839</b>	<b>3,386</b>	<b>4,772</b>	<b>24,997</b>
<b>Net change in cash and cash equivalents</b>	<b>187,026</b>	<b>(300,090)</b>	<b>1,658,494</b>	<b>4,349,695</b>	<b>5,895,125</b>
Cash and cash equivalents, beginning	167,510	306,146	15,485	277,288	766,429
Cash and cash equivalents, ending	\$ 354,536	\$ 6,056	\$ 1,673,979	\$ 4,626,983	\$ 6,661,554

(Continued)

City of Lake Worth Beach, Florida

Combining Statement of Cash Flows  
Internal Service Funds (Continued)  
For the Fiscal Year Ended September 30, 2020

	Information Technology	Insurance	City Garage	Employee Benefits	Total Internal Service Funds
Reconciliation of operating income (loss) to net cash (used in) provided by operating activities:					
Operating loss	(386,287)	(4,617,433)	(173,284)	(702,456)	(5,879,460)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) by (used in) operating activities:					
Depreciation	270,498	6,183	432,690	-	709,371
Decrease (increase) in assets:					
Prepaid items	-	-	18,979	-	18,979
Inventories	-	269	-	-	269
Increase (decrease) in liabilities:					
Accounts and contracts payable	76,631	(2,033,957)	6,441	42,608	(1,908,277)
Accrued liabilities	3,812	3,511,739	426	5,003,975	8,519,952
Insurance claims payable	-	1,037,158	-	-	1,037,158
Compensated absences	12,037	-	(2,957)	-	9,080
<b>Total adjustments</b>	<b>362,978</b>	<b>2,521,392</b>	<b>455,579</b>	<b>5,046,583</b>	<b>8,386,532</b>
<b>Net cash (used in) provided by operating activities</b>	<b>\$ (23,309)</b>	<b>\$ (2,096,041)</b>	<b>\$ 282,295</b>	<b>\$ 4,344,127</b>	<b>\$ 2,507,072</b>
Supplemental disclosure of noncash investing and non-capital financing activities:					
Due from other governments	\$ -	\$ 1,492,552	\$ -	\$ -	\$ 1,492,552
Unrealized gains on investments	\$ -	\$ 4,396	\$ 884	\$ 1,246	\$ 6,526

*City of Lake Worth Beach, Florida*

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## **City of Lake Worth Beach, Florida**

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### **Fiduciary Funds**

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Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

### **Pension Trust Funds**

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#### **General Employees' Retirement System Pension Fund**

To account for the accumulation of resources to be used for retirement benefits of all employees at appropriate amounts and times in the future. Resources are provided by employee and employer contributions, determined by an actuarial study, and investment earnings.

#### **Police Officers' Relief and Retirement System Pension Fund**

To account for the accumulation of resources to be used for retirement benefits for police officers. Resources are provided by annual employee and employer contributions, state contributions, and investment earnings. Individual participation is based upon years of service. Individuals may withdraw their equity upon retirement.

#### **Firefighters' Pension Trust Fund**

To account for the accumulation of resources to be used for retirement benefits for firefighters. Resources are provided by annual employee and employer contributions, state contributions, and investment earnings. Individual participation is based upon years of service. Individuals may withdraw their equity upon retirement.

### **Agency Fund**

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#### **Agency Fund**

The Agency fund is used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds.

City of Lake Worth Beach, Florida

Combining Statement of Net Position  
Pension Trust Funds  
September 30, 2020

	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust	Total Pension Trust Funds
<b>Assets:</b>				
Cash and cash equivalents	\$ 1,116,328	\$ 526,922	\$ 532,946	\$ 2,176,196
Investments at fair value:				
U.S. government and agency funds	5,749,443	2,898,265	4,687,461	13,335,169
Corporate bonds	6,557,843	3,239,489	7,859,284	17,656,616
Common stocks	44,909,092	20,936,635	29,187,987	95,033,714
Real estate	9,858,249	4,742,788	4,137,852	18,738,889
Mutual funds	492,057	309,456	905,458	1,706,971
Accrued interest, dividends and contributions receivable	4,924,403	3,631,196	3,577,735	12,133,334
Prepaid items	4,795	6,723	-	11,518
<b>Total assets</b>	<b>73,612,210</b>	<b>36,291,474</b>	<b>50,888,723</b>	<b>160,792,407</b>
<b>Liabilities:</b>				
Accounts payable	64,610	27,275	16,512	108,397
<b>Net position restricted for pension benefits</b>	<b>\$ 73,547,600</b>	<b>\$ 36,264,199</b>	<b>\$ 50,872,211</b>	<b>\$ 160,684,010</b>

City of Lake Worth Beach, Florida

Combining Statement of Changes in Net Position  
Pension Trust Funds  
For the Fiscal Year Ended September 30, 2020

	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust	Total Pension Trust Funds
Additions:				
Contributions:				
Employer	\$ 4,236,368	\$ 3,024,527	\$ 3,175,201	\$ 10,436,096
Chapter 175/185	-	-	68,770	68,770
Plan members	1,065,640	75,013	50,167	1,190,820
State	-	623,454	-	623,454
<b>Total contributions</b>	<b>5,302,008</b>	<b>3,722,994</b>	<b>3,294,138</b>	<b>12,319,140</b>
Investment income:				
Interest and dividends	1,747,386	1,049,402	833,318	3,630,106
Net change in fair value of investments	5,485,633	2,248,150	4,769,016	12,502,799
Other income	9,725	2,626	1,115	13,466
<b>Total investment income</b>	<b>7,242,744</b>	<b>3,300,178</b>	<b>5,603,449</b>	<b>16,146,371</b>
Less investment expenses	(383,999)	(162,403)	(126,646)	(673,048)
Net investment income	6,858,745	3,137,775	5,476,803	15,473,323
<b>Total additions</b>	<b>12,160,753</b>	<b>6,860,769</b>	<b>8,770,941</b>	<b>27,792,463</b>
Deductions:				
Pension benefits	9,948,781	3,804,703	4,811,072	18,564,556
Administrative expenses	147,456	97,657	90,029	335,142
<b>Total deductions</b>	<b>10,096,237</b>	<b>3,902,360</b>	<b>4,901,101</b>	<b>18,899,698</b>
<b>Change in net position</b>	<b>2,064,516</b>	<b>2,958,409</b>	<b>3,869,840</b>	<b>8,892,765</b>
Net position, beginning of year	71,483,084	33,305,790	47,002,371	151,791,245
Net position, end of year	\$ 73,547,600	\$ 36,264,199	\$ 50,872,211	\$ 160,684,010

City of Lake Worth Beach, Florida

Statement of Changes in Assets and Liabilities  
Agency Fund  
For the Fiscal Year Ended September 30, 2020

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020
<b>Assets:</b>				
Cash and cash equivalents	\$ 3,379	\$ -	\$ (3,379)	\$ -
<b>Total assets</b>	<b>\$ 3,379</b>	<b>\$ -</b>	<b>\$ (3,379)</b>	<b>\$ -</b>
<b>Liabilities:</b>				
Deposit payable	\$ 3,379	\$ -	\$ (3,379)	\$ -
<b>Total liabilities</b>	<b>\$ 3,379</b>	<b>\$ -</b>	<b>\$ (3,379)</b>	<b>\$ -</b>



## ***City of Lake Worth Beach, Florida***

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### **Discretely Presented Component Unit**

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#### **Community Redevelopment Agency Trust Fund**

To account for receipt and disbursements of general funds used for physical and economic redevelopment of targeted areas within the City.

#### **NSP2 Fund**

To account for the receipt and disbursements of governmental grant money (NSP) used for purchasing and rehabilitating foreclosed and abandoned properties of targeted areas within the City.

#### **CRA Capital Projects Fund**

To account for the acquisition or construction of major capital projects used for physical and economic redevelopment of targeted areas within the City.

City of Lake Worth Beach, Florida

Combining Balance Sheet  
 Discretely Presented Component Unit  
 For the Fiscal Year Ended September 30, 2020

	Community Redevelopment Agency			Total Component Unit
	Community Redevelopment Agency Trust	NSP2	CRA Capital Projects	
<b>Assets:</b>				
Cash and cash equivalents	\$ 1,101,717	\$ 339,087	\$ 457,009	\$ 1,897,813
Investments	1,074,567	-	105,444	1,180,011
Accounts receivable, net	914	256	-	1,170
Due from other governments	-	-	-	-
Land held for resale	-	855,049	8,778,577	9,633,626
Prepaid items	6,013	-	5,387	11,400
<b>Total assets</b>	<b>\$ 2,183,211</b>	<b>\$ 1,194,392</b>	<b>\$ 9,346,417</b>	<b>\$ 12,724,020</b>
<b>Liabilities:</b>				
Accounts and contracts payable	\$ 70,285	\$ 465	\$ 7,369	\$ 78,119
Accrued liabilities	20,832	-	-	20,832
Due to other governments	255	-	-	255
<b>Total liabilities</b>	<b>91,372</b>	<b>465</b>	<b>7,369</b>	<b>99,206</b>
<b>Fund balances:</b>				
Nonspendable:				
Prepaid items	6,013	-	5,387	11,400
Restricted for:				
Community redevelopment	2,085,826	1,193,927	9,333,661	12,613,414
Assigned to:				
Capital projects	-	-	-	-
<b>Total fund balances</b>	<b>2,091,839</b>	<b>1,193,927</b>	<b>9,339,048</b>	<b>12,624,814</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,183,211</b>	<b>\$ 1,194,392</b>	<b>\$ 9,346,417</b>	<b>\$ 12,724,020</b>

City of Lake Worth Beach, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Discretely Presented Component Unit  
For the Fiscal Year Ended September 30, 2020

	Community Redevelopment Agency			Total Component Unit
	Community Redevelopment Agency Trust	NSP2	CRA Capital Projects	
Revenues:				
Property taxes	\$ 3,365,636	\$ -	\$ -	\$ 3,365,636
Intergovernmental	16,780	-	-	16,780
Investment income	16,054	-	1,440	17,494
Miscellaneous	4,885	36,535	-	41,420
<b>Total revenues</b>	<b>3,403,355</b>	<b>36,535</b>	<b>1,440</b>	<b>3,441,330</b>
Expenditures:				
Current:				
Community redevelopment	3,228,920	25,340	351,623	3,605,883
Debt service:				
Principal	521,875	-	-	521,875
Interest	187,748	-	-	187,748
<b>Total expenditures</b>	<b>3,938,543</b>	<b>25,340</b>	<b>351,623</b>	<b>4,315,506</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(535,188)</b>	<b>11,195</b>	<b>(350,183)</b>	<b>(874,176)</b>
Other financing sources (uses):				
Proceeds from issuance of debt	-	-	903,003	903,003
Transfers in	-	-	36,520	36,520
Transfers out	(36,520)	-	-	(36,520)
<b>Total other financing sources (uses)</b>	<b>(36,520)</b>	<b>-</b>	<b>939,523</b>	<b>903,003</b>
<b>Net change in fund balances</b>	<b>(571,708)</b>	<b>11,195</b>	<b>589,340</b>	<b>28,827</b>
Fund balances - beginning of year, as restated (Note 14)	2,663,547	1,182,732	8,749,708	12,595,987
Fund balances, end of year	\$ 2,091,839	\$ 1,193,927	\$ 9,339,048	\$ 12,624,814

*City of Lake Worth Beach, Florida*

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**STATISTICAL SECTION**  
**(UNAUDITED)**

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

**Contents**

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<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	122 - 131
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	132 – 136
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	137 – 143
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	144 – 146
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	147 - 149

**Sources Note:**

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

## City of Lake Worth Beach, Florida

### **NET POSITION BY COMPONENT (UNAUDITED)** **LAST TEN FISCAL YEARS (accrual basis of accounting)**

	2011	2012	2013	2014
<b>Governmental Activities:</b>				
Net investment in capital assets	\$ 60,345,422	\$ 63,132,112	\$ 63,660,538	\$ 59,907,246
Restricted	5,630,464	6,374,614	1,631,956	1,803,743
Unrestricted (deficit)	21,765,696	2,624,576	6,055,185	(45,102,488)
<b>Total governmental activities net position</b>	<b>87,741,582</b>	<b>72,131,302</b>	<b>71,347,679</b>	<b>16,608,501</b>
<b>Business-Type Activities:</b>				
Net investment in capital assets	73,913,475	60,153,130	66,248,211	65,053,346
Restricted	17,043,315	22,390,764	2,803,258	4,330,029
Unrestricted	53,714,975	68,980,999	79,507,888	59,487,552
<b>Total business-type activities net position</b>	<b>144,671,765</b>	<b>151,524,893</b>	<b>148,559,357</b>	<b>128,870,927</b>
<b>Total Government:</b>				
Net investment in capital assets	134,258,897	123,285,242	129,908,749	124,960,592
Restricted	22,673,779	28,765,378	4,435,214	6,133,772
Unrestricted	75,480,671	71,605,575	85,563,073	14,385,064
<b>Total government net position</b>	<b>\$ 232,413,347</b>	<b>\$ 223,656,195</b>	<b>\$ 219,907,036</b>	<b>\$ 145,479,428</b>

NOTE: The City implemented GASB statement No. 68, "Accounting and Financial Reporting for Pensions" in fiscal year 2015. Information for fiscal year 2014 has been restated.

NOTE: The City implemented GASB statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" in fiscal year 2018. Information for fiscal year 2017 has been restated.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$	58,548,019	\$ 56,328,679	\$ 55,276,904	\$ 57,137,390	\$ 55,217,776	\$ 38,366,100
	2,159,736	2,882,658	23,188,479	3,620,665	4,501,754	12,750,283
	(42,865,854)	(42,528,582)	(63,480,001)	(42,749,218)	(38,108,305)	(28,126,765)
	17,841,901	16,682,755	14,985,382	18,008,837	21,611,225	22,989,618
	67,396,574	74,381,420	83,094,062	90,093,724	95,692,038	95,049,432
	3,954,649	4,023,055	5,084,192	8,797,790	8,877,209	8,670,291
	64,875,277	71,056,620	64,199,523	48,072,470	46,249,865	50,052,179
	136,226,500	149,461,095	152,377,777	146,963,984	150,819,112	153,771,902
	125,944,593	130,710,099	138,370,966	147,231,114	150,909,814	133,415,532
	6,114,385	6,905,713	28,272,671	12,418,455	13,378,963	21,420,574
	22,009,423	28,528,038	719,522	5,323,252	8,141,560	21,925,414
\$	154,068,401	\$ 166,143,850	\$ 167,363,159	\$ 164,972,821	\$ 172,430,337	\$ 176,761,520

# City of Lake Worth Beach, Florida

## CHANGES IN NET POSITION (UNAUDITED) LAST TEN FISCAL YEARS (accrual basis of accounting)

	2011	2012	2013	2014
<b>Expenses:</b>				
Governmental Activities:				
General Government	\$ 2,779,104	\$ 2,625,404	\$ 2,326,955	\$ 2,297,354
Public Safety	19,077,692	18,516,774	19,624,339	19,971,563
Physical Environment	2,510,728	2,021,308	1,841,328	1,709,220
Transportation	1,382,039	3,388,138	3,923,414	3,775,229
Culture and Recreation	4,761,357	4,480,875	6,666,221	4,219,879
Community Redevelopment	2,664,189	-	-	-
Interest on Long-Term Debt	228,457	21,401	24,000	-
Total Governmental Activities Expenses	33,403,566	31,053,900	34,406,257	31,973,245
Business-Type Activities:				
Electric	49,596,103	52,552,814	51,377,436	50,529,559
Water	8,712,797	10,569,901	10,790,441	10,218,577
Local Sewer	5,460,696	6,239,262	5,304,658	6,522,133
Regional Sewer	3,815,581	6,070,749	11,061,208	5,827,196
Golf Course	1,343,390	-	-	-
Stormwater Utility	2,092,756	2,075,984	1,340,812	1,365,026
Refuse Collection and Disposal	3,245,043	3,954,656	3,956,006	4,880,048
Total Business-Type Activities Expenses	74,266,366	81,463,366	83,830,561	79,342,539
Total Primary Government Expenses	\$ 107,669,932	\$ 112,517,266	\$ 118,236,818	\$ 111,315,784
<b>Program Revenues:</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$ 2,332,345	\$ 2,062,610	\$ 2,229,910	\$ 1,791,964
Public Safety	717,382	526,601	572,064	934,486
Physical Environment	82,768	25,250	22,200	15,420
Transportation	793,998	650,724	1,021,207	1,425,139
Culture and Recreation	316,993	1,543,131	1,799,711	1,936,822
Community Redevelopment	-	-	-	-
Operating Grants and Contributions	1,948,280	940,072	1,275,649	809,270
Capital Grants and Contributions	4,683,790	3,533,795	2,913,927	559,996
Total Governmental Activities Program Revenues	10,875,556	9,282,183	9,834,668	7,473,097
Business-Type Activities:				
Charges for Services:				
Electric	55,903,189	53,885,218	51,062,159	54,537,479
Water	12,004,104	11,731,448	11,487,086	12,005,357
Local Sewer	6,983,675	7,705,072	7,222,939	6,322,018
Regional Sewer	5,043,689	6,586,821	5,231,267	4,657,237
Golf Course	1,184,647	-	-	-
Stormwater Utility	1,564,276	1,936,918	1,865,303	1,811,731
Refuse Collection and Disposal	4,906,260	5,491,867	5,587,032	5,840,137
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	148,343	-	677,280	398,574
Total Business-Type Activities Program Revenues	87,738,183	87,337,344	83,133,066	85,572,533
Total Primary Program Revenues	\$ 98,613,739	\$ 96,619,527	\$ 92,967,734	\$ 93,045,630



	2015	2016	2017	2018	2019	2020
\$	2,422,314	\$ 3,059,477	\$ 4,090,775	\$ 3,962,157	\$ 6,230,789	\$ 4,402,551
	18,613,494	21,521,291	21,020,172	20,375,323	21,711,159	22,422,289
	2,684,500	1,791,681	2,118,859	2,432,633	3,618,684	3,282,429
	3,798,644	4,224,006	4,462,603	4,343,667	5,652,177	5,372,627
	4,102,901	5,672,028	6,605,043	6,892,253	6,652,731	6,491,360
	-	-	-	-	-	-
	-	-	328,454	1,298,123	1,412,098	1,450,715
	31,621,853	36,268,483	38,625,906	39,304,156	45,277,638	43,421,971
	48,719,483	47,510,501	54,793,486	56,923,415	52,460,343	52,993,465
	9,541,300	10,173,782	11,754,509	11,663,352	12,713,290	15,805,291
	6,523,547	6,819,673	7,356,239	8,892,409	8,885,400	10,047,624
	7,360,670	5,084,878	4,868,053	6,535,365	4,804,777	7,963,192
	-	-	-	-	-	-
	1,160,138	1,109,596	1,183,318	1,382,758	1,452,752	1,838,722
	4,231,967	4,308,118	4,884,890	4,615,148	5,150,043	6,579,918
	77,537,105	75,006,548	84,840,495	90,012,447	85,466,605	95,228,212
\$	109,158,958	\$ 111,275,031	\$ 123,466,401	\$ 129,316,603	\$ 130,744,243	\$ 138,650,183
\$	2,709,695	\$ 2,888,193	\$ 2,483,748	\$ 2,972,515	\$ 3,286,187	\$ 10,709,621
	1,283,169	1,562,712	1,374,166	1,290,577	1,564,369	1,545,925
	11,350	16,250	19,125	19,700	20,175	25,150
	1,565,500	1,675,853	1,881,827	1,907,733	2,347,327	1,837,134
	2,229,513	2,069,347	2,160,482	2,185,279	2,616,295	2,274,234
	-	-	-	-	-	-
	1,033,222	1,267,255	878,208	543,186	45,135	48,206
	292,129	51,440	18,850	657,045	1,029,905	982,181
	9,124,578	9,531,050	8,816,406	9,576,035	10,909,393	17,422,451
	54,269,092	57,011,403	55,850,044	54,280,835	55,128,532	53,508,982
	13,053,300	13,960,788	14,652,277	13,990,442	15,121,045	14,691,895
	7,228,749	7,694,525	7,183,903	7,083,494	7,770,255	8,827,767
	6,137,326	6,543,368	6,981,203	8,037,738	9,056,597	10,607,742
	-	-	-	-	-	-
	1,807,513	1,853,597	1,839,490	1,877,395	1,892,168	1,930,639
	5,905,283	5,859,424	5,937,437	6,029,714	6,443,982	6,586,508
	-	-	-	-	-	-
	824,131	668,015	937,910	620,434	907,493	1,196,278
	89,225,394	93,591,120	93,382,264	91,920,052	96,320,072	97,349,811
\$	98,349,972	\$ 103,122,170	\$ 102,198,670	\$ 101,496,087	\$ 107,229,465	\$ 114,772,262

## City of Lake Worth Beach, Florida

### CHANGES IN NET POSITION (UNAUDITED)

#### LAST TEN FISCAL YEARS (accrual basis of accounting) (continued)

	2011	2012	2013	2014
<b>Net (Expense) / Revenue:</b>				
Governmental Activities	\$ (22,528,010)	\$ (21,771,717)	\$ (24,571,589)	\$ (24,500,148)
Business-Type Activities	13,471,817	5,873,978	(697,495)	6,229,994
<b>Total Primary Government Net Expenses</b>	<b>(9,056,193)</b>	<b>(15,897,739)</b>	<b>(25,269,084)</b>	<b>(18,270,154)</b>
<b>General Revenues:</b>				
Governmental Activities:				
Taxes:				
Property Taxes	6,592,349	6,256,979	6,530,263	7,016,336
Franchise Taxes	42,836	54,068	36,127	39,358
Utility Taxes	5,335,753	5,020,040	5,118,045	5,040,381
Gas Taxes and Shared Revenues	3,170,202	3,288,619	3,488,545	3,731,994
Intergovernmental – Unrestricted	1,245,229	1,262,112	661,551	1,469,121
Investment Income – Unrestricted	85,908	50,884	72,073	84,656
Miscellaneous	200,291	479,396	104,778	202,581
Transfers	2,310,223	7,270,342	5,949,062	6,146,248
<b>Total Governmental Activities Revenues</b>	<b>18,982,791</b>	<b>23,682,440</b>	<b>21,960,444</b>	<b>23,730,675</b>
Business-Type Activities:				
Investment Income – Unrestricted	-	228,997	293,379	638,789
Miscellaneous	3,834,357	4,352,763	1,794,210	731,768
Transfers	(2,310,223)	(7,270,342)	(5,949,062)	(6,146,248)
<b>Total Business-Type Activities Revenues</b>	<b>1,524,134</b>	<b>(2,688,582)</b>	<b>(3,861,473)</b>	<b>(4,775,691)</b>
<b>Total Primary Government General Revenues</b>	<b>\$ 20,506,925</b>	<b>\$ 20,993,858</b>	<b>\$ 18,098,971</b>	<b>\$ 18,954,984</b>
<b>Change in Net Position:</b>				
Governmental Activities	\$ (3,545,219)	\$ 1,910,723	\$ (2,611,145)	\$ (769,473)
Business-type Activities	14,995,951	3,185,396	(4,558,968)	1,454,303
<b>Total Primary Government</b>	<b>\$ 11,450,732</b>	<b>\$ 5,096,119</b>	<b>\$ (7,170,113)</b>	<b>\$ 684,830</b>

2015	2016	2017	2018	2019	2020
\$ (22,497,275)	\$ (26,737,433)	\$ (29,809,500)	\$ (29,728,121)	\$ (34,368,245)	\$ (25,999,520)
11,688,289	18,584,572	8,541,769	1,907,605	10,853,467	2,121,599
(10,808,986)	(8,152,861)	(21,267,731)	(27,820,516)	(23,514,778)	(23,877,921)
7,016,336	7,933,054	8,501,004	10,446,929	12,236,801	13,044,494
39,358	40,559	57,146	149,379	130,486	138,871
5,040,381	5,249,541	5,323,406	5,157,559	5,378,990	5,473,291
3,731,994	3,913,702	5,866,094	6,780,214	6,914,217	6,444,705
1,469,121	1,528,273	1,669,080	1,647,276	1,689,341	1,534,497
84,656	73,088	96,906	399,621	1,076,109	485,389
202,581	79,538	176,950	294,959	209,266	218,393
6,146,248	6,760,532	6,991,921	7,875,639	10,335,423	352,000
23,730,675	25,578,287	28,682,507	32,751,576	37,970,633	27,691,640
638,789	584,317	371,686	580,489	1,379,774	505,611
731,768	826,238	959,846	1,343,752	1,057,737	410,438
(6,146,248)	(6,760,532)	(6,991,921)	(9,245,639)	(10,335,423)	(352,000)
(4,775,691)	(5,349,977)	(5,660,389)	(7,321,398)	(7,897,912)	564,049
\$ 18,954,984	\$ 20,228,310	\$ 23,022,118	\$ 25,430,178	\$ 30,072,721	\$ 28,255,689
\$ 1,233,400	\$ (1,159,146)	\$ (1,126,993)	\$ 3,023,455	\$ 3,602,388	\$ 1,692,120
6,912,598	13,234,595	2,881,380	(5,413,793)	2,955,555	2,685,648
\$ 8,145,998	\$ 12,075,449	\$ 1,754,387	\$ (2,390,338)	\$ 6,557,943	\$ 4,377,768

## City of Lake Worth Beach, Florida

### **FUND BALANCES OF GOVERNMENTAL FUNDS (UNAUDITED)** **LAST TEN FISCAL YEARS (modified accrual basis of accounting)**

	2011	2012	2013	2014
<b>General Fund:</b>				
Nonspendable	\$ 1,898,200	\$ 1,551,899	\$ 26,438	\$ 22,256
Committed	5,193,918	-	-	-
Assigned	8,435	8,435	9,462	9,267
Unassigned	2,015,792	3,823,324	4,237,941	4,359,619
Total General Fund	<u>\$ 9,116,345</u>	<u>\$ 5,383,658</u>	<u>\$ 4,273,841</u>	<u>\$ 4,391,142</u>
<b>All Other Governmental Funds:</b>				
Nonspendable	5,651,914	3,697	16,722	15,327
Restricted	3,260,848	1,318,521	1,631,956	1,803,743
Committed	3,469,027	2,709,902	2,068,146	2,021,065
Assigned	4,099,589	5,427,177	5,404,534	3,601,203
Unassigned (deficit)	-	(1,996,104)	(6,475,512)	(5,602,675)
Total All Other Governmental Funds	<u>16,481,378</u>	<u>7,463,193</u>	<u>2,645,846</u>	<u>1,838,663</u>
Total Governmental Funds	<u>\$ 25,597,723</u>	<u>\$ 12,846,851</u>	<u>\$ 6,919,687</u>	<u>\$ 6,229,805</u>

NOTE: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011. Information for fiscal years 2005-2010 have not been restated.

	2015	2016	2017	2018	2019	2020
\$	18,703	\$ 11,352	\$ 13,245	\$ 27,397	\$ 20,856	\$ 27,558
	-	-	-	-	-	-
	78,156	374,534	435,487	739,511	9,267	9,267
	4,867,733	5,596,137	4,406,420	3,883,141	4,852,376	11,879,169
\$	4,964,592	\$ 5,982,023	\$ 4,855,152	\$ 4,650,049	\$ 4,882,499	\$ 11,915,994
	74,520	8,534	8,321	13,052	12,347	259,524
	2,159,736	2,882,658	22,764,757	26,574,399	18,717,321	18,991,532
	1,692,430	1,463,513	1,459,827	1,468,669	1,417,849	-
	2,926,266	2,476,999	4,284,028	6,585,253	10,232,006	9,937,392
	(4,823,306)	(4,291,069)	(3,909,745)	(3,777,022)	(3,352,766)	(16,433)
	2,029,646	2,540,635	24,607,188	30,864,351	27,026,757	29,172,015
\$	6,994,238	\$ 8,522,658	\$ 29,462,340	\$ 35,514,400	\$ 31,909,256	\$ 41,088,009

# City of Lake Worth Beach, Florida

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (UNAUDITED) LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	2011	2012	2013	2014
<b>Revenues:</b>				
Property Taxes	\$ 6,082,587	\$ 5,879,132	\$ 5,646,125	\$ 5,762,505
Utility and Other Taxes	6,709,122	6,192,834	5,882,323	5,311,296
Licenses and Permits	1,122,704	1,311,181	1,909,015	1,374,635
Fines and Forfeitures	340,140	253,858	209,517	507,709
Charges for Services	6,587,720	7,326,862	6,977,890	8,309,647
Intergovernmental	10,575,314	8,621,673	8,144,808	6,145,110
Investment Income	146,788	85,908	50,884	72,073
Rents and Royalties	28,256	811	22,874	21,921
Miscellaneous	204,917	281,729	311,550	165,899
<b>Total Revenues</b>	<b>31,797,548</b>	<b>29,953,988</b>	<b>29,154,986</b>	<b>27,670,795</b>
<b>Expenditures:</b>				
Current:				
General Government	5,743,061	6,805,608	5,923,710	5,751,549
Public Safety	19,090,029	18,293,122	19,482,378	19,773,044
Physical Environment	2,351,909	2,006,693	1,837,574	1,683,387
Transportation	1,052,798	875,626	1,244,226	1,129,732
Culture and Recreation	2,196,355	3,938,839	4,102,093	4,252,002
Community Redevelopment	2,257,690	-	-	-
Capital Outlay	3,567,570	8,338,374	4,073,029	1,825,165
Debt Service:				
Principal	1,338,833	-	-	-
Interest and Other Fiscal Charges	237,272	21,401	-	-
Cost of Issuance	-	-	-	-
<b>Total Expenditures</b>	<b>37,835,517</b>	<b>40,279,663</b>	<b>36,663,010</b>	<b>34,414,879</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(6,037,969)</b>	<b>(10,325,675)</b>	<b>(7,508,024)</b>	<b>(6,744,084)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	9,577,618	9,338,075	8,845,314	9,083,001
Transfers Out	(2,198,378)	(7,027,852)	(1,574,972)	(3,133,939)
Advances Forgiven	-	-	238,278	-
Proceeds from debt issuance	-	-	-	-
Proceeds from bond premiums	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>7,379,240</b>	<b>2,310,223</b>	<b>7,508,620</b>	<b>5,949,062</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,341,271</b>	<b>\$ (8,015,452)</b>	<b>\$ 596</b>	<b>\$ (795,022)</b>
<b>Debt Service as a Percentage of Non-Capital Expenditures</b>	<b>4.60%</b>	<b>0.07%</b>	<b>0.00%</b>	<b>0.00%</b>

NOTE: In 2012 the City's Community Redevelopment Agency no longer qualified as a blended component unit and therefore is no longer included in this table.

	2015	2016	2017	2018	2019	2020
\$	6,316,354	\$ 7,217,524	\$ 7,902,965	\$ 9,903,427	\$ 11,698,612	\$ 12,763,120
	5,237,870	5,454,398	5,556,899	5,477,082	5,648,150	5,645,711
	2,306,549	2,298,863	1,913,624	2,372,876	2,766,369	2,398,276
	990,180	1,196,984	1,136,209	941,176	1,200,141	1,331,593
	8,113,998	8,319,650	8,411,704	9,298,864	10,355,013	17,306,080
	6,324,240	6,521,260	8,072,671	9,008,012	9,456,191	8,395,719
	99,182	73,088	98,989	400,146	1,076,208	485,649
	21,099	20,974	20,703	20,642	19,841	19,445
	299,088	224,878	413,554	513,776	481,431	329,152
	29,708,560	31,327,619	33,527,318	37,936,001	42,701,956	48,674,745
	5,634,202	6,199,180	6,917,043	7,575,275	9,535,056	8,412,275
	20,326,650	20,746,172	21,418,839	21,329,407	22,028,842	23,123,385
	1,755,019	1,773,092	2,070,505	2,310,527	2,519,813	2,285,176
	1,284,203	1,652,394	1,845,235	2,026,304	2,839,274	2,770,493
	4,370,469	4,606,962	5,291,682	5,812,796	5,986,881	5,926,539
	-	-	-	-	-	-
	1,719,832	2,431,377	4,128,562	17,016,282	11,642,411	9,696,551
	-	-	-	423,722	702,238	780,664
	-	-	303,736	817,195	1,388,008	1,450,715
	-	-	-	172,597	-	-
	35,090,375	37,409,177	41,975,602	57,484,105	56,642,523	54,445,798
	(5,381,815)	(6,081,558)	(8,448,284)	(19,548,104)	(13,940,567)	(5,771,053)
	7,503,308	6,820,532	7,122,980	10,248,836	10,663,633	435,593
	(1,357,060)	(60,000)	(131,059)	(2,373,197)	(328,210)	(83,593)
	-	-	-	-	-	-
	-	849,446	22,396,045	17,724,525	-	13,991,367
	-	-	-	-	-	907,884
	6,146,248	7,609,978	29,387,966	25,600,164	10,335,423	15,251,251
\$	764,433	\$ 1,528,420	\$ 20,939,682	\$ 6,052,060	\$ (3,605,144)	\$ 9,480,198
	0.00%	0.00%	0.80%	3.07%	1.56%	4.99%

## City of Lake Worth Beach, Florida

### NET ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (UNAUDITED) LAST TEN FISCAL YEARS (in thousands)

Fiscal Year Ended September 30,	Tax Revenue Year	Real Property			Railroad Property	Total Net Assessed Value	Total Direct Tax Rate
		Residential Property	Commercial Property				
2011	2010	\$ 1,053,076	\$ 53,324	\$ 3,735	\$ 1,110,135	8.49	
2012	2011	990,200	52,992	3,825	1,047,017	8.95	
2013	2012	1,041,529	51,276	4,350	1,097,155	8.95	
2014	2013	1,143,415	49,839	4,763	1,198,017	8.95	
2015	2014	1,260,658	51,353	5,148	1,317,159	8.95	
2016	2015	1,415,323	51,077	5,596	1,471,996	8.95	
2017	2016	1,584,396	43,122	5,781	1,633,299	9.70	
2018	2017	1,758,006	49,116	5,924	1,813,046	9.70	
2019	2018	1,933,683	57,977	7,795	1,999,455	10.06	
2020	2019	2,119,926	48,866	7,413	2,176,205	10.06	

Note: Property in the City is reassessed each year. The property is assessed at actual value; therefore, the assessed values are equal to actual values. Tax rates are per \$1,000 of assessed value.

Sources: - City of Lake Worth, Florida, Finance Department.  
 - Palm Beach County Property Appraiser.  
 - Certification of Taxable Value, DR-420, Final.  
 - Tax Roll Certification, DR-403C, First Certified Tax Roll



## City of Lake Worth Beach, Florida

### PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (UNAUDITED) LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Tax Roll Year	City of Lake Worth				Overlapping Rates (1)						Total Direct and Overlapping Rates
		General Operations	MSTU	Debt Service	Total City	Palm Beach County	Palm Beach County School Board	South Florida Water Management District	Florida Inland Navigation District	Palm Beach County Health Care District	Children's Services Council	
2011	2010	4.99	3.46	0.04	8.49	4.99	8.18	0.24	0.03	1.13	0.75	23.81
2012	2011	5.49	3.46	-	8.95	4.99	7.78	0.18	0.03	1.12	0.73	23.78
2013	2012	5.49	3.46	-	8.95	4.78	7.78	0.77	0.03	1.12	0.73	24.16
2014	2013	5.49	3.46	-	8.95	4.78	7.59	0.74	0.03	1.08	0.70	23.87
2015	2014	5.49	3.46	-	8.95	4.78	7.59	0.69	0.03	1.05	0.67	23.76
2016	2015	5.49	3.46	-	8.95	4.91	7.08	0.33	0.03	0.90	0.68	22.88
2017	2016	5.49	3.46	0.75	9.70	4.90	6.77	0.31	0.03	0.78	0.66	23.15
2018	2017	5.49	3.46	0.75	9.70	4.90	6.77	0.32	0.03	0.85	0.66	23.23
2019	2018	5.49	3.46	1.11	10.06	4.86	7.16	0.28	0.03	0.73	0.65	23.7719
2020	2019	5.49	3.46	1.11	10.06	4.81	7.01	0.27	0.03	0.73	0.65	23.5603

NOTE: All millage rates are based on \$1 for every \$1,000 of assessed value.

SOURCES: City of Lake Worth Finance Department and Palm Beach County Property Appraiser's Office (DR420 & Detailed Millage Chart).

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Lake Worth. Not all overlapping rates apply to all City of Lake Worth property owners (i.e., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

## City of Lake Worth Beach, Florida

### PROPERTY TAX LEVIES AND COLLECTIONS (UNAUDITED) LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Total Taxes Levied for Year (2)	Collected Within the Fiscal Year of the Levy (1)		Percent of Levy	Collections in Subsequent Year's	Total Collections to Date		Percent of Levy
		Amount	Amount			Amount	Amount	
2011	\$ 6,096,193	\$ 5,841,442	95.82%	\$ 206,029	\$ 6,047,471	99.20%		
2012	5,752,832	5,728,138	99.57%	24,581	5,752,719	100.00%		
2013	6,028,316	5,429,614	90.07%	374,692	5,804,306	96.28%		
2014	6,561,373	5,694,788	86.79%	132,548	5,827,336	88.81%		
2015	6,668,511	6,277,985	94.14%	5,404	6,283,389	94.22%		
2016	7,225,095	6,951,573	96.21%	-	6,951,573	96.21%		
2017	8,101,969	7,796,543	96.23%	-	7,796,543	96.23%		
2018	9,006,434	8,660,077	96.15%	-	8,660,077	96.15%		
2019	12,033,164	11,616,102	96.53%	-	11,616,102	96.53%		
2020	13,179,530	12,737,088	96.64%	-	12,737,088	96.64%		

SOURCES: City of Lake Worth, Finance Department and Palm Beach County Tax Collector's Office.

(1) Includes discounts taken by property taxpayers.

(2) Palm Beach County Tax Collector - Comparison of Taxes Levied - <http://www.co.palm-beach.fl.us/papa/Millage.htm>

\*As Adopted\*

## City of Lake Worth Beach, Florida

### PRINCIPAL PROPERTY TAXPAYERS (UNAUDITED) CURRENT YEAR AND NINE YEARS AGO

	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
SL BOUTWELL BUSINESS CENTER II LLC	\$ 27,621,752	1	1.33%	\$ -	-	-
LAKE WORTH VILLAGE, LLC	24,510,124	2	1.18%	-	-	-
OAKWOOD APARTMENTS 160 UNITS LLC	21,671,032	3	1.05%	-	-	-
VILLAGE AT LAKE OSBORNE LLC	13,099,183	4	0.63%	-	-	-
GSG INVESTMENTS	12,919,580	5	0.62%	-	-	-
PALM BEACH MOBILE HOME PARK, LLC	11,564,261	6	0.56%	-	-	-
CUBESMART LP (1)	11,153,442	7	0.54%	-	-	-
AKERS ROBERT L TRUST	9,321,089	8	0.45%	-	-	-
1920 10th AVENUE LLC	9,100,000	9	0.44%	-	-	-
CUBESMART LP (2)	8,800,000	10	0.42%	-	-	-
FLORIDA POWER & LIGHT CO	-	-	-	57,318,652	1	5.16%
BELLSOUTH TELECOMMUNICATIONS INC	-	-	-	7,429,140	2	0.67%
TOWNCENTER at BOCA RATON TRUST	-	-	-	6,934,463	3	0.62%
LANDRY LAWRENCE L &	-	-	-	4,562,021	4	0.41%
COMCAST of FLORIDA/GEORGIA LLC	-	-	-	3,666,229	5	0.33%
PANTCHERS BRHC LTD	-	-	-	3,419,928	6	0.31%
FLORIDQA POWER & LIGHT CO	-	-	-	3,300,160	7	0.30%
TJ PALM BEACH ASSOC LTD PTNRS	-	-	-	2,973,749	8	0.27%
2700 NORTH OCEAN LLC	-	-	-	2,903,013	9	0.26%
BREAKERS PALM BERACH INC	-	-	-	2,708,719	10	0.24%
	<b>\$ 149,760,463</b>		<b>7.22%</b>	<b>\$ 95,216,074</b>		<b>8.57%</b>

SOURCE: 2020 Tax roll provided by the Palm Beach County Tax Collector's Office  
Based on Lake Worth Top Ten Taxpayer Report.  
2011 statistics from COLWB 2011 CAFR

(1) Total Assessed Valuations \$ 2,073,205,235 Tax year 2020 don't include this in the statement  
\$ 1,110,135,000 Tax year 2011

## City of Lake Worth Beach, Florida

### **SPECIAL ASSESSMENT COLLECTIONS (UNAUDITED) LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended September 30,</b>	<b>Amount of Special Assessments Recorded Due During Fiscal Year</b>	<b>Special Assessments Collected</b>	<b>Total Outstanding Assessments (1)</b>
2011	\$ -	\$ 148,894	\$ 112,049
2012	-	23,100	88,949
2013	-	22,707	66,242
2014	-	25,284	40,958
2015	-	24,290	16,668
2016	-	9,064	7,604
2017	-	7,604	-
2018	-	-	-
2019	-	-	-
2020	-	-	-

NOTE: All special assessments are levied by adoption of a City resolution. Upon adoption of such resolution, a special assessment immediately becomes a lien upon the benefitted property.

Sources: City of Lake Worth, Florida, Finance Department.

## City of Lake Worth Beach, Florida

### RATIO OF OUTSTANDING DEBT BY TYPE (UNAUDITED) LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Primary Government						Total	Percent of Personal Income (1)	Debt Per Capita (1)
	Governmental Activities			Business-Type Activities					
	General Obligation Bonds	Notes Payable	Capital Leases	Revenue Bonds	Notes Payable	Capital Leases			
2011	\$ -	\$ 4,336,067	\$ 545,505	\$ 56,744,327	\$ 12,445,305	\$ 401,833	\$ 74,473,037	3.99%	2,133
2012	-	-	-	56,792,006	13,566,736	102,372	70,461,114	N/A	2,019
2013	-	-	-	54,030,000	9,632,083	-	63,662,083	N/A	1,791
2014	-	-	-	52,760,000	6,521,092	-	59,281,092	N/A	1,596
2015	-	-	-	49,595,000	6,223,140	-	55,818,140	N/A	1,482
2016	-	849,446	-	43,000,000	21,869,067	-	65,718,513	N/A	1,738
2017	22,267,392	973,205	-	39,565,000	27,904,081	-	90,709,678	N/A	2,390
2018	39,589,955	929,483	-	39,565,000	29,278,407	-	109,362,845	N/A	2,859
2019	38,901,061	882,245	-	36,035,000	30,470,991	-	106,289,297	N/A	2,778
2020	53,036,418	843,864	-	44,945,423	31,306,589	-	130,132,294	N/A	3,347

NOTE: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics.

N/A Not Available.

## City of Lake Worth Beach, Florida

### RATIOS OF GENERAL BONDED DEBT OUTSTANDING (UNAUDITED) LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2011	\$ -	\$ (250,208)	\$ (250,208)	-0.02%	\$ (7.17)
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	22,267,392	-	22,267,392	1.36%	586.82
2018	39,589,955	(14,271) (3)	39,575,684	2.18%	1,034.47
2019	38,901,061	(1,914) (3)	38,899,147	1.95%	1,016.79
2020	53,036,418	- (3)	53,036,418	2.44%	1,364.28

NOTE: Details regarding City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property.

(2) See the Schedule of Demographic and Economic Statistics.

(3) These amounts in Fund 203 CASH (BOA) account (101.01-01)

## City of Lake Worth Beach, Florida

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### *COMPUTATION OF LEGAL DEBT LIMIT (UNAUDITED) FISCAL YEAR ENDED SEPTEMBER 30, 2020*

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Taxable Assessed Valuation	<u>\$ 2,176,205,000</u>
Debt Limit (25% of Valuation)	544,051,250
Outstanding Debt:	<u>53,880,282</u>
Debt-Contracting Margin	<u>\$ 490,170,968</u>
Percentage Debt-Contracting Limit Remaining	<u>90.10%</u>

NOTE: The City Charter permits the City to pledge the funds or property taxing power of the City for the payment of debt and bonds. This is subject to mandatory requirements that the total indebtedness of the City shall never exceed an amount equal to 25% of the total assessed value of the taxable property within its corporate limits.

**City of Lake Worth Beach, Florida**

***DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (UNAUDITED)  
FISCAL YEAR ENDED SEPTEMBER 30, 2020***

<b>Government Unit:</b>	<b>Net Debt Outstanding</b>	<b>Percentage Applicable to the City of Lake Worth (1)</b>	<b>Amount Applicable to the City of Lake Worth</b>
<b>Overlapping:</b>			
Debt Repaid with Property Taxes:			
Palm Beach County	\$ 61,115,000	1.06%	\$ 648,315
Palm Beach School Board	7,535,000	1.06%	79,932
<b>Subtotal</b>	<b>68,650,000</b>		<b>728,247</b>
<b>Direct Debt:</b>			
City of Lake Worth	\$ 53,880,282	100.00%	53,880,282
<b>Total Direct and Overlapping Debt</b>	<b>\$ 122,530,282</b>		<b>\$ 54,608,529</b>

SOURCES: Data provided by the Palm Beach County Finance Department and the Palm Beach County Property Appraiser.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Lake Worth. This process recognizes that, when the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident; and, therefore responsible for repaying the debt of each overlapping government.

(1) The City of Lake Worth's share of overlapping debt of approximately 1.06%, as determined by the ratio of the City's assessed valuation of property for 2020 of \$ 2,119,926,410 to the total assessed value of taxable property in the areas (Palm Beach County) of \$ 199,839,939,452.



## City of Lake Worth Beach, Florida

### PLEGGED REVENUE COVERAGE (UNAUDITED) LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Sewer Revenue (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2011	\$ 7,027,613	\$ 4,811,414	\$ 2,216,199	\$ 255,000	\$ 68,597	6.85
2012	7,737,291	5,590,967	2,146,324	255,000	191,031	4.81
2013	7,254,074	4,659,716	2,594,358	-	-	100.00
2014	6,362,910	5,868,978	493,932	-	-	100.00
2015	7,328,527	5,877,591	1,450,936	-	-	100.00
2016	7,784,279	6,093,835	1,690,444	-	-	100.00
2017	7,214,779	6,504,503	710,276	-	-	100.00
2018	7,122,243	7,958,644	(836,401)	-	-	100.00
2019	7,842,696	7,929,551	(86,855)	-	-	100.00
2020	8,828,323	9,017,939	(189,616)	-	-	100.00

SOURCE: City of Lake Worth, Finance Department

(1) Gross revenue includes operating revenue and investment income, net of uncollectible accounts.

(2) Total expenses, net of depreciation, debt interest, and uncollectible accounts.

## City of Lake Worth Beach, Florida

### PLEDGED REVENUE COVERAGE (UNAUDITED) LAST TEN FISCAL YEARS (continued)

Fiscal Year Ended September 30,	Electric Revenue (1)	Less: Operating Expenses (2)	Net Available Revenue		Debt Service Principal	Debt Service Interest	Coverage
2010	\$ 59,895,691	\$ 55,899,906	\$ 3,995,785		\$ 1,210,000	\$ 1,338,799	1.57
2011	56,113,677	46,404,184	9,709,493		-	617,085	15.73
2012	53,998,826	49,774,388	4,224,438		1,290,000	1,181,145	1.71
2013	51,143,917	48,826,115	2,317,802		635,000	669,238	1.78
2014	54,635,498	48,028,511	6,606,987		1,582,500	685,779	2.91
2015	54,399,160	46,526,432	7,872,728		1,627,500	642,765	3.47
2016	57,161,737	44,823,917	12,337,820	(3)	-	576,200	21.41
2017	55,991,458	50,603,851	5,387,607	(3)	1,717,500	1,450,893	1.70
2018	54,539,122	53,757,573	781,549	(3)	969,166	980,044	0.40
2019	55,541,906	48,617,931	6,923,975	(3)	2,457,410	878,056	2.08
2020	53,720,691	45,720,809	7,999,882	(3)	2,556,211	849,427	2.35

SOURCE: City of Lake Worth, Finance Department

- (1) Gross revenue includes operating revenue and investment income, net of uncollectible accounts.
- (2) Total expenses, net of depreciation, debt interest, and uncollectible accounts.
- (3) Debt service principal payments were made early for the Utility System Refunding Revenue Bonds.

## City of Lake Worth Beach, Florida

### PLEDGED REVENUE COVERAGE (UNAUDITED) LAST TEN FISCAL YEARS (continued)

Fiscal Year Ended September 30,	Water Revenue (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2011	\$ 12,127,703	\$ 6,681,473	\$ 5,446,230	\$ -	\$ 617,085	8.83
2012	11,803,738	7,008,004	4,795,734	1,290,000	1,181,145	1.94
2013	11,545,178	7,107,407	4,437,771	635,000	669,238	3.40
2014	12,059,246	6,775,980	5,283,266	1,880,452	854,928	1.93
2015	13,258,306	6,437,459	6,820,847	1,933,319	804,048	2.49
2016	14,161,798	6,748,708	7,413,090	(3) 313,895	153,207	15.87
2017	14,768,650	7,468,404	7,300,246	(3) 2,031,395	1,171,760	2.28
2018	14,132,486	7,800,797	6,331,689	(3) 397,780	906,983	4.85
2019	15,373,494	8,352,033	7,021,461	(3) 2,575,749	842,734	2.05
2020	14,794,765	9,355,546	5,439,219	(3) 2,732,209	826,979	1.53

SOURCE: City of Lake Worth, Finance Department

- (1) Gross revenue includes operating revenue and investment income, net of uncollectible accounts.
- (2) Total expenses, net of depreciation, debt interest, and uncollectible accounts.
- (3) Debt service principal payments were made early for the Water Revenue Bond.

## City of Lake Worth Beach, Florida

### DEMOGRAPHIC AND ECONOMIC STATISTICS (UNAUDITED) LAST TEN FISCAL YEARS

Year	Population (1)	Personal Income (Amounts Expressed in Thousands) (4)	Per Capita Personal Income (4)	Assessed Value (Amounts Expressed in Thousands) (2)	Per Capita Assessed Value	Unemployment Rate (3)
2011	34,910	\$ 1,867,685	\$ 53,500	\$ 1,110,135	\$ 31,800	10.3%
2012	34,901	N/A	N/A	1,047,017	30,000	8.7%
2013	35,555	N/A	N/A	1,097,155	30,858	6.6%
2014	37,145	N/A	N/A	1,198,017	32,252	6.2%
2015	37,674	N/A	N/A	1,317,159	34,962	5.1%
2016	37,803	N/A	68,743	1,471,996	38,939	5.8%
2017	37,946	N/A	N/A	1,633,299	43,043	4.5%
2018	38,257	N/A	N/A	1,813,046	47,391	4.4%
2019	38,484	N/A	N/A	1,999,455	51,955	3.0%
2020	38,875	N/A	N/A	2,176,205	55,980	7.2%

#### SOURCES:

- (1) University of Florida, Bureau of Economic Research.
- (2) Palm Beach County Property Appraiser.
- (3) U.S. Department of Labor, Bureau of Labor Statistics.
- (4) University of Florida, Bureau of Economic Research - For Palm Beach County, (City of Lake Worth data is not available).  
<http://www.bebr.ufl.edu/data/county/palm-beach>

N/A: Not Available.

## City of Lake Worth Beach, Florida

### **PRINCIPAL EMPLOYERS (UNAUDITED) CURRENT YEAR AND NINE YEARS AGO**

City of Lake Worth, Florida Employer	2020		2011			
	Number of Employees	Rank	Employees	Rank	Percentage of Total County Employment	
Palm Beach State College	1,148	1				
City of Lake Worth	307	2				
Lake Worth High School	269	3				
American Medical Response	213	4				
Highland Elementary	150	5				
Publix (214 N. Dixie Hwy.)	148	6				
Barton Elementary	136	7				
Publix (1910 Lake Worth Rd.)	122	8				
North Grade Elementary	94	9				
Lake Worth Middle School	74	10				
	<u>2,661</u>					
			2020		2011	
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
School Board of Palm Beach County	22,600	1	3.47%	21,718	1	4.55%
Tenet Coastal Healthcare Corp	6,505	2	1.00%	5,127	3	1.07%
Palm Beach County BCC	5,686	3	0.87%	11,381	2	2.38%
NextEra Energy Headquarters	5,119	4	0.79%	3,658	5	0.77%
Florida Atlantic University	3,133	5	0.48%	2,776	7	0.58%
Boca Raton Regional Hospital	3,052	6	0.47%	-		0.00%
Veterans Health Administration	3,000	7	0.46%	2,205	9	0.46%
Hospital Corporation of America-HCA	2,806	8	0.43%	4,150	4	0.87%
The Breakers	2,300	9	0.35%	-		0.00%
Bethesda Hospital East/West, Inc.	2,282	10	0.35%	2,300	8	0.48%
Wackenhut Corporation	-	-	-	3,000	6	0.63%
Boca Raton Resort and Club	-	-	-	2,200	10	0.46%
Total	<u>56,483</u>		<u>8.67%</u>	<u>58,515</u>		<u>12.25%</u>

SOURCE: Business Development Board of Palm Beach County.

**City of Lake Worth Beach, Florida**

**FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION (UNAUDITED)  
LAST TEN FISCAL YEARS**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Number of Employees:</b>										
General Government	66	69	63	65	71	73	78	76	76	74
Public Safety	14	10	12	14	13	12	14	13	14	14
Physical Environment	15	13	13	13	15	13	20	24	24	26
Transportation	7	4	3	11	8	11	16	16	13	13
Culture and Recreation	42	16	20	28	19	22	25	25	25	27
Community Redevelopment	2	6	7	2	2	2	4	4	4	4
Electric	72	88	72	66	73	67	71	68	69	71
Water and Sewer	44	39	48	47	55	48	55	50	50	48
Refuse	28	28	30	30	30	28	33	32	32	29
Total Full Time Employees	290	273	268	276	286	276	316	308	307	306

Source: COLWB Payroll Register, PPE 10/6/2019



# Lake Worth Little Free Libraries

*"Take A Book ~ Leave A Book"*



# City of Lake Worth Beach, Florida

## OPERATING INDICATORS BY FUNCTION/PROGRAM (UNAUDITED) LAST TEN FISCAL YEARS

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Building Department:</b>										
Building Permits Issued-Res.	1,211	1,309	2,170	1,702	2,050	2,503	2,224	2,954	2,758	2,515
Building Permits Issued-Com.	641	480	500	425	703	657	751	539	677	750
<b>Culture and Recreation:</b>										
Golf Course-Attendance	42,500	38,199	42,983	59,367	42,103	34,554	39,218	38,869	48,680	41,038
Swimming Pool-Attendance	*	*	*	8,118	13,143	13,304	*	*	*	*
Fishing Pier-Attendance	65,644	72,799	78,102	90,250	87,258	88,264	89,240	91,246	92,158	*
<b>Public Library:</b>										
Circulation-All Media	155,274	83,790	81,256	62,454	44,599	48,112	43,321	36,336	29,728	8,956
Patrons Registered	19,511	21,457	22,398	23,565	19,548	15,490	15,696	16,330	19,179	19,679
Patrons Registered-Inside City	14,567	16,281	17,444	17,355	14,867	11,325	11,421	11,932	15,387	19,376
<b>Utility System:</b>										
<b>Water:</b>										
Total Number of Bills	150,255	153,898	156,219	157,646	161,573	160,395	161,410	167,222	168,259	169,418
Number of Units Billed	1,706,506	15,217,786	14,782,623	15,698,399	16,135,064	15,881,991	15,995,970	15,332,625	15,721,546	15,270,195
Total Amount Billed	10,852,667	12,045,014	11,338,385	11,791,811	13,318,069	13,345,940	13,709,754	12,992,941	13,572,778	13,603,381
Average Selling Price	6.36	0.79	0.77	0.76	0.83	0.84	0.86	0.85	0.86	0.89
Average Bill	72.39	78.27	72.58	74.80	82.43	83.21	84.94	77.70	80.67	80.29
Number of Connections	12,216	12,301	*	*	*	*	*	*	*	*
Water Main Breaks	22	30	*	*	*	*	*	*	*	*
<b>Sewer:</b>										
Total Number of Bills	136,945	138,412	140,700	142,187	143,379	146,821	147,742	148,476	149,150	150,298
Number of Units Billed	1,177,201	11,345,142	14,219,556	11,603,213	11,929,331	12,216,102	12,408,208	12,013,792	12,100,257	12,098,238
Total Amount Billed	6,534,005	7,224,736	6,856,410	6,003,365	6,725,422	7,018,882	7,283,007	7,117,298	7,755,324	8,957,673
Average Selling Price	5.55	0.64	0.62	0.52	0.57	0.57	0.59	0.60	0.64	0.74
Average Bill	47.72	52.20	48.73	42.23	47.00	48.00	49.30	47.94	52.00	59.60
Number of Connections	11,108	11,106	11,268	11,192	11,216	11,218	12,194	12,373	*	*

Sources: Various City Departments



# City of Lake Worth Beach, Florida

## OPERATING INDICATORS BY FUNCTION/PROGRAM (UNAUDITED)

LAST TEN FISCAL YEARS (continued)

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Electric:</b>										
<b>Residential Customers:</b>										
Total Number of Bills	260891	236321	268028	271926	281016	283149	285434	287853	288716	290701
Number of Units Billed	661734180	670732013	450714920	307934950	324881383	329044873	329388680	324223300	336004339	342054167
Total Amount Billed	31217074	30357449	28629223	30515277	33156771	32802475	32786766	30907817	31993460	32849669.45
Average Selling Price	\$ 0.05	\$ 0.05	\$ 0.07	\$ 0.10	\$ 0.11	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10
Average Bill	\$ 120	\$ 128	\$ 107	\$ 112	\$ 118	\$ 116	\$ 115	\$ 107	\$ 111	\$ 113
<b>Commercial Customers:</b>										
Total Number of Bills	35400	33758	35538	36429	37561	37674	37677	37808	37843	37840
Number of Units Billed	253410443	190521820	136281598	108714074	152817241	125097776	127896107	126102700	126436901	131523506
Total Amount Billed	16866100	11852622	14807277	15057782	15645193	15573116	15893259	15342976	15330753	14284317.23
Average Selling Price	\$ 0.07	\$ 0.06	\$ 0.11	\$ 0.14	\$ 0.11	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.09
Average Bill	\$ 476	\$ 351	\$ 417	\$ 413	\$ 417	\$ 413	\$ 422	\$ 406	\$ 405	\$ 377
<b>Private Area Lighting:</b>										
Total Number of Bills	6739	6558	6484	6488	6574	6536	6556	6507	6433	6538
Number of Units Billed	2070352	2339530	2349288	1260696	1235578	1193692	1200994	2431880	2428976	2507128
Total Amount Billed	202599	201083	201892	226235	220335	216292	217297	262582	262342	270911.75
Average Selling Price	\$ 0.10	\$ 0.09	\$ 0.09	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.11	\$ 0.11	\$ 0.09
Average Bill	\$ 30	\$ 31	\$ 31	\$ 35	\$ 34	\$ 33	\$ 33	\$ 40	\$ 41	\$ 41
<b>Commercial Demand:</b>										
Total Number of Bills	908	1056	1055	1029	1032	1034	1031	1046	1076	1032
Number of Units Billed	93041066	122380220	54570150	56307954	53104190	52771310	52555086	50615850	49801395	49284132
Total Amount Billed	6169848	7571587	6042329	6202544	5869258	5855878	5641515	5451325	5367370	5328048.85
Average Selling Price	\$ 0.07	\$ 0.06	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.09
Average Bill	6,795	7,170	5,727	6,028	5,687	5,663	5,418	5,212	4,988	5,163
<b>Street Lights:</b>										
Total Number of Bills	108	108	104	112	108	112	109	108	108	108
Number of Units Billed	4359714	5013600	4978576	2541824	2506800	2568936	2592168	4964044	4964880	4966112
Total Amount Billed	355775	360750	385599	385858	383706	392298	395382	476141	476280	476384.17
Average Selling Price	\$ 0.09	\$ 0.07	\$ 0.08	\$ 0.16	\$ 0.16	\$ 0.15	\$ 0.15	\$ 0.10	\$ 0.10	\$ 0.10
Average Bill	\$ 3,294	\$ 3,340	\$ 3,708	\$ 3,445	\$ 3,553	\$ 3,503	\$ 3,627	\$ 4,409	\$ 4,410	\$ 4,411
<b>Solid Waste:</b>										
Residential accounts	9	8	3	24	42	34	37	38	20	20
Commercial accounts	1068	1085	1086	1104	1136	1127	1129	1119	1112	1110

Sources: Various City Departments.

# City of Lake Worth Beach, Florida

## CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM (UNAUDITED) LAST TEN FISCAL YEARS

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Government:</b>										
Number of Buildings	1	1	1	1	1	1	1	1	1	1
<b>Public Safety:</b>										
Police:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	-	-	-	-	-	-	-	-	-	-
Fire:										
Fire Stations	2	2	2	2	2	2	2	2	3	3
<b>Transportation:</b>										
Miles of Streets:										
Streets-Paved	102	102	102	102	102	102	116	116	116	116
Streets-Unpaved	17	17	17	17	17	17	23	23	23	23
Number of Street Lights	4,102	4,102	4,102	4,102	4,102	4,305	4,526	4,526	4,526	4,526
<b>Culture and Recreation:</b>										
Parks	11	11	11	11	11	11	11	11	11	11
Parks Acreage	267	267	267	267	267	267	267	267	267	267
Tennis Courts	8	8	8	8	8	7	7	7	5	5
Baseball/Softball Fields	10	10	10	10	10	6	8	8	6	6
In/Outdoor Basketball Courts	4	4	4	4	4	4	4	4	4	4
Public Boat Ramps	1	1	1	1	1	1	1	1	1	1
Community Centers	2	2	2	2	2	1	1	1	1	1
Municipal Gym	1	1	1	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1	1	1	1
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Fishing Pier	1	1	1	1	1	1	1	1	1	1
Shuffleboard	1	1	1	1	1	1	1	1	1	1
Public Library	1	1	1	1	1	1	1	1	1	1
<b>Utility System:</b>										
Fire Hydrants	959	964	976	996	1,003	1,034	1,081	1,105	1,105	1,139
<b>Solid Waste:</b>										
Collection Trucks	22	22	22	22	22	23	26	27	27	27
<b>Water System:</b>										
Total Wells	18	18	16	16	17	15	15	15	15	15
Usable Wells	17	17	14	13	15	15	15	15	15	15
Miles of Water Lines	156	156	156	156	157	156	165	168	169	169.0
<b>Sewer System:</b>										
Miles of Sewer Lines	98	98	98	98	98	114	117	125	126	126.0
<b>Electric System:</b>										
Generating Plants	1	1	1	1	1	1	1	1	1	1
Miles of Distribution Lines	147	147	147	147	147	147	290	296	296	296

Sources: Various City Departments.

**City of Lake Worth Beach, Florida**

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# City of Lake Worth Beach, Florida

Report to the Honorable Mayor and  
Members of the City Commission

October 7, 2021





**RSM US LLP**

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October 7, 2021

The Honorable Mayor and  
Members of the City Commission  
Lake Worth Beach, Florida

Attention: Honorable Mayor and Members of the City Commission

We are pleased to present this report related to our audit of the financial statements of the City of Lake Worth Beach, Florida (the City) as of and for the year ended September 30, 2020. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the financial reporting process.

This report is intended solely for the information and use of the City Commission and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the City.

*RSM US LLP*

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### Exhibits

#### Exhibit A—Internal Control Matters and Compliance Findings

- Single Audit Reports
- Management Letter

#### Exhibit B—Significant Written Communications Between Management and Our Firm

- Representation Letters

## REQUIRED COMMUNICATIONS

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial and related compliance reporting process.

### **Our Responsibilities With Regard to the Financial Statement and Compliance Audit**

Our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States have been described to you in our arrangement letter dated October 20, 2020. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

### **Overview of the Planned Scope and Timing of the Financial Statement and Compliance Audit**

We have issued a separate communication dated May 31, 2021, regarding the planned scope and timing of our audit and identified significant risks.

### **Accounting Policies and Practices**

#### **Preferability of Accounting Policies and Practices**

Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

#### **Adoption of, or Change in, Accounting Policies**

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the City. The City did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.

#### **Significant or Unusual Transactions**

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### **Management's Judgments and Accounting Estimates**

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is included in the attached summary of Significant Accounting Estimates section.

### **Audit Adjustments and Uncorrected Misstatements**

Audit adjustments, other than those that are clearly trivial, proposed by us and recorded by management are shown in the attached list of Recorded Audit Adjustments.

Uncorrected misstatements are summarized in the attached list of Uncorrected Misstatements.

## Departure From the Auditor's Standard Report

### Reporting – Expected Emphasis-of-Matter Paragraph

As discussed in Note 14 to the financial statements, the beginning net position/fund balance of the governmental activities, business-type activities, aggregate discretely presented component units, general fund, CRA capital projects fund, electric fund, local sewer fund and regional sewer fund as of October 1, 2019, have been restated to correct errors. In light of these matters, we have included emphasis of matter paragraphs in the auditor's report. These matters will not modify the opinion. Below are the paragraphs that are included in the auditor's report:

### Emphasis of Matter

As discussed in Note 14 to the accompanying financial statements, the October 1, 2019 beginning net position of the governmental activities, business-type activities, aggregate discretely presented component units, electric fund, local sewer fund and regional sewer fund have been restated to correct errors. Our opinion is not modified with respect to this matter.

As discussed in Note 14 to the accompanying financial statements, the October 1, 2019 beginning fund balance of the general fund and the CRA capital projects fund have been restated to correct errors. Our opinion is not modified with respect to this matter.

## Other Information in Documents Containing Audited Financial Statements

Our responsibility for other information in documents containing the City's audited basic financial statements is to read the information and consider whether its content or manner of its presentation is materially inconsistent with the financial information covered by our auditor's report or whether it contains a material misstatement of fact. We read the City's introductory section, statistical section and combining fund financial statements and schedules which as presented for purposes of additional analysis and are not a required part of the basic financial statements. We did not identify material inconsistencies with the audited basic financial statements.

## Observations About the Audit Process

### Disagreements With Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

### Consultations With Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

### Significant Issues Discussed with Management

As part of our audit, we noted multiple items which resulted in prior period restatements of the opening balances as described earlier. Each of these items were discussed with and agreed to by management and the predecessor auditors. Aside from the restatements, there were no significant issues arising from the audit which were discussed or were the subject of correspondence with management.

### Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit.



## Internal Control Matters and Compliance Findings

We have issued the following reports attached as Exhibit A, in connection with our audit, as required by *Government Auditing Standards, Uniform Guidance, and Chapter 10.550, Rules of the Auditor General of the State of Florida*:

- 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 *Government Auditing Standards*
- Independent Auditor's Report on Compliance for the Major Federal Program and Major State Project; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards as Required by the Uniform Guidance and Schedule of State Financial Assistance Required by Chapter 10.550, *Rules of the Auditor General of the State of Florida*
- Management Letter in Accordance with *Chapter 10.550, Rules of the Auditor General of the State of Florida*
- Independent Accountant's Report in Accordance with Section 218.415, *Florida Statutes*

## Significant Written Communications Between Management and Our Firm

Copies of material written communications between our firm and the management of the City, including the representation letter provided to us by management, are attached as Exhibit B.

## SIGNIFICANT ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following summarizes the significant accounting estimates reflected in the September 30, 2020 financial statements.

### Significant Accounting Estimates

#### Accounting for Self-Insurance Liabilities

<b>Accounting policy</b>	The City is partially self-insured for general and auto liability, property, workers' compensation, and employees' health and dental. The accrued liability for estimated claims represents an estimate of the eventual loss on claims, including claims incurred but not yet reported.
<b>Management's estimation process</b>	The City utilizes the services of an actuary to assist in developing any risk reserves for general and auto liability, property and workers' compensation. A look back calculation is performed for employees' health and dental Insurance for incurred but not reported amounts.
<b>Basis for our conclusion on the reasonableness of the estimate</b>	We have audited the underlying data supporting the estimates and reviewed management's methodology, including evaluating the actuarial reports and assumptions used which appears reasonable and consistently applied, and have deemed the resulting estimates to be reasonable.

#### Accounting for Pension Plans and Related Net Pension Liabilities

<b>Accounting policy</b>	The net pension liabilities and related pension amounts are actuarially determined in accordance with the parameters established by the Governmental Accounting Standards Board (GASB). The difference between total pension liability and plan fiduciary net position at each plans' measurement date and any associated deferred outflows/inflows as of the period ended are recognized in the financial statements.
<b>Management's estimation process</b>	City management and/or the pension plans' management, with input from its actuary, developed the actuarial assumptions based on relevant criteria. City management reviewed and approved the financial statement estimates derived from the pension plans' actuarial reports.
<b>Basis for our conclusion on the reasonableness of the estimate</b>	We have audited the underlying data supporting the estimate and reviewed management's methodology, including evaluating the actuarial reports and assumptions used which appears reasonable and consistently applied, and have deemed the resulting estimates to be reasonable.

### Depreciation of Capital Asset

<b>Accounting policy</b>	Depreciation on capital assets is provided using the straight-line method. The depreciable life of capital assets is established based on management's estimate of the useful lives of the assets.
<b>Management's estimation process</b>	Depreciation of capital assets is determined using the straight-line method of depreciation over the estimated useful lives of the asset, as assigned by management.
<b>Basis for our conclusion on the reasonableness of the estimate</b>	We have audited the underlying data supporting the estimate and reviewed management's methodology which appears properly and consistently applied and have deemed the resulting estimate to be reasonable.

### Allowance for Doubtful Accounts

<b>Accounting policy</b>	All trade and other receivables are shown net of an allowance for uncollectible amounts to arrive at the net realizable value.
<b>Management's estimation process</b>	Receivables are analyzed for their collectability based on the terms and conditions stated in individual agreements. In addition to receivables specifically identified as uncollectible, a general allowance is calculated based on the City's historical experience.
<b>Basis for our conclusion on the reasonableness of the estimate</b>	We have audited the underlying data supporting the estimate and reviewed management's methodology which appears properly and consistently applied and have deemed the resulting estimate to be reasonable.

### Accounting for Other Postemployment Benefits

<b>Accounting policy</b>	Total other postemployment benefits (OPEB) liabilities, related deferred OPEB amounts and expenses are actuarially determined in accordance with the parameters established by the GASB.
<b>Management's estimation process</b>	Management with input from its OPEB actuary developed the actuarial assumptions based on relevant criteria. Management reviewed and approved the financial statement estimates derived from the OPEB actuarial report.
<b>Basis for our conclusion on the reasonableness of the estimate</b>	We have audited the underlying data supporting the estimate and reviewed management's methodology which appears properly and consistently applied and have deemed the resulting estimate to be reasonable.

<b>Investment Valuation</b>	
<b>Accounting policy</b>	Investments are reported at fair value.
<b>Management's estimation process</b>	The City engages an external investment consultant to perform a valuation assessment of their investments.
<b>Basis for our conclusion on the reasonableness of the estimate</b>	We tested the values of a sample of investment securities and concluded that the values as reported are reasonable.

## RECORDED AUDIT ADJUSTMENTS

Number	Account Name	Account No	Debit	Credit
1	Assets / Inventory for Resale	100-0000-142.00-00		(\$2,554,004)
	Equity / Retained Earnings	100-0000-272.00-00	\$2,554,004	
	To restate prior period balances to account for CRA land assets that were disposed.			
2	Long Term Portion / SRF Loan DW501731	402-0000-203.90-06		(6,638)
	Long Term Portion / SRL Loan DW501740	402-0000-203.90-07		(2,385)
	Miscellaneous Expenses / Client Refund Interest Ex	402-7090-599.58-30	9,023	
	To reclass principle payments			
3	Deferred Charges / Loss on Refunding	402-0000-154.08-00		(28,541)
	Deferred Charges / Cal premium	402-0000-154.09-00		(18,632)
	Other Debt Service Cost	402-7090-533.73-00	47,173	
	To recorded amortization of loss on Deferred Refunding and Call Premium			
4	Deferred Charges / Loss on Refunding	401-0000-154.08-00		(28,925)
	Deferred Charges / Cal premium	401-0000-154.09-00		(18,631)
	Service / Other Debt Service Cost	401-6090-531.73-00	47,556	
	To recorded amortization of loss on Deferred Refunding and Call Premium			
5	Accounts Receivable / Manual	405-0000-115.31-00		(508,226)
	Allow/Uncollectible A/R / Customer A/R	405-0000-117.10-00	470,006	
	Equity / Retained Earnings	405-0000-272.00-00	38,220	
	To Write off Uncollectible balance of AR			
6	Non-Current / Invest in Joint Venture	405-0000-156.90-00	1,574,343	
	Contractual Services / Regional Exp - Flow	405-7421-535.34-85		(1,574,343)
	To adjust for investment in joint venture balance.			
7	Accounts Receivable / Miscellaneous A/R	405-0000-115.01-00		(84,123)
	Equity / Retained Earnings	405-0000-272.00-00	84,123	
	Accounts Receivable / Restricted	406-0000-115.20-00		(14,336)
	Equity / Retained Earnings	406-0000-272.00-00	14,336	
	PPA-Balace AR to detail			

8	Accounts Receivable / Manual	405-0000-115.31-00		(732,659)
	Accounts Receivable / Manual	405-0000-115.31-00	1,303,156	
	Liability / Vouchers Payable	405-0000-201.00-00	732,659	
	Regional Sewer-Capital / Lake Worth	405-0000-343.56-51		(572,437)
	Regional Sewer-Capital / Palm Springs	405-0000-343.56-52		(367,490)
	Regional Sewer-Capital / Lantana	405-0000-343.56-53		(183,394)
	Regional Sewer-Capital / Atlantis	405-0000-343.56-54		(54,959)
	Regional Sewer-Capital / PBCC	405-0000-343.56-55		(12,238)
	Regional Sewer-Capital / Manalapan	405-0000-343.56-56		(17,224)
	Regional Sewer-Capital / South Palm Beach	405-0000-343.56-57		(38,755)
	Regional Sewer-Capital / Lake Clark Shores	405-0000-343.56-59		(56,659)
	To adjust True-Up Refund			
<hr/>				
9	Accounts Receivable / Miscellaneous A/R	403-0000-115.01-00		
	Equity / Retained Earnings	403-0000-272.00-00		
	Miscellaneous Revenue / Other	403-0000-369.90-90		
	Miscellaneous Revenue / Other	403-0000-369.90-90		
	Liability / Vouchers Payable	405-0000-201.00-00		(732,659)
	Equity / Retained Earnings	405-0000-272.00-00	780,116	
	Settlements / Year-End True-Up	405-9010-535.98-20		(780,116)
	Settlements / Year-End True-Up	405-9010-535.98-20	732,659	
	Prior period adjustment			
<hr/>				
10	Account Receivable - Manual	520-0000-115.31-00	2,985,105	
	Allow/Uncollectible A/R / Miscellaneous A/R	520-0000-117.01-00		(1,492,553)
	Liability / Accrued Payable	520-0000-202.00-00		(3,548,122)
	Miscellaneous Revenue / Insurance Damage Recovery	520-0000-369.90-40		(2,985,105)
	Other Curr Charges/Oblig / Uncollectible Accounts	520-9010-519.49-30	1,492,552	
	Settlements / Lawsuits	520-9010-519.98-10	3,548,123	
	To record liability owed by the City to FEMA as well as receivable from other hurricane			
<hr/>				
11	Compensated Absences / Current Portion	401-0000-210.10-00	25	
	Compensated Absences / Long-Term Portion	401-0000-210.90-00		(69,009)
	Unused Vacation Pay	401-1240-531.12-50	3,481	
	Unused Vacation Pay	401-6010-531.12-50	7,576	
	Unused Vacation Pay	401-6020-531.12-50	4,149	
	Unused Vacation Pay	401-6031-531.12-50	20,377	
	Unused Vacation Pay	401-6033-531.12-50	6,681	
	Unused Vacation Pay	401-6034-531.12-50	1,678	
	Unused Vacation Pay	401-6034-531.12-50	35,863	
	Unused Vacation Pay	401-6035-531.12-50		(10,821)
	To accrued for compensated absences at year end			

<b>12</b>	Compensated Absences / Current Portion	402-0000-210.10-00	5,002	
	Compensated Absences / Long-Term Portion	402-0000-210.90-00		(5,448)
	Unused Vacation Pay	402-7010-533.12-50		(5,757)
	Unused Vacation Pay	402-7022-533.12-50		(8,350)
	Unused Vacation Pay	402-7034-533.12-50	14,553	
	To accrued for compensated absences at year end			
<hr/>				
<b>14</b>	Compensated Absences / Current Portion	403-0000-210.10-00		(2,504)
	Compensated Absences / Long-Term Portion	403-0000-210.90-00		(12,960)
	Unused Vacation Pay	403-7231-535.12-50	15,464	
	To accrued for compensated absences at year end			
<hr/>				
<b>15</b>	Compensated Absences / Current Portion	408-0000-210.10-00	3,932	
	Compensated Absences / Long-Term Portion	408-0000-210.90-00		(8,911)
	Unused Vacation Pay	408-5090-538.12-50		(2,085)
	Unused Vacation Pay	408-5099-538.12-50	7,064	
	To accrued for compensated absences at year end			
<hr/>				
<b>16</b>	Compensated Absences / Current Portion	410-0000-210.10-00		(1,362)
	Compensated Absences / Long-Term Portion	410-0000-210.90-00		(3,482)
	Unused Vacation Pay	410-5080-534.12-50	4,844	
	To accrued for compensated absences at year end			
<hr/>				
<b>17</b>	Compensated Absences / Current Portion	510-0000-210.10-00		(1,667)
	Compensated Absences / Long-Term Portion	510-0000-210.90-00		(10,370)
	Unused Vacation Pay	510-1520-519.12-50	12,037	
	To accrued for compensated absences at year end			
<hr/>				
<b>18</b>	Compensated Absences / Current Portion	530-0000-210.10-00		(582)
	Compensated Absences / Long-Term Portion	530-0000-210.90-00	3,539	
	Unused Vacation Pay	530-5070-549.12-50		(2,957)
	To accrued for compensated absences at year end			

<b>19</b>	Deferred Charges / Deferred Outflows	401-0000-154.06-00	100,457	
	Unearned Revenue / Deferred Inflows	401-0000-223.06-00		(2,959)
	Other Long Term Payables / Pension Liabilities	401-0000-239.06-00		(744,554)
	Retirement Contributions / Defined Benefit Plan	401-6034-531.22-10	647,056	
	To adjust for GASB 68 allocation			
<hr/>				
<b>20</b>	Deferred Charges / Deferred Outflows	402-0000-154.06-00	23,685	
	Unearned Revenue / Deferred Inflows	402-0000-223.06-00	30,204	
	Other Long Term Payables / Pension Liabilities	402-0000-239.06-00		(378,198)
	Retirement Contributions / Defined Benefit Plan	402-7022-533.22-10	324,309	
	To adjust for GASB 68 allocation			
<hr/>				
<b>21</b>	Deferred Charges / Deferred Outflows	403-0000-154.06-00	13,078	
	Unearned Revenue / Deferred Inflows	403-0000-223.06-00	5,914	
	Other Long Term Payables / Pension Liabilities	403-0000-239.06-00		(138,240)
	Retirement Contributions / Defined Benefit Plan	403-7231-535.22-10	119,248	
	To adjust for GASB 68 allocation			
<hr/>				
<b>22</b>	Deferred Charges / Deferred Outflows	405-0000-154.06-00	2,747	
	Unearned Revenue / Deferred Inflows	405-0000-223.06-00	619	
	Other Long Term Payables / Pension Liabilities	405-0000-239.06-00		(24,947)
	Retirement Contributions / Defined Benefit Plan	405-7421-535.22-10	21,581	
	To adjust for GASB 68 allocation			
<hr/>				
<b>23</b>	Deferred Charges / Deferred Outflows	408-0000-154.06-00	5,451	
	Unearned Revenue / Deferred Inflows	408-0000-223.06-00	2,535	
	Other Long Term Payables / Pension Liabilities	408-0000-239.06-00		(58,077)
	Retirement Contributions / Defined Benefit Plan	408-5090-538.22-10	50,091	
	To adjust for GASB 68 allocation			
<hr/>				
<b>24</b>	Deferred Charges / Deferred Outflows	410-0000-154.06-00	16,151	
	Unearned Revenue / Deferred Inflows	410-0000-223.06-00	19,694	
	Other Long Term Payables / Pension Liabilities	410-0000-239.06-00		(251,997)
	Retirement Contributions / Defined Benefit Plan	410-5081-534.22-10	216,152	
	To adjust for GASB 68 allocation			



## UNCORRECTED MISSTATEMENTS

<b>Government Activities</b>	<b>Effect—Debit (Credit)</b>				
<b>Description</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Net Position</b>	<b>Revenue</b>	<b>Expense</b>
Reversed opening net position misstatements	\$ -	\$ -	\$ -	\$ -	\$ -
To record expenses in the proper period	-	-	45,782	-	(45,782)
To adjust pension contribution payable	-	232,872	-	-	(232,872)
Total effect	-	-	(278,654)	\$ -	\$ (278,654)
Statement of net position effect	<u>\$ -</u>	<u>\$ 232,872</u>	<u>\$ (232,872)</u>		

<b>General Fund</b>	<b>Effect—Debit (Credit)</b>				
<b>Description</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Fund Balance</b>	<b>Revenue</b>	<b>Expenditure</b>
Reversed opening fund balance misstatements	\$ -	\$ -	\$ -	\$ -	\$ -
To adjust pension contribution payable	-	232,872	-	-	(232,872)
Total effect	-	-	(232,872)	\$ -	\$ (232,872)
Balance sheet effect	<u>\$ -</u>	<u>\$ 232,872</u>	<u>\$ (232,872)</u>		

<b>Neighborhood Road Program Fund</b>	<b>Effect—Debit (Credit)</b>				
<b>Description</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Fund Balance</b>	<b>Revenue</b>	<b>Expenditure</b>
Reversed opening fund balance misstatements	\$ -	\$ -	\$ -	\$ -	\$ -
To record expenditures in the proper period	-	-	45,782	-	(45,782)
Total effect	-	-	(45,782)	\$ -	\$ (45,782)
Balance sheet effect	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		

## **EXHIBIT A**

### **Internal Control Matters and Compliance Findings**

# **City of Lake Worth Beach, Florida**

Single Audit Reports in  
Accordance With the Uniform Guidance  
Fiscal Year Ended September 30, 2020

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**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*  
Independent Auditor's Report**

To the Honorable Mayor, Members of the  
City Commission and City Manager  
City of Lake Worth Beach, Florida

We have audited, in accordance with the 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lake Worth Beach, Florida (the City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 7, 2021. Our report includes a reference to other auditors who audited the financial statements of the Pension Trust Funds for the General Employees' Retirement System, Police Officers' Relief and Retirement System and the Firefighters' Pension Trust. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that reported on separately by those auditors. Our report includes an emphasis of matter related to restatements to the beginning net position/fund balance of the governmental activities, business-type activities, aggregate discretely presented component units, general fund, electric fund, local sewer fund, regional sewer fund and the CRA capital projects fund as of October 1, 2019. Our report was not modified with respect to this matter.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 have not been identified. However, as described in the accompanying *schedule of findings and questioned costs*, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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, 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. We consider the deficiencies described in the accompanying *schedule of findings and questioned costs* as items IC 2020-001, IC 2020-002 and IC 2020-003 to be material weaknesses.

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 questioned costs* as item IC 2020-004 to be a significant deficiency.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City'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 financial statements. 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*.

#### **City's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying *schedule of findings and questioned costs*. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### **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 entity'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.

*RSM US LLP*

West Palm Beach, Florida  
September 7, 2021

**Report on Compliance for the Major Federal Program and  
Major State Project; Report on Internal Control Over Compliance;  
and Report on the Schedule of Expenditures of Federal Awards Required  
by the Uniform Guidance and Schedule of State Financial Assistance  
Required by Chapter 10.550, *Rules of the Florida Auditor General***

**Independent Auditor's Report**

To the Honorable Mayor, Members of the  
City Commission and City Manager  
City of Lake Worth Beach, Florida

**Report on Compliance for the Major Federal Program and Major State Project**

We have audited the City of Lake Worth Beach, Florida's (the City) compliance with the types of compliance requirements described in the OMB Compliance Supplement and the requirements described in the Florida Department of Financial Services State Projects Compliance Supplement that could have a direct and material effect on the City's major federal program and major state project, respectively, for the year ended September 30, 2020. The City's major federal program and major state project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal and state statutes, regulations and the terms and conditions of its federal and state awards applicable to its federal programs and state projects.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the City's major federal program and major state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Florida Auditor General* (Chapter 10.550). Those standards, the Uniform Guidance and Chapter 10.550 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or major state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program and major state project. However, our audit does not provide a legal determination of the City's compliance.

### **Opinion on the Major Federal Program and Major State Project**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program and major state project for the year ended September 30, 2020.

### **Other Matters**

The results of our auditing procedures disclose instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned cost as items CF 2020-001, CF 2020-002 and CF 2020-003. Our opinion on the major federal program and state program is not modified with respect to this matter.

The City's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### **Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program and major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and major state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item IC 2020-005 to be a material weakness.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items IC 2020-006 and IC 2020-007 to be significant deficiencies.

The City's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.



The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and Schedule of State Financial Assistance Required by Chapter 10.550, *Rules of the Florida Auditor General***

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lake Worth Beach, Florida (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated September 7, 2021, which contained an unmodified opinion on those financial statements, and included a reference to other auditors. Our report also includes an emphasis of matter related to restatements to the beginning net position/fund balance of the governmental activities, business-type activities, aggregate discretely presented component units, general fund, electric fund, local sewer fund, regional sewer fund and the CRA capital projects fund as of October 1, 2019. Our report was not modified with respect to this matter. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

*RSM US LLP*

West Palm Beach, Florida

October 7, 2021, except for Schedule of Expenditures of Federal Awards

and Schedule of Expenditures of State Financial Assistance which are dated September 7, 2021

City of Lake Worth Beach, Florida

Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended September 30, 2020

Federal Agency/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Contract Number	Pass-Through Entity Identifying Number	Expenditures
<b>U.S. Department of Housing and Urban Development</b>				
Passed through Palm Beach County Department of Housing and Economic Sustainability				
Community Development Block Grants/Entitlement Grants – Royal Poinciana Total CDBG – Entitlement Cluster	14.218	R2019-1764	none	\$ 254,932
<b>U.S Department of Commerce</b>				
Passed through Palm Beach County Department of Housing and Economic Sustainability				
EDA POC Phase 1A	11.300	R2017-0058	04-01-07113	379,999
<b>U.S. Department of Transportation</b>				
Passed through the Florida Department of Transportation				
FDOT POC Phase 2				
Total Highway Planning and Construction Cluster	20.205	G1J19 & G1J20 Grant # 4405092	442094-1-58-01	158
<b>U.S. Environmental Protection Agency</b>				
Passed through the Florida Department of Environmental Protection				
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW501720	140129	480,552
<b>U.S. Department of Homeland Security</b>				
Passed Through Florida Division of Emergency Management				
Disaster Grants-Public Assistance	97.036	DR-4337 / Z1149	076040070	<u>2,985,105</u>
<b>Total expenditures of federal awards</b>				<u>\$ 4,100,746</u>

See notes to schedule of expenditures of federal awards.

City of Lake Worth Beach, Florida

Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year Ended September 30, 2020

State Grantor/Pass-Through Grantor/Program Title	CSFA Number	Contract Number	Expenditures
<b>Florida Department of Environmental Protection</b>			
Capitalization Grants for Drinking Water	37.076	DW501731	\$ 1,140,985
Capitalization Grants for Drinking Water	37.076	DW501740	<u>964,566</u>
Total Florida Department of Environmental Protection			<u>2,105,551</u>
<b>Florida Department of Transportation</b>			
FDOT POC Phase 1B	55.039	G1543 Grant # FM#443364	<u>246,114</u>
<b>Florida Department of State</b>			
Division of Historic Preservation	45.031	20.h.sm.200.119	50,000
Division of Historic Preservation	45.031	20.h.sm.300.120	<u>15,362</u>
Total Florida Department of State			<u>65,362</u>
<b>Total expenditures of state financial assistance</b>			<u><u>\$ 2,417,027</u></u>

See notes to schedule of expenditures of state financial assistance.

**City of Lake Worth Beach, Florida**

**Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance**

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**Note 1. General and Basis of Presentation**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance (the Schedules) presents the activity of all federal awards and state financial assistance of the City of Lake Worth Beach, Florida (the City) for the year ended September 30, 2020. The information in the Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General* of the State of Florida (Chapter 10.550). Therefore, some amounts presented in the Schedules may differ from amounts presented in, or used in the preparation of the basic financial statements. Because the Schedules present only a selected portion of the operations of the City, they are not intended to and do not present the financial position, changes in fund balance/net positions, or cash flows of the City. The City's reporting entity is defined in Note 1 to the City's basic financial statements.

**Note 2. Basis of Accounting**

The Schedules are presented using the modified accrual basis of accounting for expenditures accounted for in the governmental funds and on the accrual basis of accounting for expenses of the proprietary fund types, which are described in Note 1 to the City's basic financial statements. Such expenditures/expenses are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.550, wherein certain types of expenditures/expenses are not allowable or are limited as to reimbursement.

**Note 3. Subrecipient Awards**

Of the federal awards and state financial assistance presented in the Schedules, the City did not provide any amounts to subrecipients.

**Note 4. Indirect Cost Rate**

The City has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**City of Lake Worth Beach, Florida**

**Schedule of Findings and Questioned Costs**

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**Section I – Summary of Auditor’s Results**

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	<u>  X  </u> Yes	<u>        </u> No
Significant deficiency(ies) identified?	<u>  X  </u> Yes	<u>        </u> None Reported
Noncompliance material to financial statements noted?	<u>        </u> Yes	<u>  X  </u> No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u>  X  </u> Yes	<u>        </u> No
Significant deficiency(ies) identified?	<u>  X  </u> Yes	<u>        </u> None Reported

Type of auditor’s report issued on compliance for major federal programs:

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Unmodified	
	<u>  X  </u> Yes	<u>        </u> No

Identification of major federal programs:

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
97.036	Disaster Grants – Public Assistance

Dollar threshold used to distinguish between type A and B programs:

\$750,000

Auditee qualified as low-risk auditee?	<u>        </u> Yes	<u>  X  </u> No
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(Continued)

**City of Lake Worth Beach, Florida**

**Schedule of Findings and Questioned Costs (Continued)**

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**Section I – Summary of Auditor’s Results (Continued)**

State Financial Assistance

Internal control over major projects:

Material weakness(es) identified?	_____ Yes	_____ X	No
Significant deficiency(ies) identified?	_____ Yes	_____ X	None Reported

Type of auditor’s report issued on compliance for major projects:

\_\_\_\_\_ Unmodified \_\_\_\_\_

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, *Rules of the Florida Auditor General*?

_____ Yes	_____ X	No
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Identification of major state projects:

CSFA Number(s)  
37.076

Name of State Project  
Capitalization Grants for Drinking Water

Dollar threshold used to distinguish between type A and type B projects:

\$750,000

**City of Lake Worth Beach, Florida**

**Schedule of Findings and Questioned Costs (Continued)**

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**II – Financial Statement Findings**

**A. Internal Control**

**IC 2020-001 – Bank Reconciliation**

**Criteria:** Internal control policies and procedures should require the timely preparation and supervisory review/approval of bank reconciliations on monthly basis, to allow for the accurate recording of accounting transactions.

**Condition:** Timely preparation and supervisory review/approval of bank reconciliations are not being performed on a monthly basis, to allow for the accurate recording of accounting transactions.

**Context:** Systemic in nature.

**Cause:** Employee turnover and delays in preparation and supervisory review/approval of bank reconciliations.

**Effect:** The October 1, 2019 financial statement balances were restated to properly report balances for transactions that occurred in the prior year. Such prior period transactions were identified in fiscal year 2020, after the 2019 bank reconciliations were prepared and reviewed/approved by supervisory personnel.

**Recommendation:** We recommend that management adhere to its established internal control policies and procedures requiring timely preparation and supervisory review/approval of bank reconciliations on monthly basis, to allow for the accurate recording of accounting transactions.

**Views of Responsible Officials and Planned Corrective Action:** Management accepts the finding and recommendation. The Finance Department continues its effort to implement controls related to monthly bank reconciliation by enhancing staff resources, effectiveness and efficiency. In addition to correcting errors from the previous fiscal year, the Finance Department has implemented procedures for daily reconciliations which will facilitate bank reconciliations on a monthly basis.

**City of Lake Worth Beach, Florida**

**Schedule of Findings and Questioned Costs (Continued)**

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**IC 2020-002 – CRA Assets Held for Resale**

**Criteria:** Internal control policies and procedures should provide reasonable assurance regarding the reliability of the financial reporting process, including the accurate recording and disclosure of accounting transactions.

**Condition:** Material accounting adjustments were made to *assets held for resale* balances in order for the financial statements to comply with generally accepted accounting principles.

**Context:** The condition relates to the proper accounting for *assets held for resale* on an ongoing basis. Certain assets held for resale in the NSP2 Community Redevelopment Agency Fund that were sold in prior years were not removed from the accounting records and financial statements.

**Cause:** Established controls requiring the reconciliation and review of the *assets held for resale* account balances failed to identify the errors noted.

**Effect:** The October 1, 2019 net position of the discretely presented component units and the fund balance of the NSP2 fund were restated to properly report financial statement balances.

**Recommendation:** We recommend that the Community Redevelopment Agency Fund management review the design of established internal controls and implement the changes necessary to allow for the accurate recording and disclosure of *assets held for resale* balances on an ongoing basis.

**Views of Responsible Officials and Planned Corrective Action:** The Community Redevelopment Agency (CRA) management accepts the finding and recommendation. The CRA's management will implement controls to reconcile its accounting records for assets held for resale. On a quarterly basis, CRA management with the assistance of the City's Finance Department will verify ownership of its assets held for resale against County records and properly report financial statement balances.



**City of Lake Worth Beach, Florida**

**Schedule of Findings and Questioned Costs (Continued)**

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**IC 2020-003 – Financial Reporting**

**Criteria:** Internal control policies and procedures should provide reasonable assurance regarding the reliability of the financial reporting process, including the accurate recording and disclosure of accounting transactions.

**Condition:** Material accounting adjustments were made to the financial statements to comply with generally accepted accounting principles. This included adjustments to the prior period financial statements and related footnote disclosures in order to properly report the following balances:

- Sewer revenues and related accounts receivables
- Operating revenues and expenses
- Assets held for resale
- Capital lease liability

**Context:** Systemic in nature. The condition relates to routine transactions that occur in course of operations.

**Cause:** Established controls requiring the reconciliation and review of account balances failed to identify the errors noted that resulted in the restatement of the prior period financial statements.

**Effect:** The October 1, 2019 net position and fund balances were restated to properly report financial statement balances.

**Recommendation:** We recommend that management review the design of established controls and implement the changes necessary to allow for the accurate recording and disclosure of accounting transactions on an ongoing basis.

**Views of Responsible Officials and Planned Corrective Action:** Management accepts the finding and recommendation. In the previous fiscal years, the Finance Department had been functioning without the required staffing levels and supervisory oversight. As the City hired additional personnel, accounting records were corrected to properly report financial statement balances as of the fiscal year end. The Finance Department continues its effort to implement controls related to financial reporting by enhancing staff resources, effectiveness and efficiency.

**City of Lake Worth Beach, Florida**

**Schedule of Findings and Questioned Costs (Continued)**

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**IC 2020-004 – Payroll Transactions**

**Criteria:** The design or operation of internal controls should allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

**Condition:** Supervisory review/approval of employee timesheets and the reconciliation of payroll register transactions to the accounting records are not being performed on an ongoing basis which may result in the failure to prevent or detect and correct misstatements in payroll transactions.

**Context:** Systemic in nature.

**Cause:** Established controls requiring supervisory review/approval of employee timesheets and the reconciliation of payroll register transactions to the accounting records are not being properly performed.

**Effect:** Errors in the recording of payroll and payroll related transactions may occur.

**Recommendation:** We recommend that management adhere to its established internal control policies and procedures requiring supervisory review/approval of employee timesheets and the reconciliation of payroll register transactions to the accounting records on an ongoing basis. Additional training should be provided to emphasize the importance of executing internal control procedures over payroll.

**Views of Responsible Officials and Planned Corrective Action:** Management accepts the finding and recommendation. Due to staff turnover of payroll personnel during the fiscal year, proper procedures were inconsistently applied. In addition, employees across the City had to work remotely during the pandemic which made it more difficult to perform controls for review/approval of employee timesheets. In April 2021, the City transitioned from a manual to an automated payroll system (ADP) which facilitates the implementation of established controls and reconciliation of payroll register transactions.

**B. Compliance**

None noted.

**City of Lake Worth Beach, Florida**

**Schedule of Findings and Questioned Costs (Continued)**

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**III – Federal Awards Findings and Questioned Costs**

**A. Internal Control over Compliance**

**IC 2020-005 – Data Collection Form**

**Criteria:** Section 200.512 of the Uniform Guidance requires that the City's annual audit be completed and the annual audit package and data collection form be submitted to the federal audit clearinghouse within the earlier of 30 days after receipt of the auditor's reports or 9 months after the end of the City's fiscal year.

**Condition:** The City's audit package and data collection form for the years ended September 30, 2019 and 2020, were not completed and submitted within the required timeline.

**Context:** Systemic in nature.

**Cause:** Employee turnover at the City delayed the completion of the City's annual audits.

**Effect:** Failure to have the audit completed and submit the annual audit package and data collection form to the federal audit clearinghouse within the earlier of 30 days after receipt or 9 months after year-end results in the City not being eligible to be considered a low-risk auditee. This will affect the scope of the uniform guidance audits for the next two fiscal years. This could also result in a loss of future grant funding.

**Recommendation:** We recommend that the City establish internal control policies and procedures to allow for the timely submission of the City's annual audit package and data collection form to the federal audit clearinghouse on an ongoing basis.

**Views of Responsible Official and Planned Corrective Actions:** Management accepts the finding and recommendation. During fiscal year 2020, the finance department hired additional personnel to assist with the completion of the year-end closing processes and procedures. We have discussed with employees the importance of timely submission of the City's annual audit package and data collection form to the federal audit clearinghouse on an ongoing basis.

**City of Lake Worth Beach, Florida**

**Schedule of Findings and Questioned Costs (Continued)**

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**IC 2020-006 – Reporting**

U.S. Department of Homeland Security  
Disaster Grants-Public Assistance  
Assistance Listing No. 97.036

**Criteria:** Grantees are required to file quarterly progress reports with the grantor within 30 days after the end of each quarter, until submission of the administrative closeout report.

**Condition:** We noted that the progress report for the quarter ended March 31, 2020 (which was due on April 30, 2020) was submitted late to the grantor on May 28, 2020. Additionally, there was no evidence of supervisory review/approval of the report that was filed.

**Context:** One of the two quarterly reports selected for testing lacked proper supervisory review/approval and was not filed in a timely manner.

**Questioned Costs:** Not applicable.

**Cause:** Lack of administrative oversight of the program.

**Effect:** Failure to comply with program reporting requirements may result in a disallowance of program expenditures and/or loss of future grant funding.

**Recommendation:** We recommend that management adhere to its established internal control policies and procedures requiring supervisory review/approval of reports on an ongoing basis. Also, additional training should be provided to employees emphasizing the importance of executing internal control procedures over all grant activities.

**Views of Responsible Official and Planned Corrective Actions:** Management accepts the finding and recommendation. During fiscal year 2020, the finance department hired additional personnel to assist with the submission of required reports from respective grantors. We have discussed with employees the importance of timely submission and review/approval of such reports.

## City of Lake Worth Beach, Florida

### Schedule of Findings and Questioned Costs (Continued)

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#### IC 2020-007 – Allowable Costs/Cost Principles

U.S. Department of Homeland Security  
Disaster Grants-Public Assistance  
Assistance Listing No. 97.036

**Criteria:** Grantees must maintain complete and accurate accounts and other records for programs.

**Condition:** There is a lack of supervisory review/approval of expenditures being charged to the program on an ongoing basis.

**Context:** 59 of 81 items selected for testing were not reviewed/approved by supervisory personnel.

**Questioned Costs:** Not applicable.

**Cause:** Established controls requiring supervisory review/approval of expenditures being charged to the program did not operate as designed.

**Effect:** This could result in unallowed costs being charged to the program and a loss of grant funding.

**Recommendation:** We recommend that management adhere to its established internal control policies and procedures requiring supervisory review/approval of expenditures on an ongoing basis. Also, additional training should be provided to employees emphasizing the importance of executing internal control procedures over grant activities.

**Views of Responsible Official and Planned Corrective Actions:** Management accepts the finding and recommendation. The finance department has implemented policies and procedures for all expenditures across the departments. We have communicated to the departments the importance of supervisory review/approval of expenditures on an ongoing basis.

#### B. Compliance

##### 1. CF 2020-001 – Data Collection Form

- See section III – Federal Awards Findings and Questioned Costs  
IC 2020-005 – Data Collection Form

##### 2. CF 2020-002 – Reporting

- U.S. Department of Homeland Security  
Disaster Grants-Public Assistance  
CFDA No. 97.036

See section III – Federal Awards Findings and Questioned Costs  
IC 2020-006 – Reporting

**City of Lake Worth Beach, Florida**

**Schedule of Findings and Questioned Costs (Continued)**

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**3. CF 2020-003 – Allowable Costs/Cost Principles**

- U.S. Department of Homeland Security  
Disaster Grants-Public Assistance  
CFDA No. 97.036

See section III – Federal Awards Findings and Questioned Costs  
IC 2020-007 – Allowable Costs/Cost Principles

**Section IV – State Financial Assistance Findings and Questioned Costs**

No matters to report.

**City of Lake Worth Beach, Florida**

**Summary Schedule of Prior Years' Audit Findings**

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<b>Finding No.</b>	<b>Finding Title</b>	<b>Current Year Status</b>
<b>Financial Statements Findings</b>		
<u>Internal Control Over Financial Reporting</u>		
2019-01	Reconciliation of Cash Accounts	Repeated See Item IC 2020-002
2019-02	Timeliness of Delivery of Documents Requested	Corrected
2019-03	Closing Procedures	Corrected
2019-04	Accounts Receivable and Revenues	Partially Corrected See item IC 2020-003
2019-05	Capital Assets	Corrected
2019-06	Grant Administration and Review Process	Corrected
2019-07	Internal Service Fund Allocations	Corrected
2019-08	Budget Amendments	Corrected
2019-09	Interlocal Agreement	Not Corrected
2019-10	Develop a More Formal Risk Assessment Process	Not Corrected
2017-01	Inventory	Corrected
2017-02	Staffing Needs	Corrected
<b>Federal Award Program Findings</b>		
<u>Internal Control Over Compliance</u>		
2019-11	Written Policies	Corrected

## City of Lake Worth Beach, Florida

### Summary Schedule of Prior Years' Audit Findings

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#### 2019-01: Reconciliation of Cash Accounts

**Criteria:** Timely preparation of complete and accurate bank reconciliations is a key to maintaining adequate control over both cash receipts and disbursements.

**Condition:** During the audit, it was noted the City did not properly reconcile its pooled cash bank account nor was it completed in a timely manner. As a result, cash balances and related transactions had to be adjusted to reflect accurate cash balances. The reconciliation of cash on a monthly basis is critical in finding errors that might not be recognized and resolved on a timely basis.

**Cause:** The monthly bank reconciliations were not prepared correctly or timely.

**Effect:** The City is susceptible to the possible errors which can lead to the risk of loss and risk of misstatement of cash or other reconciling items.

**Recommendation:** We recommend that the someone within the finance department to take responsibility for budget amendments

**Prior Year Management's Response:** Management accepts the finding and recommendation. The Finance Department is currently under review for reorganization to enhance staff resources effectiveness and efficiency.

**Current Year Status and Management's Response:** The Finance Department continues its effort to implement controls related to monthly bank reconciliation by enhancing staff resources, effectiveness and efficiency. In addition to correcting errors from the previous fiscal year, the Finance Department has implemented procedures for daily reconciliations which will facilitate bank reconciliations on a monthly basis.

#### 2019-04: Accounts Receivable and Revenue

**Criteria:** Prudent policies include a formal closing process with supervisory finance department personnel being responsible for the review and evaluation of transactions and balances recorded. The review would include, at a minimum, preparing a detailed aged accounts receivable ledger, reviewing balances for proper valuation including relevant provision for an allowance for doubtful accounts and following up with collection procedures to ensure appropriate measures are being taken for past due accounts.

**Condition:** During the audit, it was noted that accounts receivable balances and corresponding revenue accounts were not accurately reconciled to reflect the appropriate balances as of the fiscal year end. It was also noted that the tracking of accounts receivable and revenue is decentralized and uneven amongst the various departments of the City. Due to the decentralization, the monitoring and updating of accounts receivable is not occurring in a timely manner. Certain accounting software used in departments outside of the finance department do not communicate effectively or efficiently with the finance department, which leads to additional delays.

**Cause:** The cause of the conditions is the lack of a formal closing process and monitoring of amounts due which incorporates a thorough review by finance personnel. The cause of the conditions is also attributed to the decentralized accounting practices in departments outside of the finance department.

**Effect:** Lack of reconciliations of accounts receivable and revenue accounts can result in misstatements in the financial statements and or uncollected revenues. This can also lead to issues when budgeting for the next fiscal year.



## City of Lake Worth Beach, Florida

### Summary Schedule of Prior Years' Audit Findings (Continued)

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**Recommendation:** The City should consider developing formal accounts receivable interim and year-end closing procedures. These procedures should include timetables outlining appropriate due dates and instructions for schedules that should be prepared. The closing procedures should be documented in a formal checklist that indicates the individual responsible for the task, when it is due to be completed and when it is accomplished. We believe that a review and evaluation of transactions recorded at year-end should be performed to ensure the validity of amounts recorded, as well as reduce audit time. The implementation of formal procedures will reduce the need for numerous adjustments to financial records during the audit process and decrease the time to produce the financial reports needed by management and auditors. There should be an effort to centralize the accounting that occurs in departments outside of finance and/or procedures in place to ensure information flows to the finance department in a more timely manner.

**Prior Year Management's Response:** Management accepts the finding and recommendation. The Finance Department is currently under review for reorganization to enhance staff resources effectiveness and efficiency.

**Current Year Status and Management's Response:** During fiscal year 2020, the City hired additional personnel to assist with the completion of accounts receivable and revenue processes. The Finance Department has improved the flow of information with outside departments to ensure accounts receivable and revenues are properly reconciled. With the exception of fund balance/net position restatements, accounts receivables and revenues were properly reconciled as of fiscal year 2021.

#### 2019-09: Interlocal Agreement

**Criteria:** The Interlocal Wastewater Service and Wastewater Facilities Cost Sharing Agreement was entered into in 2013 and requires audited statements. In addition, certain balances in the City's financial statements are derived from the interlocal financial statements and schedules.

**Condition:** During the current year, we noted that supporting schedules and records were not available timely to satisfy certain interlocal agreement requirements.

**Cause:** The cause of the conditions is the lack of a formal closing process which incorporates a thorough review by finance personnel.

**Effect:** Incomplete supporting schedules can cause delays in the financial statement process and the accuracy of them.

**Recommendation:** We recommend that the City reconcile interlocal schedules on a regular basis to avoid delays in financial reporting and to ensure the accuracy of them.

**Prior Year Management Response:** Management accepts the finding and recommendation. The Finance Department is currently under review for reorganization to enhance staff resources, effectiveness and efficiency.

**Current Year Status and Management's Response:** Audited statements were not completed timely as required by the Interlocal Wastewater Service and Wastewater Facilities Cost Sharing Agreement entered in 2013. Management will work towards complying with the requirement beginning with the fiscal year ended September 30, 2021.

**City of Lake Worth Beach, Florida**

**Summary Schedule of Prior Years' Audit Findings (Continued)**

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**2019-10: Develop a More Formal Risk Assessment Process**

**Criteria:** Risk assessment is a management function designed to identify where an organization may be vulnerable to errors and/or irregularities.

**Condition:** During our audit and discussions with staff, we noted that various issues within the City could be avoided if there was a formal risk assessment process in place. The City informally performs its own risk assessment for possible fraud or material misstatements through various discussions, policies and procedures, and regular reviews of trends in the financial statements. A more formal and complete risk assessment process involves a written description of risk areas identified by those charged with governance (management and elected officials) and a description of how the City intends on responding to the risks. Specific monitoring activities to address these risks should be documented and implemented as well.

**Cause:** Lack of formally documented and executed risk assessment process.

**Effect:** Incomplete supporting schedules can cause delays in the financial statement process and the accuracy of them.

**Recommendation:** We recommend that the City implement a more formal risk assessment process that includes written identification of areas where potential fraud or material misstatements to the basic financial statements may occur, as well as how the City intends to respond to those risks, including ongoing monitoring activities. This will help minimize the risk of errors or irregularities occurring and going undetected.

**Prior Year Management Response:** Management accepts the finding and recommendation. The Finance Department is currently under review for reorganization to enhance staff resources, effectiveness and efficiency. The Finance Department will work with the other City departments to mitigate these risks. The risk assessment process will be an ongoing improvement process.

**Current Year Status and Management's Response:** During fiscal year 2020, the City hired additional personnel to assist with the development of a formal risk assessment process. In addition to new policies being implemented, daily reconciliation of cash receipts and disbursements has been implemented to mitigate the risk of potential fraud or material misstatements to the basic financial statements.

# **City of Lake Worth Beach, Florida**

Management Letter in Accordance  
With Chapter 10.550, *Rules of the  
Florida Auditor General*

Fiscal Year Ended September 30, 2020

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**Management Letter Required By  
Chapter 10.550 of the *Rules of the  
Auditor General of the State of Florida***

To the Honorable Mayor, Members of the  
City Commission and City Manager  
City of Lake Worth Beach, Florida

**Report on the Financial Statements**

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Lake Worth Beach, Florida (the City), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated September 7, 2021. Our report includes a reference to other auditors who audited the financial statements of the pension trust funds for the General Employees' Retirement System, Police Officers' Relief and Retirement System and the Firefighters' Pension Trust. This report does not include the results of the other auditors' testing is that reported on separately by those auditors. Our report includes an emphasis of matter related to restatements to the beginning net position/fund balance of the governmental activities, business-type activities, aggregate discretely presented component units, general fund, electric fund, local sewer fund, regional sewer fund and the CRA capital projects fund as of October 1, 2019. Our report was not modified with respect to this matter.

**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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report(s) on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules 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 financial audit report. This is reported under separate cover in the *Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards*.

**Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This is disclosed in Note 1 of the financial statements.

**Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. This is reported in Appendix A – *Current Year's Findings and Recommendations to Improve Financial Management*.

**Special District Component Units**

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

**Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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 warrants the attention of those charged with governance. In connection with our audit, we did not identify 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, City Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*RSM US LLP*

West Palm Beach, Florida  
October 7, 2021

**City of Lake Worth Beach, Florida**

**Appendix A – Current Year’s Findings and Recommendations to Improve Financial Management**

**ML 2020-01 – Electric Fund Deficit**

**Criteria:** Management should establish a long-term financial plan and prepare annual budgets that result in the Electric Fund maintaining a positive net position on an ongoing basis.

**Condition:** The Electric Fund reported an unrestricted net position (deficit) of (\$6,039,497) for the fiscal year ended September 30, 2020. The unrestricted net position balance represents resources available for general operations of the fund over time. Therefore, increases or decreases in the unrestricted net position balance over time serves as a useful indicator of whether the financial position of the fund is improving or deteriorating.

**Cause:** With the exception of the fiscal year ended September 30, 2020, expenses and interfund transfers out have exceeded revenues and interfund transfers in on a cumulative basis for the fiscal years ended September 30, 2017 through 2020, as follows:

	Fiscal Year			
	2017	2018	2019	2020
Revenues	\$ 55,850,044	\$ 54,280,835	\$ 55,128,532	\$ 53,508,982
Expenditures	(52,423,579)	(55,464,487)	(50,541,899)	(51,822,205)
Expenditures over revenues	3,426,465	(1,183,652)	4,586,633	1,686,777
Transfers and other items, net	(5,135,082)	(5,331,057)	(5,671,944)	(319,984)
Change in net position	\$ (1,708,617)	\$ (6,514,709)	\$ (1,085,311)	\$ 1,366,793

**Effect:** If management and those charged with governance fail to implement a deficit reduction plan going forward, this could result in the fund not being able to operate as intended to provide services to residents and customers on an ongoing basis.

**Recommendation:** We recommend that management and those charged with governance continue to monitor the Electric Fund’s unrestricted net position (deficit). This will require that management budget for a surplus of revenues/transfers in over expenses/transfers out in each fiscal year. Additionally, we recommend that management implement budgetary controls, policies and practices that allow for establishing annual budgets that reflect a reasonable estimate of revenues/transfers in and expenses/transfers out and the monitoring of the fund’s budget to actual balances on an ongoing basis, to ensure that the deficit reduction plan is implemented.

**Views of Responsible Official and Planned Corrective Actions:** Management recognizes the need to improve operating results and agrees with the auditor’s recommendation. Although management recognizes these results, management would like to note that a hurricane event and an emergency generator replacement negatively impacted net operating revenues during the associated time period. Furthermore, management also has taken significant steps during recent years to reduce operating expenditures, including the restructuring of existing contracts, improving the utilities’ reliability via investment in infrastructure, and to implement sound financial policies. These policies include: monthly budget review and variance analysis, budget forecasting, rate modeling and establishing targeted working capital thresholds and 180 days cash, in order to cope with unforeseen events.

## Independent Accountant's Report

The Honorable Mayor, Members of the  
City Commission and City Manager  
City of Lake Worth Beach, Florida

We have examined the City of Lake Worth Beach, Florida's (the City) compliance with the requirements of *Section 218.415, Florida Statutes, Local Government Investment Policies* during the period October 1, 2019 to September 30, 2020. Management of the City is responsible for the City's compliance with those specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the specified requirements during the period October 1, 2019 to September 30, 2020.

This report is intended solely for the information and use of the Florida Auditor General, the Honorable Mayor, Members of the City Commission, the City Manager and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*RSM US LLP*

West Palm Beach, Florida  
September 7, 2021



## **EXHIBIT B**

### **Significant Written Communications Between Management and Our Firm**



October 7, 2021

RSM US LLP  
100 NE 3<sup>rd</sup> Avenue Suite 300  
Fort Lauderdale, FL 33301

In connection with your audit of federal awards conducted in accordance with Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the audit of state projects conducted in accordance with Chapter 10.550, *Rules of the Florida Auditor General* (Chapter 10.550), for the year ended September 30, 2020 for the City of Lake Worth Beach, Florida (the City), we confirm:

We confirm, to the best of our knowledge and belief, that as of the date of this letter:

1. Management is responsible for complying, and has complied, with the requirements of Uniform Guidance and Chapter 10.550.
2. Management is responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of its federal programs and state projects.
3. Management is responsible for establishing and maintaining, and has established and maintained, effective internal control over compliance for federal and state programs that provides reasonable assurance that the auditee is managing federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of the federal and state awards that could have a material effect on its federal programs and state projects.
4. Management is responsible for the preparation of the schedule of expenditures of federal awards and state financial assistance, acknowledges and understands its responsibility for the presentation of the schedule of expenditures of federal awards and state financial assistance in accordance with the Uniform Guidance and Chapter 10.550; believes the schedule of expenditures of federal awards and state financial assistance, including its form and content, is fairly presented in accordance with the Uniform Guidance and Chapter 10.550; asserts that methods of measurement or presentation have not changed from those used in the prior period, or if the methods of measurement or presentation have changed, the reasons for such changes have been communicated; and is responsible for any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards and state financial assistance.
5. Management will make the audited financial statements readily available to the intended users of the schedule no later than the issuance date by the entity of the schedule of expenditures of federal awards and state financial assistance and the auditor's report thereon.

6. Management has identified and disclosed all of its government programs and related activities subject to the Uniform Guidance and Chapter 10.550 compliance audit.
7. Management has identified and disclosed to the auditor the requirements of federal and state statutes, regulations, and the terms and conditions of federal awards and state financial assistance that are considered to have a direct and material effect on each major federal program and state project.
8. Management has made available all federal awards and state financial assistance (including amendments, if any) and any other correspondence relevant to federal programs and state financial assistance and related activities that have taken place with federal and state agencies or pass-through entities.
9. Management has identified and disclosed to the auditor all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards and state financial assistance or stated that there was no such noncompliance.
10. Management believes that the auditee has complied with the direct and material compliance requirements except for noncompliance it has disclosed to the auditor.
11. Management has made available all documentation related to compliance with the direct and material compliance requirements, including information related to federal program and state project financial reports and claims for advances and reimbursements.
12. Management has provided to the auditor its interpretations of any compliance requirements that are subject to varying interpretations, when applicable.
13. Management has disclosed to the auditor any communications from federal and state awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
14. Management has disclosed to the auditor the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report, when applicable.
15. Management is responsible for taking corrective action on audit findings of the compliance audit and has developed a corrective action plan that meets the requirements of the Uniform Guidance and Chapter 10.550.
16. Management has provided the auditor with all information on the status of the follow-up on prior audit findings by federal and state awarding agencies and pass-through entities, including all management decisions.
17. There are no subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.
18. Management has disclosed all known noncompliance with direct and material compliance requirements occurring subsequent to the period covered by the auditor's report or stated that there were no such known instances.

19. Management has disclosed whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditor's report.
20. Federal program and state projects financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
21. The copies of federal program and state project financial reports provided to the auditor are true copies of the reports submitted, or electronically transmitted, to the federal or state agency or pass-through entity, as applicable.
22. Management has charged costs to federal and state awards in accordance with applicable cost principles.
23. Management is responsible for, and has accurately prepared, the summary schedule of prior audit findings to include all findings required to be included by Uniform Guidance and Chapter 10.550.
24. The reporting package does not contain protected personally identifiable information.
25. Management has accurately completed the appropriate sections of the data collection form.
26. Management has disclosed all contracts or other agreements with service organizations, when applicable.
27. Management has disclosed to the auditor all communications from service organizations relating to noncompliance at those organizations, when applicable.

**City of Lake Worth Beach, Florida**

*Juan Ruiz*

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Juan Ruiz, Interim City Manager

*Bruce Miller*

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Bruce Miller, Finance Director

*Yannick Ngendahayo*

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Yannick Ngendahayo, Assistant Finance Director



September 7, 2021

RSM US LLP  
100 NE 3<sup>rd</sup> Avenue  
Suite 300  
Fort Lauderdale, FL 33301

This representation letter is provided in connection with your audit of the basic financial statements of the City of Lake Worth Beach, Florida (the City) as of and for the year ended September 30, 2020, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP)

We confirm, to the best of our knowledge and belief, that as of the date of this letter:

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter and professional services agreement dated October 20, 2020, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for 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.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.

5. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Types of related party transactions engaged in by the City include:
  - a. Those with component units for which the City is accountable.
  - b. Those with other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.
  - c. Those with jointly governed organizations in which the City participates.
  - d. Interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees.
6. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.
7. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP, when applicable.
9. We agree with the findings of specialists in evaluating our estimated liabilities for self-insurance, other post-employment benefit obligations (OPEB) and net pension liabilities (NPL). We have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists. We believe the actuarial assumptions and methods used in determination of these liabilities is appropriate in the circumstances.
10. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.
11. We have disclosed all instances of identified or suspected noncompliance with laws, regulations, and provisions of contracts and grant agreements whose effects should be considered by management when preparing the financial statements.

12. We have informed you of all uncorrected misstatements. As of and for the year ended September 30, 2020, we believe that the effects of the uncorrected misstatements aggregated by you and summarized in Appendix A are immaterial, both individually and in the aggregate, to the opinion units of the basic financial statements. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.
13. We agree with the restatements of the beginning net position and fund balances as discussed in Note 14. In connection therewith, we represent that there are no other matters known to management that require a correction to the financial statements and we were not aware of the errors when those financial statements were issued. We are not aware of any major transactions entered into in reliance on the prior year 2019 financial statements that would have been affected by the restatement. The restatement will not cause or cure a loan covenant violation. We do not believe it is necessary to recall those financial statements and all users of those financial statements will receive a copy of the current year's financial statements and independent auditor's report.

#### **Information Provided**

14. We have provided you with:
  - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
15. All transactions have been recorded in the accounting records and are reflected in the basic financial statements.
16. We have disclosed to you the results of our assessment of risk that the basic financial statements may be materially misstated as a result of fraud.

17. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud. We have shared with you our fraud risk assessment, including a description of the risks, our assessment of the magnitude and likelihood of misstatements arising from those risks, and the controls that we have designed and implemented in response to those risks.
  
18. We have no knowledge of allegations of fraud or suspected fraud affecting the City's basic financial statements involving:
  - a. Management.
  
  - b. Employees who have significant roles in internal control.
  
  - c. Others where the fraud could have a material effect on the basic financial statements.
  
19. We have no knowledge of any allegations of fraud or suspected fraud affecting the City's basic financial statements received in communications from employees, former employees, analysts, regulators, short sellers or others.
  
20. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
  
21. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
  
22. We have disclosed to you the identity of all of the City's related parties and all the related-party relationships and transactions of which we are aware.
  
23. We have informed you of all significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the City's ability to record, process, summarize and report financial data.
  
24. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
  
25. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.



## Supplementary Information

26. With respect to supplementary information presented in relation to the basic financial statements as a whole:

- a. We acknowledge our responsibility for the presentation of such information.
- b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. When supplementary information is not presented with the audited basic financial statements, we will make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

27. With respect to required supplementary information presented as required to supplement the basic financial statements:

- a. We acknowledge our responsibility for the presentation of such required supplementary information.
- b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. The following are underlying significant assumptions or interpretations regarding the measurement or presentation of such information:
  1. Discount rates for pension and OPEB
  2. Mortality rates for pension and OPEB
  3. Healthcare cost trend rates for OPEB
  4. Long-term rate of return for pension investments

## Compliance Considerations

In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

28. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
29. Is responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the auditee.
30. Is not aware of any instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements, except as disclosed for the FEMA grant.
31. Has identified and disclosed to the auditor all programs and related activities subject to the compliance audit.
32. Has identified and disclosed to the auditor all laws, regulations, rules and provisions of contracts or grant agreements that have a direct and material effect on other financial data significant to audit objectives.
33. Has identified and disclosed to the auditor all violations (and possible violations) of laws, regulations, rules and provisions of contracts or grant agreements related to the FEMA grant, whose effects should be considered for disclosure in the auditor's report on noncompliance.
34. Is responsible for 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.
35. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.
36. Has taken timely and appropriate steps to remedy identified or suspected fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that the auditor reports.
37. Has a process to track the status of audit findings and recommendations.
38. Has identified for the auditor previous audits, attestation engagements and other studies related to the objectives of the audit and whether related recommendations have been implemented.

39. Is not aware of any investigations or legal proceedings that have been initiated with respect to the period under audit.
40. Has provided views on the auditor's reported findings, conclusions and recommendations, as well as management's planned corrective actions, for the report.
41. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

**City of Lake Worth Beach, Florida**

*Juan Ruiz*

9/7/2021

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Juan Ruiz, City Manager

*Bruce T. Miller*

9/7/2021

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Bruce Miller, Finance Director

*Yannick Ngendahayo*

9/7/2021

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Yannick Ngendahayo, Assistant Finance Director

## Appendix A

Government Activities Description	Effect—Debit (Credit)				
	Assets	Liabilities	Net Position	Revenue	Expense
Reversed opening net position misstatements	\$ -	\$ -	\$ -	\$ -	\$ -
To record expenses in the proper period	-	-	45,782	-	(45,782)
To adjust pension contribution payable	-	232,872	-	-	(232,872)
Total effect	-	-	(278,654)	\$ -	\$ (278,654)
Statement of net position effect	\$ -	\$ 232,872	\$ (232,872)		

General Fund Description	Effect—Debit (Credit)				
	Assets	Liabilities	Fund Balance	Revenue	Expenditure
Reversed opening fund balance misstatements	\$ -	\$ -	\$ -	\$ -	\$ -
To adjust pension contribution payable	-	232,872	-	-	(232,872)
Total effect	-	-	(232,872)	\$ -	\$ (232,872)
Balance sheet effect	\$ -	\$ 232,872	\$ (232,872)		

Neighborhood Road Program Fund Description	Effect—Debit (Credit)				
	Assets	Liabilities	Fund Balance	Revenue	Expenditure
Reversed opening fund balance misstatements	\$ -	\$ -	\$ -	\$ -	\$ -
To record expenditures in the proper period	-	-	45,782	-	(45,782)
Total effect	-	-	(45,782)	\$ -	\$ (45,782)
Balance sheet effect	\$ -	\$ -	\$ -		



September 7, 2021

RSM US LLP

100 NE 3<sup>rd</sup> Avenue

Suite 300

Fort Lauderdale, FL 33301

In connection with your examination of the City of Lake Worth Beach, Florida's (the City) compliance with *Section 218.415, Florida Statutes, Local Government Investment Policies (the Statute)* during the year ended September 30, 2020, in accordance with attestation standards established by the American Institute of Certified Public Accountants, we confirm to the best of our knowledge and belief the following representations made to you during the course of your engagement:

1. We are responsible for the City's compliance with the Statute and the selection of the criteria against which compliance is being evaluated.
2. The criteria is Section 218.415, *Florida Statutes, Local Government Investment Policies*.
3. We are responsible for establishing and maintaining effective internal control over the City's compliance with the Statute.
4. We have performed an evaluation of the City's compliance with the Statute. Based on our evaluation, the City has complied with the Statute during the year ended September 30, 2020.
5. There has been no known noncompliance with the Statute during the year ended September 30, 2020 or through the date of this letter.
6. There are no known communications from regulatory agencies, internal auditors, or other practitioners concerning the City's possible noncompliance with the Statute received by us during the year ended September 30, 2020 or through the date of this letter.
7. We have made available to you all documentation related to the City's compliance with the Statute.
8. There has been no knowledge of fraud or suspected fraud affecting the entity involving:
  - a. Management,
  - b. Employees who have significant roles in the internal control, or
  - c. Others where fraud could have a material effect on the City's compliance with the Statute.

9. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.
10. We have no knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, former employees, analysts, regulators, or others.
11. We have responded fully to all inquiries made to us by you during your engagement.
12. During the course of your engagement you may have accumulated records containing data which should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

**City of Lake Worth Beach, Florida**

*Juan Ruiz*

9/7/2021

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Juan Ruiz, City Manager

*Bruce T. Miller*

9/7/2021

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Bruce Miller, Finance Director

*Yannick Ngendahayo*

9/7/2021

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Yannick Ngendahayo, Assistant Finance Director

**MINUTES  
CITY OF LAKE WORTH BEACH  
REGULAR CITY COMMISSION MEETING  
CITY HALL COMMISSION CHAMBER  
THURSDAY, SEPTEMBER 21, 2021 - 6:00 PM**

The meeting was called to order by Mayor Resch on the above date at 6:02 PM in the City Commission Chamber located at City Hall, 7 North Dixie Highway, Lake Worth Beach, Florida.

**ROLL CALL:** (0:06) Present were Mayor Betty Resch; Vice Mayor Herman Robinson and Commissioners Sarah Malega, Christopher McVoy (via Zoom) and Kimberly Stokes. Also present were Interim City Manager Juan Ruiz, City Attorney Glen Torcivia and City Clerk Melissa Ann Coyne.

**INVOCATION OR MOMENT OF SILENCE:** (0:29) led by Commissioner Sarah Malega.

**PLEDGE OF ALLEGIANCE:** (0:59) led by Vice Mayor Herman Robinson.

**AGENDA - Additions/Deletions/Reordering:** (1:13)

New Business D, Ordinance No. 2021-12, providing authority for the issuance of taxable pension obligation bonds, was deleted from the agenda.

**Action:** Motion made by Vice Mayor Robinson and seconded by Commissioner McVoy to approve the agenda as amended.

**Vote:** Voice vote showed: AYES: Mayor Resch, Vice Mayor Robinson and Commissioners Malega, McVoy and Stokes. NAYS: None.

**PRESENTATIONS:** (2:01) there is no public comment on Presentation items)

A. Proclamation recognizing Lake Worth Beach Tee Shirt Company's 30th Anniversary

**COMMISSION LIAISON REPORTS AND COMMENTS:** (6:30)

**PUBLIC PARTICIPATION OF NON-AGENDAED ITEMS AND CONSENT AGENDA:**

**APPROVAL OF MINUTES:** (14:35)

**Action:** Motion made by Commissioner Malega and seconded by Vice Mayor Robinson to approve the following minutes:

- A. Work Session - August 2, 2021
- B. Regular Meeting - August 3, 2021
- C. Regular Meeting - August 17, 2021

Pg. 2, Regular Meeting, September 21, 2021

D. Work Session - August 19, 2021

E. Special Meeting - August 24, 2021

**Vote:** Voice vote showed: AYES: Mayor Resch, Vice Mayor Robinson and Commissioners Malega, McVoy and Stokes. NAYS: None.

**CONSENT AGENDA:** (14:55) (public comment allowed during Public Participation of Non-Agendaed items)

**Action:** Motion made by Vice Mayor Robinson and seconded by Commissioner Stokes to approve the following minutes:

A. Resolution No. 63-2021 – FY 2022 – 2022 State Aid to Libraries Grant Application

**Vote:** Voice vote showed: AYES: Mayor Resch, Vice Mayor Robinson and Commissioners Malega, McVoy and Stokes. NAYS: None.

**PUBLIC HEARINGS:**

There were no Public Hearings on the agenda.

**UNFINISHED BUSINESS:** (15:14)

A. Resolution No. 64-2021 -- approving the Settlement Agreement with the Federal Emergency Management Administration and its Administrator, in her official capacity (inclusive of attorney's fees and costs)

City Attorney Torcivia did not read the resolution.

RESOLUTION NO. 64-2021 OF THE CITY COMMISSION OF THE CITY OF LAKE WORTH BEACH, FLORIDA, APPROVING A SETTLEMENT AGREEMENT BETWEEN THE CITY OF LAKE WORTH BEACH AND THE FEDERAL EMERGENCY MANAGEMENT ADMINISTRATION AND ITS ADMINISTRATOR ("FEMA"); PROVIDING AN EFFECTIVE DATE

**Action:** Motion made by Commissioner Malega and seconded by Vice Mayor Robinson to approve Resolution No. 64-2021 -- approving the Settlement Agreement with the Federal Emergency Management Administration and its Administrator, in her official capacity (inclusive of attorney's fees and costs).

**Vote:** Voice vote showed: AYES: Mayor Resch, Vice Mayor Robinson and Commissioners Malega, McVoy and Stokes. NAYS: None.

**NEW BUSINESS:** (19:04)

A. Discussion on joining the HB1 lawsuit (19:12)



**Action:** Motion made by Vice Mayor Robinson and seconded by Commissioner McVoy to join in the HB1 lawsuit.

**Vote:** Voice vote showed: AYES: Mayor Resch, Vice Mayor Robinson and Commissioners Malega, McVoy and Stokes. NAYS: None.

B. Work Order No. 6 with Globaltech, Inc. for design-build construction services on South Booster Tank and Pump Station Improvements project (29:00)

**Action:** Motion made by Commissioner McVoy and seconded by Vice Mayor Robinson to approve Work Order No. 6 with Globaltech, Inc. for design-build construction services on South Booster Tank and Pump Station Improvements project.

**Vote:** Voice vote showed: AYES: Mayor Resch, Vice Mayor Robinson and Commissioners Malega, McVoy and Stokes. NAYS: None.

C. Florida Municipal Power Agency Update on City of Lake Worth Beach Improvements (30:48)

D. (deleted) Ordinance No. 2021-12 – First Reading -- providing authority for the issuance of taxable pension obligation bonds

E. Joint Funding of Federal Highway Traffic Study w/ PBC Transportation Planning Agency (1:00:01)

**Action:** Motion made by Commissioner McVoy and seconded by Commissioner Stokes to approve joint funding of the FDOT recommended Federal Highway traffic study with the PBC TPA by allocating \$25,000 from the road improvement fund to proceed with the process.

**Vote:** Voice vote showed: AYES: Mayor Resch, and Commissioners Malega, McVoy and Stokes. NAYS: Vice Mayor Robinson.

**CITY ATTORNEY'S REPORT:**

City Attorney Torcivia did not provide a report.

**CITY MANAGER'S REPORT:** (1:34:24)

Interim City Manager Ruiz provided the following report:

- Announced that the 2<sup>nd</sup> Budget Hearing would be postponed until Monday, September 27, 2021 at 5:01 pm.
- Requested that no further items be added to the October 5, 2021 meeting as there would be many discussion items.
- Discussed various topics for work sessions forthcoming in October and November; commission priorities would be the topic of the October 21 work session.

**UPCOMING MEETINGS AND WORK SESSIONS:**

September 22 - 2nd Budget Hearing (moved to September 27)

September 24 - Special

September 28 - Electric Utility

October 5 - Regular

Draft Agenda - October 5, 2021

**ADJOURNMENT:** (2:04:12)

**Action:** Motion made by Vice Mayor Robinson and seconded by Commissioner Stokes to adjourn the meeting at 8:07 PM.

**Vote:** Voice vote showed: AYES: Mayor Resch, Vice Mayor Robinson and Commissioners Malega, McVoy and Stokes. NAYS: None.

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Betty Resch, Mayor

ATTEST:

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Melissa Ann Coyne, City Clerk

Minutes Approved: October 19, 2021

Item time stamps refer to the recording of the meeting which is available on YouTube.

**MINUTES  
CITY OF LAKE WORTH BEACH  
SPECIAL CITY COMMISSION MEETING  
INTERVIEW OF CITY MANAGER CANDIDATES  
CITY HALL COMMISSION CHAMBER  
FRIDAY, SEPTEMBER 24, 2021 - 1:00 PM**

The meeting was called to order by Mayor Resch on the above date at 1:10 PM in the City Commission Chamber located at City Hall, 7 North Dixie Highway, Lake Worth Beach, Florida.

**ROLL CALL:** (0:00) Present were Mayor Betty Resch; Vice Mayor Robinson and Commissioners Sarah Malega, Christopher McVoy and Kimberly Stokes. Also present were Interim City Manager Juan Ruiz, City Attorney Christy L. Goddeau and City Clerk Melissa Ann Coyne.

**PLEDGE OF ALLEGIANCE:** (1:57) led by Commissioner Christopher McVoy.

**NEW BUSINESS:** (11:35)

A. Interview of the candidates for the City Manager position and selection of the City Manager

**Action:** Motion made by Vice Mayor Robinson and seconded by Commissioner Malega to offer the City Manager position to Carmen Davis.

**Vote:** AYES: Mayor Betty Resch, Vice Mayor Herman Robinson, Commissioners Sarah Malega, Christopher McVoy and Kimberly Stokes. NAYS: None.

**Action:** Consensus was to continue the contract with Mr. Ruiz for a year as Assistant City Manager.

**Action:** Consensus was for Loren Slayton, Human Resources Director, to notify Ms. Davis.

**ADJOURNMENT:** (2:16:34)

**Action:** Motion made by Commissioner Malega and seconded by Vice Mayor Robinson to adjourn the meeting at 3:27 PM.

**Vote:** AYES: Mayor Betty Resch, Vice Mayor Herman Robinson, Commissioners Sarah Malega, Christopher McVoy and Kimberly Stokes. NAYS: None.

ATTEST:

\_\_\_\_\_  
Betty Resch, Mayor

\_\_\_\_\_  
Melissa Ann Coyne, City Clerk

Minutes Approved: October 19, 2021

Item time stamps refer to the recording of the meeting which is available on YouTube.

**MINUTES  
CITY OF LAKE WORTH BEACH  
SPECIAL CITY COMMISSION MEETING - 1ST BUDGET HEARING  
CITY HALL COMMISSION CHAMBER  
MONDAY, SEPTEMBER 27, 2021 - 5:01 PM**

The meeting was called to order by Mayor Resch on the above date at 5:02 PM in the City Commission Chamber located at City Hall, 7 North Dixie Highway, Lake Worth Beach, Florida.

**ROLL CALL:** (0:04) Present were Mayor Betty Resch; Vice Mayor Robinson and Commissioners Sarah Malega, Christopher McVoy and Kimberly Stokes. Also present were Interim City Manager Juan Ruiz, City Attorney Christy L. Goddeau and City Clerk Melissa Ann Coyne.

**PLEDGE OF ALLEGIANCE:** (0:26) led by Commissioner Sarah Malega.

**PUBLIC HEARINGS:** (0:44)

- A. Resolution No. 58-2021 – Second Public Hearing – adopt the Fiscal Year 2021-2022 final Millage Rate (0:47)

City Attorney Goddeau did not read the resolution.

RESOLUTION NO. 58-2021 OF THE CITY OF LAKE WORTH BEACH, FLORIDA, A MUNICIPAL CORPORATION OF THE STATE OF FLORIDA; LEVYING MUNICIPAL TAXES ON ALL TAXABLE PROPERTY WITHIN THE CITY OF LAKE WORTH BEACH, FLORIDA, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2021 AND ENDING SEPTEMBER 30, 2022; REPEALING ALL RESOLUTIONS AND ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF

**Action:** Motion made by Commissioner McVoy and seconded by Vice Mayor Robinson approve Resolution No. 58-2021 which adopts a final millage rate of 5.4945 mils for Fiscal Year 2021-2022.

**Vote:** AYES: Mayor Betty Resch, Vice Mayor Herman Robinson, Commissioners Sarah Malega, Christopher McVoy and Kimberly Stokes. NAYS: None.

- B. Resolution No. 59-2021 - Second Public Hearing - Adopt the Fiscal Year 2021-2022 final Debt Service Rate (3:25)

City Attorney Goddeau did not read the resolution.

RESOLUTION NO. 59-2021 OF THE CITY OF LAKE WORTH BEACH, FLORIDA, A MUNICIPAL CORPORATION OF THE STATE OF FLORIDA; LEVYING MUNICIPAL TAXES ON ALL TAXABLE PROPERTY WITHIN THE CITY OF LAKE WORTH BEACH, FLORIDA, FOR VOTER APPROVED DEBT SERVICE

FUND FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2021 AND ENDING SEPTEMBER 30, 2022; REPEALING ALL RESOLUTIONS AND ORDINANCES IN CONFLICT HERewith; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF

**Action:** Motion made by Vice Mayor Robinson and seconded by Commissioner Malega approve Resolution No. 59-2021 which adopts a final debt service millage rate of 1.1100 mils for Fiscal Year 2021-2022.

**Vote:** AYES: Mayor Betty Resch, Vice Mayor Herman Robinson, Commissioners Sarah Malega, Christopher McVoy and Kimberly Stokes. NAYS: None.

C. Resolution No. 60-2021 - Second Public Hearing - adopt the fiscal year 2021-2022 final City budget (4:40)

City Attorney Goddeau did not read the resolution.

RESOLUTION NO. 60-2021, A GENERAL APPROPRIATION RESOLUTION OF THE CITY OF LAKE WORTH BEACH, A MUNICIPAL CORPORATION OF THE STATE OF FLORIDA, MAKING SEPARATE AND SEVERAL APPROPRIATIONS FOR ITS NECESSARY OPERATING EXPENSES, THE USES AND EXPENSES OF THE VARIOUS FUNDS AND DEPARTMENTS OF THE CITY FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2021 AND ENDING SEPTEMBER 30, 2022; PROVIDING FOR THE EFFECTIVE DATE THEREOF

**Action:** Motion made by Vice Mayor Robinson and seconded by Commissioner Malega approve Resolution 60-2021 adopting the final budget for Fiscal Year 2021-2022.

**Vote:** AYES: Mayor Betty Resch, Vice Mayor Herman Robinson, Commissioners Sarah Malega, Christopher McVoy and Kimberly Stokes. NAYS: None.

**NEW BUSINESS:** (19:37)

A. Resolution No. 66-2021 – Establish the rates, fees and charges for the City Subregional Sewer Utility (19:47)

City Attorney Goddeau did not read the resolution.

RESOLUTION NO. 66-2021 OF THE CITY OF LAKE WORTH BEACH, FLORIDA, PROVIDING FOR RATES, FEES AND CHARGES FOR USE OF THE REGIONAL SEWAGE DISPOSAL SYSTEM OF THE CITY OF LAKE WORTH BEACH; PROVIDING FOR SEVERABILITY; PROVIDING FOR THE REPEAL OF CONFLICTING RESOLUTIONS OR CONFLICTING PARTS OF RESOLUTIONS; AND PROVIDING AN EFFECTIVE DATE

**Action:** Motion made by Commissioner McVoy and seconded by Commissioner Stokes approve Resolution No. 66-2021 – Establish the rates, fees and charges for the City Subregional Sewer Utility.

**Vote:** AYES: Mayor Betty Resch, Vice Mayor Herman Robinson, Commissioners Sarah Malega, Christopher McVoy and Kimberly Stokes. NAYS: None.

B. Resolution No. 67-2021 - Establish the rates, fees and charges for the Local Sewer System (22:06)

City Attorney Goddeau did not read the resolution.

RESOLUTION NO. 67-2021 OF THE CITY OF LAKE WORTH BEACH, FLORIDA, PROVIDING FOR RATES, FEES AND CHARGES FOR USE OF SEWAGE DISPOSAL SYSTEM OF THE CITY OF LAKE WORTH BEACH; PROVIDING FOR SEVERABILITY; PROVIDING FOR THE REPEAL OF CONFLICTING RESOLUTIONS OR PARTS OF RESOLUTIONS; AND PROVIDING AN EFFECTIVE DATE

**Action:** Motion made by Commissioner McVoy and seconded by Commissioner Stokes approve Resolution No. 67-2021 - Establish the rates, fees and charges for the Local Sewer System.

**Vote:** AYES: Mayor Betty Resch, Vice Mayor Herman Robinson, Commissioners Sarah Malega, Christopher McVoy and Kimberly Stokes. NAYS: None.

C. Resolution No. 68-2021 – Establish the rates and charges for the Water System for Fiscal Year 2021-2022 (22:38)

City Attorney Goddeau did not read the resolution.

RESOLUTION NO. 68-2021 OF THE CITY OF LAKE WORTH BEACH, FLORIDA, PROVIDING FOR WATER SYSTEMS RATES AND CHARGES FOR FISCAL YEAR 2021-2022; PROVIDING FOR SEVERABILITY; PROVIDING FOR THE REPEAL OF ALL RESOLUTIONS OR PARTS OF RESOLUTIONS IN CONFLICT HEREWITH; AND PROVIDING AN EFFECTIVE DATE

**Action:** Motion made by Commissioner McVoy and seconded by Commissioner Stokes approve Resolution No. 68-2021 – Establish the rates and charges for the Water System for Fiscal Year 2021-2022.

**Vote:** AYES: Mayor Betty Resch, Vice Mayor Herman Robinson, Commissioners Sarah Malega, Christopher McVoy and Kimberly Stokes. NAYS: None.

D. Resolution No. 69-2021 – establishing the Electric Utility Rates for Fiscal Year 2021-2022 (23:51)

City Attorney Goddeau did not read the resolution.

RESOLUTION NO. 69-2021 OF THE CITY OF LAKE WORTH BEACH, FLORIDA, PROVIDING FOR RATES, FEES AND CHARGES, AND REGULATIONS FOR ALL ELECTRICITY SOLD BY THE CITY OF LAKE WORTH BEACH, FLORIDA FOR USE OF ELECTRIC LIGHT AND POWER SYSTEM; REPEALING ALL

RESOLUTIONS IN CONFLICT HEREWITH; PROVIDING FOR SEVERABILITY;  
PROVIDING AN EFFECTIVE DATE

**Action:** Motion made by Commissioner McVoy and seconded by Commissioner Stokes approve Resolution No. 69-2021 – establishing the Electric Utility Rates for Fiscal Year 2021-2022.

**Vote:** AYES: Mayor Betty Resch, Vice Mayor Herman Robinson, Commissioners Sarah Malega, Christopher McVoy and Kimberly Stokes. NAYS: None.

E. Resolution No. 70-2021 - Fees and charges for City services for Fiscal Year 2021-2022 (25:05)

City Attorney Goddeau did not read the resolution.

RESOLUTION NO. 70-2021 OF THE CITY OF LAKE WORTH BEACH, FLORIDA,  
ESTABLISHING REASONABLE FEES FOR CITY SERVICES AND OTHER  
CHARGES FOR THE 2021-2022 FISCAL YEAR; PROVIDING FOR CONFLICTS  
AND PROVIDING FOR AN EFFECTIVE DATE

**Action:** Motion made by Commissioner Malega and seconded by Commissioner Stokes approve Resolution No. 70-2021 - Fees and charges for City services for Fiscal Year 2021-2022.

**Vote:** AYES: Mayor Betty Resch, Vice Mayor Herman Robinson, Commissioners Sarah Malega, Christopher McVoy and Kimberly Stokes. NAYS: None.

F. Adopt the Fiscal Year 2021-2022 Position Count (34:18)

**Action:** Motion made by Commissioner Stokes and seconded by Commissioner McVoy to adopt the Fiscal Year 2021-2022 Position Count subject to the new City Manager posting and overseeing the filling of the positions. **Motion withdrawn.**

**Action:** Motion made by Commissioner McVoy and seconded by Commissioner Malega to adopt the Fiscal Year 2021-2022 Position Count, funding the two Financial Services positions, the Electric Utility NERC-related positions and the Special Events Assistant; all other positions would be at the new City Manager’s discretion to review and determine whether to go forward with the additional positions.

**Vote:** AYES: Mayor Betty Resch, Vice Mayor Herman Robinson, Commissioners Sarah Malega, Christopher McVoy and Kimberly Stokes. NAYS: None.

G. Ordinance No. 2021- 17 – Emergency Ordinance for Inclusion in County’s Fire/Rescue MSTU (1:23:55)

City Attorney Goddeau read the ordinance by title only.

ORDINANCE NO. 2021-17, AN EMERGENCY ORDINANCE OF THE CITY  
COMMISSION OF THE CITY OF LAKE WORTH BEACH, FLORIDA; PROVIDING  
FOR THE CITY’S CONSENT TO THE INCLUSION OF THE ENTIRE TERRITORY  
WITHIN THE CITY OF LAKE WORTH BEACH MUNICIPAL BOUNDARIES INTO

PALM BEACH COUNTY'S FIRE/RESCUE MUNICIPAL SERVICE TAXING UNIT FOR FIRE-RESCUE, FIRE PROTECTION, ADVANCED LIFE SUPPORT (OR SIMILAR EMERGENCY SERVICES), FIRE CODE ENFORCEMENT AND OTHER NECESSARY AND INCIDENTAL SERVICES; PROVIDING FOR INTENT, PURPOSE AND CONSENT; PROVIDING FOR EFFECTIVENESS AND DURATION OF CONSENT; PROVIDING FOR EFFECTIVENESS OF REPEAL; ACKNOWLEDGING AD VALOREM MILLAGE RATE LIMITATION; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR EFFECTIVE DATE

**Action:** Motion made by Commissioner McVoy and seconded by Commissioner Malega approve Ordinance No. 2021- 17 – Emergency Ordinance for Inclusion in County's Fire/Rescue MSTU.

**Vote:** AYES: Mayor Betty Resch, Vice Mayor Herman Robinson, Commissioners Sarah Malega, Christopher McVoy and Kimberly Stokes. NAYS: None.

**ADJOURNMENT:** (1:27:23)

**Action:** Motion made by Vice Mayor Robinson and seconded by Commissioner Stokes at 6:30 PM.

**Vote:** AYES: Vice Mayor Herman Robinson, Commissioners Sarah Malega, Christopher McVoy and Kimberly Stokes. NAYS: None. ABSENT: Mayor Betty Resch.

\_\_\_\_\_  
Betty Resch, Mayor

ATTEST:

\_\_\_\_\_  
Melissa Ann Coyne, City Clerk

Minutes Approved: October 19, 2021

Item time stamps refer to the recording of the meeting which is available on YouTube.



# EXECUTIVE BRIEF REGULAR MEETING

**AGENDA DATE:** October 19, 2021

**DEPARTMENT:** Leisure Services

**TITLE:**

Resolution No. 72-2021 – requesting funding for a FUSION Mini-Project Grant Application for South End Recreation Programs

**SUMMARY:**

This resolution authorizes the submission of a proposal to the Palm Beach Sheriff's Office requesting \$15,000 in funding assistance under its FUSION Mini Project grant program. These funds will be used to support the City's Recreation Division programs and activities conducted in the City's South End.

**BACKGROUND AND JUSTIFICATION:**

Resolution No. 72-2021 authorizes the submission of an application to the Palm Beach Sheriff's Office (PBSO) for \$15,000 in grant funding under its FUSION Mini-Project grant program. PBSO is making funding from its Bureau of Justice Assistance Grant award 2018-BX-BJ-0004 available to address crime and quality of life determinants in the City of Lake Worth Beach. As part of the overall project plan, these funds have been allocated to support community projects created by members of the FUSION Project-Leadership Council

The City is proposing the utilization of these funds to support the recreation programs to be conducted at Howard park, the Osborne Center and the Norman Wimbley Gymnasium. These programs will include monthly events, programs and activities geared toward strengthening the neighborhood community foundation by facilitating more opportunities to provide inclusive recreation opportunities with the goal of improving the quality of life for residents in the southern end of the City.

The application deadline was September 30, 2021. Due to time constraint presented by the application cycle schedule, staff is requesting City Commission approval for submission after the fact.

**MOTION:**

Move to approve/disapprove Resolution No. 72-2021 to authorize the submission of an application to the Palm Beach Sheriff's Office requesting \$15,000 in funding assistance under the FUSION Mini-Project grant program to support recreation programs to be offered by the City in the southern end of the City.

**ATTACHMENT(S):**

Fiscal Impact Analysis  
Resolution 72-2021



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RESOLUTION NO. 72-2021 OF THE CITY OF LAKE WORTH BEACH, FLORIDA, TO AUTHORIZE THE SUBMISSION OF AN APPLICATION TO THE PALM BEACH SHERIFF’S OFFICE FOR \$15,000 IN FUNDING UNDER THE FUSION MINI-PROJECT GRANT PROGRAM TO SUPPORT RECREATION PROGRAMS IN THE CITY’S SOUTH END; TO PROVIDE AN EFFECTIVE DATE; AND FOR OTHER PURPOSES

WHEREAS, the Palm Beach Sheriff’s Office (‘PBSO”) has been awarded funding under grant award 2018-BX-BJ-0004 by the Bureau of Justice Assistance; and

WHEREAS, the FUSION Project (“Project”) was created from this grant award to provide funding to address crime and quality of life determinants in the City of Lake Worth Beach; and

WHEREAS, as part of the overall Project plan, grant funds have been allocated to support mini-projects created and implemented by members of the FUSION Project-Leadership Council (“Council”) that invest in youth by supporting behavioral health and recreational resources; and

WHEREAS, the City of Lake Worth Beach (“City”) is a member of the Council and is thereby eligible to submit a proposal for funding assistance under the Program; and

WHEREAS, the City intends to submit an applicationl requesting \$15,000 in funding under the Project to implement recreational programs and activities for youth and their families residing in the southern end of the City; and

WHEREAS, this action will serve a valid public purpose.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF LAKE WORTH BEACH, FLORIDA, that:

SECTION 1: The City Commission of the City of Lake Worth Beach, Florida hereby authorizes the submission of an application to the Palm Beach Sheriff’s Office requesting \$15,000 in funding assistance under the FUSION Mini-Project grant program to implement recreational programs and activities for youth and their families residing in neighborhoods in the southern end of the City.

SECTION 2: The City Commission hereby authorizes Juan Ruiz, Interim City Manager, to execute any programmatic documents related to the submission of the application.

45 SECTION 3: Upon execution of the resolution, one copy shall be forwarded to the Leisure  
46 Services Director. The fully executed original shall be maintained by the City Clerk as a  
47 public record of the City.

48  
49 SECTION 4: This resolution shall become effective upon adoption.  
50

51 The passage of this resolution was moved by Commissioner \_\_\_\_\_,  
52 seconded by Commissioner \_\_\_\_\_, and upon being put to a vote, the vote  
53 was as follows:

- 54 Mayor Betty Resch
- 55 Vice Mayor Herman Robinson
- 56 Commissioner Sarah Malega
- 57 Commissioner Christopher McVoy
- 58 Commissioner Kimberly Stokes

59  
60 The Mayor thereupon declared this resolution duly passed and adopted on the  
61 \_\_\_\_\_ day of \_\_\_\_\_, 2021.

62 LAKE WORTH BEACH CITY COMMISSION

63  
64  
65 By: \_\_\_\_\_  
66 Betty Resch, Mayor  
67

68 ATTEST:

69  
70  
71 \_\_\_\_\_  
72 Melissa Ann Coyne, City Clerk

# EXECUTIVE BRIEF REGULAR MEETING

**AGENDA DATE:** October 19, 2021

**DEPARTMENT:** Water Utilities

**TITLE:**

Change Order 02-final to Globaltech, Inc. for the Utility Radio System Phase 1 Project

**SUMMARY:**

Change Order 02-final authorizes a 21-day time extension to Globaltech, Inc. on the Utility Radio System Phase 1 Project.

**BACKGROUND AND JUSTIFICATION:**

The City's Utility Radio System Phase 1 design-build project began in February 2020 with Globaltech, Inc. as the contractor. The project consisted of upgrading the radios at the offsite water booster stations, the Floridan wells and the master pump station, along with conducting a radio survey, obtaining a new FCC radio frequency and programming and SCADA modifications for new equipment. The project has reached final completion however, the contractor and its subcontractors experienced many COVID-19 workforce and material issues, causing delays in scheduling and allocation of crew resources. The City negotiated with the contractor to allow an additional 21 days to obtain project completion.

**MOTION:**

Move to approve/disapprove Change Order 02-final to Globaltech, Inc. for the Utility Radio System Phase 1 project for a 21-day time extension.

**ATTACHMENT(S):**

Fiscal Impact Analysis – N/A  
Change Order 02-final



WATER UTILITIES DEPARTMENT  
301 COLLEGE STREET  
LAKE WORTH BEACH, FL 33460  
**561.586.1710**

## CHANGE ORDER

**Project Number:** WO-04      **Contractor:** Globaltech, Inc.

**Project Name:** Utility Radio System Upgrade Phase 1

**Change Order Number:** 02 - FINAL

**Change Order Effective Date:** \_\_\_\_\_      **Contractor Phone:** 561-997-6433

**Change Order Type:** Time      **Existing Purchase Order Number:** 182115

### Description of Change:

This final change order serves to add 21 days of additional time due to the following:

Globaltech experienced many COVID-19 related workforce and material issues, causing delays in scheduling and allocation of crew resources. Globaltech subcontractors also experienced workforce and material delays due to the coronavirus outbreak. These pandemic related delays, both concurrent and sequential, are responsible for the required 21 work day extension to the project duration.

---

**Price of Original Contract:** \$223,737.85 (authorized by Commission on 01/07/2020 Agenda Item (# Consent-F

**Current Price of Contract (including Change Orders):** \$242,979.13

**Price of Current Change Order:** \$0

**New Contract Price:** \$242,979.13

**Basis of Price Change:**     Unit Price       Time & Material       Lump Sum

**Contract Time Change**

No Change       Extended       Decreased      by 21 work days

The CONTRACTOR and the OWNER agree that this CHANGE ORDER represents the complete agreement of the parties with respect to these matters as of the date of this CHANGE ORDER. By approving this Change Order, the CONTRACTOR releases any and all claims that it may have against the OWNER under the subject contract, including, but not limited to claims for equitable adjustments, which occurred or accrued prior to the effective date of this CHANGE ORDER.

This Change Order may be executed in counterparts and is not effective until approved by either the City Manager or City Commission (as designated on the last page of this Change Order).

Reviewed and accepted by: Globaltech, Inc.  
**(Contractor Name)**

	<u>CEO/President</u>	<u>08/18/2021</u>
Contractor Representative (Signature)	Title	Date

---

Approved by: \_\_\_\_\_  
(Department Director) (Date)

IN WITNESS WHEREOF, the OWNER/CITY has approved this Change Order No. 02-FINAL to the Utility Radio System Upgrade Phase 1 Project on \_\_\_\_\_, 2021.

**CITY OF LAKE WORTH BEACH, FLORIDA**

ATTEST:

By: \_\_\_\_\_  
Melissa Coyne, City Clerk

By: \_\_\_\_\_  
Betty Resch, Mayor

APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY:

APPROVED FOR FINANCIAL  
SUFFICIENCY

By: \_\_\_\_\_  
Glen J. Torcivia, City Attorney

By: \_\_\_\_\_  
Bruce T. Miller, Financial Services Director



**CITY OF LAKE WORTH BEACH  
LAKE WORTH BEACH, FLORIDA**

**PROCLAMATION**

- WHEREAS,** Breast cancer touches the lives of Americans from every background and in every community across our Nation; and
- WHEREAS,** Although we have made great strides in combating this devastating illness, approximately 282,000 women will be diagnosed with breast cancer this year, with over 43,000 expected to lose their lives to the disease; and
- WHEREAS,** During National Breast Cancer Awareness Month, we honor those we have lost, lend our strength to those who carry on the fight, and pledge to educate ourselves and our loved ones about this tragic disease; and
- WHEREAS,** Though the exact causes of breast cancer are unknown, understanding its risk factors is essential to prevention; and
- WHEREAS,** Older women and those who have a personal or family history of breast cancer are among those at greater risk of developing the illness; and
- WHEREAS,** Early detection is also key in the fight against breast cancer and getting recommended screening mammograms can help to detect breast cancer early.

**NOW, THEREFORE,** I, Betty Resch, Mayor of the City of Lake Worth Beach, Florida, by virtue of the authority vested in me, do hereby proclaim:

**OCTOBER 2021**

**as**

**NATIONAL BREAST CANCER AWARENESS MONTH**

and encourage the citizens of Lake Worth Beach to join in activities that will increase awareness of what Americans can do to prevent breast cancer.

**IN WITNESS WHEREOF,** I have hereunto set my hand and caused the Seal of the City of Lake Worth Beach, Florida, to be affixed this 19<sup>th</sup> day of October, 2021.

---

Betty Resch, Mayor

ATTEST:

---

Melissa Ann Coyne, City Clerk

**CITY OF LAKE WORTH BEACH  
LAKE WORTH BEACH, FLORIDA**

**PROCLAMATION**

- WHEREAS, Domestic Violence Awareness Month has been recognized in our nation since 1987 and in the City of Lake Worth Beach since 2009, and established in memory of triple homicide victims Yamika Murphy, Debbie Sears Johnson and Ronald Anthony Wright; and
- WHEREAS, The National Council Against Domestic Violence reports that domestic violence is one of the most chronically under-reported crimes; and
- WHEREAS, More than one out of three women and more than one out of four men in the United States have experienced rape, physical violence, and/or stalking by an intimate partner in their lifetime (National Intimate Partner and Sexual Violence Survey); and
- WHEREAS, The City of Lake Worth Beach passed a Zero Tolerance Domestic Violence resolution in 2011 following the murder of Martha Aguilar and works with the Palm Beach County Sheriff's Office and other agencies to provide awareness and prevention throughout our schools and community to eliminate intimate partner violence; and
- WHEREAS, In the month of October 2021, during the Domestic Violence Awareness Month, we honor victims, celebrate survivors and rededicate ourselves to breaking the cycle of violence.

**NOW, THEREFORE, I, BETTY RESCH**, Mayor of the City of Lake Worth Beach, Florida, by virtue of the authority vested in me, do hereby proclaim:

**OCTOBER 2021**

as

**DOMESTIC VIOLENCE AWARENESS MONTH**

**IN WITNESS WHEREOF**, I have hereunto set my hand and caused the Seal of the City of Lake Worth Beach, Florida, to be affixed this 21<sup>th</sup> day of October, 2021.

\_\_\_\_\_  
Betty Resch, Mayor

ATTEST:

\_\_\_\_\_  
Melissa Ann Coyne, City Clerk

# EXECUTIVE BRIEF REGULAR MEETING

**AGENDA DATE:** October 19, 2021

**DEPARTMENT:** Risk/City Attorney

**TITLE:**

Settlement with Kathleen Clack for \$45,000 (inclusive of attorney's fees and costs)

**SUMMARY:**

This is a request to settle a personal injury claim filed by Kathleen Clack for injuries she sustained on March 11, 2019 at the City's Municipal Beach Complex. If approved, Ms. Clack will execute a general release in favor of the City.

**BACKGROUND AND JUSTIFICATION:**

On March 11, 2019, Kathleen Clack visited the City's Municipal Beach Complex and allegedly tripped on an uneven section of the walkway and ruptured a tendon in her left shoulder rotator cuff. Ms. Clack reported the trip to the City's ocean rescue team, who prepared a report indicating Ms. Clack suffered a left shoulder injury. In August of 2019, Ms. Clack had surgery to repair her left should rotator cuff. The cost of Ms. Clack's past and future medical expenses related to the injury have been estimated at \$181,450.

The City utilized outside counsel to initiate a pre-litigation resolution of Ms. Clack's claim. Based upon outside counsel's review of the documentation provided by Ms. Clack's attorney and review and discussion with the City's resolution manager from Gallagher Bassett and the City Attorney, the parties tentatively agreed to a pre-litigation settlement of \$45,000 (inclusive of attorney's fees and costs) in exchange for a general release from Ms. Clack.

**MOTION:**

Move to approve/disapprove settlement with Ms. Clack for \$45,000 (inclusive of attorney's fees and costs)

**ATTACHMENT(S):**

Fiscal Impact Analysis



# EXECUTIVE BRIEF REGULAR MEETING

**AGENDA DATE:** October 19, 2021

**DEPARTMENT:** Community Sustainability

**TITLE:**

Ordinance No. 2021-13 and Ordinance No. 2021-14 – First Reading – amending the Future Land Use Map (FLUM) amendment (Ordinance 2021-13) and the Zoning Map (Ordinance 2021-14) on behalf of the PBC School District as follows: (1) a FLUM amendment from the Single Family Residential (SFR) FLU to the Public (P) FLU; and (2) a rezoning from the Single-Family Residential (SF-R) zoning district to the Public (P) zoning district on properties located at 1509 Barton Road, 1511 Barton Road, 1515 Barton Road, and 1421 Barton Road

**SUMMARY:**

The proposed City-initiated FLUM amendment would amend the FLU designation for approximately 3.71 acres (4 subject properties) from the Single Family Residential (SFR) FLU to the Public (P) FLU. The proposed concurrent rezoning request would amend the zoning district on the subject properties from the Single-Family Residential (SF-R) district to the Public (P) district. The proposed map amendments would recognize the existing educational uses and to provide for greater flexibility with regards to future educational use of the site.

The proposed FLUM amendment is eligible for processing as a small-scale future land use map amendment per F.S. 163.3187. If adopted, the proposed amendment would be transmitted to the Florida Department of Economic Opportunity (DEO) upon adoption and become effective 31 days after adoption if not challenged within 30 days.

**BACKGROUND AND JUSTIFICATION:**

The proposed FLUM and Zoning Map amendments are for property owned by the School District of Palm Beach County that were previously used as an alternative school from 2006 until 2020 called the South Intensive Transition School. The site is proposed to be used as the headquarters for the Education Foundation as well as provide a training facility and a Red Apple supply site that furnishes teachers with needed educational materials. Uses at the site would include educational training, office, and the storage of educational materials.

The staff report was prepared in accordance with the requirements of Chapter 163 of the Florida Statutes, and provides the required, relevant and appropriate data based the City's community goals and vision and consistency with level of service requirements. The amendment is supported by and is consistent with the City's Comprehensive Plan, the Land Development Regulations, and Strategic Plan as described in the data and analysis contained in the attached advisory board staff report.

The Planning & Zoning Board (PZB) unanimously voted to recommend approval of the proposed future land use map amendment to the City Commission at their September 1, 2021 meeting.

**MOTION:**

Move to approve/disapprove Ordinance 2021-13 and Ordinance 2021-14 on first reading and schedule the ordinances for second reading and public hearing on November 2, 2021.

**ATTACHMENT(S):**

Ordinance 2021-13

Ordinance 2021-14

Combined PZB Staff Report FLU & Rezoning

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**ORDINANCE NO. 2021-13 OF THE CITY OF LAKE WORTH BEACH, FLORIDA, AMENDING THE CITY’S COMPREHENSIVE PLAN FUTURE LAND USE MAP THROUGH A SMALL SCALE MAP AMENDMENT FROM THE FUTURE LAND USE (FLU) DESIGNATION OF SINGLE FAMILY RESIDENTIAL (SFR) TO THE PUBLIC (P) FLU DESIGNATION ON PROPERTIES GENERALLY LOCATED AT THE NORTHWEST CORNER OF BARTON ROAD AND 16<sup>TH</sup> AVE SOUTH AT 1509 BARTON ROAD, 1511 BARTON ROAD, 1515 BARTON ROAD, AND 1421 BARTON ROAD AND MORE FULLY DESCRIBED IN EXHIBIT A; PROVIDING THAT CONFLICTING ORDINANCES ARE REPEALED; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the Florida Local Government Comprehensive Planning and Land Development Regulation Act, section 163.3220, *et seq.*, Florida Statutes, requires each municipality to adopt a comprehensive plan, including a future land use map and authorizes amendments to an adopted comprehensive plan; and

WHEREAS, this is a City-initiated request for the four (4) properties on behalf of the Palm Beach County School District described in Exhibit A (the “Property”) attached hereto and incorporated herein, for a small-scale map amendment to change the future land use designation of the property; and

WHEREAS, City staff has prepared and reviewed an amendment to the Future Land Use Map of the City’s Comprehensive Plan to change the land use designations of the property described below from a City of Lake Worth Beach future land use designation of Single Family Residential (SFR) to a City future land use designation of Public (P); and

WHEREAS, on September 1, 2021, the City Planning and Zoning Board, sitting as the duly constituted Local Planning Agency for the City, recommended approval of the Future Land Use Map Amendment to the Comprehensive Plan of the City; and

WHEREAS, the amendment qualifies and meets the criteria to be reviewed and approved as a small scale map amendment in accordance with section 163.3187, Florida Statutes; and

WHEREAS, the City Commission acknowledges that this Future Land Use Map Amendment is subject to the provisions of Section 163.3187, and 163.3189, Florida Statutes, and that the City shall maintain compliance with all provisions thereof; and

WHEREAS, the City has received public input and participation through hearings before the Local Planning Agency and the City Commission in accordance with Section 163.3181, Florida Statutes; and

48 WHEREAS, the City Commission has determined that the adoption of this  
49 Ordinance is in the best interest of the citizens and residents of the City of Lake Worth  
50 Beach.

51  
52 NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE  
53 CITY OF LAKE WORTH BEACH, FLORIDA, that:

54  
55 Section 1. The foregoing recitals are hereby affirmed and ratified.

56  
57 Section 2. The property of land more particularly described in **Exhibit A** is hereby  
58 designated Public (P) on the City's Future Land Use Map in **Exhibit B**.

59  
60 Section 3. All ordinances or parts of ordinances in conflict herewith are hereby  
61 repealed.

62  
63 Section 4. If any provision of this ordinance, or the application thereof to any person or  
64 circumstance is held invalid, the invalidity shall not affect other provisions or  
65 applications of the ordinance which can be given effect without the invalid provision or  
66 application, and to this end the provisions of this ordinance are declared severable,

67  
68 Section 5. The effective date of this small scale map amendment shall be thirty-one  
69 (31) days after the Department of Economic Opportunity notifies the City that the plan  
70 amendment package is complete. If timely challenged, this amendment does not  
71 become effective until the Department of Economic Opportunity or the Administration  
72 Commission enters a final order determining the adopted amendment to be in  
73 compliance..

74  
75 The passage of this ordinance on first reading was moved by  
76 \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, and upon being put  
77 to a vote, the vote was as follows:

- 78  
79 Mayor Betty Resch  
80 Vice Mayor Herman Robinson  
81 Commissioner Sarah Malega  
82 Commissioner Christopher McVoy  
83 Commissioner Kimberly Stokes

84  
85 The Mayor thereupon declared this ordinance duly passed on first reading on the  
86 \_\_\_\_ of October 5, 2021.

87  
88 The passage of this ordinance on second reading was moved by Commissioner  
89 \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, as amended and upon being  
90 put to a vote, the vote was as follows:

91



92 Mayor Betty Resch  
93 Vice Mayor Herman Robinson  
94 Commissioner Sarah Malega  
95 Commissioner Christopher McVoy  
96 Commissioner Kimberly Stokes

97

98 The Mayor thereupon declared this ordinance duly passed on the \_\_\_ day of  
99 \_\_\_\_\_, 2021.

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101

LAKE WORTH BEACH CITY COMMISSION

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103

104

By: \_\_\_\_\_

105

Betty Resch, Mayor

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ATTEST:

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\_\_\_\_\_  
Melissa Ann Coyne, City Clerk

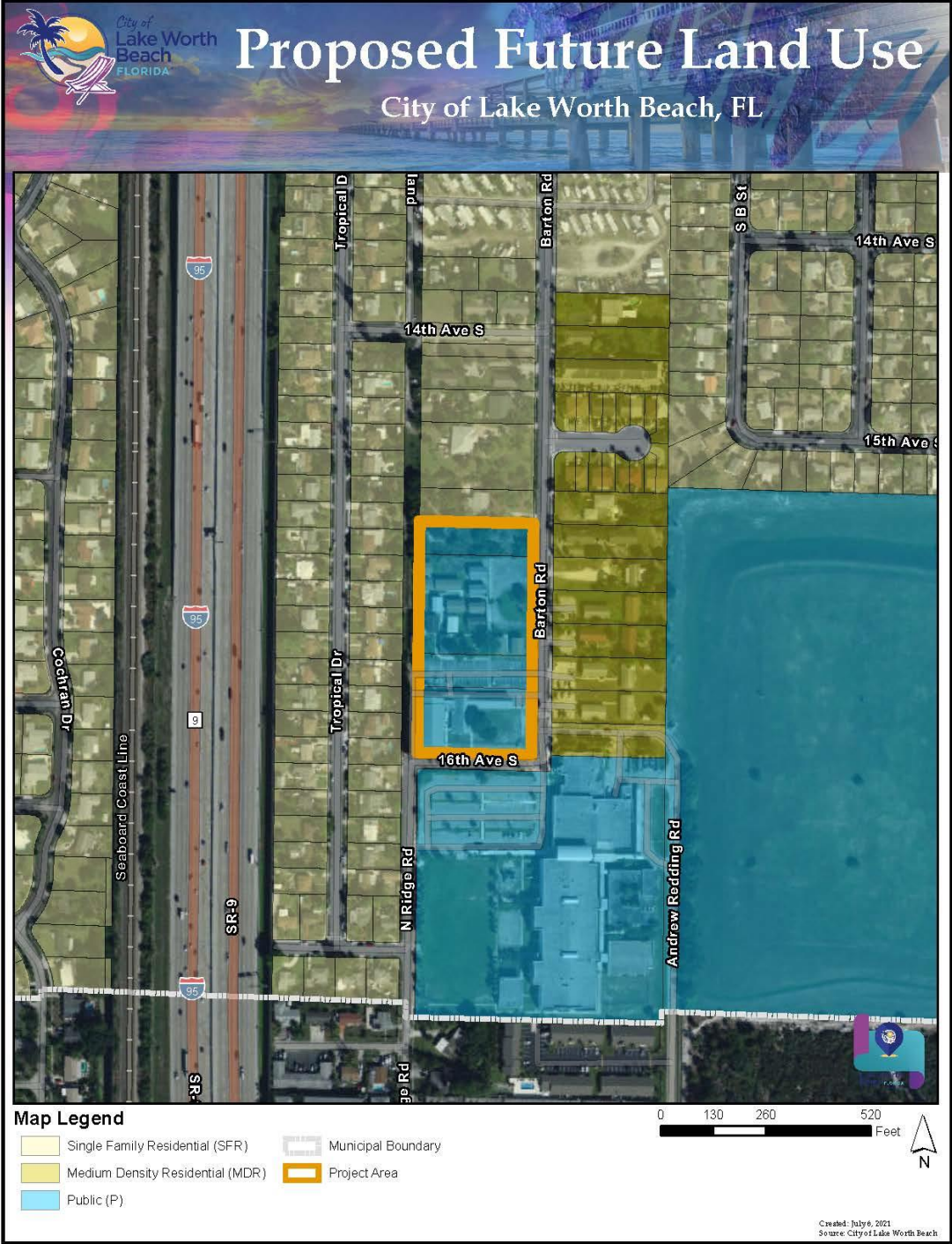
**Exhibit A**  
**Property Location**

The subject four (4) parcels are generally located at the northwest corner of Barton Road and 16<sup>th</sup> Avenue South (1509 Barton Road, 1511 Barton Road, 1515 Barton Road, AND 1421 Barton Road) as depicted in the map below and include the following property control numbers: 38-43-44-33-13-010-0020, 38-43-44-33-13-010-0030, 38-43-44-33-13-011-0020, and 38-43-44-33-13-011-0040



**Exhibit B**

**Future Land Use Map (FLUM) Amendment**  
**From: Single Family Residential (SFR)**  
**To: Public (P) Future Land Use Designation**



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**ORDINANCE NO. 2021-14 OF THE CITY OF LAKE WORTH BEACH, FLORIDA, AMENDING THE CITY’S OFFICIAL ZONING MAP FROM THE ZONING DISTRICT OF SINGLE FAMILY – RESIDENTIAL (SF-R) TO PUBLIC (P) ON PROPERTIES GENERALLY LOCATED AT THE NORTHWEST CORNER OF BARTON ROAD AND 16TH AVE SOUTH AT 1509 BARTON ROAD, 1511 BARTON ROAD, 1515 BARTON ROAD, AND 1421 BARTON ROAD, AND AS MORE PARTICULARLY DESCRIBED IN EXHIBIT A; AND PROVIDED FOR SEVERABILITY, CONFLICTS AND AN EFFECTIVE DATE**

WHEREAS, the City Commission of the City of Lake Worth Beach, Florida, pursuant to the authority granted in Chapters 163 and 166, Florida Statutes, and the Land Development Regulations, as adopted by the City of Lake Worth Beach, is authorized and empowered to consider amending the City’s Official Zoning Map; and

WHEREAS, this is a City-initiated request for a zoning map amendment to change the zoning district of the properties as more particularly described in Exhibit A attached hereto and incorporated herein by reference (the “Property”); and

WHEREAS, City staff has prepared and reviewed an amendment to the City’s Official Zoning Map to change the zoning district of the properties described below from Single Family – Residential (SF-R) to Public (P), pursuant to the City of Lake Worth Beach Land Development Regulations and Comprehensive Plan; and

WHEREAS, on September 1, 2020, the City Planning and Zoning Board, sitting as the duly constituted Local Planning Agency for the City, considered a concurrent future land use map (FLUM) amendment to the P future land use;

WHEREAS, on September 1, 2020, the City Planning and Zoning Board, sitting as the duly constituted Local Planning Agency for the City, recommended approval of the subject zoning map amendment to the City’s Official Zoning Map; and

WHEREAS, the City has received public input and participation through hearings before the Local Planning Agency and the City Commission in accordance with Section 163.3181, Florida Statutes; and

WHEREAS, the City Commission has considered all of the testimony and evidence and has determined that rezoning meets the rezoning review criteria of the Land Development Regulations, Section 23.2-36 and is consistent with the City’s Comprehensive Plan and Strategic Plan.

WHEREAS, the City Commission has considered all of the testimony and evidence and has determined that the adoption of this ordinance is in the best interest of the citizens and residents of the City of Lake Worth Beach.

48 NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY  
49 OF LAKE WORTH BEACH, FLORIDA, that:

50  
51 Section 1. The foregoing recitals are hereby affirmed and ratified.

52  
53 Section 2. The parcel of land more particularly described in **Exhibit A** is hereby  
54 designated Public (P) on the City's Official Zoning Map.

55  
56 Section 3. The City's zoning maps shall be updated to reflect the changes to the  
57 property described in **Exhibit B**.

58  
59 Section 4. Repeal of Laws in Conflict. All ordinances or parts of ordinances in conflict  
60 herewith are hereby repealed to the extent of such conflict.

61  
62 Section 5. Severability. If any provision of this ordinance or the application thereof is  
63 held invalid by a court of competent jurisdiction, the invalidity shall not affect other  
64 provisions of the ordinance which can be given effect without the invalid provision or  
65 application, and to this end the provisions of this ordinance are declared severable.

66  
67 Section 6. Effective Date. This ordinance shall become effective upon the same day  
68 as the concurrent Future Land Use Map amendment (Ordinance 2021-13). Per Florida  
69 Statute 163.3187. The Future Land Use Map amendment (Ordinance 2021-13) shall be  
70 effective 31 days after adoption provided there is no challenge.

71  
72 The passage of this ordinance on first reading was moved by \_\_\_\_\_,  
73 seconded by \_\_\_\_\_ and upon being put to a vote, the vote was as follows:

74  
75 Mayor Betty Resch  
76 Vice Mayor Herman Robinson  
77 Commissioner Sarah Malega  
78 Commissioner Christopher McVoy  
79 Commissioner Kimberly Stokes

80  
81 The Mayor thereupon declared this ordinance duly passed on first reading on the  
82 \_\_\_\_ day of October, 2021.

83  
84 The passage of this ordinance on second reading was moved by  
85 \_\_\_\_\_, seconded by \_\_\_\_\_, and upon being put to a vote,  
86 the vote was as follows:

87  
88 Mayor Betty Resch  
89 Vice Mayor Herman Robinson  
90 Commissioner Sarah Malega  
91 Commissioner Christopher McVoy  
92 Commissioner Kimberly Stokes

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95           The Mayor thereupon declared this ordinance duly passed on the \_\_\_\_\_ day  
96 of \_\_\_\_\_, 2021.

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LAKE WORTH BEACH CITY COMMISSION

By: \_\_\_\_\_  
Betty Resch, Mayor

ATTEST:

\_\_\_\_\_  
Melissa Ann Coyne, City Clerk

109

## Exhibit A

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### Property Location

111 Property Location: The subject four (4) parcels are generally located at the northwest  
112 corner of Barton Road and 16<sup>th</sup> Avenue South as depicted in the map below and include  
113 the following property control numbers: 38-43-44-33-13-010-0020, 38-43-44-33-13-010-  
114 0030, 38-43-44-33-13-011-0020, and 38-43-44-33-13-011-0040.



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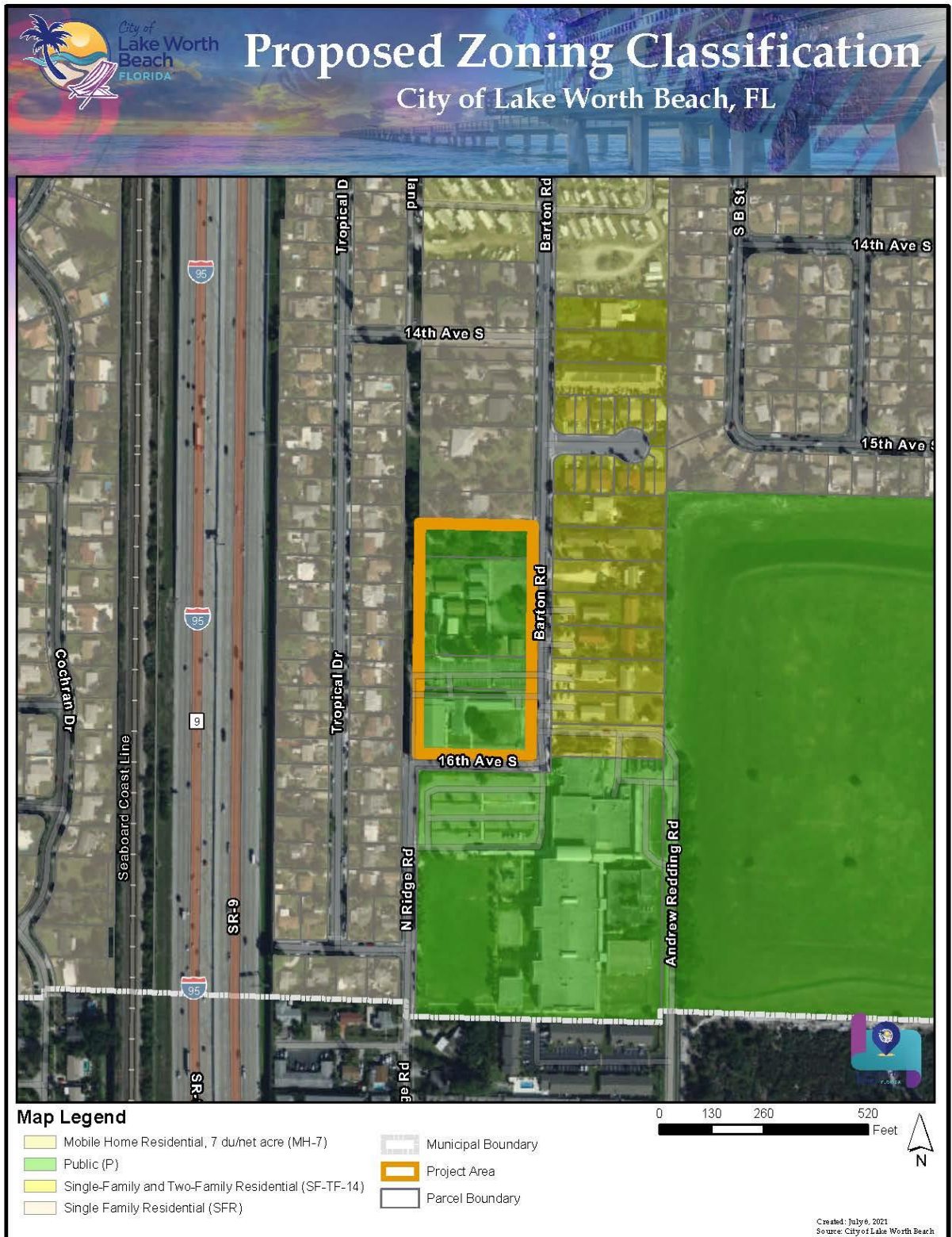
### Exhibit B

117

### Amended Zoning District

118

### Single Family Residential (SF-R) to Public (P) Zoning District





## PLANNING AND ZONING BOARD REPORT

**PZB/HRPB 21-00300001 & 21-01300001**: City-initiated small-scale Future Land Use Map (FLUM) amendment and Zoning Map amendment (rezoning) on behalf of the PBC School District requesting:

- a FLUM amendment from the Single Family Residential (SFR) FLU to the Public (P) FLU, and
- a rezoning from the Single-Family Residential (SF-R) zoning district to the Public (P) zoning district on properties located at 1509 Barton Road, 1511 Barton Road, 1515 Barton Road, and 1421 Barton Road.

**Transmittal Date:** August 25, 2021

**Meeting Date:** September 1, 2021

**Property Owner:** School Board of Palm Beach County

**Address:** 1421 Barton Road, 1515 Barton Road, 1511 Barton Road, & 1509 Barton Road

**PCN:** 38-43-44-33-13-010-0020, 38-43-44-33-13-010-0030, 38-43-44-33-13-011-0020, and 38-43-44-33-13-011-0040

**Size:** 3.71 acres

**General Location** Northwest corner of Barton Road and 16th Ave South (aka Barton Rd), west of Tropical Drive, south of 14th Ave South, north of Barton Elementary School

**Existing Land Use:** Public School and Educational Uses

**Current Future Land Use Designation:** Single Family Residential (SFR)

**Proposed Future Land Use Designation:** Public (P)

**Current Zoning District:** Single Family Residential (SF-R)

**Proposed Concurrent Zoning District:** Public (P)



**RECOMMENDATION**

The data and analysis in support of the proposed FLUM amendment was prepared in accordance with F.S. 163.3177. The proposed FLUM amendment is consistent with the purpose, intent, and requirements of the Comprehensive Plan, including the level of service requirements and the Strategic Plan. Therefore, staff recommends that the Planning and Zoning Board recommend to the City Commission to adopt the proposed small scale FLUM amendment (**PZB/HRPB 21-00300001**).

The proposed rezoning is consistent with the Comprehensive Plan, Strategic Plan, and the guidelines and standards found in the City of Lake Worth Beach Land Development Regulations (LDRs). Therefore, staff recommends that the Planning and Zoning Board recommend to the City Commission to approve the proposed rezoning request (**PZB/HRPB 21-01300001**).

**PROJECT DESCRIPTION**

The proposed City-initiated FLUM amendment would amend the FLU designation for approximately 3.71 acres (4 subject properties) from the Single Family Residential (SFR) FLU to the Public (P) FLU. The proposed concurrent rezoning request would amend the zoning district on the subject properties from the Single-Family Residential (SF-R) district to the Public (P) district. The proposed map amendments would recognize the existing educational uses and to provide for greater flexibility with regards to future educational use of the site. Furthermore, the amendments are supported by and are consistent with the Comprehensive Plan and City Strategic Plan as described in the respective Comprehensive Plan and Strategic Plan Analysis sections of this report for each request.

The data and analysis section of this staff report for the FLUM amendment was prepared in accordance with the requirements of F.S. 163.3177 and provides relevant and appropriate data based the City’s community goals and vision and consistency with level of service requirements. The proposed FLUM amendment is eligible for processing as a small-scale future land use map amendment per F.S.163.3187. If adopted, the proposed amendment would be sent to the Florida Department of Economic Opportunity (DEO) upon adoption and become effective 31 days after adoption if not challenged within the 30 days.

The data and analysis section of this staff report for the concurrent Zoning Map amendment analyzes the proposed request for consistency with the City’s Comprehensive Plan, Strategic Plan, and LDR Section 23.2-36(4): Review Criteria for the Rezoning of Land.

**COMMUNITY OUTREACH**

Staff has not received letters of support or opposition for this application.

**BACKGROUND**

The proposed FLUM and Zoning Map amendments include four (4) parcels owned by the School District of Palm Beach County that were used as a school, and are proposed to be used for educational training, office and storage of educational materials. Three of the subject parcels were acquired by the School District of Palm Beach County in 1996, with the northernmost parcel (38-43-44-33-13-010-0020) purchased in 2005. Most of the site was used for the South Intensive Transition School from 2006 until 2020. The alternative school served students in grades 6 through 12 with focused educational programs to help foster academic success. The school has since moved to a new location in Boynton Beach.

The subject properties will be utilized as the headquarters for the Education Foundation as well as provide a training facility and a Red Apple supply site that furnishes teachers with needed educational materials. The following describes the Foundation in more detail and is from the Education Foundation website:

"Established in 1984 by Palm Beach County business leaders, the Education Foundation serves as the philanthropic support organization for K-12 public education and partners closely with the School District of Palm Beach County and the greater business and charitable community to fund programs that close achievement gaps in learning and that create positive, measurable change for students. This is accomplished by using the funding to provide innovative classroom grants as well as providing quality professional development to foster excellence in teaching.

Through a unique matching grant program, the Education Foundation works with corporate and private investors to fund innovative projects and curriculum that improve literacy and grade-level performance, increase graduation rates, support STEM and career academies and target support to low-performing students and schools.

Children succeed in school when they have all the tools, resources and support they need in order to achieve. That is why the Red Apple Supplies (RAS) program was created as a free school supply store that serves the highest-needs Title I Schools throughout Palm Beach County. RAS is the signature program of the Education Foundation. Since opening the doors to RAS only 3 years ago (in 2016), over \$1 million in free school supplies have been provided to teachers and students throughout Palm Beach County."

**FUTURE LAND USE MAP (FLUM) AMENDMENT ANALYSIS**

The proposed Public (P) FLU for the subject properties is compatible with the residential and Public FLU designations of surrounding properties. The following outlines the FLU designations for the adjacent areas:

- Future Land Use Map amendment for approximately 3.71 acres (4 properties) from Single Family Residential (SFR) to Public (P)

Subject Property FLU	Adjacent Direction	Adjacent Future Land Use	Existing Use
Single Family Residential	North	Single Family Residential	Single Family
Single Family Residential	South	Public	Barton Elementary School
Single Family Residential	East	Medium Residential	Multifamily
Single Family Residential	West	Single Family Residential	Single Family

The Public FLU designation allows for areas specifically used for public schools and, in conjunction with the implementing Public zoning district, provides for various related office and institutional uses. The amendment provides the site to be used as headquarters for the Education Foundation as well as provide training facilities and a Red Apple supply site that furnishes teachers with needed educational materials. Use of this site as described will help the City of Lake Worth Beach

achieve educational and employment goals enumerated in its Strategic Plan and is consistent with the Comprehensive Plan.

### Consistency with the Comprehensive Plan

The proposed FLUM amendments are consistent and in support of the following associated Objectives and Policies of the City of Lake Worth Beach's Comprehensive Plan. The underlined text emphasizes key concepts, strategies and objectives within these objectives and policies that are furthered by the subject amendments.

## 1. FUTURE LAND USE ELEMENT

**Objective 1.2.2:** The City shall facilitate a compact, sustainable urban development pattern that provides opportunities to more efficiently use and develop infrastructure, land and other resources and services, and to reduce dependence on the automobile. This can be accomplished by concentrating more intensive growth within the City's mixed use, high density residential and transit oriented development (TOD) areas.

**Policy 1.1.2.13: Locational Criteria for the Public and Public Recreation and Open Designations**

The Public and Public Recreation and Open Space land use designations are mapped on sites where such uses already exist. The mapping of these uses on these sites indicates that no alternative use of these sites should be established without a properly considered and enacted Future Land Use Map amendment. Public school sites have been delineated in areas proximate to residential land. Lands contiguous to school sites which are owned by the School Board, and proposed for school expansion are intended to be included in this category. The City retains the right to impose reasonable site planning standards when existing schools are proposed for expansion or new school sites are developed. Schools are allowed in all zoning districts except Industrial.

**Objective 1.3.4: To coordinate future land uses with availability of facilities and services.**

## 2. EDUCATION ELEMENT

**Goal 10.1: Advocate for the educational needs of the citizens of Lake Worth by fostering and further developing relationships between the City, Non-Profit partners, Colleges and Universities, Government Entities and the School District of Palm Beach County (the District).**

**OBJECTIVE 10.1.4: The City shall work to promote an approach to education that is coordinated with ancillary facilities such as: parks, libraries, recreational facilities, and Non-profit agencies.**

**Policy 10.1.4.2:** The City shall encourage the location and development of facilities such as university campuses, testing centers, private educational facilities, satellite educational programs, magnet facilities, teaching universities, and technical centers that will enhance the educational opportunities in Lake Worth for children and adults alike. These public and private facilities shall be located in areas that meet the location criteria and site development conditions adopted in the Land Development Regulations.

### 3. HOUSING AND NEIGHBORHOODS ELEMENT

Policy 3.3.1.7: Strengthen the positive attributes and distinctive character of each neighborhood to help sustain Lake Worth as a healthy, vital City.

- Strengthen the sense of place in each neighborhood with adequate and well-designed, public facilities such as libraries, schools, recreation centers, fire stations and streetscapes.
- Continue to support public art and historic preservation as a focus for neighborhood identity and pride.
- Recognize that every neighborhood has assets that identify that neighborhood and contribute to the well-being of the people who live there. Understand what those are and look for opportunities to enhance them and leverage them for neighborhood improvement. Assets include trees, large yards, schools, people and independent businesses.
- The physical layout of a neighborhood should encourage walking, bicycling and transit use, be safe, family friendly, usable by people of all ages, encourage interaction between people and be a sense of pride.
- Recognize that there are different development patterns. They have been defined generally as: urban, traditional, suburban, contemporary and rural. Each has sustainability standards that must be used.
- Accommodate the City's existing and future housing needs through maintenance of existing residential neighborhoods and the creation of new residential neighborhoods.
- Relate new buildings to the context of the neighborhood and community.
- Where a fine-grained development pattern exists, build within the existing street, block, and lot configuration of the neighborhood.

### 4. ECONOMIC DEVELOPMENT ELEMENT

Policy 11.1.7.1: The City shall encourage education and training institutions to provide education and research programs that meet the needs of targeted cluster industries, and encourage supplemental education to support existing businesses and programs to stimulate new business development.

#### Consistency with the Strategic Plan

The proposed amendments further the City's Strategic Plan that is committed to building a vibrant and diverse economy, planning thoughtfully for the future, and support the Strategic Pillars of Positioning Lake Worth Beach to be a competitive viable location of choice, Strengthening Lake Worth Beach as a "Community of Neighborhoods", and Navigating towards a sustainable community.

Specifically, the proposed amendments are consistent with the following Strategic Plan Pillars:

**Pillar I: Positioning Lake Worth Beach to be a competitive viable location of choice**

- A: Ensure effective economic development incentives and zones
- E: Provide superior public amenities and services to retain existing and entice new residents and businesses

**Pillar II: Strengthening Lake Worth Beach as a ‘Community of Neighborhoods’**

- F: Collaborate with schools to foster rich, diverse and culturally enriching educational opportunities for all.

**Pillar IV: Navigating Towards a Sustainable Community**

- D: Influence the supply and expansion of jobs.
- E: Ensure facility placement, construction and development that anticipates and embraces the future.

Level of Service Analysis

Pursuant to Chapter 163 of the Florida Statutes, any FLU amendment must be evaluated to determine if the proposed future land use will have a significant impact on the long range level of service (LOS) for public facilities (i.e. drainage, potable water, wastewater, solid waste, parks, schools, and traffic) that service the property and the surrounding area. The LOS for public facilities is analyzed based on the maximum development potential for the existing and proposed FLU, and whether or not each public facility has capacity to accommodate any additional demands.

According to the City’s Comprehensive Plan, the maximum development potential change is for the existing Single Family Residential FLU at 7 du/acre to the proposed Public FLU at 0 du/acre resulting in a decrease of 7 du/acre. Public FLU generates less service demands than Single Family Residential FLU. Analysis of the decreased density (7 du/acre to 0 du/acre= 0 du/acre) on the long range Level of Service (LOS) impacts concluded community facilities and services are available in the area to sustain the future demands and long range LOS can be met with current and planned system capacities. The decrease from 7 du/acre to 0 du/ac results in a decrease of facilities and services needed (at an average household size of 2.53 people per household per Comprehensive Plan Future Land Use Data and Analysis). Public FLU generates less service demands than Single Family Residential FLU. The following table provides a LOS summary.

**FLUM AMENDMENT LOS SUMMARY TABLE**

Type of Facility:	Existing FLU Designations: (at 7 du/acre for Single Family Residential)	Proposed FLU Designations: (at 0 du/acre for Public)
<b>Drainage</b>	3-year, 1-hour storm duration, as recorded in the FDOT Drainage Manual IDF curves, current edition and fully contained onsite.	3-year, 1-hour storm duration  Both FLU designations meet the 3 yr. – 1 hr. drainage LOS requirements. Site improvements may be required to provide drainage collection and conveyance systems to positive outfall.
<b>Potable Water</b>	105 gpcpd (gallons per capita per day).  105 gpcd x 7 du/acre x 2.53 pph =1,860 gpcpd	105 gpcd x 60 du/acre x 2.53 pph = 0 Decrease of 1,860 gpcpd  Public use generates less demand than single family residential development  The City facilities have available capacity to accommodate the decreased demand.

Type of Facility:	Existing FLU Designations: (at 7 du/acre for Single Family Residential)	Proposed FLU Designations: (at 0 du/acre for Public)
<b>Sanitary Sewer</b>	Collection and treatment of 100 gallons per capita per day at secondary treatment level, or 250 gallons per ERU per day.  $100 \text{ gpcd} \times 7 \text{ du/acre} \times 2.53 \text{ pph} = 1,771 \text{ gpcpd}$	$100 \text{ gpcd} \times 0 \text{ du/acre} \times 2.53 \text{ pph} = 0$ Decrease of 1,771 gpcpd Public use generates less demand than single family residential development The City facilities have available capacity to accommodate the decreased demand.
<b>Solid Waste</b>	Collection and disposal of 6.5 pounds of solid waste per capita per day.  $6.5 \text{ lbs/pcd} \times 7 \text{ du/acre} \times 2.53 \text{ pph} \times 365 \text{ days/year} / 2,000 = 21 \text{ Tons/year}$	Solid waste pickup will be located on the property and is substantially less than the potential impacts of residential development.  The Solid Waste Authority has available capacity to accommodate the demand of the proposed facility.
<b>Parks</b>	2.5 acres of community parks for every 1,000 persons and 2.0 acres of neighborhood parks for every 1,000 persons  $3.71 \text{ acres} \times 7 \text{ du/ac} = 26 \text{ du/ac} \times 2.53 \text{ pph/du} = 66 \text{ persons}$	$3.71 \text{ acres} \times 0 \text{ du/ac} = 0 \text{ du/ac} \times 2.53 \text{ pph/du} = 0 \text{ persons}$ Decrease of 26 du = decrease of 66 persons
<b>Schools</b>	$7 \text{ du/acre} \times 3.71 \text{ ac} = 26 \text{ du}$	$0 \text{ du/acre} \times 3.71 \text{ ac} = 0 \text{ du}$ Decrease of 26 du  School District to determine impact of decreased units; School Capacity Availability Determination
<b>Traffic</b>	$3.71 \text{ acre} \times 7 \text{ du/acre} = 26 \text{ du}$ $26 \text{ du} \times 10 \text{ daily trips} = 260$ Daily Trips LOS D * ITE 10th Edition Trip Generation Rates	Public use generates less daily trips than single family residential development LOS D Decrease of daily trips Capacity is available to accommodate the decreased demand.

**ZONING MAP AMENDMENT ANALYSIS**

**Consistency with the Comprehensive Plan and Strategic Plan**

The subject properties currently have a Future Land Use (FLU) designation of Single-Family Residential (SFR). Per **Comprehensive Plan Future Land Use Element Policy 1.1.1.2**, the SFR land use category “is intended primarily to permit development of single-family structures at a maximum of 7 dwelling units per acre.” The implementing zoning districts of the SFR FLU are Single-Family – Residential (SF-R), Mobile Home Residential (MH-7), and Neighborhood Commercial (NC). The properties’ use by the School District of Palm Beach County as an educational site with offices is not consistent with the current SF-R zoning district. The intention is to change the zoning district of the properties from SFR to Public (P) with a concurrent FLUM change from the current SFR future land use to Public (P) future land use (FLU) to better reflect the use of the site. Approval of the rezoning request would allow the School District to improve the site while being consistent with the intent of the requested zoning district and future land use designation.

Additionally, the proposed changes to the properties' Zoning District and FLU Designation is consistent with **Future Land Use Element Policy 1.1.2.13 (Locational Criteria for the Public and Public Recreation and Open Designations)** as this site is adjacent to residential uses to the north, east and west. **Future Land Use Element Goal 1.2 states:** "To strive to foster the City of Lake Worth as a livable community where live, work, play and learn become part of the daily life of residents and visitors." Approval of the rezoning request would allow for a continuation of a co-located education complex with Barton Elementary School and would be in keeping with the intent of **Goal 1.2**.

Furthermore, the **Education Element Policy 10.1.4.2** provides for encouragement of the location and development of educational facilities that will enhance the educational opportunities in Lake Worth Beach.

**The City's Strategic Plan** sets goals and ideals for the City's future vision and lays out methods to achieve them. Pillar Two, Section F seeks to "Collaborate with schools to foster rich, diverse and culturally enriching educational opportunities for all". Approval of the rezoning will result in the continued educational use of the site as well as opportunities to expand in concert with the permitted uses under the Public Zoning District. These expansions will allow for more diverse programs that can be implemented on site and in keeping with the City's Strategic Plan. Additionally, the proposal, if approved, would be consistent with **Strategic Plan Pillar I. A and E** ensuring effective economic development and superior public amenities and services, and **Strategic Plan Pillar IV. D and E** influencing the supply and expansion of jobs, and ensuring facilities that anticipate and embrace the future.

#### **Consistency with the City's Land Development Regulations**

Rezoning of the subject site will reflect the current educational use of the property and allow for future educational development of the property. Although public schools are allowed, subject to conditional use approval, in both P and SFR zoning districts, there is more flexibility with the P zoning districts that would allow for accessory uses integral to the educational use (e.g. educational office and storage uses). The property is adjacent to residential uses on the north, east and west sides and would be subject to the development regulations for sites adjacent to residentially zoned lands (**Section 23.3-26.c.1-5**).

The LDRs also require all rezoning requests with a concurrent Future Land Use Map (FLUM) Amendment be analyzed for consistency with the review criteria in Section 23.2-36(4). Staff's full analysis of the review criteria is provided below. The analysis demonstrates that the proposed rezoning complies with the review criteria and that the required findings can be made in support of the rezoning.

#### **Section 23.2-36(4): Review Criteria for the Rezoning of Land**

The Department of Community Sustainability is tasked in the Code to review rezoning applications for consistency with the findings for granting rezoning applications in LDR Section 23.2-36 and to provide a recommendation for whether the application should be approved, approved with conditions, or denied.

At the hearing on the application, the Planning and Zoning Board or Historic Resources Preservation Board shall consider the rezoning/FLUM amendment application and request, the staff report including recommendations of staff, and shall receive testimony and information from the petitioner, the owner, city staff, and public comment. At the conclusion of the hearing, the Board shall make a recommendation on the rezoning/FLUM amendment request to the City Commission.

The land development regulations require all rezoning requests with a concurrent FLUM Amendment be analyzed for consistency with **Section 23.2-36(4)**. Staff has reviewed the rezoning against this section and has determined that the rezoning complies with the following review criteria:

**a. Consistency:** Whether the proposed rezoning amendment would be consistent with the purpose and intent of the applicable comprehensive plan policies, redevelopment plans, and land development regulations. Approvals of a request



to rezone to a planned zoning district may include limitations or requirements imposed on the master plan in order to maintain such consistency.

**Analysis:** If the FLUM amendment and the rezoning are approved, the new P zoning district would be consistent with the purpose and intent of the P FLU designation. The rezoning request furthers the implementation of the City’s Comprehensive Plan with the proposed adoption of a zoning district that is consistent with the Public future land use (FLU) designation on the subject sites. Additionally, the existing educational uses on the site are consistent with both the P FLU designation and P zoning district. **Meets Criterion.**

**b. Land use pattern.** Whether the proposed FLUM amendment would be contrary to the established land use pattern, or would create an isolated land use classification unrelated to adjacent and nearby classifications, or would constitute a grant of special privilege to an individual property owner as contrasted with the protection of the public welfare. This factor is not intended to exclude FLUM amendments that would result in more desirable and sustainable growth for the community.

**Analysis:** The rezoning request will not be contrary or incompatible to the established land pattern, nor will it create an isolated zoning district unrelated to the adjacent and nearby classifications or constitute a grant of special privilege to the petitioner as contrasted with the protection of the public welfare. The proposed Public zoning district is consistent with the current and future education uses of the property by the School District of Palm Beach County. Below is a table outlining the existing zoning and future land use designations of adjacent properties. **Meets Criterion.**

Subject Property FLU	Adjacent Direction	Adjacent Future Land Use Designations	Adjacent Zoning Districts	Existing Use
Single Family Residential	North	Single Family Residential (SFR)	Single Family Residential (SF-R)	Single Family
Single Family Residential	South	Public (P)	Public (P)	Barton Elementary School
Single Family Residential	East	Medium Density Residential (MDR)	Single-Family and Two-Family Residential (SF-TF-14)	Multifamily
Single Family Residential	West	Single Family Residential (SFR)	Single Family Residential (SFR)	Single Family

**c. Sustainability:** Whether the proposed rezoning would support the integration of a mix of land uses consistent with smart growth or sustainability initiatives, with an emphasis on 1) complementary land uses; 2) access to alternative modes of transportation; and 3) interconnectivity within the project and between adjacent properties.

**Analysis:** The rezoning request supports the integration of a mix of land uses consistent with smart growth and sustainability initiatives with an emphasis on complementary land uses. Approval of the rezoning request would reflect existing educational land uses of the school and Education Foundation facilities. Further, the proposed rezoning would allow the City to benefit from increased efficiency and the proximity of educational services on already-developed land that compliments the existing school use and facilities. The uses immediately surrounding the properties are primarily single-family residential, multi-family residential, and educational. Institutional uses such as schools are considered complementary uses in function and nature to residential uses. Approval of the rezoning will allow for continuation of existing educational related land uses that are complementary to the properties’ surrounding uses. **Meets Criterion.**

**d. Availability of public services/infrastructure:** Requests for rezoning to planned zoning districts shall be subject to review pursuant to section 23.5-2.

**Analysis:** This criterion is only applicable to requests to rezone land to a planned zoning district. As this request seeks approval to rezone the subject properties to the conventional Public zoning district and not a planned development district, this criterion does not apply. **Criterion not applicable.**

**e. Compatibility:** The application shall consider the following compatibility factors:

1. Whether the proposed FLUM amendment would be compatible with the current and future use of adjacent and nearby properties, or would negatively affect the property values of adjacent and nearby properties.

**Analysis:** The proposed Public (P) FLU for the subject properties is compatible with the residential and Public FLU designations of surrounding properties and will not affect the property values of the neighborhoods. The existing zoning district of the subject site is not reflective of the current educational use of the site. Rezoning of the subject site and the land use change to Public will be consistent with the current educational use of the site, allow for future educational modernization/expansion and be a compliment to the residential uses surrounding the property. **Meets Criterion.**

**f. Direct community sustainability and economic development benefits:** For rezoning involving rezoning to a planned zoning district, the review shall consider the economic benefits of the proposed amendment, specifically, whether the proposal would:

1. Further implementation of the city's economic development (CED) program;
2. Contribute to the enhancement and diversification of the city's tax base;
3. Respond to the current market demand or community needs or provide services or retail choices not locally available;
4. Create new employment opportunities for the residents, with pay at or above the county average hourly wage;
5. Represent innovative methods/technologies, especially those promoting sustainability;
6. Support more efficient and sustainable use of land resources in furtherance of overall community health, safety and general welfare;
7. Be complementary to existing uses, thus fostering synergy effects; and
8. Alleviate blight/economic obsolescence of the subject area.

**Analysis:** The rezoning request does not include rezoning to a planned zoning district nor does it have a concurrent site plan application in review at this time. As such, this criterion is not applicable. **Criterion not applicable.**

**g. Economic development impact determination for conventional zoning districts:** For rezoning to a conventional zoning district, the review shall consider whether the proposal would further the economic development program, and also determine whether the proposal would:

- A. Represent a potential decrease in the possible intensity of development, given the uses permitted in the proposed land use category; and
- B. Represent a potential decrease in the number of uses with high probable economic development benefits.

**Analysis:** The proposed rezoning to the P zoning district will not result in a decrease in development intensity or of a public amenity for the neighborhood. While the P zoning district does not offer an increase in density from the SF-R zoning district, the education use is consistent with the City's goal to encourage education and training institutions to provide education and research programs and support existing businesses and programs to stimulate new business development. **Meets Criterion.**

**h. Commercial and industrial land supply.** The review shall consider whether the proposed FLUM amendment would reduce the amount of land available for commercial/industrial development. If such determination is made, the approval can be recommended under the following conditions:

1. The size, shape, and/or location of the property makes it unsuitable for commercial/industrial development; or
2. The proposed FLUM amendment provides substantiated evidence of satisfying at least four (4) of the direct economic development benefits listed in subparagraph "f" above; and
3. The proposed FLUM amendment would result in comparable or higher employment numbers, building size and valuation than the potential of existing land use designation.

**Analysis:** If approved, the proposed rezoning will not result in a reduction of land available for commercial and industrial development. Commercial and industrial uses are not permitted under the existing zoning. Therefore, the change from SF-R to P zoning district would not reduce or change the commercial and industrial development potential of the subject properties. **Meets Criterion.**

**i. Alternative sites.** Whether there are sites available elsewhere in the city in zoning districts which already allow the desired use.

**Analysis:** The purpose of the rezoning request is to reflect the long-standing existing education use on the subject properties as a Public use. As such the proposed P rezoning is appropriate for the subject properties. **Meets Criterion.**

**j. A Master plan and site plan compliance with land development regulations.** When master plan and site plan review are required pursuant to section 2.D.1.e. above, both shall comply with the requirements of the respective zoning district regulations of article III and the site development standards of section 23.2-32.

**Analysis:** The rezoning request does not require or include a concurrent site plan application. As such, this **criterion is not applicable.**

The analysis has shown that the required findings can be made in support of the rezoning. Therefore, the proposed rezoning is consistent with the review criteria for rezoning as outlined in LDR Section 23.2-36.

## CONCLUSION

The proposed FLUM amendment request is consistent with the purpose, intent, and requirements of the Comprehensive Plan. The proposed rezoning is also consistent with the purpose, intent, and requirements of the Comprehensive Plan and LDRs. Therefore, staff recommends that the Board recommend approval to the City Commission of both the FLUM amendment and the Zoning Map amendment based on the data and analysis in this report and the findings summarized below:

- The amendments are consistent with the City's goals to encourage the location and development of educational facilities that will enhance the educational opportunities in Lake Worth for children and adults alike.
- The amendments are consistent with the Strategic Plan's goals of collaborating with schools to foster rich, diverse and culturally enriching educational opportunities for all, and of providing superior amenities and services to retain existing and entice new residents and businesses.
- The amendments are supported by and are consistent with the Comprehensive Plan and City Strategic Plan as described in the respective Comprehensive Plan and Strategic Plan Analysis sections of this report; and
- The FLUM amendment is supported by data and analysis prepared in accordance with the requirement of F.S. 163.3177 that provides relevant and appropriate data based the City's community goals and vision and consistency with level of service requirements.
- The Zoning Map amendment is consistent with the proposed FLUM amendment.

**BOARD POTENTIAL MOTION:**

I MOVE TO RECOMMEND APPROVAL OF PZB PROJECT NUMBER 21-00300001 & 21-01300001 of the proposed amendments to the Future Land Use Map and the Zoning Map based on the data and analysis in the staff report and the testimony at the public hearing.

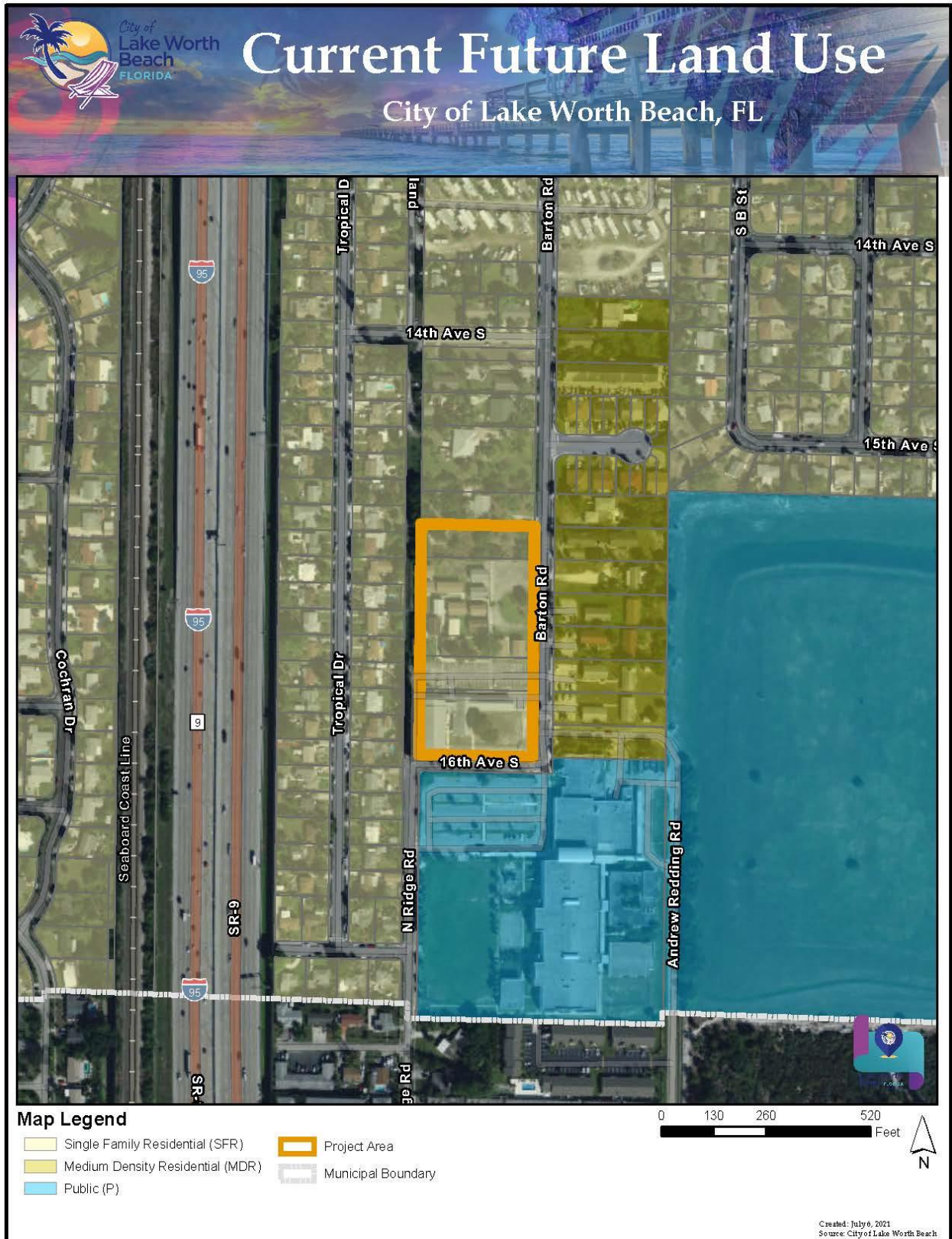
I MOVE TO NOT RECOMMEND APPROVAL OF PZB PROJECT NUMBER 21-00300001 & 21-01300001 of the proposed amendments to the Future Land Use Map and Zoning Map as the proposal is not consistent with the City's Comprehensive Plan and Strategic Plan for the following reasons [Board member please state reasons.]

**Consequent Action:** The Planning and Zoning Board will be making a recommendation to the City Commission on the FLUM and Zoning Map amendment requests.

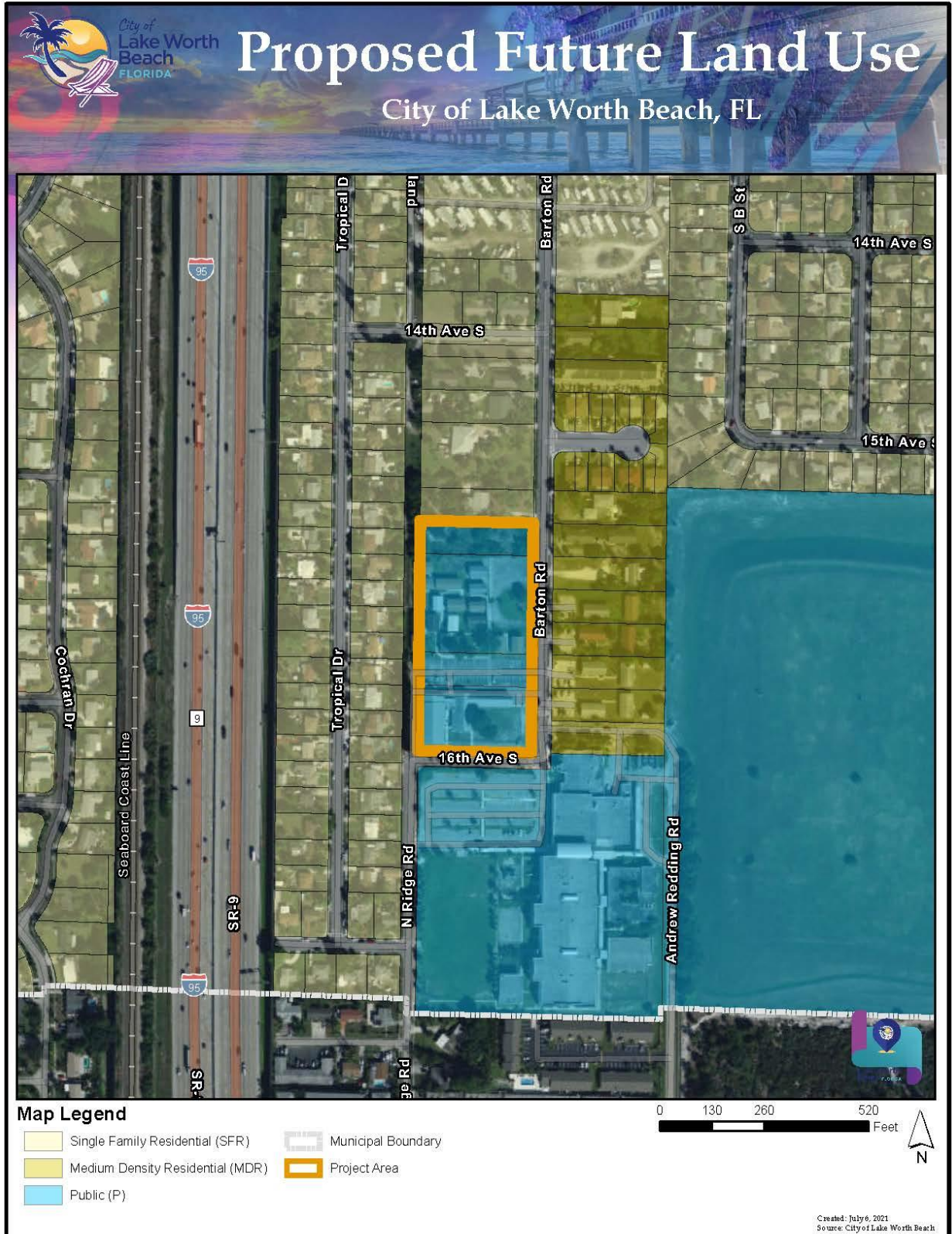
**ATTACHMENTS**

- A. Current FLU Map of property located at 1509 Barton Road, 1511 Barton Road, 1515 Barton Road, and 1421 Barton Road (PCN#s 38-43-44-33-13-011-0040, 38-43-44-33-13-011-0020, 38-43-44-33-13-010-0030 and 38-43-44-33-13-010-0020)
- B. Proposed FLU Map of property located at 1509 Barton Road, 1511 Barton Road, 1515 Barton Road, and 1421 Barton Road (PCN#s 38-43-44-33-13-011-0040, 38-43-44-33-13-011-0020, 38-43-44-33-13-010-0030 and 38-43-44-33-13-010-0020)
- C. Current Zoning Map of property located at 1509 Barton Road, 1511 Barton Road, 1515 Barton Road, and 1421 Barton Road (PCN#s 38-43-44-33-13-011-0040, 38-43-44-33-13-011-0020, 38-43-44-33-13-010-0030 and 38-43-44-33-13-010-0020)
- D. Proposed Zoning Map of property located at 1509 Barton Road, 1511 Barton Road, 1515 Barton Road, and 1421 Barton Road (PCN#s 38-43-44-33-13-011-0040, 38-43-44-33-13-011-0020, 38-43-44-33-13-010-0030 and 38-43-44-33-13-010-0020)

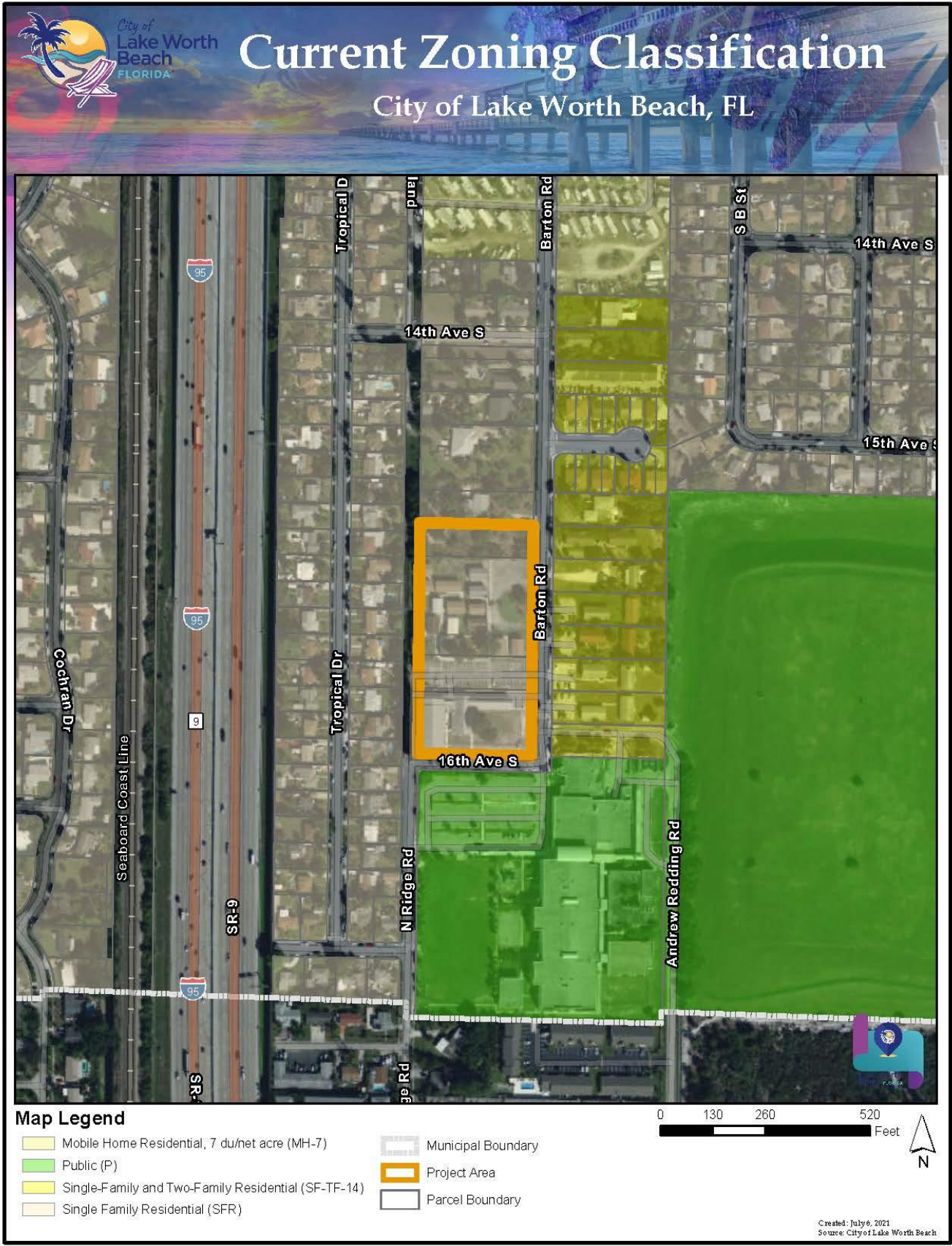
ATTACHMENT A  
Current FLU Map of Subject Properties



ATTACHMENT B  
Proposed FLU Map of Subject Properties



ATTACHMENT C  
CURRENT ZONING MAP



ATTACHMENT D  
PROPOSED ZONING MAP



Map Legend

- Mobile Home Residential, 7 du/net acre (MH-7)
- Public (P)
- Single-Family and Two-Family Residential (SF-TF-14)
- Single Family Residential (SFR)
- Municipal Boundary
- Project Area
- Parcel Boundary





# EXECUTIVE BRIEF REGULAR MEETING

**AGENDA DATE:** October 19, 2021

**DEPARTMENT:** City Clerk

**TITLE:**

Discussion regarding potential ballot questions for the March 2022 municipal election

**SUMMARY:**

The City Commission will discuss the ballot questions proposed by the Charter Review Committee.

**BACKGROUND AND JUSTIFICATION:**

At the October 5, 2021 Regular City Commission meeting, Sam Goodstein, Vice Chair of the Charter Review Committee, presented the following four ballot questions, which were approved and recommended by a majority of the committee, to be considered for the upcoming March 2022 municipal election:

- 1) term limits of two consecutive terms for a given seat
- 2) in any election a candidate may concede without forcing a run off
- 3) change to single-member district voting, mayor at large
- 4) allow election by plurality should the leading candidate get 40% plus 1 of the vote

Should the City Commission vote to have any of the ballot questions move forward, an ordinance will need to be prepared and presented at the November 2 and November 16 City Commission meetings in order to meet the Supervisor of Election's deadline for the questions to appear on the March 8, 2022 municipal election ballot.

**MOTION: N/A – Consensus required to provide staff direction.**

**ATTACHMENT(S):**

Fiscal Impact Analysis - N/A  
Potential Ballot questions

## Potential ballot issues

- 1) Ballot question #1: term limits of two consecutive terms for a given seat.

Current Charter: ARTICLE III. - LEGISLATIVE

Sec. 2. - Election and terms.

The election of members of the city commission, except the mayor, shall be by districts to be known as Districts 1, 2, 3 and 4. The commissioners from Districts 2 and 4 shall be elected to three-year terms commencing in March 2019. Commissioners from Districts 1 and 3 shall be elected to three-year terms commencing in March 2018. The mayor shall be elected to a three-year term commencing in March 2018. **The mayor and each commissioner shall serve until a successor has been duly qualified, elected and the election results certified by resolution of the city commission, or upon appointment, by resolution of the city commission.**

- 2) Ballot question #2: in any election a candidate may concede without forcing a run off. - **NOT ADDRESSED IN THE CHARTER.**

- 3) Ballot question #3: changing to single-member district voting, mayor at large.

Current Charter: ARTICLE III. - LEGISLATIVE

Sec. 1. - City commission; powers and composition.

**There shall be a city commission, with all legislative powers of the city vested therein, consisting of five (5) members who shall be electors of the city, and who shall be elected by the electors of the city-at-large.** Each commissioner shall reside in one of the districts established, and only one commissioner may reside in each district, except for the mayor who shall reside within the city. Candidates of the commission shall reside in the district from which they seek to be elected. Members of the commission shall reside in the district from which they were elected.

- 4) Ballot question #4: allow election by plurality should the leading candidate get 40% plus 1 of the vote.

Current Charter: ARTICLE V. - QUALIFICATIONS AND ELECTIONS

Sec. 4. - General, special and run-off elections.

Whenever a general or a special election is held to fill any elective office in the city, the candidate receiving a majority of the votes cast at such election to fill such office shall be declared to be duly elected; provided that in the event no candidate for a particular elective office shall receive a majority of the votes cast at such election to fill such office, then a run-off election shall be held two (2) weeks after the original election to elect a candidate to fill such office; provided further that in such event only the names of the two (2) candidates having received the greatest number of votes in the election for such office shall be submitted to the electors and the one receiving the majority number of votes in such run-off election shall be declared to be duly elected to such office; provided further, that should two (2) or more candidates receive an equal number of votes to any such office, so that it cannot be determined which two (2) had received the greatest and the next greatest number of votes, then the names of all such candidates shall be submitted at the run-off election and the candidate receiving the greatest number of votes at such election shall be declared elected to such office, regardless of whether such candidate received a majority of the votes cast to fill such office at such run-off election.

# EXECUTIVE BRIEF REGULAR MEETING

**AGENDA DATE:** October 19, 2021

**DEPARTMENT:** Public Works

**TITLE:**

Purchase Order with Atlantic Machinery, Inc. for the procurement of a new RAVO Compact Street Sweeper

**SUMMARY:**

The purchase order with Atlantic Machinery, Inc. authorizes the City to purchase a new RAVO Compact Street Sweeper for the Streets Maintenance Division

**BACKGROUND AND JUSTIFICATION:**

The City of Lake Worth Beach's Streets Maintenance Division is actively engaged in the daily upkeep and maintenance of approximately 116 miles of paved roadways across four districts. A main function of the maintenance operation is to regularly street sweep the roadways to keep the storm drainage system clear of debris and to keep in compliance with the City's MS4 Master Stormwater Permit.

The City currently subcontracts 50% of the Street Sweeper activity to a vendor that provides these services once per month. The City owns a single street sweeper that maintains the rest of the City. In an effort to control this activity closely and enhance our sweeping operational frequency, the purchase of an additional street sweeper is being requested. The Streets Maintenance Division currently employs two equipment operators that are trained on operating this specialized equipment.

The Purchase Order with Atlantic Machinery, Inc. will authorize the purchase of the street sweeper at a cost not to exceed \$264,756.48. This cost includes the maintenance parts that are utilized to keep the equipment in good working order. The equipment is being purchased through the Sourcewell Contract #122017-AMI.

**MOTION:**

Move to approve/disapprove the Purchase Order with Atlantic Machinery, Inc. for \$264,756.48.

**ATTACHMENT(S):**

Fiscal Impact Analysis  
Quote





**City of Lake Worth Beach  
Attn: Felipe Lofaso  
1749 3<sup>rd</sup> Ave South  
Lake Worth, FL  
33460**

**06/28/2021**

**Sourcewell Contract 122017-AMI Ravo 5iSeries Street Sweeper**

Felipe,

Please see attached Sourcewell Quote that is valid for 30 days. Purchase order to be made out to contract admin: MJ DuBois - Atlantic Machinery, Inc., 2628 Garfield Ave., Silver Spring, MD 20910. Phone: 410-924-1004 Email: [MDubois@ducollc.com](mailto:MDubois@ducollc.com)

**The base machine is equipped as follows:** The base machine is equipped as follows: 138hp TierIV 3.8L Cummins Diesel, Stainless steel standard tipping container, Inspection door retainer, High Pressure washdown system (4ga/min @ 2175psi) with side mounted spray gun w/reel, Standard 160ga Fresh Water Tank, Water Recycling System (uses reclaimed water from hopper in suction line only), Air Suspended driver seat, Dual rear tires, Mounting rack on rear door for catch basin option, Independent gutter broom angle adjustment, 14,000 cfm quick-change Heavy Duty Borium Fan, Aluminum cover inside rear door, Step-on brooms, License plate holder, 12V plug in cabin, Airconditioning, Coated Suction line + Suspended swivel wheel, LED worklights (brushes, cabin, container), Rearview Camera, LED Beacon, Engine safety stop, Suction nozzle camera + second monitor, Heated & electrically controlled side mirrors, Central door lock, Service manual, Cruise control during sweeping, PM10 Standard, 2 Days of Operator Training and 1 Day of Technician Training – per unit.

**Additional Added Options:** 3<sup>rd</sup> Broom Option

**Delivery Terms: 45 Days – Operator Training Must be scheduled 2 weeks ahead of time.**

**Service Kits & Spare Brooms Additional & Available At Any Time**

**Total Contract Price for 1 Ravo 5iSeries Street Sweeper - \$249,282.48**



06/24/2021

SOURCEWELL CONTRACT 122017-AMI  
RAVO COMPACT STREET SWEEPER

This quote is provided to the City of Lake Worth Beach in accordance with Sourcewell Contract # 122017-AMI.

Customer: CITY OF LAKE WORTH BEACH

Delivery: FLORIDA

Description	
Ravo 5-iSeries Compact Sweeper with all standard equipment	\$224,814.00
Sourcewell Discount	(\$11,240.70)
Tier IV engine	\$0.00
PM10 Standard	\$0.00
LED Work light package (brushes, cabin, container)	\$0.00
LED Beacon light, front and back	\$0.00
Suction nozzle camera with second monitor	\$0.00
Central doorlock, doors lockable from inside	\$0.00
Rearview camera	\$0.00
Heated and electrically adjustable mirrors	\$0.00
Gutter brush angle adjustment left and right side	\$803.91
Borium Fan	\$1,075.00
Third brush, weed cutter complete including double angle adjustment	\$13,969.31
Third brush quick release system	\$2,085.49
High pressure water pump with spray gun mounted right hand side	\$3,621.07
Water recycling system in front of container	\$4,054.48
Wander hose (8 inch) through container roof and mounted on rear door including mounting rack	\$4,180.31
Air suspended driver seat with 2 point safety belt	\$1,391.11
Tool box mounted in front passenger seat	\$209.71
Mounting rack on rear door of the container	\$349.52
Air deflection plate	\$824.88
Service manual	\$0.00
Warranty 2 Years or 2000 Engine Hours	\$0.00
Local dealer pre delivery inspection	\$850.00

Description	
Training at customer facility	\$1,724.22
Delivery to customer facility	\$7,750.00
Additional Discount Offered by Local Dealer	(\$7,179.83)
TOTAL PRICE OFFERED TO SOURCEWELL MEMBER	\$249,282.48

SOURCEWELL CONTRACT NO 122017-AMI

Vendor: Atlantic Machinery, Inc. (Purchase Order to be made out to) 2628 Garfield Ave. Silver Spring, MD 20910

Contact: MJ DuBois Phone: 410-924-1004 Email: [mjdubois@ducolc.com](mailto:mjdubois@ducolc.com)





Account #:		Quote #:	
Name:	City Of Lake Worth	Quote Date:	7/2/2021
Address:	1749 3rd Avenue South	Office #:	(561)586-1720
City, State, Zip:	Lake Worth, FL 33460	Cell#:	
Contact:	Felipe Lofaso	Email:	<a href="mailto:flofaso@lakeworthbeachfl.com">flofaso@lakeworthbeachfl.com</a>

**Parts & Materials**

Item #:	Description	Qty	Unit Price	Ext Price
RAV5121038	Set of 15 Wide Sweep Brooms	1	\$ 2,500.00	\$ 2,500.00
RAV5750085	Service Kit C w/o Oil	2	\$ 510.00	\$ 1,020.00
RAV5750083	Service Kit B	4	\$ 310.00	\$ 1,240.00
RAV5750087	Service Kit C+ w/o Oil	2	\$ 870.00	\$ 1,740.00
RAV5080111	Vacuum Tube Base Coated	1	\$990.00	\$ 990.00
RAV5752441	Wear Kit Easy Mount	8	\$298.00	\$ 2,384.00
RAV5046897	Rubber Seal Rear Door	3	\$ 550.00	\$ 1,650.00
RAV5080003	Vacuum Tube Bend Complete	2	\$ 875.00	\$ 1,750.00
RAV4040057	Suction Fan Borium	1	\$ 2,200.00	\$ 2,200.00

<b>Parts &amp; Materials Sub Total :</b>	<b>\$ 15,474.00</b>
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**Freight Charges** (Due to the current global climate - unforeseen freight charges may be additional)

Printed Name and Signature

Date:

--	--

If you have any questions regarding this quotation, please contact:

**BRIAN SAMSEL**

**P: 863-272-3695**

Regional Sales Manager

**E: [brian@smith-equipment.com](mailto:brian@smith-equipment.com)**

**THANK YOU FOR YOUR BUSINESS & THE OPPORTUNITY TO QUOTE FOR YOU!**

\*Smith Equipment & Supply Co. reserves the right to make changes and/or improvements to the design or construction of any part.\*

3825 Maine Avenue, Lakeland FL 33801-9779 P:863.665.4904 800.282.3848 F:863.666.5547 [www.smith-equipment.com](http://www.smith-equipment.com)

# EXECUTIVE BRIEF REGULAR MEETING

**AGENDA DATE:** October 19, 2021

**DEPARTMENT:** Water Utilities

**TITLE:**

Resolution No. 73-2021 – authorizing the submission of a State Water-quality Assistance Grant Application for the Wellesley and 18<sup>th</sup> Avenue North Stormwater System Improvements Project

**SUMMARY:**

This resolution authorizes the submission of an application to Florida Department of Environmental Protection (FDEP) Division of Water Restoration Assistance to request State Water-quality Assistance Grant (SWAG) funding for the Wellesley Drive and 18<sup>th</sup> Avenue North Stormwater System Improvements Project in the amount of \$250,000.

**BACKGROUND AND JUSTIFICATION:**

Resolution No. 73-2021 authorizes the submission of an application for \$250,000 in funding under the FDEP Division of Water Restoration Assistance Nonpoint source SWAG program. The project being submitted includes improvements that will serve to improve the quality of stormwater that is discharged into the central segment of the Lake Worth Lagoon. This segment does not have the benefit of being flushed by inlets that are located on the northern and southern segments. The geographic area that this project will serve has been designated by the Florida Department of Environmental Protection as an Impaired Water Body for copper, Chlorophyll-a, and Total Phosphorus, meaning that the lagoon does not meet water quality standards established to protect public health, aquatic life and habitat, and recreational use for these constituents

The Nutrient Separating Baffle Box (manufactured by Oldcastle Infrastructure) is a multistage, self-contained stormwater treatment system that will treat stormwater to significantly reduce the amount of debris, nutrients, hydrocarbons, metals and solids from residential, commercial and industrial roadways from an area of greater than one hundred acres that would otherwise pollute the Lake Worth Lagoon. The installation of the baffle boxes will serve to proactively improve water quality at the source rather than reactively remediating the effects downstream.

The City is currently repairing the outfalls at Wellesley Drive and 18<sup>th</sup> Avenue North, and the associated seawalls and stormwater piping as a means to control chronic flooding of these neighborhoods and to promote resiliency to rising sea levels, king tides and severe weather events. The installation of the baffle boxes will ultimately provide important ecological and economic benefits to the surrounding community.

**MOTION:**

Move to approve/disapprove Resolution No. 73-2021 to authorize the submission of a grant application to Florida Department of Environmental Protection for a State Water-quality

Assistance grant requesting \$250,000 in funding assistance for the Wellesley Drive and the 18<sup>th</sup> Avenue North Stormwater System Improvements

**ATTACHMENT(S):**

Fiscal Impact Analysis  
 Aerial View  
 Resolution 73-2021

**FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

<b>Fiscal Years</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
Capital Expenditures	\$500,000	0	0	0	0
Operating Expenditures	0	0	0	0	0
External Revenues	\$250,000	0	0	0	0
Program Income	0	0	0	0	0
In-kind Match	0	0	0	0	0
<b>Net Fiscal Impact</b>	<b>\$250,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
 No. of Addn'l Full-Time Employee Positions	 0	 0	 0	 0	 0

**B. Recommended Sources of Funds/Summary of Fiscal Impact:**

Account Number	Account Description	Project Number	FY22 Budget	Current Balance	Budget Transfer	Agenda Expenditure	Balance
408-0000-207.91-80	Storm Grant Fund	N/A	\$0	\$0	\$0	\$250,000	\$250,000
428-5090-538.63-15	Storm Infrastructure	N/A	\$450,000	\$0	\$50,000 pending grant	\$500,000	\$0



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Wellesley Dr

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Wellesley Dr

RSt

Wellesley Dr

Wellesley Dr

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RESOLUTION NO. 73-2021 OF THE CITY OF LAKE WORTH BEACH, FLORIDA, AUTHORIZING THE SUBMISSION OF AN APPLICATION TO FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION DIVISION OF WATER RESTORATION ASSISTANCE TO REQUEST STATE WATER QUALITY ASSISTANCE GRANT FUNDING FOR THE WELLESLEY DRIVE AND 18<sup>TH</sup> AVENUE NORTH STORMWATER SYSTEM IMPROVEMENTS PROJECT; PROVIDING FOR AN EFFECTIVE DATE; AND FOR OTHER PURPOSES

WHEREAS, the State of Florida Department of Environmental Protection (“FDEP”) has announced the availability of State Water-quality Assistance Grant (“SWAG”) funding; and

WHEREAS, the grant is intended to reduce nonpoint source pollution from land use activities; and

WHEREAS, the City is eligible to apply for State of Florida grant funding as a political subdivision in the State of Florida; and

WHEREAS, the City desires to apply for funding from the SWAG program for the Wellesley Drive and the 18<sup>th</sup> Avenue North Stormwater System Improvements project; and

WHEREAS, the City’s proposed project serves a valid public purpose of sustainable action to reduce or eliminate long term risk to residents and property from future disasters and contamination of the Lake Worth Lagoon.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF LAKE WORTH BEACH, FLORIDA, that:

SECTION 1: The City Commission of the City of Lake Worth Beach, Florida hereby authorizes the submission of an application to FDEP for SWAG funding for the Wellesley Drive and the 18<sup>th</sup> Avenue North Stormwater System Improvements project.

SECTION 2: The City Commission of the City of Lake Worth Beach, Florida, hereby authorizes the Mayor to execute this resolution and SWAG project application to be submitted to FDEP for SWAG funding for the Wellesley Drive and the 18<sup>th</sup> Avenue North Stormwater System Improvements project.

SECTION 3: Upon execution of the resolution, one copy shall be provided to the Water Utilities Department Director. The fully executed original shall be maintained by the City Clerk as a public record of the City.

47 SECTION 4: This resolution shall become effective upon adoption.  
48

49 The passage of this resolution was moved by Commissioner \_\_\_\_\_,  
50 seconded by Commissioner \_\_\_\_\_, and upon being put to a vote, the vote  
51 was as follows:

- 52 Mayor Betty Resch
- 53 Vice Mayor Herman Robinson
- 54 Commissioner Sarah Malega
- 55 Commissioner Christopher McVoy
- 56 Commissioner Kimberly Stokes

57  
58 The Mayor thereupon declared this resolution duly passed and adopted on the  
59 \_\_\_\_\_ day of \_\_\_\_\_, 2021.

60 LAKE WORTH BEACH CITY COMMISSION

61  
62  
63 By: \_\_\_\_\_  
64 Betty Resch, Mayor

65  
66 ATTEST:

67  
68  
69 \_\_\_\_\_  
70 Melissa Ann Coyne, City Clerk

# EXECUTIVE BRIEF REGULAR MEETING

**AGENDA DATE:** October 19, 2021

**DEPARTMENT:** Financial Services and City  
Attorney

**TITLE:**

Ordinance No. 2021-15, amending the Procurement Code

**SUMMARY:**

Ordinance No. 2021-15 proposes to amend the City's Procurement Code to expand the local and small business preference, add a veteran business enterprise preference, and create a "green initiatives" preference.

**BACKGROUND AND JUSTIFICATION:**

In 2019, the City substantially updated its Procurement Code, which is found in sections 2-111 through 2-117 of the City's Code of Ordinances. Commissioner Malega recently asked about whether the local and small business preferences in section 2-117 for Invitations For Bid (IFBs) could be expanded, and additional preferences added. In researching the issue, City staff and the City Attorney determined the City could expand the local and small business preferences to include other solicitations (RFPs and RFQs) and add a veteran business enterprise preference similar to section 295.187, Florida Statutes (Florida Veteran Business Enterprise Opportunity Act). In further discussion with the City Commission, the City Commission provided consensus to the expansion of the existing preferences and the addition of the veteran preference. The City Commission also unanimously requested a "green initiatives" preference to be added to recognize and award solicitations to environmentally-conscious vendors.

Accordingly, Ordinance No. 2021-15 proposes to make the following changes to the Procurement Code in section 2-117:

- Expand the local business and small business existing preferences to be used in RFPs and RFQs, not just IFBs.
- Add a veteran business enterprise preference for IFBs, RFPs, and RFQs.
- Add a "green initiatives" preference for IFBs, RFPs, and RFQs.
- Clarify that except for the "green initiatives" preference only one (1) preference can be identified in a response to a solicitation.
- Clarify the order of preferences in an IFB (best award determination) as (1) veteran business enterprise preference; (2) local business preference; and, (3) small business preference.

**MOTION:**

Move to approve/disapprove Ordinance No. 2021-15 on first reading and set the second reading and public hearing for November 2, 2021.

**ATTACHMENT(S):**

Fiscal Impact Analysis – N/A  
Ordinance 2021-15



1  
2  
3  
4       **ORDINANCE 2021-15 - AN ORDINANCE OF THE CITY OF LAKE WORTH**  
5       **BEACH, FLORIDA, AMENDING THE CITY'S CODE OF ORDINANCES,**  
6       **CHAPTER 2, ADMINISTRATION, ARTICLE XIV, PURCHASING, SECTION 2-**  
7       **117, ASSISTANCE TO LOCAL BUSINESSES AND SMALL BUSINESSES, BY**  
8       **EXPANDING THE USE OF LOCAL AND SMALL BUSINESS PREFERENCES,**  
9       **ADDING A VETERAN BUSINESS ENTERPRISE PREFERENCE, AND ADDING**  
10       **A "GREEN INITIATIVES" PREFERENCE AND ADDING CLARIFICATIONS ON**  
11       **THE AUTHORIZED PREFERENCES AND ORDER OF PRECEDENCE OF THE**  
12       **PREFERENCES; PROVIDING FOR SEVERABILITY, THE REPEAL OF LAWS**  
13       **IN CONFLICT, CODIFICATION, AND AN EFFECTIVE DATE**

14  
15       **WHEREAS**, the City of Lake Worth Beach, Florida (the "City") is a duly constituted  
16 municipality having such power and authority conferred upon it by the Florida Constitution and  
17 Chapter 166, Florida Statutes; and

18  
19       **WHEREAS**, in 2019, the City substantially updated its Procurement Code, which is  
20 located in section 2-111 through section 2-117 of the City's Code of Ordinances; and

21  
22       **WHEREAS**, the City's Procurement Code, in section 2-117, currently provides a  
23 preference in Invitations for Bids (IFB) for local and small businesses when not prohibited by other  
24 law; and

25  
26       **WHEREAS**, the City Commission has recognized the need to expand these preferences  
27 to include other solicitations such as Requests for Proposals (RFPs) and Requests for  
28 Qualifications (RFQs); and,

29  
30       **WHEREAS**, the City Commission also recognizes the need to rectify the economic  
31 disadvantage of service-disabled veterans, who are statistically the least likely to be self-  
32 employed when compared to the veteran population as a whole and who have made extraordinary  
33 sacrifices on behalf of the nation, the state, and the public, by providing opportunities for service-  
34 disabled veteran business enterprises as further set forth in section 295.187, Florida Statutes  
35 (Florida Veteran Business Enterprise Opportunity Act); and

36  
37       **WHEREAS**, the City Commission also recognizes the need to encourage and reward  
38 potential vendors who utilize "green initiatives" which reduce energy consumption and  
39 greenhouse gas emissions, utilize renewable energy sources, increase recycling opportunities  
40 and minimize waste, and avoid the use of highly toxic chemicals, which in turn improve the quality  
41 of life within the City and strengthen the City's economy; and,

42  
43       **WHEREAS**, consistent with the above, the City Commission has determined the need to  
44 revise the Procurement Code to expand the use of the existing local and small business  
45 preferences and to create a new veteran business enterprise preference and a "green initiatives"  
46 preference; and,

47  
48       **WHEREAS**, the City Commission has reviewed the amendments set forth in this  
49 ordinance to the City's Procurement Code and has determined that the amendments are in the  
50 best interest of the public health, safety and general welfare of the City, its residents and visitors  
51 and serve a valid public purpose.

52  
53       **NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF**  
54 **LAKE WORTH BEACH, FLORIDA, that:**  
55

56 **Section 1:** That the foregoing "WHEREAS" clauses are ratified and confirmed as  
57 being true and correct findings of the City Commission and are made a specific part of this  
58 ordinance as if set forth herein.

59  
60 **Section 2:** Chapter 2, Administration, Article XIV, Purchasing, Section 2-117,  
61 Assistance to Local Businesses and Small Businesses, is hereby amended as follows  
62 (underlined language is added and strike-through language is deleted):  
63

64 **Sec. 2-117. Assistance to local businesses, ~~and small businesses,~~ veteran business**  
65 **enterprises, and businesses utilizing green initiatives.**  
66

67 (a) *Purpose.* The policy of the city is to afford all businesses an opportunity for participation in  
68 the city's procurement processes and to prohibit discrimination by the city or its providers of  
69 goods and/or services. ~~The purpose of this section is to serve the public interest by spurring~~  
70 ~~economic development through encouraging small businesses to locate and remaining in~~  
71 ~~Palm Beach County, especially the city.~~ The city will take all necessary, reasonable and legal  
72 action to prevent discrimination in its procurement process, to afford all businesses, including  
73 local, ~~and~~ small businesses, ~~and~~ veteran business enterprises, are afforded the maximum  
74 opportunity to participate in the city's procurement processes. The purpose of this section is  
75 to the serve the public interest by recognizing the economic disadvantage of small  
76 businesses and veteran-owned businesses and by recognizing the desire to spur economic  
77 development in the city by encouraging all existing and new businesses to locate or have  
78 locations in Palm Beach County, especially in the city. It is also the purpose of this section  
79 to serve the public interest by recognizing the enhancements to the quality of life and the  
80 city's economy which occur through the city's procurement of goods and/or services from  
81 businesses that utilize "green initiatives" which reduce energy consumption and greenhouse  
82 gas emissions, utilize renewable energy sources, increase recycling opportunities and  
83 minimize waste, and avoid the use of highly toxic chemicals.  
84

85 (b) *Local preference.*  
86

- 87 (1) As set forth herein, preference will be given to a local business (entity or person)  
88 with a physical address within the corporate limits of the City of Lake Worth Beach.  
89 Proof of the person's or entity's residency shall be a valid business tax receipt  
90 issued by the city and certificate of occupancy within the city.
- 91 (12) In an IFB where the anticipated total procurement value exceeds fifty thousand  
92 dollars (\$50,000.00), the city commission may give preference to a local business,  
93 if and only if, the local business is determined to be a responsible and responsive  
94 bidder and the local business' bid is determined to be within five (5) percent or fifteen  
95 thousand dollars (\$15,000.00), whichever is less, of the lowest, responsible and  
96 responsive bid.
- 97 (23) In an RFP or RFQ where the anticipated total procurement value exceeds fifty  
98 thousand dollars (\$50,000.00), the city commission may assign five (5) percent of  
99 the total evaluation points or 5 out of 100 assigned evaluation points to a local  
100 business if the local business is determined to be a responsible and responsive  
101 respondent.
- 102 (34) Exceptions. The local business preference shall not apply for the procurement of  
103 goods and/or services if such preference is prohibited by law, contract or other  
104 regulation applicable to the city.
- 105 (45) The procurement division and city staff are strongly encouraged to utilize local  
106 businesses for purchases that are anticipated to have a total value of less than fifty  
107 thousand dollars (\$50,000.00) and for purchases made on the procurement card.  
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109 (c) *Small business preference.*

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(1) The city may utilize the databases of Palm Beach County Office of Small Business and the small business program of other municipalities within Palm Beach County to acquire lists of potential vendors for procurement opportunities. The city will also abide by the definitions and dollar limits established to determine the qualifications of a small business. Businesses or firms currently certified with either Palm Beach County or a Palm Beach County municipality will automatically be acceptable to the city as a small business for purposes of this subsection.

(2) In an IFB where the anticipated total procurement value exceeds fifty thousand dollars (\$50,000.00), the City commission may give preference to a small business, if and only if, the small business is determined to be a responsible and responsive bidder and the small business' bid is determined to be within five (5) percent or fifteen thousand dollars (\$15,000.00), whichever is less, of the lowest, responsible and responsive bid.

(3) In an RFP or RFQ where the anticipated total procurement value exceeds fifty thousand dollars (\$50,000.00), the city commission may assign five (5) percent of the total evaluation points or 5 out of 100 assigned evaluation points to a small business if the small business is determined to be a responsible and responsive respondent.

(4) Exceptions. The small business preference shall not apply for the procurement of goods and/or services if such preference is prohibited by law, contract or other regulation applicable to the city.

(45) The procurement division and city staff are strongly encouraged to utilize small businesses for purchases that are anticipated to have a total value of less than fifty thousand dollars (\$50,000.00) and for purchases made on the procurement card.

136 (d) *Veteran business enterprise preference.*

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(1) The city may utilize the databases of the Florida Department of Management Services and similar business certification programs of other counties and municipalities within the State of Florida to acquire lists of potential veteran business enterprises, as that term is defined in section 295.187, Florida Statutes, for procurement opportunities. The city will also abide by the definitions and dollar limits established in section 295.187, Florida Statutes, to determine the qualifications of a veteran business enterprise. Businesses or firms currently certified by the Florida Department of Management Services or a similar county or municipal program will automatically be acceptable to the city as a veteran business enterprise for purposes of this subsection. Alternatively, the city may establish through its procurement policy a verification process for determining a veteran business enterprise.

(2) In an IFB where the anticipated total procurement value exceeds fifty thousand dollars (\$50,000.00), the city commission may give preference to a veteran business enterprise if the veteran business enterprise is determined to be a responsible and responsive bidder and the veteran business enterprise's bid is determined to be within five (5) percent or fifteen thousand dollars (\$15,000.00), whichever is less, of the lowest, responsible and responsive bid.

(3) In an RFP or RFQ where the anticipated total procurement value exceeds fifty thousand dollars (\$50,000.00), the city commission may assign five (5) percent of the total evaluation points or 5 out of 100 assigned evaluation points to a veteran business enterprise if the veteran business enterprise is determined to be a responsible and responsive respondent.

(4) Exceptions. The veteran business enterprise preference shall not apply for the procurement of goods and/or services if such preference is prohibited by law, contract, or other regulation applicable to the city.

163 (5) The procurement division and city staff are strongly encouraged to utilize veteran  
164 business enterprises for purchases that are anticipated to have a total value of less  
165 than fifty thousand dollars (\$50,000.00) and for purchases made on the procurement  
166 card.

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168 (e) Green initiatives preference.

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170 (1) In all procurements where the anticipated total procurement value exceeds fifty  
171 thousand dollars (\$50,000.00), the city shall develop qualifications, selection criteria  
172 and/or specifications which require and/or encourage the city's desire to contract  
173 with businesses that utilize "green initiatives". "Green initiatives" as utilized in this  
174 section include any initiative directly or indirect used by a business in providing the  
175 goods and/or services sought by the city which reduces energy consumption and  
176 greenhouse gas emissions, utilizes renewable energy sources, increases recycling  
177 opportunities and minimizes waste, avoids the use of highly toxic chemicals, and  
178 such other initiatives in the city's sole determination that provide an environmentally-  
179 conscious benefit to the city. The city may also establish through its procurement  
180 policy a standard "green initiatives" solicitation provision to be utilized in lieu of  
181 creating a specific provision for each solicitation.

182 (2) In an IFB where the anticipated total procurement value exceeds fifty thousand  
183 dollars (\$50,000.00), the city commission may give preference to a business that  
184 utilizes "green initiatives" as defined in the IFB if the business is determined to be a  
185 responsible and responsive bidder and the business' bid is determined to be within  
186 five (5) percent or fifteen thousand dollars (\$15,000.00), whichever is less, of the  
187 lowest, responsible and responsive bid.

188 (3) In an RFP or RFQ where the anticipated total procurement value exceeds fifty  
189 thousand dollars (\$50,000.00), the city commission may assign five (5) percent of  
190 the total evaluation points or 5 out of 100 assigned evaluation points to a business  
191 that utilizes "green initiatives" as defined in the RFP or RFQ if the business is  
192 determined to be a responsible and responsive respondent.

193 (4) Exceptions. The "green initiatives" preference shall not apply for the procurement of  
194 goods and/or services if such preference is prohibited by law, contract, or other  
195 regulation applicable to the city.

196 (5) The procurement division and city staff are strongly encouraged to utilize businesses  
197 that utilize "green initiatives" for purchases that are anticipated to have a total value  
198 of less than fifty thousand dollars (\$50,000.00) and for purchases made on the  
199 procurement card.

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201 (f) Order of preferences. For the purpose of determining the best value in the award of an IFB  
202 where both the local business and small business preference are applicable, the local  
203 business preference shall take precedence over the small business preference. Order and  
204 application of preferences. For all preferences set forth in this section except for the "green  
205 initiatives" preference, only one preference may be identified in a response to a city  
206 procurement. For the purpose of determining the best value in the award of an IFB where  
207 more than one (1) bidder identifies a preference set forth in this section (except for the "green  
208 initiatives" preference), the veteran business enterprise preference shall take precedence  
209 over the local business preference, and the local business preference shall take precedence  
210 over the small business preference.

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212 **Section 3:** Severability. If any section, subsection, sentence, clause, phrase or portion  
213 of this ordinance is for any reason held invalid or unconstitutional by any court of competent  
214 jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and  
215 such holding shall not affect the validity of the remaining portions thereof.

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**Section 4:** Repeal of Laws in Conflict. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

**Section 5:** Codification. The sections of the ordinance shall be made a part of the City Code of Ordinances and may be re-numbered or re-lettered to accomplish such, and the word "ordinance" may be changed to "section", "division", or any other appropriate word.

**Section 6:** Effective Date. This ordinance shall become effective 10 days after passage.

The passage of this ordinance on first reading was moved by \_\_\_\_\_, seconded by \_\_\_\_\_ and upon being put to a vote, the vote was as follows:

- Mayor Betty Resch
- Vice Mayor Herman Robinson
- Commissioner Sarah Malega
- Commissioner Christopher McVoy
- Commissioner Kimberly Stokes

The Mayor thereupon declared this ordinance duly passed on first reading on the \_\_\_\_\_ day of \_\_\_\_\_, 2021.

The passage of this ordinance on second reading was moved by \_\_\_\_\_, seconded by \_\_\_\_\_, and upon being put to a vote, the vote was as follows:

- Mayor Betty Resch
- Vice Mayor Herman Robinson
- Commissioner Sarah Malega
- Commissioner Christopher McVoy
- Commissioner Kimberly Stokes

The Mayor thereupon declared this ordinance duly passed second reading on the \_\_\_\_\_ day of \_\_\_\_\_, 2021.

LAKE WORTH BEACH CITY COMMISSION

By: \_\_\_\_\_  
Betty Resch, Mayor

ATTEST:

\_\_\_\_\_  
Melissa Ann Coyne, City Clerk

# EXECUTIVE BRIEF REGULAR MEETING

**AGENDA DATE:** October 19, 2021

**DEPARTMENT:** Financial Services

**TITLE:**

Agreement with JP Morgan Chase Bank, N.A., for citywide banking services

**SUMMARY:**

The proposed Agreement authorizes JPMorgan Chase Bank, N.A., to provide citywide banking services to the City of Lake Worth Beach.

**BACKGROUND AND JUSTIFICATION:**

The Financial Services Department's Purchasing Division issued Request for Proposal RFP#21-204 to solicit proposals from experienced banking entities authorized to manage municipal funds and provide full banking services to the City. The RFP clarified the City's desire for a banking entity with innovative ideas, services, and products for the City's diverse portfolio and the best current practices in banking industry to replace an outdated banking services agreement that has been in place since October 2012. The RFP also expressed the City's desire to enter into a long-term agreement for citywide banking services with an initial term of five (5) years and options to extend for an additional two (2), two-year periods and one (1), one-year period.

The City received six (6) responses from qualified banking entities. The current provider, Bank of America, did not submit a proposal. The Selection Committee, which included City administrative and finance management staff, evaluated and scored the six (6) proposals at a public meeting on May 25, 2021. The Selection Committee scored the proposal submitted by JPMorgan Chase Bank, N.A., as the best proposal from a responsive and responsible respondent. The City's Financial Service Department and the City Attorney negotiated the proposed agreement with JPMorgan Chase Bank, N.A., to achieve the best rates and services for the City. The proposed negotiated agreement with JPMorgan Chase N.A., will provide a variety of benefits to the City in several areas including P-Card rebates, earning credits, and interest bearing bank accounts. These benefits equate to approximately \$140,000 in savings per year over the next two years.

**MOTION:**

Move to approve/disapprove the Agreement with JPMorgan Chase Bank, N.A., for citywide banking services.

**ATTACHMENT(S):**

Fiscal Impact Analysis - N/A  
RFP#21-204 Evaluation Matrix  
JPMorgan Chase Bank, N.A. Agreement

**City of Lake Worth Beach**  
Evaluation Matrix

**RFP 21-204 Banking Services**

		RANKED:	4	1	5	3	2
Evaluation Criteria Score Sheet:		Weight	BANK UNITED	JP MORGAN CHASE BANK, N.A.	TD BANK	PNC BANK N.A.	WELLS FARGO BANK N.A.
1	<b>Responsiveness to RFP</b> 1. Comprehensiveness of proposal 2. Completeness of proposal 3. All information is provided and questions answered as requested in Exhibit A 4. Inventiveness of proposal and solutions offered to the City	30	105	111	105	110	114
2	<b>Cost Effectiveness</b> 1. Bank fees offered are comprehensive and provide information as described in RFP and all prices provided	20	73	70	69	67	67
3	<b>Successful Experience and Qualification</b> Experience with similar sized cities/public entities 1. Qualifications and subject knowledge 2. Evidence of experience and skill 3. Evidence of availability to deliver in the timeline 4. Successful past projects with the Government Entities	25	88	93	87	91	93
4	<b>Similar Projects and References</b> 1. Prior experience with three (3) similar projects, preferably government entities in the State of Florida 2. References from at least (3) entities for similar projects or work	20	73	78	73	76	78
5	<b>Default, Termination, Litigation, Debarment, etc.</b> 1. Instances of a default under a similar project or contract; 2. Instances of litigation related to a similar project or contract; 3. Instances of any debarment by a local, state or federal governmental entity (No instances of default and litigations scores maximum points of 5, provided instances shall score accordingly )	5	19	19	19	19	12
<b>Total Points Received:</b>			<b>358</b>	<b>371</b>	<b>353</b>	<b>363</b>	<b>364</b>
Exhibit "B" - City's Campaign Contribution Statement			submitted	submitted	submitted	submitted	submitted
Exhibit "C" - Respondant Information Form			submitted	submitted	submitted	submitted	submitted
Exhibit "D" - Similar Projects			submitted	submitted	submitted	submitted	submitted
Exhibit "E" - References			submitted	submitted	submitted	submitted	submitted
Exhibit "F" - Drug Free Workplace Form			submitted	submitted	submitted	submitted	submitted
Exhibit "G" - Scrutinized Companies Certification			submitted	submitted	submitted	submitted	submitted
default, termination, litigation statement			5- pg.34	5-pg.141	5- pg.72	5- pg. 13	5 - pg. 21

## **BANKING SERVICES AGREEMENT**

**THIS BANKING SERVICES AGREEMENT** (“Agreement”) is made this \_\_\_\_\_, between the **City of Lake Worth Beach**, Florida, a municipal corporation (“CITY”) with its office located at 7 North Dixie Highway, Lake Worth Beach, Florida 33460, and **JPMorgan Chase Bank, N.A.**, a National Association authorized to do business in the State of Florida (“BANK”) with its office located at 1450 Brickell Ave, Floor 15, Miami, Florida 33131.

### **RECITALS**

**WHEREAS**, the CITY issued a Request for Proposal (No. 21-204) in order to obtain a qualified public depository to provide banking services to the CITY (“RFP”); and

**WHEREAS**, BANK has provided the CITY with a written proposal in response to the RFP to provide the services as described and set out in the RFP (“Proposal”); and

**WHEREAS**, the CITY desires to accept the BANK’s proposal in order for BANK to render the services to the CITY as provided herein; and

**WHEREAS**, the BANK further warrants that it is experienced and capable of performing the tasks hereunder in a professional and competent manner; and

**WHEREAS**, the purpose of this Agreement is to set forth certain terms and conditions for the provision of banking services by BANK to the CITY; and,

**WHEREAS**, the CITY finds entering this Agreement with the BANK serves a valid public purpose.

**NOW THEREFORE**, the CITY hereby engages the services of the BANK, and in consideration of the mutual promises herein contained, the sufficiency of which is hereby acknowledged by both parties, the parties agree as follows:

#### **1. RECITALS**

1.1 The recitals set forth above are incorporated into this Agreement as true and correct statements.

#### **2. TERM**

2.1 The term of this Agreement shall commence upon the approval of this Agreement by the City Commission and shall be for an initial term of five (5) years unless earlier terminated as stated herein. The parties may extend the term for additional two (2), two-year periods and one (1), one-year period by amendment to this Agreement. The City Manager is authorized to approve an amendment to this Agreement to extend the term as set forth herein.

#### **3. SCOPE OF SERVICES**

3.1 The BANK’s scope of services includes providing the CITY with banking services as more specifically set forth in the RFP, as further described in the Proposal and the BANK’s account and service documentation governing the accounts and services (“Account Documentation”) provided hereunder (“Scope of Services”).

3.2 The BANK has been designated by the Chief Financial Officer of the State of Florida as a Qualified Public Depository and the BANK must maintain the designation of Qualified Public Depository in good



standing throughout the term of this Agreement and will annually, upon request of the CITY, provide the proof of its designation to the CITY.

3.3 The BANK has represented to the CITY that it has expertise in the type of services that is required as set forth in the Scope of Services and this Agreement. The BANK agrees that all services to be provided by BANK pursuant to this Agreement shall be subject to the CITY's review and approval and shall be in accordance with reasonable commercial standards as may be applied to the type of services to be rendered, as well as in accordance with all published laws, statutes, ordinances, codes, rules, regulations and requirements of any governmental agencies which regulate or have jurisdiction over the services to be provided and performed by the BANK. In the event of any conflicts in these requirements, the BANK shall notify the CITY of such conflict and utilize its best professional judgment to advise CITY regarding resolution of the conflict.

3.4 The BANK agrees to obtain and maintain throughout the term of this Agreement all such licenses as are required to do business in the State of Florida, the City of Lake Worth Beach, and in Palm Beach County, Florida, including, but not limited to, all licenses required by the respective state boards and other governmental agencies responsible for regulating and licensing the services to be provided and performed by the BANK pursuant to this Agreement.

3.5 The BANK agrees to employ and designate, in writing, within 14 calendar days after receiving its Notice to Proceed, or other directive to commence services from the CITY, a qualified employee to serve as the BANK's project manager (the "Project Manager"). The Project Manager shall be authorized and responsible to act on behalf of the BANK with respect to directing, coordinating and administering all aspects of the services to be provided and performed under this Agreement.

3.6 The Scope of Services shall be performed by the BANK or under its supervision and all personnel engaged in performing the Scope of Services shall be fully qualified and, if required, authorized or permitted under the federal, state and local law to perform such Scope of Services. All of the BANK's personnel (and all authorized subcontractors), while on CITY premises, shall comply with all CITY requirements governing safety, conduct and security.

3.7 The Scope of Services shall be completed in accordance with the terms and conditions set forth in the RFP, Account Documentation and Proposal, each of which is incorporated herein by reference, and this Agreement.

#### **4. INDEPENDENT BANK; USE OF AGENTS OR ASSISTANTS**

4.1 The BANK is and shall be, in the performance of the Scope of Services under this Agreement, an independent BANK, and not an employee, agent, or servant of the CITY. All persons engaged in any of the Scope of Services performed pursuant to this Agreement shall at all times, and in all places, be subject to the BANK's sole direction, supervision, and control. The BANK shall exercise control over the means and manner in which it and its employees perform the Scope of Services.

4.2 To the extent reasonably necessary to enable the BANK to perform the Scope of Services hereunder, the BANK shall be authorized to engage the services of any agents or assistants which it may deem proper, and may further employ, engage, or retain the services of such other persons or corporations to aid or assist in the proper performance of its duties. All costs of the services of, or expenses incurred by, such agents or assistants shall be paid by the BANK.

#### **5. FEE AND ORDERING MECHANISM**

5.1 The CITY agrees to compensate BANK in accordance with the rate schedule set forth in **Exhibit "A"** (the BANK's rate proposal), which is attached hereto and incorporated herein. The CITY shall not

reimburse BANK for any additional costs incurred as a direct or indirect result of BANK providing services to the CITY under this Agreement and not set forth in **Exhibit "A"**.

5.2 Should the CITY require additional materials or services, not included in this Agreement, fees and payment for such services will be set forth in a separate amendment, as authorized in accordance with the CITY's procurement code, prior to any such additional materials or services being provided by the BANK.

## **6. INVOICE**

6.1 The BANK shall submit an itemized quarterly invoice to the CITY for approval prior to receiving compensation. The BANK shall be paid within thirty (30) days of receipt of an approved invoice for services.

6.2 If the CITY disputes any invoice or part of an invoice, CITY shall notify the BANK within a reasonable time after receipt of the invoice.

## **7. AUDIT BY CITY**

7.1 The BANK shall permit the CITY, or any authorized representatives of the CITY, at all reasonable times, access to and the right to examine all records, books, papers or documents related to the BANK's performance under this Agreement including, but not limited to, expenses for subcontractors, agents or assistants who performed services under this Agreement, direct and indirect charges for services performed and detailed documentation for all such services performed or to be performed under this Agreement. The BANK acknowledges the CITY's audit rights; with any such activity to be mutually agreed upon as to time and scope and subject to the BANK's record retention policy. For the avoidance of doubt, the BANK does not permit general inspections or general third party audits due to the confidentiality and security obligations related to financial and customer data required of financial institutions, however, the BANK shall make the CITY's records that relate to this Agreement available.

## **8. COPIES OF DATA/DOCUMENTS**

8.1 Copies or original documents prepared by the BANK in relation to services associated with this Agreement shall be provided to the CITY. Data collected, stored, and/or provided shall be in a form acceptable to the CITY and agreed upon by the BANK.

## **9. OWNERSHIP - INTENTIONALLY DELETED**

## **10. WRITTEN AUTHORIZATION REQUIRED**

10.1 The BANK shall not make changes in the Scope of Services which would increase the CITY's liability, increase the compensation paid to the BANK, have a material adverse effect on the CITY, or perform any additional services or provide any additional material under this Agreement without first obtaining written authorization from the CITY for such additional services or materials. Additional services or materials provided without written authorization shall be done at the BANK's sole risk and without payment from the CITY.

## **11. DEFAULTS, TERMINATION OF AGREEMENT**

11.1 If the BANK fails to timely perform the Scope of Services or has failed in any other respect to satisfactorily perform in accordance with this Agreement; or, is in material breach of a term or condition of this Agreement, the City Manager or designee may give written notice to the BANK specifying defaults to be remedied. Such notice shall set forth the basis for any dissatisfaction and suggest corrective measures. If the BANK does not remedy defaults within the allotted time or commence good faith steps to remedy the default to the reasonable satisfaction of the City Manager or designee, the CITY may take such action to remedy the default and all expenses related thereto shall be borne by the BANK including, without limitation, utilization of another BANK to provide for such services; and/or, the CITY may withhold any

money due or which may become due to the BANK for such expense and/or services related to the claimed default. Alternatively, or in addition to the foregoing, if after three (3) days the BANK has not remedied defaults or commenced good faith steps to remedy defaults to the satisfaction of the City Manager or designee, the CITY may elect to terminate this Agreement. No compensation shall be paid for de-mobilization, take-down, disengagement wind-down, lost profits or other costs incurred due to termination of this Agreement under this paragraph.

11.2 Notwithstanding paragraph 11.1, the CITY reserves the right and may elect to terminate this Agreement at any time, with or without cause. At such time, the BANK would be compensated only for that services which have been satisfactorily completed to the date of termination. No compensation shall be paid for de-mobilization, take-down, disengagement wind-down, lost profits or other costs incurred due to termination of this Agreement under this paragraph. The BANK may terminate this Agreement effective upon delivery of written notice to the CITY after a cure period of thirty (30) days, due to: (i) a failure by CITY to remit charges due, after a reasonable grace period; (ii) a good faith determination by the BANK that termination is necessary or required by law or regulation; or (iii) the CITY's inability to meet its debts as they become due, or a determination in good faith by the BANK that the financial or business condition of the CITY has become materially impaired. If thirty (30) days is unreasonable time to cure, the CITY shall have a reasonable opportunity to cure upon any termination request by BANK.

11.3 If this Agreement is terminated before the completion of the term, the BANK shall:

- (a) Stop services on the date and to the extent specified including without limitation services of any sub-consultants.
- (b) Transfer all services in progress, completed services, and other materials related to the terminated services to the CITY in the format acceptable to CITY
- (c) Continue and complete all parts of the services that have not been terminated.

11.4 Termination of this Agreement shall not affect any rights, obligations, and liabilities of the parties arising out of services provided prior to the date of termination. Notwithstanding the foregoing, the parties acknowledge and agree that the CITY is a municipal corporation existing under the laws of the State of Florida, and as such, this Agreement is subject to budgeting and appropriation by the CITY of funds sufficient to pay the costs associated herewith in any fiscal year of the CITY. Notwithstanding anything in this Agreement to the contrary, in the event that no funds are appropriated or budgeted by the CITY's governing board in any fiscal year to pay the costs associated with the CITY's obligations under this Agreement, or in the event the funds budgeted or appropriated are, or are estimated by the CITY to be, insufficient to pay the costs associated with the CITY's obligations hereunder in any fiscal period, then the CITY will notify BANK of such occurrence and either the CITY or BANK may terminate this Agreement by notifying the other in writing, which notice shall specify a date of termination no earlier than twenty-four (24) hours after giving of such notice. Termination in accordance with the preceding sentence shall be without penalty or expense to the CITY of any kind whatsoever; however, CITY shall pay BANK for all services performed under this Agreement through the date of termination.

## **12. INSURANCE**

12.1 Prior to commencing the Scope of Services, the BANK shall provide certificates evidencing insurance coverage as required hereunder. All insurance policies shall be issued by companies permitted to do business under the laws of the State of Florida. The Certificates shall clearly indicate that the BANK has obtained insurance of the type, amount, and classification as required for strict compliance with this Section and that the bank will endeavor to send notice if changes to the policy are below the minimum requirements of this contract or for cancellation. Failure to comply with the foregoing requirements shall not relieve the BANK of its liability and obligations under this Agreement. All insurance, other than Workers' Compensation and Bankers Professional Liability, required hereunder shall specifically include

the "City of Lake Worth Beach" as an "Additional Insured" as their interests pertain to this Agreement for the commercial general liability and business automobile liability policies.

12.2. The BANK shall maintain, during the life of this Agreement, commercial general liability, including contractual liability insurance, on a primary, non-contributory basis in the amount of \$1,000,000 per occurrence (\$2,000,000 aggregate) to protect the BANK from claims for damages for bodily and personal injury, including wrongful death, as well as from claims of property damages which may arise from any operations under this Agreement, whether such operations be by the BANK or by anyone directly employed by or contracting with the BANK.

12.3. The BANK shall maintain, during the life of this Agreement, business automobile liability insurance in the minimum amount of \$1,000,000 combined single limit for bodily injury and property damages liability to protect the BANK from claims for damages for bodily and personal injury, including death, as well as from claims for property damage, which may arise from the ownership, use, or maintenance of owned and non-owned automobiles, including rented automobiles whether such operations be by the BANK or by anyone directly or indirectly employed by the BANK.

12.4. The BANK shall maintain, during the life of this Agreement, Workers' Compensation Insurance and Employer's Liability Insurance for all employees as required by Florida Statutes.

12.5 The BANK shall maintain during the life of this Agreement, Cyber Liability insurance with limits not less than \$5,000,000 per occurrence or claim. Coverage shall be sufficiently broad to respond to the duties and obligations as set forth in the Scope of Services and shall include, but not be limited to, claims involving infringement of intellectual property, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with sufficient limits to respond to these obligations.

12.6. The BANK shall carry a Financial Institution Bond in the minimum amount of \$5,000,000 any single loss.

12.7 The BANK shall maintain, during the life of this Agreement, standard Bankers Professional Liability Insurance in the minimum amount of \$3,000,000.00 for any single loss.

### **13. WAIVER OF BREACH**

13.1 The waiver by either party of any breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach of that same or any other provision.

### **14. INDEMNITY**

14.1 The BANK shall indemnify, defend and hold harmless, to the maximum extent permitted by law, the CITY and its officers, agents, employees and representatives, from and against any and all liability, suit, actions, proceedings, judgments, claims, losses, liens, damages, injuries (whether in contract or in tort, including personal injury, accidental death, patent infringement or property damage, and regardless, of whether the allegations are false, fraudulent or groundless), costs and expenses (including all attorney's fees, litigation, arbitration, mediation, appeal expenses) to the extent arising out of or alleged to have arisen out of or result from the gross negligence or willful misconduct of the BANK or any of its agents, employees, subcontractors or by anyone the BANK directly or indirectly employed or utilized to perform services under this Agreement.

14.2 The BANK's obligation to indemnify, defend and hold harmless shall remain in effect and shall be binding upon the BANK whether such injury or damage shall accrue, or may be discovered, before or after

termination of this Agreement. The BANK shall not be liable for indirect, incidental, special, punitive or consequential damages, including lost profits, whether or not foreseeable, regardless of the form of the action or theory of recovery, even if advised of the possibility of those damages. The BANK's obligations in this section shall not be construed to extend to any injury, loss, or damage to the extent caused by the negligent act or omission of the CITY.

14.3 Compliance with any insurance requirements required elsewhere in this Agreement shall not relieve BANK of its liability and obligation to defend, hold harmless and indemnify the CITY as set forth in this section.

14.4 Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the CITY or BANK. Further, nothing contained in this Agreement shall be construed or interpreted as consent by the CITY to be sued, nor as a waiver of sovereign immunity beyond the waiver provided in section 768.28, Florida Statutes, as amended from time to time.

14.5 The BANK's failure to comply with this section's provisions shall constitute a material breach upon which the CITY may immediately terminate or suspend this Agreement.

## **15. ENTIRE AGREEMENT AND ORDER OF PRECEDENCE**

15.1 This Agreement consists of the terms and conditions provided herein, the RFP, the Proposal, Account Documentation and Exhibit "A". To the extent that there exists a conflict between this Agreement and the remaining documents, the terms, conditions, covenants, and/or provisions of this Agreement shall prevail. Wherever possible, the provisions of such documents shall be construed in such a manner as to avoid conflicts between provisions of the various documents. Specific provisions in the BANK's Account Documentation are modified as follows (as further modified to reflect the use of the defined term "CITY" instead of "Customer"):

Indemnification, hold harmless – language in the Account Documentation requiring the CITY to indemnify and hold harmless the BANK is superseded and is replaced by the following: The CITY agrees, to the extent not prohibited by applicable law, to be responsible for or to reimburse the BANK for any and all claims, damages, demands, judgments, liabilities, losses, costs and expenses, including reasonable attorneys' fees (collectively, "Losses") arising out of or resulting from the BANK's acceptance or execution of any request or direction from the CITY in connection with any account or any service provided to the CITY. Notwithstanding the foregoing, the CITY shall not be responsible for any Losses to the extent resulting directly from the BANK's own negligence, willful misconduct or fraud;

15.2 This Agreement supersedes any and all other Agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereof, and no other Agreement, statement, or promise relating to the subject matter of this Agreement which is not contained herein shall be valid or binding.

## **16. ASSIGNMENT**

16.1 Nothing under this Agreement shall be construed to give any rights or benefits to any party other than the CITY and the BANK. All duties and responsibilities under this Agreement shall be for the sole and exclusive benefit of the CITY and the BANK and not for the benefit of any other party. The BANK shall not assign any right or interest in this Agreement, and shall not delegate any duty owned, without the CITY's prior written consent. Any attempted assignment or delegation shall be void and totally ineffective for all purposes, and shall constitute a material breach upon which the CITY may immediately terminate or suspend this Agreement. The BANK may assign the Agreement to an affiliate, subsidiary or a successor in interest in connection with a merger, reorganization or disposition of a particular business to which this Agreement relates so long as the successor is adequately capitalized and can provide adequate assurances that the successor can perform the Agreement and in each such case the BANK shall endeavor to provide the CITY 30-days prior written notice of any such assignment.

16.2 In the event the CITY consents to an assignment or delegation, the assignee, delegate, or its legal representative shall agree in writing to personally assume, perform, and be bound by this Agreement's covenants, conditions, obligations and provisions.

**17. SUCCESSORS AND ASSIGNS**

17.1 Subject to the provision regarding assignment, this Agreement shall be binding on the heirs, executors, administrators, successors, and assigns of the respective parties.

**18. WAIVER OF TRIAL BY JURY**

18.1 TO ENCOURAGE PROMPT AND EQUITABLE RESOLUTION OF ANY LITIGATION, EACH PARTY HEREBY WAIVES ITS RIGHTS TO A TRIAL BY JURY IN ANY LITIGATION RELATED TO THIS AGREEMENT.

**19. GOVERNING LAW AND REMEDIES**

19.1 The validity of this Agreement and of any of its terms or provisions, as well as the rights and duties of the parties hereunder, shall be governed by applicable federal law and the laws of the State of Florida and venue shall be in Palm Beach County, Florida.

19.2 No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

**20. TIME IS OF THE ESSENCE**

20.1 Time is of the essence in the completion of the Scope of Services as specified herein.

**21. NOTICES**

21.1 All notices hereunder must be in writing and, unless otherwise provided herein, shall be deemed validly given on the date when personally delivered to the address indicated below; or on the third (3<sup>rd</sup>) business day following deposit, postage prepaid, using certified mail, return receipt requested, in any U.S. postal mailbox or at any U.S. Post Office; or when sent via nationally recognized overnight courier to the address indicated below. Should the CITY or the BANK have a change of address, the other party shall immediately be notified in writing of such change, provided, however, that each address for notice must include a street address and not merely a post office box. All notices, demands or requests from the BANK to the CITY shall be given to the CITY address as follows:

City of Lake Worth Beach  
Attn: City Manager  
7 North Dixie Highway  
Lake Worth Beach, Florida 33460

With a copy to:

City of Lake Worth Beach  
Attn: Finance Director  
7 North Dixie Highway  
Lake Worth Beach, Florida 33460

All notices, demands or requests from the CITY to the BANK shall be given to the BANK address as follows:

Ralph Hildevert  
J.P. Morgan Government Banking  
1450 Brickell Ave, 15th Floor  
Miami, FL 33131

**22. SEVERABILITY**

22.1 Should any part, term or provision of this Agreement or any document required herein to be executed be declared invalid, void or unenforceable, all remaining parts, terms and provisions hereof shall remain in full force and effect and shall in no way be invalidated, impaired or affected thereby.

**23. DELAYS AND FORCES OF NATURE**

23.1 The BANK shall not be considered in default by reason of a delay in timely performance if such delay and failure arises out of causes reasonably beyond the control of the BANK or its subcontractors and without their fault or negligence. Upon the BANK's request, the CITY shall consider the facts and extent of any such delay and failure to timely perform the services for reason beyond the control of the BANK and, if the BANK'S delay and failure to timely perform was without it or its subcontractors' fault or negligence, as determined by the CITY in its sole discretion, the time of completion shall be extended for any reasonable time that the CITY, in its sole discretion, may decide; subject to the CITY'S rights to change, terminate, or stop any or all of the services at any time. If the BANK is delayed at any time in the progress of the services by any act or neglect of the CITY or its employees, or by any other BANK employed by the CITY, or by changes ordered by the CITY or in an unusual delay in transportation, unavoidable casualties, or any causes beyond the BANK'S control, or by delay authorized by the CITY pending negotiation or by any cause which the CITY, in its sole discretion, shall decide justifies the delay, then the time of completion shall be extended for any reasonable time the CITY, in its sole discretion, may decide. No extension of time shall be made for any delay occurring more than five (5) days before a claim therefore is made in writing to the CITY. In the case of continuing cause of delay, only one (1) claim is necessary. The BANK's sole remedy for a delay in completion of the services for any reason will be an extension of time to complete the services and BANK specifically waives any right to seek any monetary damages or losses for a delay in completion of the services, including, but not limited to, waiving any right to seek monetary amounts for lost profits, additional overhead, salaries, lost productivity, efficiency losses, or any other alleged monetary losses which may be allegedly suffered by BANK due to a delay in completion of the services.

**24. COUNTERPARTS**

24.1 This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and will become effective and binding upon the parties as of the effective date at such time as all the signatories hereto have signed a counterpart of this Agreement. This Agreement may be signed digitally and each digitally signed counterpart shall be considered as an original of the signing party.

**25. PUBLIC ENTITY CRIMES**

25.1 BANK acknowledges and agrees that a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a BANK, supplier or sub-BANK under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO for a period of 36 months following the date of being placed on the

convicted vendor list. BANK will advise the CITY immediately if it becomes aware of any violation of this statute.

**26. PREPARATION**

26.1 This Agreement shall not be construed more strongly against either party regardless of who was more responsible for its preparation.

**27. PALM BEACH COUNTY INSPECTOR GENERAL**

27.1 In accordance with Palm Beach County ordinance number 2011-009, the BANK acknowledges that this Agreement may be subject to investigation and/or audit by the Palm Beach County Inspector General. The BANK has reviewed Palm Beach County ordinance number 2011-009 and is aware of its rights and/or obligations under such ordinance. The audit limitations referenced in Section 7 are also applicable to any proposed investigation and/or audit by the Palm Beach County Inspector General.

**28. ENFORCEMENT COSTS**

28.1 Except as required in an indemnification provision herein, all parties shall be responsible for their own attorneys' fees, court costs and expenses if any legal action or other proceeding is brought for any dispute, disagreement, or issue of construction or interpretation arising hereunder whether relating to this Agreement's execution, validity, the obligations provided therein, or performance of this Agreement, or because of an alleged breach, default or misrepresentation in connection with any provisions of this Agreement.

**29. PUBLIC RECORDS**

29.1 BANK shall comply with Florida's Public Records Laws, Chapter 119, Florida Statutes, and, if it is acting on behalf of the CITY as provided under section 119.011(2), the BANK specifically agrees to:

- (a) Keep and maintain public records required by the CITY to perform the services under this Agreement.
- (b) Upon request from the CITY's custodian of public records, provide the CITY with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in this Chapter 119, Florida Statutes, or as otherwise provided by law.
- (c) Ensure that said public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Agreement term and following completion of the Agreement, if the BANK does not transfer the records to the CITY.
- (d) Upon the completion of the Agreement, transfer, at no cost, to the CITY all public records in possession of the BANK or keep and maintain public records required by the CITY to perform the services. If the BANK transfers all public records to the CITY upon completion of the Agreement, the BANK shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the BANK keeps and maintains public records upon completion of the Agreement, the BANK shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the CITY, upon request from the CITY's custodian of public records, in a format that is compatible with the information technology systems of the CITY.

**IF THE BANK HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE BANK'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (561) 586-1660,**



**CITYCLERK@LAKEWORTHBEACHFL.GOV, OR 7 NORTH DIXIE  
HIGHWAY, LAKE WORTH BEACH, FLORIDA 33460.**

**30. COPYRIGHTS AND/OR PATENT RIGHTS**

30.1 BANK represents that to its knowledge, there has been no violation of copyrights and/or patent rights in the manufacturing, producing or selling of the goods, shipped or ordered, as a result of this Agreement and the BANK agrees to hold the City harmless from any and all liability, loss, or expense occasioned by any such violation.

**31. CONFIDENTIAL AND PROPRIETARY INFORMATION**

31.1 Each party (the "Receiving Party") will keep confidential and not disclose to any other person or entity or use (except as expressly and unambiguously authorized by this Agreement) information, technology or software ("Confidential Information") obtained from the other party (the "Disclosing Party"); provided, however, that the Receiving Party will not be prohibited from disclosing or using information (i) that at the time of disclosure is publicly available or becomes publicly available through no act or omission of the Receiving Party, (ii) that is or has been disclosed to the Receiving Party by a third party who is not under, and to whom the Receiving Party does not owe, an obligation of confidentiality with respect thereto, (iii) that is or has been independently acquired or developed by the Receiving Party without access to the Disclosing Party's Confidential Information, (iv) that is already in the Receiving Party's possession at the time of disclosure, (v) that is required to be released by law or regulation, (vi) to analyze, summarize and compile anonymized transaction and other data, (vii) for fraud prevention purposes, or (viii) for the Receiving Party's operational purposes, risk management and compliance with internal policies.

**32. EXPORT ADMINISTRATION**

32.1 Each party agrees to comply with all export laws and regulations of the United States ("Export Laws") to assure that no software deliverable, item, service, technical data or any direct product thereof arising out of or related to this Agreement is exported directly or indirectly (as a physical export or a deemed export) in violation of Export Laws.

**33. INFRINGEMENT INDEMNITY**

33.1 BANK will defend or settle at its expense a claim or suit brought by a third party against the CITY arising out of a claim asserting that the Scope of Services or other deliverables ("deliverables" hereafter) provided by BANK under this Agreement infringes any U.S. copyright or any U.S. patent or misappropriates a trade secret. BANK will indemnify and hold harmless the CITY against and from damages, costs, and reasonable attorneys' fees, if any and at all levels of trial and appeal or mediation or arbitration, finally awarded in such suit or the amount of the settlement thereof; provided that (i) BANK is promptly notified in writing of such claim or suit, (ii) BANK will have the sole control of the defense and settlement thereof, and (iii) CITY furnishes BANK, on reasonable request, information available to CITY for such defense. The CITY will not admit any such claim without prior consent of BANK.

(a) In the event of a claim of infringement, BANK shall, at its option:

1. procure for CITY the right to continue using the deliverables provided under this Agreement; or
2. replace or modify the deliverables so that the same becomes non-infringing but substantially equivalent in functionality and performance.
3. If neither of the above actions is reasonably feasible, BANK will refund to CITY

the fee actually paid by CITY under the Agreement (as amortized on a straight-line basis over the time in which the CITY was able to use the deliverables).

(b) BANK will have no obligation under this section for infringement if and to the extent that such claim arises from:

1. modification of the deliverables other than by BANK or by its recommendation; or
2. combination of the deliverables with products other than those supplied by BANK;
3. the alleged infringement or misappropriation relates to such modification or combination; and/or
4. the specifications or written direction of the CITY directs BANK to construct, fabricate or otherwise provide the infringing deliverables, design, apparatus or, article, with BANK's products, services, or work product.

(c) BANK will also not have any indemnification obligation with respect to a claim: (i) if it has provided CITY with reasonable changes that would have avoided the problem and the reasonable changes are not fully implemented by City within a reasonable time or (ii) arising out use of the deliverables not in accordance with this Agreement.

(d) BANK's obligation to indemnify, defend and hold harmless shall remain in effect and shall be binding upon BANK whether such injury or damage shall accrue, or may be discovered, before or after termination or expiration of this Agreement.

### **34. COMPLIANCE WITH OCCUPATIONAL SAFETY AND HEALTH**

34.1 BANK certifies that all material, equipment, etc., contained in this bid meets all OSHA requirements. BANK further certifies that, if the material, equipment, etc., delivered is subsequently found to be deficient in any OSHA requirements in effect on date of delivery, all costs necessary to bring the material, equipment, etc. into compliance with the aforementioned requirements shall be borne by the BANK.

### **35. FEDERAL AND STATE TAX**

35.1 The CITY is exempt from payment of Florida State Sales and Use Tax. BANK is not authorized to use the CITY's Tax Exemption Number.

### **36. PROTECTION OF PROPERTY**

36.1 The BANK shall at all times guard against damage or loss to the property of the CITY or of other vendors or BANKS and shall be held responsible for replacing or repairing any such loss or damage. The CITY may withhold payment or make such deductions as deemed necessary to insure reimbursement or replacement for loss or damage to property through negligence of the successful BANK or its agents. The BANK shall be responsible to safeguard all of their property such as tools and equipment while on site. The CITY will not be held responsible for any loss of BANK property due to theft or vandalism.

### **37. E-VERIFY**

37.1 Pursuant to Section 448.095(2), Florida Statutes, beginning on January 1, 2021, the BANK shall:

- (a) Register with and use the E-Verify system to verify the work authorization status of all newly hired employees and require all subcontractors (providing services or receiving funding under this Agreement) to register with and use the E-Verify system to verify the work authorization status of all the subcontractors' newly hired employees;

- (b) Secure an affidavit from all subcontractors (providing services or receiving funding under this Agreement) stating that the subcontractor does not employ, contract with, or subcontract with an “unauthorized alien” as defined in Section 448.095(1)(k), Florida Statutes;
- (c) Maintain copies of all subcontractor affidavits for the duration of this Agreement and provide the same to the CITY upon request;
- (d) Comply fully, and ensure all of its subcontractors comply fully, with Section 448.095, Florida Statutes;
- (e) Be aware that a violation of Section 448.09, Florida Statutes (Unauthorized aliens; employment prohibited) shall be grounds for termination of this Agreement; and,
- (f) Be aware that if the CITY terminates this Agreement under Section 448.095(2)(c), Florida Statutes, the BANK may not be awarded a contract for at least 1 year after the date on which the Agreement is terminated and will be liable for any additional costs incurred by the CITY as a result of the termination of the Agreement.

### **38. SCRUTINIZED COMPANIES**

38.1 BANK certifies that it and its subcontractors are not on the Scrutinized Companies that Boycott Israel List and are not engaged in the boycott of Israel. Pursuant to section 287.135, Florida Statutes, the CITY may immediately terminate this Agreement at its sole option if the BANK or any of its subcontractors are found to have submitted a false certification; or if the BANK or any of its subcontractors, are placed on the Scrutinized Companies that Boycott Israel List or is engaged in the boycott of Israel during the term of this Agreement.

38.2 If this Agreement is for one million dollars or more, the BANK certifies that it and its subcontractors are also not on the Scrutinized Companies with Activities in Sudan List, Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or engaged in business operations in Cuba or Syria as identified in Section 287.135, Florida Statutes. Pursuant to Section 287.135, the CITY may immediately terminate this Agreement at its sole option if the BANK, or any of its subcontractors are found to have submitted a false certification; or if the BANK or any of its subcontractors are placed on the Scrutinized Companies with Activities in Sudan List, or Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or are or have been engaged with business operations in Cuba or Syria during the term of this Agreement.

38.3 The BANK agrees to observe the above requirements for applicable subcontracts entered into for the performance of work under this Agreement.

38.4 The BANK agrees that the certifications in this section shall be effective and relied upon by the CITY for the term of this Agreement, including any and all renewals.

38.5 The BANK agrees that if it or any of its subcontractors' status changes in regards to any certification herein, the BANK shall immediately notify the CITY of the same.

38.6 As provided in Subsection 287.135(8), Florida Statutes, if federal law ceases to authorize the above-stated contracting prohibitions then they shall become inoperative.

### **39. SURVIVABILITY**

39.1 Any provision of this Agreement which is of a continuing nature or imposes an obligation which extends beyond the term of this Agreement shall survive its expiration or earlier termination.

**REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK**  
**SIGNATURE PAGE FOLLOWS**

IN WITNESS WHEREOF the parties hereto have made and executed this **BANKING SERVICES AGREEMENT** on the day and year first above written.

**CITY OF LAKE WORTH BEACH, FLORIDA**

By: \_\_\_\_\_  
Bethy Resch, Mayor

ATTEST:

By: \_\_\_\_\_  
Melissa Ann Coyne, City Clerk

APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY:

APPROVED FOR FINANCIAL  
SUFFICIENCY

By: \_\_\_\_\_  
Glen J. Torcivia, City Attorney

By: \_\_\_\_\_  
Bruce T. Miller, Financial Services Director

**BANK: JPMorgan Chase Bank, N.A.**

By: \_\_\_\_\_  
*[Signature]*

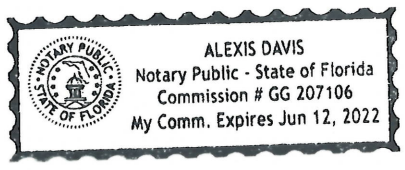
Print Name: ANASCAR R. HILDEVERT

Title: AUTHORIZED OFFICER

STATE OF Florida )  
COUNTY OF Miami Dade )

THE FOREGOING instrument was acknowledged before me by means of  physical presence or  online notarization on this 24<sup>th</sup> day of September 2021, by Anascar Hildevert, as the Authorized Officer [title] of **J.P. Morgan Chase Bank, N.A.** a National Association, who is personally known to me or who has produced FL Drivers License as identification, and who did take an oath that he or she is duly authorized to execute the foregoing instrument and bind the BANK to the same.

\_\_\_\_\_  
Notary Public Signature  
Notary Seal:



**EXHIBIT "A"**  
**J.P Morgan Chase Rates**



# City of Lake Worth Beach

## Banking Services – Cost Proposal

RFP #21-204

May 6, 2021

Prepared by:

**Ralph Hildevert**

**Relationship Executive**

1450 Brickell Ave, Floor 33

Miami, FL 33131-3444

(305) 579-9320

[ralph.hildevert@jpmorgan.com](mailto:ralph.hildevert@jpmorgan.com)

**J.P.Morgan**

## DISCLOSURE STATEMENT

This document was prepared exclusively for the benefit and internal use of the party to whom it is directly addressed and delivered (the "Organization") in order to assist the Organization in evaluating certain products or services that may be provided by J.P. Morgan.

Chase, J.P. Morgan, and JPMorgan Chase and InstaMed are marketing names for certain businesses of JPMorgan Chase & Co. and its affiliates and subsidiaries worldwide (if and as used herein may include as applicable employees or officers of any or all of such entities irrespective of the marketing name used). Products and services may be provided by commercial bank affiliates, securities affiliates or other J.P. Morgan affiliates or entities. In particular, securities brokerage services other than those which can be provided by commercial bank affiliates under applicable law will be provided by registered broker/dealer affiliates such as J.P. Morgan Securities LLC, J.P. Morgan Institutional Investments Inc. or by such other affiliates as may be appropriate to provide such services under applicable law. Such securities are not deposits or other obligations of any such commercial bank, are not guaranteed by any such commercial bank and are not insured by the Federal Deposit Insurance Corporation. We are not responsible for the performance of our partners, their continued service levels, or their ability to provide services.

The information herein does not purport to set forth all applicable issues and is not intended to constitute advice on legal, tax, investment, accounting, regulatory or any other matters. J.P. Morgan makes no representations as to such matters or any other effects of any transaction and shall have no responsibility or liability to you with respect thereto. You should consult with your own advisors regarding such matters and the suitability, permissibility and effect of any transaction. In no event shall J.P. Morgan nor any of its directors, officers, employees or agents be liable for any use of, for any decision made or action taken in reliance upon, or for any inaccuracies or errors in, or omissions from, the information herein. The information herein is not intended as nor shall it be deemed to constitute advice or a recommendation regarding the issuance of municipal securities or the use of any municipal financial products. J.P. Morgan is not providing any such advice or acting as the Organization's agent, fiduciary or advisor, including, without limitation, as a Municipal Advisor under Section 15B of the Securities and Exchange Act of 1934, as amended.

This proposal is subject to and conditioned upon a mutually agreeable contract between the Organization and J.P. Morgan. J.P. Morgan also requires execution of all applicable product and service agreements. Implementation of products and services is subject to and conditioned upon the condition of satisfactory completion of J.P. Morgan's "Know Your Customer" due diligence and meeting product requirements. These steps are included in J.P. Morgan's client onboarding process.

This document may contain information that is confidential and/or proprietary to J.P. Morgan, which may only be used in order to evaluate the products and services described herein and may not be disclosed to any other person. Such information is marked "confidential" and may not be copied, published or used, in whole or in part, for any purpose other than as expressly authorized by J.P. Morgan.

To help the United States government fight the funding of terrorism and money laundering activities, U.S. law (Section 326 of the USA PATRIOT Act) requires banks and certain other financial institutions to obtain, verify, and record information that identifies each client that opens an account. What this means for our clients: Before opening a new account, we will require you to provide name, address, taxpayer identification number, and other information and/or documentation that will allow us to identify the account owner(s), as required by law.

Please note that we do not issue cards and prohibit use of our cards in any country against which the United States has imposed sanctions. A current list of such sanctioned countries, as well as information about sanctions, is available on the U.S. Department of the Treasury website: [treas.gov/offices/enforcement/ofac](https://www.treas.gov/offices/enforcement/ofac).

J.P. Morgan is licensed under U.S. Pat Nos. 5,910,988 and 6,032,137.

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If this is a Commercial Card product proposal, this proposal is valid for 60 days from May 6, 2021. J.P. Morgan reserves the right to amend this proposal thereafter.

All trademarks, trade names and service marks appearing herein are the property of their respective owners.

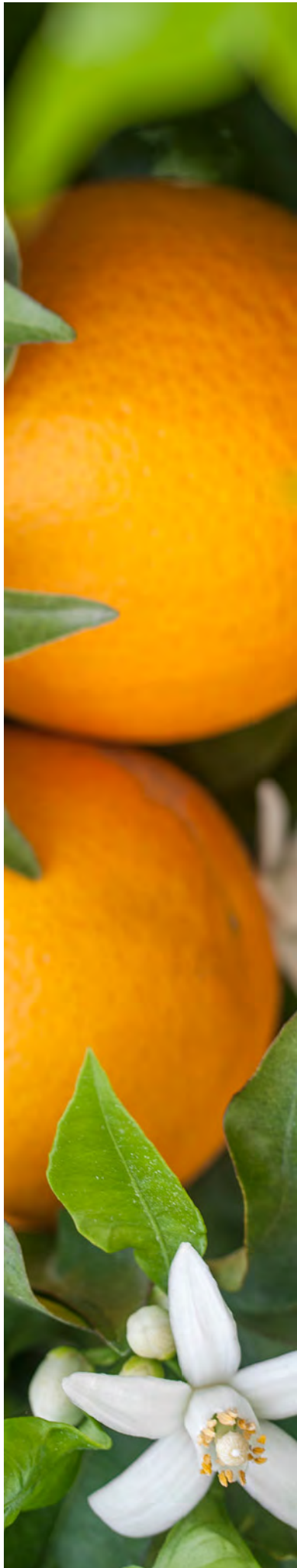
This document does not constitute a commitment by any J.P. Morgan entity to extend or arrange credit.

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J.P. Morgan supports sustainable business practices and adheres to the principles of environmental sustainability wherever possible.





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*Outline in sequential order the sections of the proposal. The sections should match with the evaluation criteria.*

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## Cost Effectiveness

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**Respondents shall provide the detailed price list that include all of the services described in the solicitation documents. The prices shall be provided in the current, best practice industry format.**

**Respondent shall provide the following details in the Cost proposal:**

- 1. Provide the proposed prices for all the services the list of banking services as presented on the Prices and Services Chart in the separate document. Pricing information must be submitted in a separate, clearly marked, sealed envelope.**

We have provided our cost proposal in the section below.

- 2. The City requests that deposit slips be furnished by the Respondent at no cost to the City. Under these circumstances, would the City order deposit slips through the Respondent or directly from a vendor?**

As part of our transition incentive package, J.P. Morgan is offering a one-time credit of up to \$2,500 to offset the cost of account supplies, including deposit slips. For subsequent orders, the City may order deposit tickets and other depository supplies at cost through J.P. Morgan or directly from your preferred vendor. We will debit your account for deposit tickets, endorsement stamps and depository bag fees. Other depository supplies may be charged through account analysis.

- 3. The City requests the Respondent to cash City created checks without charge to the recipient. Will any charges incurred be passed through to the City? If so, please provide a detailed listing. What controls are in place to minimize check fraud?**

J.P. Morgan agrees to cash City of Lake Worth Beach's payroll checks drawn on J.P. Morgan that are presented by City employees at our branches, with appropriate identification, at no additional cost. Reasonable thresholds will be established based on the expected activity and risk for your account. The threshold represents a maximum per check limit. The standard maximum threshold is \$5,000; any increase in that threshold requires additional reviews and approvals. We will also provide the City disbursement solutions with full or partial reconciliation with positive pay, including payee name verification, for an added level of fraud protection.

- 4. The Respondent shall provide the implementation work at no or at minimal cost to the City in form of credit or direct payment to the third party Vendor provided by the Respondent or provided by the City. Please specify the details in your proposal.**

J.P. Morgan will waive all implementation fees for the services included in our proposal.

- 5. Does the Respondent charge for daylight overdrafts? If so, how is the charge calculated?**

At this time, J.P. Morgan does not charge for daylight overdraft usage which has been cleared prior to close of the banking day. J.P. Morgan may, from time to time and at its sole discretion, permit intraday overdrafts. Intraday overdrafts are subject to satisfactory credit due diligence and applicable regulations and limits.

6. ***List any additional fees for additional services not specifically requested related to conversion, training, and/or other Banking Services. Fees for Banking Services not indicated within this proposal will be considered provided at no additional cost than what is submitted in the proposal.***

J.P. Morgan will waive all implementation fees for the services included in our proposal. A fees schedule for additional services is also included in our proposal, should the City decide to add such additional services in the future.

7. ***Payment for Banking Services. The City shall pay the banking fees monthly on direct basis based on the list of the monthly bank charge analysis.***

Acknowledged.

# Banking Services Price List

---

We have provided our Banking Services Price List on the following pages.

**City of Lake Worth**

**Service Charge Amount:** \$2,022.41

**Service Analysis \***

Service Description	AFP	Number of Units	Unit Price	Charge For Service
<b>ACCOUNT SERVICES</b>				
++ 1005 - ACCOUNT MAINTENANCE	010000	3	\$5.0000	\$15.00
++ 7640 - CREDIT POSTED- ELECTRONIC	010101	421	\$0.0300	\$12.63
++ 7641 - DEBIT POSTED - ELECTRONIC	010100	85	\$0.0300	\$2.55
<b>Subtotal</b>				<b>\$30.18</b>
<b>AUTOMATED CLEARING HOUSE</b>				
++ 2705 - DEBIT ORIGINATED	250100	3,575	\$0.0200	\$71.50
++ 2716 - CREDIT RECEIVED	250201	420	\$0.0200	\$8.40
++ 2717 - DEBIT RECEIVED	250200	57	\$0.0200	\$1.14
++ 2720 - RETURN ITEM	250302	14	\$1.0000	\$14.00
++ 2722 - NOTIFICATION OF CHANGE	251070	7	\$1.5000	\$10.50
++ 2729 - RETURN NOTIFICATION - ONLINE	250400	1	\$1.0000	\$1.00

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\*\* Denotes a new service, additional volume, and/or a new price.

### Service Analysis \*

	<b>Service Description</b>	<b>AFP</b>	<b>Number of Units</b>	<b>Unit Price</b>	<b>Charge For Service</b>
++	2730 - NOTIF OF CHANGE - ONLINE	250400	1	\$1.0000	\$1.00
++	2742 - CREDIT ORIGINATED - JPM ACCESS	250101	876	\$0.0300	\$26.28
++	2746 - JPM ACCESS ACH MAINTENANCE	250000	3	\$10.0000	\$30.00
++	2765 - ACH BATCH/FILE PROCESSED	250501	14	\$3.0000	\$42.00
++	2796 - ADDENDA RECORD ORIGINATED	250120	1	\$0.0100	\$0.01
++	2860 - TRANSACTION BLOCK MAINTENANCE	251050	3	\$5.0000	\$15.00
++	2861 - ACH TRANS BLOCK AUTHORIZED ID	251051	45	\$0.5000	\$22.50
<hr/>					
	<b>Subtotal</b>				\$243.33
<b>BANKING CENTER SERVICES</b>					
++	1306 - BRANCH CREDITS POSTED	100000	74	\$2.0000	\$148.00
++	7174 - TELLER LINE CASH VERIFICATION	100000	229	\$0.0035	\$0.80
<hr/>					
	<b>Subtotal</b>				\$148.80
<b>DEPOSITORY SERVICES</b>					
++	501 - CHECK DEPOSITED-ON US	100220	2	\$0.0800	\$0.16
++	513 - CHECK DEPOSITED-TRANSIT	100224	26	\$0.1000	\$2.60
++	521 - IRD PERIOD ONE	100214	1	\$0.1000	\$0.10
++	541 - REMOTE DEPOSIT CAPTURE ITEM	101320	3,391	\$0.0600	\$203.46
++	548 - REMOTE DEPOSIT CAPTURE MAINT	101300	1	\$15.0000	\$15.00
++	704 - DEPOSIT CORRECTION	100230	3	\$3.0000	\$9.00
++	757 - IMAGE QUALITY SUSPECT ITEMS	999999	1	\$0.1500	\$0.15
++	758 - NON-CONFORMING IMAGE ITEMS	999999	1	\$2.5000	\$2.50
++	1400 - CREDITS POSTED	010101	1	\$0.5000	\$0.50
++	1435 - RETURN ITEM	100400	12	\$3.0000	\$36.00
++	1438 - RETURN ALTERNATE ADDRESS	100401	1	\$1.0000	\$1.00
++	1450 - RETURN ITEM REDEPOSIT	100402	13	\$2.0000	\$26.00
<hr/>					
	<b>Subtotal</b>				\$296.47
<b>DISBURSEMENT SERVICES</b>					
++	1321 - CHECK CASHING NON-ACCT HOLDER	150501	0	\$0.0000	\$0.00
++	2370 - CHECK / DEBIT POSTED	010100	737	\$0.0400	\$29.48
++	3495 - IMAGE STORAGE PER ITEM	151351	1,060	\$0.0200	\$21.20
++	6639 - STOP PAYMENT - ELECTRONIC	150410	12	\$5.0000	\$60.00
<hr/>					
	<b>Subtotal</b>				\$110.68

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### Service Analysis \*

Service Description	AFP	Number of Units	Unit Price	Charge For Service
<b>INT REC &amp; PAY - REPORT</b>				
++ 6179 - RECEIVABLES MAINT - ONLINE	050005	1	\$15.0000	\$15.00
++ 6187 - LONG TERM STORAGE - CHECK	050620	1	\$0.0200	\$0.02
<b>Subtotal</b>				\$15.02
<b>INTERNATIONAL SERVICES</b>				
++ 3941 - DEPOSITED CHECK - CANADIAN	609999	1	\$2.0000	\$2.00
<b>Subtotal</b>				\$2.00
<b>JPMORGAN ACCESS</b>				
++ 6040 - MONTHLY SERVICE	400610	1	\$20.0000	\$20.00
++ 6041 - ACCOUNTS REPORTED	40044Z	4	\$10.0000	\$40.00
++ 6044 - TRANSACTIONS REPORTED - 90 DAY	40066Z	2,287	\$0.0500	\$114.35
++ 6076 - ACCT TRANSFER ITEM	400699	2	\$2.2500	\$4.50
<b>Subtotal</b>				\$178.85
<b>RECEIPTSTREAM/ENH REC SVCS</b>				
++ 2629 - EDI SUMMARY REPORT JPMACCESS	300524	1	\$2.0000	\$2.00
<b>Subtotal</b>				\$2.00
<b>RECONCILIATION SERVICES</b>				
++ 3209 - PARTIAL RECONCILEMENT - MAINT	200020	0	\$30.0000	\$0.00
++ 3210 - PARTIAL RECONCILIATION-PER ITM	200120	740	\$0.0200	\$14.80
++ 3262 - POSITIVE PAY MAINTENANCE	150030	3	\$0.0000	\$0.00
++ 3263 - EXCEPTION ITEM	150300	1	\$1.0000	\$1.00
++ 3291 - OUTPUT FILE	200301	3	\$2.0000	\$6.00
++ 3386 - IMAGE CAPTURE PER ITEM	151351	4	\$0.0200	\$0.08
<b>Subtotal</b>				\$21.88
<b>VAULT SERVICES</b>				
++ 1310 - VAULT DEPOSIT	100100	155	\$1.5000	\$232.50
++ 1459 - VAULT DEPOSIT PER \$1,000	10011Z	597	\$0.8000	\$477.60
++ 1476 - VAULT ORDER COIN ROLLS	100144	186	\$0.1000	\$18.60
++ 1493 - VAULT DEPOSIT IN NON STD BAG	100199	102	\$1.0000	\$102.00
++ 1497 - VAULT ORDER CURRENCY STD STRAP	10014A	10	\$0.5000	\$5.00
++ 1617 - VAULT DEPOSIT ADJUSTMENT	100501	1	\$1.5000	\$1.50

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**Service Analysis \***

Service Description	AFP	Number of Units	Unit Price	Charge For Service
<b>Subtotal</b>				\$837.20
<b>WIRE - U.S.</b>				
++ 5822 - ELECTRONIC BOOK DEBIT S/T	350124	1	\$4.0000	\$4.00
++ 5824 - ELECTRONIC FED DEBIT S/T	350100	33	\$4.0000	\$132.00
<b>Subtotal</b>				\$136.00
<b>Total Charge For Services</b>				<b>\$2,022.41</b>

To demonstrate our strong commitment to this relationship, we have provided a comprehensive transition credit, which includes a fee waiver for up to \$36,000 for the first 18 months beginning at contract signing. In addition, we are offering a one-time credit for up to \$2,500 to offset the cost of account supplies, two (2) free Remote Deposit Scanners, valued at \$1,000 and a waiver of the initial on-site training expenses for our online portal, JP Morgan Access, as well as all service implementation fees.

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# Banking Services Price List with Additional Services

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We have provided our Banking Services Price List, with additional services on the following pages.

City of Lake Worth

**Service Analysis \***

Service Description	AFP	Number of Units	Unit Price	Charge For Service
<b>ACCOUNT SERVICES</b>				
++ 1005 - ACCOUNT MAINTENANCE	010000	0	\$35.0000	\$0.00
++ 1006 - ACCT MAINT-INT	010010	0	\$5.0000	\$0.00
++ 1008 - ACCT MAINT-INT ADJ BAL	010010	0	\$25.0000	\$0.00
++ 1014 - ACCOUNT STATEMENT - PAPER	010310	0	\$0.0000	\$0.00
++ 7640 - CREDIT POSTED- ELECTRONIC	010101	0	\$0.2000	\$0.00
++ 7641 - DEBIT POSTED - ELECTRONIC	010100	0	\$0.2000	\$0.00
++ 7856 - CASH CONCENTRATION MAINTMASTER	010020	0	\$15.0000	\$0.00
++ 7857 - CASH CONCENTRATION MAINT SUB	010021	0	\$10.0000	\$0.00
<b>Subtotal</b>				\$0.00
<b>AUTOMATED CLEARING HOUSE</b>				
++ 2237 - TRANS REVIEW MAINTENANCE	250000	0	\$5.0000	\$0.00

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**Service Analysis \***

	<b>Service Description</b>	<b>AFP</b>	<b>Number of Units</b>	<b>Unit Price</b>	<b>Charge For Service</b>
++	2238 - TRANS REVIEW FILTER EXCEPTION	250102	0	\$0.0000	\$0.00
++	2239 - TRANS REVIEW REJECT - MANUAL	250302	0	\$2.0000	\$0.00
++	2695 - ACH MAINTENANCE	250000	0	\$25.0000	\$0.00
++	2700 - CREDIT ORIGINATED	250101	0	\$0.0200	\$0.00
++	2705 - DEBIT ORIGINATED	250100	0	\$0.0200	\$0.00
++	2710 - DELETION / REVERSAL - MANUAL	250620	0	\$5.0000	\$0.00
++	2729 - RETURN NOTIFICATION - ONLINE	250400	0	\$1.0000	\$0.00
++	2730 - NOTIF OF CHANGE - ONLINE	250400	0	\$1.0000	\$0.00
++	2742 - CREDIT ORIGINATED - JPM ACCESS	250101	0	\$0.0300	\$0.00
++	2744 - DEBIT ORIGINATED - JPM ACCESS	250100	0	\$0.0300	\$0.00
++	2809 - NOTIF OF CHANGE - EMAIL	251070	0	\$1.0000	\$0.00
++	2810 - RETURN NOTIFICATION - EMAIL	250400	0	\$1.0000	\$0.00
++	2814 - NOTIF OF CHANGE - TRANSM	251070	0	\$1.0000	\$0.00
++	2818 - RETURN NOTIFICATION - TRANSM	250400	0	\$1.0000	\$0.00
++	8019 - ACH ORIGINATED SAME DAY CREDIT	250101	0	\$0.2000	\$0.00
++	8020 - ACH ORIGINATED SAME DAY DEBIT	250100	0	\$0.2000	\$0.00
++	8021 - ACH ONLINE SAME DAY CREDIT	250101	0	\$0.2000	\$0.00
++	8022 - ACH ONLINE SAME DAY DEBIT	250100	0	\$0.2000	\$0.00
<hr/>					
	<b>Subtotal</b>				\$0.00
<b>BANKING CENTER SERVICES</b>					
++	1316 - BRANCH DEPOSIT-BAGGED COIN	100012	0	\$3.0000	\$0.00
++	1318 - BRANCH ORDER - COIN ROLL	100044	0	\$0.1000	\$0.00
++	1319 - BRANCH ORDER CURRENCY STRAP	10004A	0	\$0.5000	\$0.00
++	1320 - BRANCH DEPOSIT IN NON STD BAG	100099	0	\$1.0000	\$0.00
++	1333 - BRANCH ORDER PROCESSED	100040	0	\$2.0000	\$0.00
++	7173 - NIGHT DROP CASH VERIFICATION	100000	0	\$0.0020	\$0.00
++	7174 - TELLER LINE CASH VERIFICATION	100000	0	\$0.0030	\$0.00
<hr/>					
	<b>Subtotal</b>				\$0.00
<b>DEPOSITORY SERVICES</b>					
++	501 - CHECK DEPOSITED-ON US	100220	0	\$0.2000	\$0.00
++	513 - CHECK DEPOSITED-TRANSIT	100224	0	\$0.2700	\$0.00
++	519 - IMAGE GROUP ONE	100214	0	\$0.0300	\$0.00
++	520 - ON-US STANDARD	100210	0	\$0.0200	\$0.00

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### Service Analysis \*

	<b>Service Description</b>	<b>AFP</b>	<b>Number of Units</b>	<b>Unit Price</b>	<b>Charge For Service</b>
++	524 - FILE TRANSMISSION REC.- VPN	100210	0	\$0.0000	\$0.00
++	526 - IMAGE GROUP TWO	100214	0	\$0.0300	\$0.00
++	528 - IMAGE GROUP TWO - TIER 2	100214	0	\$0.0300	\$0.00
++	746 - ON US PREMIUM	100210	0	\$0.0300	\$0.00
++	748 - ICL DEPOSIT LATE	100200	0	\$0.0300	\$0.00
++	751 - IMAGE GROUP ONE - PERIOD TWO	100214	0	\$0.0300	\$0.00
++	752 - IMAGE GROUP ONE - PERIOD THREE	100214	0	\$0.0300	\$0.00
++	756 - ICL DEPOSIT STANDARD	100200	0	\$1.0000	\$0.00
++	759 - ICL DEPOSIT EARLY	100200	0	\$1.0000	\$0.00
++	1400 - CREDITS POSTED	010101	0	\$1.5000	\$0.00
++	1435 - RETURN ITEM	100400	0	\$15.0000	\$0.00
++	1450 - RETURN ITEM REDEPOSIT	100402	0	\$8.0000	\$0.00
<hr/>					
	<b>Subtotal</b>				\$0.00
<b>DISBURSEMENT SERVICES</b>					
++	2320 - STOP PAYMENT - MANUAL	150420	0	\$5.0000	\$0.00
++	6618 - CHECK INQUIRY MAINTENANCE	151710	0	\$0.0000	\$0.00
++	6620 - RECON REPORT / STATEMENT MAINT	200306	0	\$0.0000	\$0.00
++	6641 - DATA DOWNLOAD	200306	0	\$5.0000	\$0.00
<hr/>					
	<b>Subtotal</b>				\$0.00
<b>INT REC &amp; PAY - REPORT</b>					
++	6191 - ALERTS - PER ALERT	011021	0	\$0.0000	\$0.00
++	6198 - RECEIVABLES MAIN - REPORTS	05031Z	0	\$20.0000	\$0.00
++	6280 - RECEIVABLES MAINT - RETURNS	100416	0	\$15.0000	\$0.00
++	6844 - RECEIVABLES PRESENTMENT MAINT	409999	0	\$30.0000	\$0.00
<hr/>					
	<b>Subtotal</b>				\$0.00
<b>JPMORGAN ACCESS</b>					
++	6043 - TRANSACTIONS REPORTED - 45 DAY	40066Z	0	\$0.0300	\$0.00
++	6045 - TRANSACTIONS REPORTED - 1 YEAR	40066Z	0	\$0.0700	\$0.00
++	6051 - TRANSACTIONS REPORTED - 2 YEAR	40066Z	0	\$0.1000	\$0.00
++	6053 - EXTENDED TRANSACTION DETAIL	40066Z	0	\$0.0000	\$0.00
++	6076 - ACCT TRANSFER ITEM	400699	0	\$2.2500	\$0.00
<hr/>					
	<b>Subtotal</b>				\$0.00

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**Service Analysis \***

<b>Service Description</b>	<b>AFP</b>	<b>Number of Units</b>	<b>Unit Price</b>	<b>Charge For Service</b>
<b>RECONCILIATION SERVICES</b>				
++ 3205 - FULL RECONCILEMENT - PER ITEM	200110	0	\$0.0300	\$0.00
++ 3207 - FULL RECONCILEMENT - MAINT	200010	0	\$30.0000	\$0.00
++ 3209 - PARTIAL RECONCILEMENT - MAINT	200020	0	\$20.0000	\$0.00
++ 3228 - PAYEE NAME VERIFICATION	150122	0	\$0.0300	\$0.00
++ 3269 - ISSUE INPUT WITHOUT RECON	200201	0	\$5.0000	\$0.00
++ 3271 - ISSUE INPUT FILE WITH RECON	200201	0	\$2.0000	\$0.00
++ 3294 - DATA ENTRY - MANUAL	200210	0	\$2.0000	\$0.00
<b>Subtotal</b>				\$0.00
<b>VAULT SERVICES</b>				
++ 1467 - VAULT MAINTENANCE	100199	0	\$0.0000	\$0.00
++ 1468 - VAULT EMAIL NOTIFICATION	100154	0	\$0.0000	\$0.00
++ 1475 - VAULT DEPOSIT ROLLED COIN	100110	0	\$0.2000	\$0.00
++ 1477 - VAULT ORDER - COIN ROLL BOX	100146	0	\$0.1000	\$0.00
++ 1479 - VAULT ORDER COIN BAG LOOSE	100147	0	\$3.0000	\$0.00
++ 1482 - VAULT DEPOSIT STD STRAP - NOTE	100115	0	\$0.0000	\$0.00
++ 1486 - VAULT DEP NON STD STRAP - NOTE	100114	0	\$0.0000	\$0.00
++ 1495 - VAULT STANDARD ORDERS	100141	0	\$2.0000	\$0.00
++ 1498 - VAULT EXPEDITED SPECIAL ORDERS	100143	0	\$10.0000	\$0.00
++ 1506 - VAULT DEP PARTIAL OR MIXED BAG	100111	0	\$4.0000	\$0.00
++ 1525 - VAULT DEPOSIT STD COIN BAG	100113	0	\$2.0000	\$0.00
<b>Subtotal</b>				\$0.00
<b>WIRE - U.S.</b>				
++ 5823 - ELECTRONIC BOOK DEBIT REPAIR	350122	0	\$5.0000	\$0.00
++ 5825 - ELECTRONIC FED DEBIT REPAIR	350102	0	\$5.0000	\$0.00
++ 5826 - ELECTRONIC CHIP DEBIT S/T	350110	0	\$6.0000	\$0.00
++ 5827 - ELECTRONIC CHIP DEBIT REPAIR	350541	0	\$5.0000	\$0.00
++ 5828 - ELECTRONIC CHECK DEBIT S/T	350100	0	\$6.0000	\$0.00
++ 5829 - ELECTRONIC CHECK DEBIT REPAIR	350102	0	\$6.0000	\$0.00
++ 5886 - BOOK CREDIT	350320	0	\$4.0000	\$0.00
++ 5887 - FED CREDIT S/T	350300	0	\$5.0000	\$0.00
++ 5888 - FED CREDIT REPAIR	350330	0	\$5.0000	\$0.00
++ 5889 - CHIPS CREDIT S/T	350300	0	\$5.0000	\$0.00

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**Service Analysis \***

	<b>Service Description</b>	<b>AFP</b>	<b>Number of Units</b>	<b>Unit Price</b>	<b>Charge For Service</b>
++	5890 - CHIPS CREDIT REPAIR	350330	0	\$5.0000	\$0.00
++	5891 - ELECTRONIC ACC.CREDIT TRANSFER	350320	0	\$0.0000	\$0.00
<hr/>					
	<b>Subtotal</b>				\$0.00
<hr/>					
	<b>Total Charge For Services</b>				<b>\$0.00</b>

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# Commercial Card Financial Proposal

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We have provided our Commercial Card Financial Proposal on the following pages.



Prepared for City of Lake Worth

FINANCIAL PROPOSAL  
April 15, 2021



# FINANCIAL PROPOSAL

## Financial Incentives – U.S. Programs

### Annual Standard Volume Incentive

J.P. Morgan is pleased to offer a volume rebate based on annual Total Charge Volume and Settlement Terms for your programs. The Settlement Terms in your contract determine the volume rebate rate we apply to the annual Net Charge Volume for your programs, according to the schedule below.

Settlement Terms of 30 & 14 means your billing cycle has 30 calendar days and you have 14 calendar days after the cycle ends to make a payment.

Combined U.S. One Card and U.S. Virtual Card Programs	
	Volume Rebate Rate applied to annual Net Charge Volume by Program Settlement Terms
Annual Total Charge Volume at or above:	@ 30 & 14
\$1,000,000	1.46%
\$4,000,000	1.58%
\$7,000,000	1.64%
\$10,000,000	1.68%
\$15,000,000	1.72%
\$20,000,000	1.74%
\$25,000,000	1.76%
\$30,000,000	1.77%
\$35,000,000	1.89%
\$40,000,000	1.91%
\$45,000,000	1.93%
\$50,000,000	1.95%
\$75,000,000	1.98%
\$100,000,000+	2.01%

### Discount Interchange Rate

Should Client achieve the minimum annual Combined Total Charge Volume required to earn a Volume Rebate as stated above, Bank will pay Client a rebate based on annual Discount Interchange Rate Transaction Volume associated with each Program. The rebate will be calculated as the Discount Interchange Rebate Rate (with categories as determined according to the following schedule) multiplied by the annual Discount Interchange Rate Transaction Volume for each respective category associated with each Program, subject to the rebate adjustments below.

Discount Interchange Rebate Rate for Combined U.S. One Card and U.S. Virtual Card Programs Volume by Program Settlement Terms	
Settlement Terms	@ 30 & 14
Category 1	0.75%
Category 2	0.15%

# FINANCIAL PROPOSAL

## Terms and Conditions

- This offer will be effective at time of contract signing.
- The U.S. One Card and U.S. Virtual Card programs will be on a MasterCard platform.
- Settlement of any centrally billed account must be made by automatic debit.
- You shall not be liable for fraudulent transactions provided you operate your program in accordance with J.P. Morgan's fraud reduction requirements (i.e., block required high risk MCCs, maintain reasonable security precautions and controls regarding accounts and transaction info, and comply with other requirements as J.P. Morgan may reasonably require from time to time).
- Credit losses will be deducted from all rebates. In cases where rebates earned are insufficient to cover these deductions, you will be invoiced for the difference.
- To qualify for rebates, you must be current at the time of rebate calculation/payment, meet Settlement Terms and not be in default under the contract. Rebates will be calculated annually in arrears and paid in the first quarter for the previous contract year and will be paid by wire transfer to an account that you designate.
- In the event that the network lowers its interchange rates, J.P. Morgan reserves the right to adjust rebates and fees accordingly.
- All clients are subject to prior credit approval before a firm commitment will be issued from J.P. Morgan.

# FINANCIAL PROPOSAL

## UNITED STATES

The following are the fees associated with U.S. Virtual Card and U.S. One Card programs:

### STANDARD SERVICES AND FEES

Late payment charge	Central bill: 1% of full amount past due assessed at end of the Cycle in which payment first became due and each Cycle thereafter Individual bill: 1% of full amount past due assessed 28 days after end of the Cycle in which payment first became due and each Cycle thereafter
International transaction	1.5% of the US Dollar amount charged
Standard card	\$0.00

### ADDITIONAL SERVICES AND FEES

Cash advances	2.5% of amount advanced (\$2.50 minimum with no maximum)
Convenience check	2% of check amount (\$1.50 minimum with no maximum)
Executive card	\$75 annual fee per card

# FINANCIAL PROPOSAL

## Pricing Assumptions, Definitions and Disclaimer – U.S. Programs

The proposed pricing for your requested card programs is based on the following assumptions:

COMMERCIAL CARD PROGRAMS			
	<i>U.S. One Card</i>	<i>U.S. Virtual Card</i>	<i>Total</i>
<i>Annual Total Charge Volume</i>	\$1,000,000	\$1,000,000	\$2,000,000
<i>Statement Billing Period</i>	30	30	
<i>Payment Days from Statement Date</i>	14	14	
<i>Cards</i>	10	n/a	10
<i>Contract Initial Term</i>	5 years with one-year auto renewals		
<i>Type of Liability, Billing, and Payment</i>	Corporate, Central, Central	Corporate, Central, Central	

## Definitions

**“Net Charge Volume”** means total charges made on any and all cards or accounts, net of returns, cash advances, convenience check amounts, fraudulent transactions and any transactions that do not qualify for interchange under applicable Association rules. Net Charge Volume does not include Discount Interchange Rate Transaction Volume.

**“Total Charge Volume”** means the sum of Net Charge Volume and Discount Interchange Rate Transaction Volume.

**“Discount Interchange Rate Transactions”** means Transactions made on any and all cards or accounts, with an interchange rate below 2.00% under applicable Credit Card Network rules. Those Transactions include but are not limited to Large Ticket Transactions, level 3 Transactions, MasterCard and Visa Partnership programs, and any other interchange programs entered into by the Networks, Client, merchant, or others whereby the parties to those interchange programs have agreed to interchange rates below 2.00% for certain transactions. This does not include Transactions that do not qualify for interchange under applicable Credit Card Network rules.

**“Discount Interchange Rate Transaction Volume”** means total Discount Interchange Rate Transactions made on any and all cards or accounts. **Discount Interchange Rate Transaction Volume** is comprised of two categories based on the interchange rate of each transaction:

- **“Discount Interchange Transaction Volume Category 1”** covers all **Discount Interchange Rate Transaction Volume** with interchange rate 1.00% and above (interchange rates from 1.00% - 1.99%).
- **“Discount Interchange Transaction Volume Category 2”** covers all **Discount Interchange Rate Transaction Volume** with interchange rate below 1.00 % (interchange rates from 0.00 % -0.99 %).

## Disclaimer

We prepared this confidential and proprietary proposal exclusively for you in order to help you evaluate some of JPMorgan Chase Bank, N.A.’s products and services. In preparing this proposal, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information provided by you, or otherwise obtained from public sources that we have otherwise reviewed.

This proposal:

- Is not legally binding
- Cannot be disclosed to a party other than the one we addressed and delivered it to, or its subsidiaries, and can only be used to evaluate the products and services here unless we otherwise agree in writing
- Is valid for 60 days; thereafter, we can change it at any point or upon any requested changes, which can result in a new proposal.

# FINANCIAL PROPOSAL

Any products, services, terms, or other matters described in this proposal (other than in respect of confidentiality) are subject to the terms of separate legally binding documentation and are subject to change without notice. Additionally, we make no representations about the legal, regulatory, tax or accounting implications of anything in this proposal.

Neither we nor any of our directors, officers, employees or agents are responsible or liable to you or any other party for the contents of this proposal, anything referred to in it, and anything discussed as a result of it.

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# Merchant Services Pricing Proposal – Schedule A

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We have provided our Merchant Services Pricing Proposal – Schedule A on the following pages.

# Schedule A to Merchant Agreement

Merchant: **City of Lake Worth Beach**

NAPFINSCHEDAICPT2F 202104

## Assumptions

Transaction related assumptions		Other assumptions	
Payment Transaction Sales Volume	\$1,400,000	Number of locations	3
Average Transaction Amount	\$49.00	Authorization / Capture %	135.0%
Debit / EBT Transactions	0	Chargebacks as % of Sales Transactions	0.0300%
Conveyed Transactions	N/A	Billing Frequency	Monthly
Safetech Encrypted Items	N/A		

### Target Qualification Level:

Mastercard:	Public Sector	MUPS	American Express:	Emerging Market - Tier 1	AEM1
Visa:	CPS Retail 2 (Emerging Markets)	VCR2	Discover:	PSL Public Services - Core	D161

## 1. Fees applied on every transaction

**Card Network Interchange & any incremental discount rate %** – Mastercard, Visa and Discover assess an Interchange Rate, Assessment Fee and Network Fee for each transaction. American Express assesses a Wholesale Discount Rate and Network Fee for each transaction. These rates and fees will be passed through at cost.

Interchange and Wholesale Discount Rates	as set by each Card Network
MasterCard, Visa & Discover Incremental Discount Rate	0.1500%
American Express Incremental Discount Rate	0.1500%
PIN Debit, PINLess Debit, and/or EBT Network Fees	All standard Debit Network Fees will be assessed
Debit – Incremental Discount Rate	N/A
JCB (Japanese Credit Bureau)	N/A
Voyager Discount Rate (if settled)	N/A
Wright Express (WEX) Discount Rate (if settled)	N/A

Card Network Assessments			Card Network Fees		
			Credit	Debit	
Mastercard	Credit transactions < \$1000 and all Debit transactions	0.130%	\$0.0195	\$0.0195	Mastercard Network Access & Brand Usage Fee (NABU) (Charged per Authorization & per Refund)
	Credit transactions > \$1000	0.140%			
Visa	Debit transactions	0.130%	\$0.0195	\$0.0155	Visa Domestic Sales Auth (APF) (Charged per Authorization & per Refund)
	Credit transactions	0.140%			
	American Express OptBlue Network Fee	0.160%	\$0.0395	\$0.0355	Visa Intl Sales Auth (APF) (Charged per Authorization & per Refund)
	Discover	0.130%	\$0.0025	\$0.0025	Discover Data Usage Fee

Card Network Fees			
MC Connectivity Fee* (per Transaction and Authorization)	\$0.0014	VI Financial Transaction Fee	\$0.0018
MC Reporting & Infrastructure	\$0.0003	VI Reporting & Data Transfer	\$0.0002

\*In some cases, it is not possible to allocate the associated expenses from the payment networks directly to transaction counts or volume, so Chase Merchant Services produces a rate that is based on the associated expense from the payment networks and applies that expense accordingly.

Customer initials	x	Please initial to acknowledge pg. 1 of the Schedule A pricing sheet
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Transaction Fees	
Mastercard per transaction	N/A
Visa per transaction	N/A
Discover per transaction	N/A
JCB per transaction	N/A
American Express per transaction	N/A
PIN Debit per transaction	N/A
PINLess Debit per transaction	N/A
EBT per transaction	N/A
Check Verification – Scan per transaction	N/A
Voyager per transaction	N/A
Wright Express per transaction	N/A
Hosted Pay Page per transaction	N/A
Managed POS Vendor per transaction	N/A

Authorization Fees	
Mastercard per authorization	\$0.1000
Visa per authorization	\$0.1000
Discover per authorization	\$0.1000
JCB per authorization	N/A
American Express per authorization	\$0.1000
Voyager per authorization	N/A
Wright Express per authorization	N/A
Private Label per authorization	N/A
Dial Backup authorization surcharge	\$0.0100
Other Transaction Fees	
Safetech Encryption per transaction	N/A
Safetech Tokenization per transaction	N/A
Level III Purchasing Card per transaction	N/A

## 2. One Time and Periodic Fees

One Time Fees	
Account Setup Fee	N/A
Rush Fee	N/A
Terminal Reprogram Fee	N/A
PIN Debit Setup Fee	N/A
PIN Pad Encryption Fee	N/A

Monthly Fees	
Monthly Service Fee <sup>1</sup>	\$2.50
Monthly Minimum Fee <sup>2</sup>	\$25.00
Online Reporting Tool	N/A
Safetech Encryption <sup>3</sup>	N/A
Managed POS Vendor per Terminal	N/A

Periodic Fees	
Annual Fee	N/A
Card Network Fees	
Visa Fixed Acquirer Network Fee <sup>4</sup>	Varies
MC Merchant Location Fee <sup>5</sup>	\$1.25

**Frame Relay: N/A**

Setup Fee	N/A
Third Party Setup Fee	N/A

Monthly Fee	N/A
Third Party Monthly Fee	N/A

- 1 – Monthly service fees will be debited for the first time in the month after Merchant account has been set up. These fees will be debited regardless of whether transactions are processing through the Merchant account.
- 2 – CMS will apply the Monthly Minimum Fee only when the total amount of all processing fees (Sections 1, 3A, & 4) is less than \$25.00. If Merchant's processing fees do not reach \$25.00, CMS will charge the difference. For example, if processing fees total \$17.00 CMS would charge an additional \$8.00 to meet the \$25.00 minimum.
- 3 – If Merchant obtains point of sale device(s) from CMS for use with Safetech Encryption, the following additional fees shall be assessed: (a) a one-time fee of \$10.90 per Verifone device; (b) a one-time fee of \$10.00 per Ingenico device; and (c) an encryption injection fee of \$34.95 per device per occurrence. These assessments are in addition to the above Safetech Encryption Fee(s). If Merchant obtains point of sale device(s) from a third party, additional fees may apply. Merchant acknowledges and understands that its use of any fraud mitigation or security enforcement solution (e.g. an encryption product or service), whether provided to merchant by CMS or a third party, in no way limits Merchant's obligation to comply with the Security Standards or Merchant's liabilities set forth in this Agreement.
- 4 – Visa Fixed Acquirer Network Fee is a monthly fee assessed by Visa based on Merchant Category Code (MCC), dollar volume, number of merchant locations, number of Tax IDs, and whether the physical Visa card is present or not present at the time of the transaction. This fee can vary monthly.
- 5 – Mastercard Merchant Location Fee of \$1.25 will be applicable for each month with \$200.00 or more in Mastercard volume. This fee will be assessed quarterly based on the previous 3 months activity.

JPM Payments Platform			
JPM Payments Platform Transaction Fee	N/A	JPM Payments Platform Monthly Fee	N/A
JPM Payments Platform Setup Fee	N/A		

## 3. Per Incidence Fees

3A. Per Incidence Fees: Charged every time the Merchant's account incurs one of the below items		
Chargeback Fee	\$10.00	Charged when a cardholder or card-issuing bank formally protests a charge
Voice Authorization Fee	\$0.65	Charged when the Voice Authorization phone number is called to authorize a credit card
AVS Fee – Electronic	N/A	Charge for each electronic address verification authorization
Batch Settlement Fee	N/A	Charged for each batch of transaction(s) submitted for settlement
ACH fee	N/A	Charged for each ACH (transmission of funds) sent to your account
ACH Return Fee	\$25.00	Charged when CMS is unable to debit fees from Merchant's account

<b>Customer initials</b>	x	Please initial to acknowledge pg. 2 of the Schedule A pricing sheet
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**3B. Per Request Fees: Charged every time Merchant requests one of the below items**

Supplies: Billed Per Order	N/A	Charges for supply orders vary based on the items ordered
Dynamic Debit Surcharge Fee	N/A	Charged for each PIN Debit transaction routed with the Dynamic Routing product
PIN Debit Injection Fee	\$40.00	Charged when merchant elects PIN Debit processing and applies to each device not purchased from CMS.

Statement Type:	Resource Online	Statement only	Statement Frequency:	Monthly
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**4. Card Network Fees – Per Incidence**

MC Acquiring License Fee *	0.004%	Charged on Mastercard Gross Sales volume. See additional information under Card Network Charges section on page 4.
MC Digital Enablement / Card Not Present Fee	0.010%	Charged on Mastercard Card Not Present Gross Sales volume.
AX OptBlue Card Not Present Fee	0.300%	Charged on American Express Card Not Present Gross Sales volume.
AX OptBlue Application-initiated Fee	0.300%	Charged on American Express transactions initiated by a digital wallet application.
Discover Network Authorization Fee	\$0.0190	Charged by Discover on all authorizations for card transactions that are settled through the Discover Network
MC Auth Access Fee – AVS Card Present	\$0.010	Charged by Mastercard when a merchant uses the address verification service to validate a cardholder address
MC Auth Access Fee – AVS Card Not Present	\$0.010	
MC Card Validation Code 2 Fee	\$0.0025	Charged by Mastercard when a merchant submits the Card Validation Code 2 (CVC2) in an authorization request
MC SecureCode Transaction Fee	\$0.030	Charged on MC SecureCode transactions that are sent for verification.
MC Account Status Fee (Intra-regional)	\$0.025	Charged by Mastercard or Visa when a merchant uses this service to do an inquiry that a card number is valid
MC Account Status Fee (Inter-regional)	\$0.03	
Visa Zero \$ Account Verification Fee Domestic Debit	\$0.030	
Domestic Credit	\$0.035	
International Debit/Credit	\$0.070	
MC Processing Integrity Fee Pre Authorization	\$0.045	Charged when a card is authorized but not deposited and the authorization is not reversed in a timely manner. * the minimum fee amount for a Final Authorization is \$0.04
Final Authorization *	0.250%	
Visa Misuse of Authorization Fee	\$0.093	
Visa Zero Floor Limit Fee	\$0.20	Charged when a transaction is deposited but never authorized
Visa Transaction Integrity Fee – Credit	\$0.10	Charged on Visa transactions that do not meet qualification criteria for US Custom Payment Service (CPS) categories.
Visa Transaction Integrity Fee – Debit / Prepaid	\$0.10	
Visa System Integrity Fee Domestic	\$0.10	Data Consistency fees will be charged when certain authorization data elements are changed or manipulated to move from a declined to an approved authorization response. Excessive Authorization fees will be charged for each reattempt in excess of 15 authorizations within a 30-day period.
Visa System Integrity Fee Cross Border	\$0.15	
Discover Program Integrity Fee	\$0.05	Charged on Discover transactions that are downgraded to or directly qualify for U.S Base-submission interchange program.
MC Ineligible Chargeback Blocking Fee	\$3.00	Charged when a fraud related Chargeback is blocked by Mastercard.
MC Cross Border Assessment Fee	0.60%	Charged by MasterCard, Visa, American Express, and Discover on foreign bank issued cards.
Visa International Service Assessment Fee	1.00%	
AX OptBlue International Fee	1.00%	
Discover International Service Fee	0.80%	
MC International Support Fee	0.85%	Additional fee charged by MasterCard, Visa and Discover on foreign bank issued cards.
Visa Interregional Acquiring Fee	0.45%	
Discover International Processing Fee	0.50%	
Visa Partial Auth Non-Participation Fee	\$0.01	Applies to Petroleum merchants using automated fuel pumps that do not support Partial Authorization
MC Global Wholesale Travel Transaction Program B2B Fee	1.57%	Applies to Travel merchants for transactions qualifying at the Mastercard Commercial Business-to-Business interchange category.
Visa Global B2B Virtual Payment Service Fee	1.55%	Applies to Travel merchants for transactions qualifying at the Visa Global B2B Virtual Payments interchange category.
MC Humanitarian Program Fee	0.25%	Applies to transactions qualifying at the MasterCard Humanitarian Prepaid card interchange category. When this fee applies, other MC Payment Brand fees will be waived.
MC Freight Program Fee	0.50%	Applies to Freight transactions qualifying at the Freight Program interchange category.

**5. Other Fees**

Fee Description	Amount	Fee Description	Amount

Customer initials      x      Please initial to acknowledge pg. 3 of the Schedule A pricing sheet

## Equipment Swap Fees

Type	Description	Fee
Refund for Returned Equipment	A full refund will be provided on POS Terminals, Tablet Hardware and Tablet Accessories that are returned within ninety (90) days of purchase.	
Replacement Fee (swap)	In warranty POS Terminals, Tablet Hardware and Tablet Accessories <sup>1</sup>	\$50.00
Replacement Fee (swap)	Out of warranty POS Terminals, Tablet Hardware and Tablet Accessories: Replacement (swap) fees vary based on Manufacturer and Model and will fall within the specified range to the right	\$100 - \$1,000
Encryption Fee	Safetech	\$34.95
Late Fee	For all equipment returned late, or not returned	Up to \$1,000

<sup>1</sup>\$50.00 swap fee applies to POS Terminals, Tablet Hardware, and Tablet Accessories that are in warranty at the time of the swap; provided that the POS Terminals are compliant with the latest Payment Card Industry standards and supported by CMS.

### Card Network Charges

A significant portion of the fees that Paymentech, LLC, also known as Chase Merchant Services ("CMS") charges consists of fees and other charges that CMS pays to the various card networks and payment systems ("Card Networks"). These charges (collectively referred to in this Schedule A as "Card Network Fees", include, but are not limited to, interchange rates, assessments, file transmission fees, access fees, and international and cross border fees, and will be charged to Merchant in addition to the rates set forth above. Whether a particular Card Network Fee applies may be based on a number of factors, such as the type of card or payment method presented, specific information contained within the Transaction, how and when the Transaction is processed, and the merchant's domicile and industry.

Please note that CMS may, from time to time, elect not to charge for certain existing, new or increased Card Network Fees. If CMS elects not to charge any Card Network Fees, CMS reserves the right to begin doing so at any time in the future (including with respect to existing, new or increased Card Network Fees), upon notice to Merchant. No such Card Network Fees will be imposed retroactively.

\* Mastercard assesses the Mastercard Acquiring License Fee annually to each Acquirer based on the total annual volume of Mastercard-branded sales (excluding Maestro PIN debit volume) of its U.S. domiciled merchants. To fairly distribute the fee across all CMS Mastercard-accepting merchants, a rate of 0.004% will be applied to all of Merchant's Mastercard gross sales transactions.

NOTICE REQUIRED BY AMERICAN EXPRESS: American Express requires that CMS inform Merchants that (i) American Express charges CMS a wholesale discount rate and not interchange and (ii) American Express operates a non-interchange based network.

## 6. Authorized Signature

Authorized Representative Signature: Must appear on Merchant Application

\_\_\_\_\_

Print Name

\_\_\_\_\_

Title

X

\_\_\_\_\_

Signature

\_\_\_\_\_

Date

Please ensure to initial pages 1, 2 and 3



**J.P.Morgan**

# Consolidated Service Terms

J.P. Morgan Chase provides an array of treasury services to meet your business needs. This booklet contains important information about J.P. Morgan Chase solutions that we provide. If you would like to add a service that is covered in this booklet, please contact your Commercial Banking Representative

**TREASURY SERVICES (United States)**  
**Commercial Bank**

Welcome to JPMorgan Chase Bank, National Association ("J.P. Morgan", "Chase", or "Bank"). We are pleased that you have decided to maintain a banking relationship with us. This Consolidated Service Terms booklet ("Booklet") contains the terms and conditions for certain cash management services ("Service Terms") J.P. Morgan may provide to you. By executing the Account Terms Acceptance Letter, Certificate Regarding Accounts, Business Signature Card, service implementation form or similar document, or by using or continuing to use any of the services referenced herein after receipt of this Booklet, you agree that the Service Terms included in this Booklet, in addition to the Account Terms and such supplements, amendments, notices and additional service terms provided to you from time to time will govern your existing and future deposit accounts maintained with us, in addition to those services that the Bank provides to you, as applicable. All Account Terms and Service Terms set forth herein are subject to Bank's and Customer's Banking Services Agreement terms and conditions (the "Agreement").

This Booklet includes Treasury Services Service Terms applicable to all Commercial Banking customers. All Service Terms are subject to the Bank's Account Terms. Any modifications to this Booklet, including but not limited to any changes, amendments, deletions, and/or additions, will not be binding upon the Bank unless such modifications are acknowledged and agreed to in writing by an officer of JPMorgan Chase. JPMorgan Chase Bank, N.A. is organized under the laws of U.S.A. with limited liability.

We look forward to serving your business needs and thank you again for choosing Chase.

### **SERVICES FOR CUSTOMERS**

- A. ACH Origination
- B. ACH Transaction Blocking & ACH Transaction Review
- C. Lockbox
- D. Coin & Currency
- E. Positive Pay, Reverse Positive Pay and Payee Verification
- F. Controlled Disbursements
- G. Image Cash Letter
- H. Check Print
- I. ACH Tax Payment
- J. Remote Capture Service Terms
- K. Electronic Channels

## Service Terms – Consolidated Service Terms Booklet

The services described herein (each a "Service") are subject to the Agreement and Bank's Account Terms (as may be amended from time to time), which are hereby incorporated by reference into each Service Terms. By using any of the Services described hereunder, the Customer acknowledges that it has received and agreed to the Agreement, the Account Terms, as supplemented by these Service Terms. Capitalized terms in the Service Terms, unless otherwise defined herein, shall have the meanings set forth in the Account Terms

### A. ACH ORIGATION

The Automated Clearing House (ACH) is a batch processing payment system that U.S. banks use to exchange and settle credit and debit transactions on behalf of their clients or themselves. The origination of ACH Entries and the transmission and issuance of related transactions and information will be pursuant to these terms and the Operating Rules and Guidelines (collectively the "Rules") of the National Automated Clearing House Association. Capitalized terms used in this subpart, unless otherwise defined in this subpart shall have the same meanings as set forth in the Rules. The Customer and the Bank agree to comply with and be bound by the Rules as in effect from time to time, including without limitation, the provision making payment of a Credit Entry by an RDFI to the Receiver provisional until receipt by the RDFI of final settlement for such Credit Entry and the Customer acknowledges that it has received notice of such rule and of the fact that if such settlement is not received, the RDFI will be entitled to a refund from the Receiver of the amount credited and the Customer will not be deemed to have paid the Receiver the amount of such Credit Entry.

**1. Service.** Bank provides automated clearing house ("ACH") origination services that will enable Customer to do one or more of the following:

- originate ACH Debit Entries;
- originate ACH Credit Entries; and
- instruct the Bank to issue or transmit prenotifications, reversals, requests for return, notifications of change or other information pertaining to the Entries.

Origination of ACH Credit Entries and origination of ACH Debit Entries are two separate services and approval or set up for one ACH service does not automatically create the ability to utilize the other. The Rules and these Service Terms shall apply to all Entries, whether or not transmitted through an ACH Operator.

It is Customer's responsibility to provide Entries and instructions to Bank with all the necessary information to complete Customer's requested transactions. Customer agrees to transmit Entries to Bank in the manner, at the times and in accordance with approved media, content and format as agreed by Bank and Customer. Bank may reject or delay processing transactions or information if instructions are not complete or are inaccurate, contain an inactive Company ID or otherwise do not meet the criteria Bank specifies for acceptance. All requests to Bank must be received by Bank before Bank's established cut-off time in order for processing to commence on that ACH processing day. Any request that is incomplete or that Bank finishes receiving after the relevant cut-off time will be processed by Bank on the next day Bank processes ACH transactions. All transactions are subject to acceptance by Bank. Bank will notify Customer of any transactions or other transmissions that are rejected or returned. If Customer wants Bank to re-process those transactions or transmissions, Customer must correct them and re-submit them. Customer agrees to furnish Bank with copies of any authorizations or notifications, if requested, as well as any other information reasonably requested by Bank relating to Entries originated by the Customer. Customer shall provide Bank's auditors and other personnel with reasonable access at all reasonable times to the Customer's facilities, data and records relating to the initiation of Entries for the purpose of auditing Customer's compliance with these Service Terms and the Rules.

**2. Security and Data Protection Procedures.** All instructions received by Bank in Customer's name are subject to verification pursuant to mutually agreed security procedures. If Bank follows those procedures, Bank may process and transmit transactions or information in Customer's name. Unless Customer and Bank both otherwise agree, transmissions to Bank will be authenticated and/or encrypted using commercially reasonable security technologies meeting standards acceptable to Bank. If Customer uses a security procedure other than as described above, Customer acknowledges that Customer refused Bank's security procedure and chose another and Customer agrees to be bound by any transaction, whether or not authorized, issued in Customer's name and accepted by Bank in compliance with the security procedure Customer chose. If Customer elects not to utilize recommended message authentication and/or encryption technology, Customer assumes all responsibility for unauthorized disclosure or unauthorized access to Customer's data that occurs during transmission or while such data is in storage. Customer shall not disclose any Receiver's account number or routing number to any third party for such third party's use, directly or indirectly, in initiating a separate Debit.

**3. Settlement and Exposure Limits.** On the settlement date, Bank will credit Customer's account with Bank that Customer specifies for the total of:

- Customer's Debit Entries that Bank processed for settlement that day;
- RCCs issued for deposit to Customer's account on that day; and
- any returned or reversed Credit Entries.

Bank may delay the availability of funds deposited into Customer's account by Debit Entry or RCC until those transactions cannot be reversed in accordance with the Rules or applicable law.

Bank will debit Customer's account with Bank that Customer specifies for the total of Credit Entries processed in Customer's name and for any returned Debit Entries and RCCs. Bank may require Customer to pay Bank the amount of any Credit Entries on the date of transmission to Bank or otherwise prior to the settlement date. Bank also may require Customer to maintain collateral with Bank in an amount Bank specifies.

Bank may from time to time establish or revise maximum dollar limits for the total value of all outstanding files of Credit Entries and/or Debit Entries and RCCs that Bank will release on Customer's behalf. Bank may change or cancel the limits at any time without prior notice to Customer; although Bank will try to notify Customer before Bank does that.

- 4. Warranties; Indemnity.** Except as specified below, Customer will be deemed to make the same warranties to Bank as Bank makes pursuant to the Rules. In the case of an Entry to another account with Bank, warranties will be deemed to be given as of the time Bank first processes the Entry. Customer will not be deemed to warrant the power of the Bank under applicable law to comply with the requirements of the Rules or the conformity of Entries and other data Bank transmits to the file specifications contained in the Rules. The Customer further represents warranties and covenants that (a) each Entry and RCC it originates will comply with all applicable U.S. laws and regulations and acknowledges that Entries may not be initiated that violate the laws of the United States, (b) unless Customer has identified itself to Bank as a Third Party Sender (as defined in Section 7) and obtained Bank's express consent to originate Entries as a Third Party Sender, Customer will not originate any Entries, or use any of its Company IDs to originate Entries, on behalf of third parties (including, without limitation, any affiliate of Customer), and (c) Customer will not permit a third party to originate Entries using a Customer account as the offset account unless Customer obtains Bank's express consent to do so.

Customer agrees to indemnify Bank and Bank's employees, officers, directors and agents, and hold all of them harmless from and against any and all claims, demands, losses, liabilities or expenses (including attorneys' fees and costs) resulting directly or indirectly from (a) Customer's breach of any warranty made under these Service Terms and (b) compliance by Bank and the RDFI with any request Customer makes for a cancellation, stop payment, reversal or recall of any Entry or any RCC created by Bank under Section 1 hereof.

Bank shall have no responsibility for any delay by any ACH Operator or RDFI in processing any Entry the Bank transmits to the ACH Operator or failure to process or credit or debit any such Entry.

- 5. Stop Payments; Reversals and Recalls; Rejections.** Customer's instruction to cancel, stop payment of, reverse or recall one or more Entries must be received by Bank in such time and manner as Bank specifies. Bank will process these transactions in accordance with Bank's procedures advised to Customer. Any reversal or recall initiated by Bank is subject to acceptance by the RDFI. Instructions to reverse or recall an ACH Credit Entry that are not initiated by Customer in time to meet the prescribed NACHA deadline for reversals may be originated by Bank as a Debit Entry; Customer shall obtain authorization from the Receiver in accordance with the Rules for any such Debit Entry and all other terms of these Service Terms applicable to Debit Entries shall apply. Entries or other instructions may not be amended or modified.

If Customer originates Debit Entries to an account or accounts at a financial institution that is not a Participating Depository Financial Institution in the ACH system (such account hereafter called a "Non-ACH Eligible Account"), all such Debit Entries will be rejected unless Customer subscribes to a service, subject to Bank's prior consent, pursuant to which Bank will process each such Debit Entry to a Non-ACH Eligible Account by preparing a remotely created check, as such term is defined in Federal Reserve Regulation CC (an "RCC"), on the Customer's behalf. The RCC will be drawn in the amount and on the Non-Eligible ACH Account of the individual or entity specified as the receiver in the Customer's instructions and will be deposited to the Customer's designated account with Bank. Such RCC will thereafter be processed through the check clearing system. If the Customer is using such service, the Customer hereby authorizes the Bank to create each RCC as described herein and the Customer warrants to the Bank, with respect to each RCC, that the person on whose account the RCC is drawn authorized the issuance of such RCC in the amount and to the payee stated in the RCC. The Customer authorizes the Bank to debit the Customer's account for any claim or return based upon an unauthorized RCC. All other terms herein related to Entries shall also apply to RCCs created under this Section. The Bank shall not create or process RCCs or other paper drafts in lieu of ACH Debits under any circumstances other than for Non-ACH Eligible Accounts and only when the Bank has consented to provide such service, even if the Customer includes an instruction in its file for the Bank to otherwise originate an RCC or paper draft.

- 6. Third Party Service Providers.** Customer may choose to use a third party service provider or service bureau to issue Entries or other instructions, handle returned Entries or perform other functions for and on Customer's behalf. If Bank accepts such Entries or other instructions, Customer will be bound by them. Customer is responsible for all actions taken or not taken by Customer's provider and Customer is responsible for all costs and expenses of Customer's provider.
- 7. Third Party Sender.** If Customer is a Third Party Sender, as such term is hereafter defined, (a) Customer warrants that the Originator has agreed to be bound by the Rules and has satisfied the obligations of an Originator under the Rules; (b) in any case where the Originator fails to perform its obligations under the Rules as an Originator, Customer shall indemnify, defend and hold Bank harmless from and against any and all claims, demands, losses, liabilities and expenses, including attorneys' fees and costs, that result directly or indirectly from the failure of the Originator to perform its obligations as an Originator under the Rules; (c) Customer agrees to cooperate with Bank regarding any request for information concerning the identity of any Originator; and (d) Customer represents, warrants and covenants that neither these Service Terms nor anything related to the ACH Origination Services violates, contravenes or is inconsistent with any of the terms, conditions or provisions of any agreement, understanding or arrangement between Customer and the Originator. Further, Bank will rely on Customer to evaluate the legitimacy of the Originators and their transactions originated by Customer and for ensuring that instructions do not involve illegal activities. Customer must notify Bank immediately if Customer suspects or become aware of any activity or transaction of an Originator that Customer believes may be of an illegal or illegitimate nature or that involves the proceeds of illegal activity or that was conducted, in part or whole, for the purpose of disguising the source of funds. Bank will be entitled at any time upon notice to Customer to decline to provide the ACH Origination Services, or terminate the provision of ACH Origination Services, for any Originator on whose behalf are originating Entries if Bank determines that there are excessive returns or reversals of Entries originated on behalf of such Originator or if Bank becomes aware of any information indicating suspicious, fraudulent or illegal

activity related to such Originator or for any other reason. As used herein, "Third Party Sender" means an entity that is not an Originator, that has authorized an ODFI or another Third Party Sender to transmit, for the account of the Third Party Sender or another Third Party Sender, (i) a credit entry to the account of a Receiver in order to effect a payment from the Originator (i.e., the third party on whose behalf the Third Party Sender is transmitting the entry) to the Receiver, or (ii) a debit entry to the account of a Receiver in order to effect a payment from the Receiver to the Originator (i.e., the third party on whose behalf the Third Party Sender is transmitting the entry). Without limitation of the foregoing, Third Party Senders include U.S. regulated financial institutions, brokers and other financial intermediaries as well as any other regulated or unregulated payment processors that are customers of the Bank and use their accounts to process payments for third parties (including affiliates of the Customer).

- 8. IAT Entries.** If Customer is originating Entries that are required to be formatted under the Rules as IAT Entries, Customer will comply with all applicable Rules relating thereto, and Customer will originate such Entries only through one of Bank's ACH origination channels that support IAT origination. Some of Bank's ACH origination channels do not accommodate IAT Entries; upon request, the Bank will advise Customer as to which of Bank's ACH origination channels can be used for IAT origination.

If a foreign currency conversion is performed by Bank in connection with an IAT Entry, Customer acknowledges that the foreign currency exchange rates fluctuate, and accepts the risk of such fluctuation, including fluctuations in rate between the time Customer submits the Entry Data Instructions and the time the transaction is executed and/or reversed, returned or recalled. Any payment returns and/or reversals will be credited to Customer's account in the currency in which Customer's account is denominated, and Customer is responsible for any rate fluctuations.

In the event of an erroneous or duplicate IAT Entry originated for payment to a receiving bank outside the United States, the rights of Bank and Customer with respect to reversal or recall of such Entry are subject to the laws, regulations and payment system rules of the receiving bank's jurisdiction.

Customer acknowledges and agrees that IAT Entries may be delayed in processing or posting due to the Bank's or RDFI's review of such Entries for OFAC compliance. Further, Customer understands and acknowledges that unlike PPD Credit Entries, there is no requirement under the Rules that IAT Credit Entries that are made available to an RDFI by its ACH operator by 5:00 pm on the banking day prior to the Settlement Date be made available to the Receiver at the opening of business on the Settlement date; cleared IAT Credit Entries must be made available no later than the Settlement Date of the Entry, but funds are not required to be available at opening of business on the Settlement Date.

- 9. Incorporation of Account Documentation; Termination.** The provisions of the account documentation, including terms and conditions governing the operation of business accounts and services, are incorporated into these Service Terms by reference. By acknowledging or signing the applicable account documentation or by using or continuing to use the ACH Origination Services, Customer agrees to these Service Terms. In addition to Bank's termination rights under the aforementioned documentation, Bank shall have the right to terminate or suspend these Service Terms and the Services upon notice to Customer in the event of the Customer's breach of the Rules.

## **B. ACH TRANSACTION BLOCKING & ACH TRANSACTION REVIEW**

ACH Transaction Blocking is a Service that allows a Customer to block and return ACH debit and credit Entries originated to the Customer's account with the Bank. ACH Transaction Review allows the Customer to review ACH debit and credit Entries originated and posted to the Customer's account with the Bank and to instruct the Bank to return some or all of these transactions.

### **1. ACH Transaction Blocking:**

- (a) **Service.** The Customer can select from a variety of authorization or blocking criteria and advise the Bank in a manner and form acceptable to the Bank. The Bank will return any blocked transaction indicating that the ACH debit was not authorized or that the ACH credit was refused.
- (b) **Company IDs.** If the Customer elects an option that blocks or allows ACH debits or credits from specified companies, the Customer must supply the Bank with the applicable ACH Company ID of the Originator as it appears on the Company/Batch Header Record. The Company ID will be the sole criterion for blocking debit and credit Entries (unless Customer has also set maximum dollar limits) and Bank will have no obligation to take any other steps to determine the identity of the Originator. The Customer will be solely responsible for obtaining the correct Company ID for each such Originator.

The Customer understands that Company IDs are not unique and that a Company ID may identify more than one Originator, and one Originator may have multiple Company IDs. The Customer understands that Company IDs are not a perfect filter and that transactions from Originators may be blocked or allowed if the Originator uses a Company ID other than the one Customer identifies. The Bank will not be responsible for transactions blocked or allowed in accordance with the instructions the Customer provides for the Company ID.

- (c) **Transactions Not Affected by Blocking.** ACH debit and credit blocks do not apply to certain transactions. The following types of ACH-related transactions will not be blocked:

- debits or credits to the Customer's account to offset any ACH credit or debit Entries originated by the Customer through Bank ;
- reversals of previously received ACH credit or debit Entries;
- returns or reversals by the RDFI of ACH debit or credit Entries originated by the Customer through the Bank;
- Reclamation Entries (debits);



- debits or credits to the Customer's account initiated by the Bank or Bank's agent or affiliate to correct processing errors, effect back valuations, make other adjustments or, with respect to debits, for fees, charges or other amounts the Customer owes the Bank or Bank's affiliates; and
- debits or credits to the Customer's account that the Bank posts pursuant to its internal procedures in order to comply with applicable law, regulations or payment system rules or guidance.

## 2. ACH Transaction Review:

- (a) **Service.** Customer shall use filter criteria available through the service to select the types or categories of incoming ACH debit and/or credit transactions it wishes to review or the Customer may elect to review all incoming ACH transactions subject to Section 2(d) below.
- (b) **Review and Return Process.** Based upon the filter criteria selected by the Customer, ACH transactions meeting that criteria will be made available for the Customer to review not later than a designated time on the banking day following the day on which the transactions are posted to the Customer's account. The details provided by the Bank for each Entry will include account number, dollar amount, company ID, receiver's name, standard entry class code and settlement date.
- (c) The Customer shall advise the Bank by means of an agreed upon transmission method not later than the Bank's designated cut-off time on the same day as transaction information is made available of those transactions, if any, that are unauthorized and that the Customer wishes to return. The Bank is entitled to rely on any instructions which it receives and which it reasonably believes to be genuine. The Bank shall return all such transactions and make corresponding adjustments to the Customer's account to which the transactions had been posted. All transactions reported to the Customer as to which Bank does not receive a timely instruction from the Customer will remain posted or be returned based on the Transaction Review profile default decision setting established by the Customer.
- (d) **ACH Transactions Not Subject to Review.** The following types of ACH transactions will not be made available for the Customer's review and decisioning:
- debits or credits to the Customer's account to offset any ACH Entries originated by the Customer through the Bank ;
  - reversals of previously received ACH Entries;
  - returns or reversals by the RDFI of ACH Entries originated by the Customer through the Bank;
  - Reclamation Entries;
  - debits or credits to the Customer's account initiated by the Bank or Bank's agent or affiliate to correct processing errors, effect back valuations, make other adjustments, or to comply with legal requirements or for fees or charges the Customer owes the Bank or Bank's affiliates; and
  - if the Customer is also subscribing to the ACH Transaction Blocking service, any transactions blocked and returned pursuant to that service.
- (e) **Certain Reviewed Transactions Maybe Returned/Posted Despite Instructions.** Certain transactions reviewed and approved by the Customer may nevertheless be returned by the Bank. This will happen if (i) there are insufficient funds in the Customer's account to cover the amount of an ACH debit or other charge, (ii) a stop payment was previously placed on the transaction, or (iii) the Bank determines the transaction must be returned for legal or regulatory reasons. Certain transactions that the Customer advises should be returned may nevertheless be posted by the Bank; these include ACH debits or credits to the Customer's account that the Bank posts pursuant to its internal procedures in order to comply with applicable law, regulations or payment system rules or guidance.

## C. LOCKBOX

Lockbox is a remittance processing Service offered to customers to support their accounts receivables business needs. Through this service, the Customer's remittance deposits are sent to a Post Office Box and picked up by the Bank and delivered to or via courier for further processing and posting to the Customer's deposit account.

1. **Lockbox Service.** The Bank shall provide the Customer remittance processing and deposit services as described in these Service Terms (the "Service" or "Lockbox Service") to support its accounts receivables business needs. Through this Service, the Customer's remittances are sent to a designated post office box ("Post Office Box") and/or delivered to or via courier to the designated Bank location by the Customer. The Bank will maintain the Post Office Box for the Customer's remittances and will have unrestricted and exclusive access to the Post Office Box while providing the Lockbox Service. The Bank may direct the Customer to include specific codes or formats within its assigned address in order to ensure mail is identified correctly. The Customer is responsible for ensuring its customers' payments to Customer are properly addressed in order to prevent delays in processing. Customer agrees not to send cash to the Bank in connection with the Lockbox Service.

The Bank will collect all mail from the designated Post Office Box and deliver it to the Bank's lockbox processing site(s). The Bank will open the mail, process the remittance information and process the checks or cheques (collectively, "checks") eligible for this Service (the "Items") in accordance with the Customer's instructions and the Statement of Work and/or Service Guide (as such terms are defined below), if applicable. Upon completion of the remittance processing work, Bank will image the eligible Items and process them for credit to the Customer account or process for collection the Items received, except: (i) Items which the Customer has instructed the Bank in writing, and the Bank has agreed not to process; (ii) Items which the Bank believes should receive the Customer's special attention; (iii) Items for which the Customer is not the payee, unless (x) the Customer has instructed the Bank to accept all payees or (y) the Customer has provided proper authorization to process for credit or collection of such Items; and (iv) any other matter or merchandise received (collectively, "Remittance Processing"). The Bank will not process

such excepted Items or other matters or merchandise, but will forward them to the Customer unprocessed. The Bank assumes no responsibility for the inadvertent processing of Items excepted from processing. The Bank will process credit card payments as point of sale transactions, obtaining authorization as required by applicable card rules; provided, however, the Bank will not place phone calls for authorization of referrals or process credit transactions. The Bank shall not be deemed a merchant processor and shall not be liable for any data entry errors or any chargeback. The Bank assumes no liability for any matter or merchandise received through the Post Office which is not a depositable Item, including cash. Any failure by the Bank to process an Item other than as provided herein does not constitute a failure by the Bank to exercise ordinary care. The Customer irrevocably appoints the Bank (and all persons the Bank designates in connection with the Lockbox Service) to endorse Items with the Customer's name. The Customer shall be liable to the Bank as a general endorser on all Items processed by the Bank and shall be deemed to make all of the warranties of a transferor of such Item under applicable law.

- (a) The Customers requiring "Caller Service" or "Business Reply Mail Service" (as such terms are used by the United States Postal Services ("USPS")) or any similar service at the USPS or Canada Post Corporation ("CPC") for remittance collection must obtain prior approval from the Bank. Upon approval, the Customer will secure such services directly with the USPS or the CPC, as the case may be, and ensure the Bank is authorized to collect the mail. The Bank shall not be responsible for delays in processing due to the Customer's failure to pay the USPS or the CPC, as the case may be, for such services or any other action taken or not taken by the USPS or the CPC, as the case may be.
- (b) The Bank may, at its sole discretion, provide the Customer additional optional Services including, without limitation, Decision Manager (as defined below), non-deposit remittance Items (i.e., the Bank will process and deposit only Items that meet the Customer directed rules for deposit), early transmission of remittance data, customized grouping and sorting of Items (i.e., the Customer instructs the Bank to further group and sort the contents of its mail according to criteria specified by the Customer) and imaging and additional data capture requirements of remittance data to create customized transmission files and reporting (collectively, the "Value Add Services"). The Customer shall submit to the Bank a completed implementation requirements document (the "Statement of Work") instructing the Bank to perform the Value Add Services agreed to by the Customer and the Bank. The Customer may receive user guides and other materials ("Service Guides") setting forth the terms and conditions upon which such Value Added Services shall be provided to the Customer by the Bank. The Customer acknowledges and agrees that Remittance Processing and, if applicable, the provision of Value Add Services (collectively, "Pre-Deposit Processing") may result in Items not being deposited until completion of such Pre-Deposit Processing in accordance with Customer's instructions. Decision manager ("Decision Manager") is an exception workflow tool to which clients can subscribe. Upon the Bank's review of the mail and remittance information for Items that do not meet a Customer's specified requirements for deposit (e.g., check and invoice amounts do not match, incorrect payee name, incorrect amount, etc.) or reported as processing exceptions ("Exception Items"), the Bank will notify the Customer of such Exception Items by posting such Exception Items on a designated website or application. The Customer must communicate its decision for Exception Items within the deadline indicated in the Statement of Work. The Customer agrees that the Bank shall not deposit such Exception Items until the Bank receives an instruction from the Customer. If the Customer fails to provide an instruction within the timeline specified, the Bank will either return the Item unprocessed to the Customer or follow the default instruction specified in the Statement of Work.
- (c) If the amount of an Item written in words and figures differ, the Item will be processed for amount written in words. If the Item is accompanied by an invoice or statement and the amount on the statement matches the amount written in figures, and the Customer has requested, and the Bank has agreed, to process such Item for the amount written in figures, the Item may be processed for the amount written in figures. In the event the Bank processes the Item for the amount written in figures, the Customer indemnifies the Bank for any claim which may arise from that action.
- (d) The Service is limited to Items drawn on domestic banks so to the extent the Bank notices that any Items drawn on foreign banks have been deposited, such Items shall be forwarded to the Customer as unprocessable; provided, however, upon Customer's request, but at the sole discretion of the Bank, the Bank may process or collect foreign checks on behalf of Customer subject to terms and conditions in the Account Documentation.

2. **Availability Schedule.** The Bank will deposit eligible Items to the Customer's designated deposit account in accordance with the Bank's Availability Schedule provided to the Customer. The Customer agrees that Items that require special handling may receive delayed availability.
3. **Returned Items; Re-presentment.** If any Item is rejected, reversed, or returned to the Bank unpaid for any reason or there is a claim involving an Item deposited to the Customer Account, the Bank will charge back that Item, together with any fees or other amounts allowed on such claims or for returned Items, against the Customer Account, regardless of whether such debit causes an overdraft to the Customer Account. If, however, the Bank has been instructed in writing by the Customer to re-present Items which have been dishonored or returned to the Bank unpaid for reasons other than account closed, the Bank may do so automatically and without notice to the Customer, and the Bank reserves the same rights to debit the Customer Account should any such Items remain unpaid after the re-presentment.
4. **Original Documents; Image Storage.** Unless the Bank has agreed otherwise, the Bank will image all Items and associated remittances and retain original documents on site for no longer than fourteen (14) days. All original documents will be destroyed fourteen (14) days after processing. The Bank will store Imaged Items for a period of seven (7) years from the date of the applicable transaction regardless of any additional imaging service requested by the Customer. If the Customer elects, the Bank will provide images of the Items ("Imaged Items") received together with images of related documents ("Imaged Documents"), through a delivery media ("Delivery Media") at the intervals agreed upon between the Bank and the Customer. If the Customer elects storage of Imaged Documents, the Bank will store Imaged Documents for a period of thirty (30) days (Short Term Storage) to ten (10) years (Long Term Storage) from the processing date of the applicable transaction, per the Customer's selection. If the Customer elects to image and not store Imaged Documents with the Bank, such images will be delivered to the Customer through the Delivery Media.
5. **Security for Imaged Items.** The Bank has specified Security Procedures for receiving and accessing Imaged Items, Imaged Documents and lockbox transaction data. The Bank is not obligated to send any images or data or allow access through the Delivery Media to any images or

data which are not requested or accessed in accordance with the Security Procedures. The Customer acknowledges that once it has accessed images by any Delivery Media, persons having access to the Customer's computers and image archives may have access to the Imaged Items, Imaged Documents and lockbox transaction data.

- 6. Accuracy; Legibility.** The information delivered to the Customer through the Delivery Media will be the same as the information in the data entry file provided to the Customer for the applicable time period. If the data entry file contains errors, those errors will also occur on the Delivery Media. The Bank will provide images that are as legible as possible given the legibility of the underlying remittance documents and the selected Delivery Media. The Bank has no liability or responsibility for the condition of the original remittance items provided to the Bank, and it reserves the right to review and approve sample remittance items for legibility prior to providing this Service. The Customer is responsible for reviewing images obtained through the Delivery Media and to promptly notify the Bank of any images that are not clear.
- 7. Disclosures.** As between the Customer and the Customer's clients, if applicable, certain payments collected hereunder may be subject to various cut-off times and payment deadlines (the "Disclosures"). The Customer acknowledges and agrees that the Bank has no duty to inquire as to the content of any such Disclosures, is not bound by them, and makes no representations or warranties, explicitly or implicitly, regarding same. The Customer is responsible for ensuring that the processing and payment cut-off times established by the Bank are in compliance with the Disclosures and the Customer's responsibilities under applicable laws and regulations.

## D. COIN & CURRENCY

Coin and Currency Services, also referred to as Cash Vault Services, provides coin and currency delivery and deposit services to companies that use large quantities of cash. With a nationwide vault network, Customers can place orders for coin and currency, make deposits and track activity by location through electronic reporting options.

### 1. Cash Orders

- 1.1. Placement of Cash Orders.** The Customer may issue written instructions for the Bank to release United States coin and currency ("Cash") to an armored courier service (the "Courier") as designated by the Customer in accordance with the Bank's guidelines ("Cash Order"). The Customer acknowledges that Cash Orders may be transmitted to the Bank only during such times as set forth in the guidelines. The Bank is authorized to debit the account of the Customer designated in the Cash Order for the amount set forth in the Cash Order. If the Bank has agreed to such an arrangement, the Customer may also place a Cash Order directly at one of the Bank's branch locations by issuing a check to debit the Customer's account at the Bank or as a "cash for cash" exchange. If there are insufficient funds in the designated account, the Bank is authorized to refuse the Cash Order, to fill a partial Cash Order or to debit the designated account even if such debit causes an overdraft, or to debit any other account of the Customer at the Bank.
- 1.2. Cash Order Limits.** The Bank and the Customer may agree to limit the amount of Cash that may be delivered pursuant to a Cash Order ("Cash Limit").
- 1.3. Discrepancies for Cash Orders.** All Cash Orders must be validated by the Customer within 24 hours of receipt. If a currency strap, coin bag or wrapped coin discrepancy is identified, the Customer may contact Cash Services Customer Support at 888-872-0517 to request a Cash Order Claim Form. The completed form and proper documentation must be sent to the Bank and post marked within 48 hours of receipt of the Cash Order. Any claims post marked after the 48 hour period may be denied and the Customer will have no right to refuse or receive an adjustment after such time period.
- 1.4. Cancellations and Amendments.** A Cash Order may be cancelled by the Customer telephonically, electronically or in writing by a person the Bank reasonably believes to be authorized to act on behalf of the Customer and only if the cancellation is received within a reasonable time before the Cash is delivered to the Courier ("Cancellation"). A Cash Order may only be amended telephonically and the Bank will not be responsible for any change in a Cash Order it has received. Any attempt to amend a Cash Order electronically may result in duplicate Cash being delivered.
- 1.5. Notice of Rejection/Execution.** If the Bank rejects a Cash Order request, it will promptly notify the Customer of the reason. The Bank will notify the Customer when it has executed a Cash Order. Unless, within three (3) business days after receipt of notification of the execution of a Cash Order the Customer notifies the Bank in writing that a Cash Order was unauthorized or otherwise unenforceable against the Customer, the Bank shall not be liable for executing the Cash Order as notified, including any loss of interest.
- 1.6. Security Procedure.** The Bank must receive a Cash Order using a touch-tone telephone, or other electronic communications device mutually agreed upon by the Customer and the Bank, based upon codes assigned by the Bank to the Customer that identify the Customer and the location (collectively, "Codes"). The Customer agrees that use of the Codes constitutes a security procedure for verifying the authenticity of the Cash Order as being that of the Customer ("Security Procedure")... The Customer and the Bank will maintain reasonable security and control of the Codes. The Bank is not responsible or liable for detecting any error in the transmission or content of any Cash Order or Cancellation and the Security Procedure is not intended to detect any such error. No agreement or instruction of the Customer restricting acceptance of any Cash Order or Cancellation is binding on the Bank, except as set forth in these Service Terms or in a writing signed by the Customer and the Bank. These Security Procedures do not apply to Cash Order requests made by the Customer at one of our branch locations when the Customer is making a "cash for cash" exchange or issuing a check to debit the Customer's account at the Bank.

**1.7. Geographical Limitations.** The Customer represents that all Cash Orders will be used by Customer in its normal course of business at the Customer's store/office locations in the United States.

## **2. Cash Deposits**

**2.1. Standard Courier Service.** The Customer may deliver and pick up shipments of Cash or checks to or from the Bank by using the services of a Courier that has been authorized by the Bank, who will act solely as the Customer's agent. The Courier must comply with the Bank's guidelines, as amended from time to time, and must maintain all licenses and permits required by law in addition to adequate insurance to cover its liabilities in providing courier services to the Customer. The Bank may refuse to permit any courier to enter its premises with or without cause, in which case the Bank will use reasonable efforts to promptly notify the Customer. With regard to Customer's Courier, Customer is responsible for any individual's actions while at the Bank's facilities including theft, property damage, intentional crimes and any other act or omission even if such actions would be considered outside the scope of their employment and whether the individual is impersonating an employee of the courier if the Bank has followed its customary procedures for identifying the individual.

**2.2. Deposit Presentment and Processing for Standard Courier Service.** With regard to deposits delivered to one of the Bank's vault locations, the Customer's Courier must deliver deposits in sealed tamper-proof plastic security deposit bags that meet the standards described in the Bank's guidelines and contain only Cash and checks. The bags may also contain food stamps if the Customer provides proof satisfactory to the Bank of the Customer's authority to redeem food stamps. The Bank will open the bags and process the deposits.

(a) **Delivery to Vault.** If the Bank agrees to accept the Customer deposits at a vault location, the Bank will provide a receipt indicating the number of bags it has received. This receipt is not an acknowledgment of the contents of any bag, nor is any telephonic or other acknowledgment of a deposit of which the Customer notifies the Bank by telephone or by electronic means.

(b) **Delivery to Branch for Delayed Processing.** If the Bank agrees to accept the Customer deposits at a branch location, the Bank will not verify the amount of the deposits at the time of receipt but will provide the Customer with a receipt showing the amount indicated in the Customer's deposit slip. This receipt is not an acknowledgment of the contents of any bag.

**2.3. Courier Service through the use of a Smart Safe or Recycler Machine.** The Customer may use the services of a courier that has been authorized by the Bank, who will act solely as the Customer's agent. The courier must comply with the Bank's guidelines, as amended from time to time, and must maintain all licenses and permits required by law in addition to adequate insurance to cover its liabilities in providing courier services. The Bank may refuse to permit any courier to enter its premises with or without cause, in which case the Bank will use reasonable efforts to promptly notify the Customer. The Customer will receive Advance Credit only for Cash placed in Deposit Cassette (as defined below) component of the machine. The Customer's courier is authorized to transmit the Cash information only with regard to the Deposit Cassette component of the machine to the Bank on the Customer's behalf and the Bank, upon receipt of such data transmission, will provide provisional credit to the Customer's designated account. The courier will deliver the Cash to the Bank as directed by the Bank at the Customer's expense. The Customer authorizes the Bank to instruct the courier to pick up any Cash for which the Bank has given provisional credit at any time at the Customer's expense. For purpose of these Service Terms, "Deposit Cassette" is the component of the machine whereby the Customer places Cash into such component and only the courier is able to access such Cash once it is placed in the Deposit Cassette.

**2.4. Deposit Presentment and Processing through the use of a Smart Safe or Recycler Machine.** The Customer agrees that once the Cash is in the Deposit Cassette component of the machine, the Customer no longer has any ownership, control or rights with regard to the physical Cash and that the Bank is authorized to rely upon the transmitted information from the Customer's courier with regard to deposits or adjustments to the Customer's deposit account with the Bank. Once the Customer's courier has completed the verification of the Cash from the Deposit Cassette component of the machine and has transmitted the deposit/adjustment information to the Bank, the Cash is then placed into the Bank's inventory at the courier's location. In the event of a dispute related to the amount credited to the Customer's deposit account, the Customer will initiate its claim and request for an investigation with its courier.

**2.5. Discrepancies.** All deposits are subject to verification. If there are differences between the amount credited by the Bank and the amount shown on the deposit slip prepared by the Customer, the receipt provided to the Customer or its agent upon initial presentment or the transmission received from the courier on the Customer's behalf, the currency will be re-counted for discrepancies over the minimum amount specified in the Cash Vault Services Product Guide, the "Threshold" amount, the Customer's representative designated in the service implementation questionnaire will be notified of the adjustment, and an adjustment fee will be charged. If the discrepancy is in the Threshold amount or less, the Bank will not adjust the Customer's account, the Bank will retain the discrepancy amount, and no adjustment fee will be charged. The Bank's determination and records as to its receipt of any bag and as to the contents of any bag is conclusive and binding on the Customer.

**2.6. Relationship upon Delivery of Bags.** Until the Bank recounts the contents of the bags and enters a final credit to the Customer's account, the Bank is not responsible for any claimed contents of the bags. The Customer should not include anything in a bag other than Cash and its deposit slip, and the Bank shall have no responsibility or liability if there is any other property included or claimed to have been included in a bag...

**2.7. Delivery to Unattended Facility.** If the Bank agrees to allow the Customer to use one of the Bank's unattended facilities (including but not limited to a night depository or commercial ATM), the Bank may provide the Customer with an access device (such as a key or card that may require a personal identification number ("PIN")). The Customer must return all access devices to the Bank upon request. The Bank will process any deposits delivered to an unattended facility as provided for in the Bank's guidelines. If the Customer receives a receipt from an

unattended facility, the receipt is not an acknowledgment of the contents of any bag or of the receipt of any bag. While the Customer or the Customer's Courier is physically present at one of the Bank's unattended facilities, the Customer is a licensee only and the Bank has no responsibility for the safety of the Customer or its Courier while at such facility.

- 2.8. Liability at Unattended Facility.** The Customer assumes all risks of using any unattended facilities, including risks of theft, robbery and personal injury; the Bank is not responsible if a facility fails to operate properly in any way, including failing to open, close, lock or unlock. It is the Customer's responsibility to verify that its bags have dropped down completely into the facility, and the Customer agrees that it will not leave any bags in any facility that does not appear to be operating properly. The Bank will not be liable to the Customer if any unattended facility, tele-entry or online system is closed or otherwise unavailable for use at any time.
- 2.9. Geographical Limitations of Cash Deposits.** Cash Deposits must be delivered to the Bank by Customer's courier and from Customer's physical store/office locations in the United States. Cross-border cash deposits (i.e., cash brought into the United States from outside the United States) are strictly prohibited

## **E. POSITIVE PAY, REVERSE POSITIVE PAY AND PAYEE VERIFICATION**

**JPMorgan Chase Bank, N.A.** (the "Bank") will provide Customer, in accordance with the provisions set forth in these Service Terms, with one or more of the services listed below (each a "Service") that help prevent check fraud on deposit accounts by identifying discrepancies between checks ("Items") presented to the Bank for payment from the Customer's demand deposit account associated with the Service (the "Account") and those Items that are issued by Customer. The provisions of the Bank's account documentation, including terms and conditions governing the operation of business accounts and services as well as other service guides or material (the "Account Documentation") are incorporated into these Service Terms by reference. By signing the applicable Account Documentation or by using or continuing to use any of these Services, the Customer agrees to these Service Terms.

### **1. Services.**

With Positive Pay, the Customer sends check issuance information to the Bank and the Bank compares such information to Items being presented for payment. With Reverse Positive Pay, the Bank sends the Customer information on Items being presented for payment and the Customer does its own comparison. Payee Verification is an enhanced feature for Positive Pay whereby the Customer includes payee name information and the Bank compares such information against the payee names on Items being presented. As a condition precedent for receiving Payee Verification, the Customer must be receiving Positive Pay in connection with the same Account.

### **2. Issuance Information.**

The following information is defined as "Issuance Information" for each Item: i) Account number on which the Item is drawn; ii) Item serial number; iii) dollar amount; iv) issue date, (not as part of Reverse Positive Pay); and v) for Payee Verification only, the payee name. For Positive Pay and Payee Verification, the Customer will provide the Bank the Issuance Information by the banking day on which the Customer issues Items by means of a mutually agreed upon transmission method. The Bank will compare the Issuance Information with the Items presented to the Bank for payment against the Account. For Reverse Positive Pay, the Bank will send the Customer the Issuance Information and the Customer will compare such information with the Items they have issued.

### **3. Discrepancies.**

For Positive Pay and Payee Verification, if an Item is presented to the Bank for which it has not received timely Issuance Information or that contains information different from the Issuance Information for that Item, the Bank will notify the Customer by means of a mutually agreed upon method, by the designated time of the Banking Day following the Banking Day the Item is presented to the Bank for payment. The Customer shall advise the Bank by means of a mutually agreed upon method by the designated time on that same Banking Day whether any such Item is authorized for payment ("Presentment Decision"). In the event that the Customer fails to timely inform the Bank about any Item for which a Presentment Decision is requested, the Bank is authorized to return such Item unless otherwise agreed by the Customer and the Bank. For Reverse Positive Pay, the Bank will provide Issuance Information to the Customer of Items presented for payment; the Customer shall advise the Bank by means of a mutually agreed upon method by the designated time on that same Banking Day whether any such Item is not authorized for payment, and in the event that the Customer fails to timely inform the Bank as required, the Bank is authorized to pay such Item(s) unless otherwise agreed by the Customer and the Bank. The Bank is entitled to rely on any instructions by the Customer which it receives and which it reasonably believes to be genuine. If a Customer attempts to change an instruction previously given by sending an email or other message to the Bank, the Bank may, but has no obligation to, act upon such change request.

### **4. Payee Verification Additional Terms.**

For Payee Verification, Customer acknowledges that Items which have been converted to ACH transactions prior to being presented for payment will not be eligible for this service and the payee name information will not be compared to the Issuance Information for Items that have been converted to ACH transactions. If Customer fails to provide the Issuance Information in the file format required by the Bank, the Bank will not be liable for failing to detecting any discrepancy between the Item and the Issuance Information or for processing and payment of such Item. The Bank reserves the right to set a threshold amount for Items (as may be revised by the Bank from time to time) to be reviewed under the Payee Verification service (the "Threshold Amount"). The Items below the Threshold Amount will be handled according to the standard Account Documentation governing the Customer's Account; however, Customer will not be liable for such Items if the discrepancy would have otherwise been detected under this Service. With regard to Payee Verification, the Bank will compare the payee name provided in the Issuance Information to the payee lines contained in the name/address block identified on the Item (presented as provided for in the Bank's set-up requirements) and will otherwise be limited to those parameters specifically agreed to by the Customer and Bank.

## 5. Voided Items.

The Customer agrees to place a void on an Item in the Issuance Information only with respect to Items that are not in circulation. If the Customer decides to stop pay an Item that it has already issued, the Customer is required to place a Stop Payment request pursuant to the relevant terms of the Account Documentation, outside of these services.

## 6. Item Payment.

The Bank is not obligated to maintain signature cards for the Account and whether or not the Bank does maintain such signature cards, in no event shall the Bank be obligated to inspect any Item for the presence or authenticity of any signature or to determine whether any signature is authorized. The Customer acknowledges that the Bank's adherence to these procedures in these terms, in lieu of signature examination, will constitute the exercise of good faith and ordinary care by the Bank in handling Items presented for payment against the Account.

## 7. Over the Counter Presentment.

The Bank may, without liability to the Customer, refuse to pay any Item presented for encashment at any of the Bank's branch locations. If an Item is presented for encashment at one of the Bank's branch locations at the teller line and the account is under the Positive Pay or Payee Verification Service, the Customer authorizes the Bank to pay such Item based upon the Positive Pay information at the teller line. If an Item is presented for encashment at one of the Bank's branch locations at the teller line and the account is under the Reverse Positive Pay Service, (i) the Customer authorizes the Bank to pay such Item pursuant to the Bank's policies and procedures for encashment, (ii) Customer assumes the risk of any loss that would have been prevented through the use of Positive Pay or Payee Verification services; and (iii) Customer agrees to unconditionally release, indemnify and hold harmless the Bank against any and all liability loss or claim relating to an Item being cashed or returned over-the-counter. The Bank may charge a person who cashes an Item drawn on the Customer's Account a fee at the time of encashment.

## F. CONTROLLED DISBURSEMENTS

Controlled Disbursement Accounts help customers effectively manage the disbursement process to gain control over idle balances and automate funding transfers and is designed to provide disbursement totals early each business day.

- 1. Controlled Disbursement Account.** Each controlled disbursement account ("Controlled Disbursement Account"), except as set forth herein, shall be opened and maintained in accordance with the Account Documentation. Customer agrees that if it fails to utilize one of the Bank's positive pay services on the Controlled Disbursement Account, that failure will constitute Customer negligence contributing to the making of any unauthorized signature and Customer assumes the risk that checks or drafts ("Items") presented against the Controlled Disbursement Account may be forged or altered, to the extent that the positive pay services the Bank offers may have prevented any loss. The Bank will have no liability for any loss related to an Item presented against the Controlled Disbursement Account which would otherwise generally have been returned under such positive pay services.
- 2. Payment of Items.** Bank, on each banking day, will advise Customer of the total amount of Items drawn against the Controlled Disbursement Accounts that are presented for payment, on that day, to the Bank by a Federal Reserve Bank or another depository institution pursuant to a same-day settlement arrangement. Bank will honor Items which are properly payable, but shall have no obligation to pay any Item should sufficient immediately available funds to cover such Items not be transferred to the Controlled Disbursement Account in accordance with these Service Terms and the Account Documentation.
- 3. Over-the-Counter Presentment.** Bank may, without liability to Customer, refuse to pay any Item presented for encashment at any of the Bank's branch locations.
- 4. Funding Account for Controlled Disbursement.** Customer will maintain with Bank a designated account for purposes of funding the Controlled Disbursement Account, or the funding account may be maintained at an affiliated bank or other financial institution (the "Funding Account"). Customer authorizes Bank to debit the Funding Account for the total amount of the Items presented and any funds transfers against the Controlled Disbursement Account, and to promptly transfer such amount to the Controlled Disbursement Account even though such a debit may bring about or increase an overdraft. All funds transfers from the Funding Account to the Controlled Disbursement Account shall be in immediately available funds. Customer will maintain sufficient available funds in the Funding Account to cover Items and funds transfers presented against the Controlled Disbursement Account, and the Bank shall have no obligation to transfer funds, process Items for payment or complete any funds transfers unless there are sufficient available funds in the Funding Account. The Bank is authorized to debit the Funding Account for any obligations owed directly or indirectly on the Controlled Disbursement Account. The Bank shall not be liable for failure to pay any Item presented for payment against any Controlled Disbursement Account due to insufficient funds in the Funding Account.
- 5. Media.** Bank will transmit to Customer by the transmission method or media agreed to by Customer and Bank information regarding Customer's Controlled Disbursement Account.
- 6. Routing Transit Number.** Customer agrees to use the designated controlled disbursement account routing transit number on the Items it issues from the Controlled Disbursement Account. Customer acknowledges that if it fails to use such designated controlled disbursement account routing transit number the Bank is authorized to terminate this Service or any Service feature upon notice to the Customer.

- 7. Financial Condition.** In the event of the deterioration of the financial condition of the Customer, as determined in the Bank's sole discretion, the Bank may immediately terminate the Service, any Service feature, and/or may convert any Controlled Disbursement Account to a stand-alone demand deposit account without prior notice to the Customer.
- 8. Third Party Usage.** Customer agrees that it will not permit a third party to write checks on or otherwise issue payment transactions or instructions on Customer's Controlled Disbursement Account. Customer agrees to indemnify and hold Bank harmless from and against any and all actions, claims, demands, losses, liabilities or expenses whatsoever, including attorney's fees and costs, resulting directly or indirectly from Customer's breach of this Section 8. This indemnity shall survive the termination of these Service Terms. Notwithstanding anything to the contrary, Customer acknowledges that, if Customer breaches this Section 8, Bank may immediately terminate this Service or any Service feature upon notice to the Customer.

## **G. IMAGE CASH LETTER**

### **1. Service.**

JPMorgan Chase Bank, N.A. (the "Bank") which may include designated agents of the Bank, will provide Customer with image cash letter services for Checks as defined below (the "Service") in accordance with the provisions set forth in this document (the "Service Terms"). The provisions of the Bank's account documentation, including account terms and conditions governing the operation of business accounts and services and the ACH Origination Service Terms as may be applicable ("Account Documentation") are incorporated into these Service Terms by reference. By signing the applicable Account Documentation or by using or continuing to use the Service, Customer agrees to these Service Terms.

### **2. Transmission and Processing.**

Customer shall provide through its own methods or devices the captured check images and check data from the Check, including the magnetic ink character recognition formatting (MICR) information through electronic transmissions (the "Transmissions") in the format and specifications required by the Bank's File Standards and within the cut-off times provided by the Bank. Customer authorizes Bank to process the Transmissions as substitute checks, electronic images or photos in lieu, as may be applicable for further clearing through any other financial institution, clearinghouse or Federal Reserve Bank. If the Customer is eligible and has chosen to have Checks processed as ACH transactions, Bank will convert eligible Checks to ARC or POP entries, as defined and provided for in the ACH Origination Service Terms. Customer agrees that it is solely responsible for the creation and transmission of these Transmissions to the Bank. If any Transmission (including any source document for purposes of these Service Terms) does not meet the Bank's or any transferee's standard requirements for processing, Customer assumes all risk of loss or delay in processing such Transmission and authorizes the Bank to either (a) return the Transmission to the Customer without further processing, (b) process the Transmission as sent from the Customer, (c) process the Checks as photocopies in lieu of the originals, or (d) repair or attempt to repair the Transmission for further processing. Under this Service, "Checks" shall mean original paper checks and drafts drawn in US dollars on, or payable through, banks located in the United States (including Puerto Rico, Guam and the US Virgin Islands), endorsed for deposit to Customer's account at the Bank.

### **3. Image Cash Letter File Deposit Time.**

The Transmissions must be sent to the Bank prior to the deposit deadline. Any Transmission will be deemed to have been received by the Bank when the entire file has been written onto the Bank's system and made available for the Bank to validate. Based upon the size of the Transmission file, there may be a significant delay between the time Customer begins to send the file and the completion of the transfer as stated above. As a result, Customer will make every effort to send the Transmission file as early as possible. Files that are received after a deposit deadline will be considered deposited as of the next deposit deadline. Processing fees and funds availability will be assessed based on the deposit deadline that is met.

### **4. Customer Liability.**

Customer shall be solely responsible if any Transmission for which Customer has been given provisional credit is returned or reversed, and neither Bank nor its subcontractors shall be liable or responsible for same. Customer acknowledges that all credits received for deposit are provisional, subject to verification, final settlement or return. Information and data reported hereunder: (a) may be received prior to final posting and confirmation and is subject to correction and (b) is for informational purposes only and may not be relied upon. Customer agrees that Bank shall have no liability for the content of payment-related information as received from the Customer. Customer shall be solely responsible for the original Checks, including storage and retrieval. Customer agrees to provide a legible copy of an image or the original Check if requested by the Bank within five (5) business days of such request. If Customer is unable to provide the original or legible copy, Customer shall be liable for any associated loss or claim involving the Check. Customer will not present a Transmission or the original Check or substitute check more than once to the Bank if the initial Transmission was processed as an ACH transaction and shall be responsible for any and all losses or claims resulting from the Customer presenting such Check or Transmission for payment more than once through any method.

### **5. Suspension/Cancellation of Service.**

Bank reserves the right to suspend or terminate the Service, in whole or in part if Bank believes Customer is in breach of these Service Terms or is otherwise using or accessing the Service in a manner inconsistent with the rules and regulations relating to the Service being provided and such breach, use or access is not cured within three business days after notice to Customer. Further, this Service will automatically terminate if the Customer's account with the Bank is closed for any reason. Either party may terminate the Service upon thirty (30) days' prior written notice to the other party; provided, however, that the terms of Section 9 will apply to any termination prior to the time period set forth in the Pricing Schedule.

## **6. Intellectual Property Ownership.**

Neither these Service Terms nor the provision of the Service transfer to Customer any ownership or proprietary rights in the Bank's technology or any work or any part thereof, and all right, title and interest in and to the Bank's technology will remain solely with Bank or its subcontractors.

## **7. WARRANTIES AND DISCLAIMERS.**

**7.1 CUSTOMER WARRANTY. CUSTOMER WARRANTS AND REPRESENTS TO THE BANK THAT: (A) EACH TRANSMISSION CONTAINS ACCURATE AND LEGIBLE IMAGES OF ALL OF THE INFORMATION ON THE FRONT AND BACK OF THE ORIGINAL CHECKS AT THE TIME EACH CHECK WAS TRUNCATED; (B) EACH TRANSMISSION ALSO CONTAINS A RECORD OF ALL APPLICABLE MICR-LINE INFORMATION REQUIRED FOR A SUBSTITUTE CHECK AND THE ACCURATE AMOUNT OF THE CHECK; (C) EACH TRANSMISSION CONFORMS TO THE TECHNICAL STANDARDS FOR AN ELECTRONIC ITEM SET FORTH IN REGULATION J AND FEDERAL RESERVE BANK OPERATING CIRCULARS AND FOR A SUBSTITUTE CHECK SET FORTH IN REGULATION CC; (D) NO PERSON WILL RECEIVE A TRANSFER, PRESENTMENT OR RETURN OF, OR OTHERWISE BE CHARGED FOR, THE CHECK (EITHER THE ORIGINAL CHECK, OR A PAPER OR ELECTRONIC REPRESENTATION OF THE ORIGINAL CHECK) SUCH THAT THE PERSON WILL BE ASKED TO MAKE PAYMENT BASED UPON A CHECK IT HAS ALREADY PAID; (E) CUSTOMER WILL NOT REDEPOSIT THROUGH THIS SERVICE ANY TRANSMISSION REPRESENTING A CHECK PREVIOUSLY DEPOSITED AND RETURNED TO THE CUSTOMER; (F) CUSTOMER WILL EMPLOY COMMERCIALY REASONABLE SECURITY MEASURES AND FIREWALLS SUFFICIENT TO PROTECT THE TRANSMISSIONS AND STORAGE TO ENSURE NO UNAUTHORIZED ACCESS OR DUPLICATE PRESENTMENT; (G) CUSTOMER WILL ONLY TRUNCATE AND CREATE TRANSMISSIONS FOR CHECKS THAT ORIGINATED AS PAPER CHECKS; (H) CUSTOMER HAS ESTABLISHED AN ANTI-MONEY LAUNDERING PROGRAM IN COMPLIANCE WITH ANTI-MONEY LAUNDERING LAWS AND REGULATIONS APPLICABLE TO IT AND SUCH ANTI-MONEY LAUNDERING PROGRAM INCLUDES POLICIES, PROCEDURES AND CONTROLS DESIGNED TO DETECT AND PREVENT MONEY LAUNDERING WHICH CUSTOMER BELIEVES EFFECTIVELY PREVENTS THE USE OF CUSTOMER'S OPERATIONS, PERSONNEL OR FACILITIES FOR MONEY LAUNDERING PURPOSES; (I) CUSTOMER WILL ONLY ACCESS THE SERVICE AND SEND TRANSMISSIONS TO THE BANK FROM LOCATIONS WITHIN THE UNITED STATES; AND (J) CUSTOMER IS IN COMPLIANCE WITH ALL LOCAL LAWS AND REGULATIONS APPLICABLE TO IT IN THE USE OF THIS SERVICE.**

**7.2 DISCLAIMER. BANK AND ITS SUBCONTRACTORS MAKE NO REPRESENTATIONS OR WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY REGARDING OR RELATING TO ANY OF THE TECHNOLOGY OR SERVICE AND/OR ACCESS TO OR USE OF THE SERVICE OR TECHNOLOGY PROVIDED TO CUSTOMER HEREUNDER. BANK AND ITS SUBCONTRACTORS SPECIFICALLY DISCLAIM ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT. CUSTOMER ACKNOWLEDGES THAT THERE ARE CERTAIN SECURITY, CORRUPTION, TRANSMISSION ERROR AND ACCESS AVAILABILITY RISKS ASSOCIATED WITH USING OPEN NETWORKS SUCH AS THE INTERNET, AND CUSTOMER ASSUMES ALL SUCH RISKS. CUSTOMER SHALL MAKE AN INDEPENDENT ASSESSMENT OF THE ADEQUACY OF THE INTERNET IN USE OF THE SERVICE PURSUANT TO THE BANK'S PROCEDURES. CUSTOMER FURTHER ACKNOWLEDGES THAT THE SELECTION AND USE BY IT OF ANY THIRD PARTY SECURITY AND COMMUNICATIONS SOFTWARE AND THIRD PARTY SERVICE PROVIDERS IS THE SOLE RESPONSIBILITY OF CUSTOMER, AND BANK DISCLAIMS ALL RISKS RELATED THERETO, NOTWITHSTANDING THAT THE BANK MAY RECOMMEND CERTAIN SECURITY AND/OR COMMUNICATIONS SOFTWARE AND SERVICES. CUSTOMER AGREES TO, AT ITS SOLE EXPENSE, PROCURE AND MAINTAIN ALL HARDWARE, BROWSERS, SOFTWARE AND TELECOMMUNICATIONS EQUIPMENT NECESSARY TO ACCESS THE SERVICE IN ACCORDANCE WITH THE BANK'S RECOMMENDED SYSTEM CONFIGURATION.**

## **8. INDEMNIFICATION..**

IN ADDITION TO ITS INDEMNIFICATION OBLIGATIONS IN THE ACCOUNT TERMS, AND EXCEPT FOR LOSSES OR EXPENSES CAUSED BY BANK'S FAILURE TO EXERCISE ORDINARY CARE OR WILLFUL MISCONDUCT, CUSTOMER AGREES TO INDEMNIFY BANK FOR ANY LOSS OR EXPENSE SUSTAINED (INCLUDING ATTORNEY'S FEES AND EXPENSES OF LITIGATION) RESULTING FROM (i) CUSTOMER'S LACK OF AUTHORITY TO MAKE THE WARRANTIES PROVIDED HEREIN; (ii) ANY ACTION TAKEN OR NOT TAKEN BY BANK WITHIN THE SCOPE OF ITS AUTHORITY UNDER THESE SERVICE TERMS IN HANDLING A CHECK; AND (iii) A BREACH OF ANY WARRANTY OR INDEMNITY REQUIRED TO BE MADE BY BANK WITH RESPECT TO A CHECK UNDER APPLICABLE LAW, CLEARING HOUSE RULE OR REGULATION.

## **9. Pricing Schedule/Volume/Termination Penalties.**

Bank and Customer agree to the terms of the Pricing Schedule which are incorporated herein by reference, including the length of time the Service will be provided, the charges/fees and the volumes, as may be stated in the Pricing Schedule.

## **10. Audit.**

Customer authorizes the Bank to audit its facilities where the Checks are imaged, stored and destroyed as well as where the Transmissions are processed under this Service upon reasonable prior written notice from the Bank.

## **11. Customer Offering Mobile Check Delivery Application.**

If Customer offers its own customers ("Customer's Client") a mobile deposit solution through the Customer's (or its vendor's) mobile check delivery application ("Application"), allowing the Customer's customer to capture pictures of the front and back of eligible Checks from their mobile device and to send the images to Customer through the Application, Customer also represents the following:

A. Customer will only send images of Checks that are made payable to Customer.



- B. Customer has established internal controls and procedures relating to Checks delivered to it through an Application, to comply with the requirements of these Service Terms.
- C. Customer's Clients are required to enter into the Customer's Application service terms and conditions or a similar agreement setting forth the Customer's Client's obligations and limiting the use of the Application for only original paper checks that are made payable to the name of the Customer. Such terms shall include the Customer Client's agreement that use of the Application constitutes their issuance and delivery of the Check to the Customer, and the Customer is a holder of the Check.
- D. Customer prohibits use of the Application from OFAC prohibited countries.

## 12. Online Adjustments Services.

If Bank and Customer agree, Customer will submit its adjustment requests through the web-based SVPCO Online Adjustment Service ("Online Adjustment") based on the following terms:

For Customers choosing the deposit account option where they settle for the Items through the Customer's deposit account at Bank ("Deposit Account") option, Customer agrees to be bound by the SVPCO Electronic Adjustment Exchange Rules, as may be amended from time to time ("SVPCO Rules"). Bank will assist the Customer in implementing and registering for Online Adjustment. Customer will designate at least one Administrator by submitting the Secure ID Token Form for Online Adjustments ("Form"). After the initial registration, Customer will be able to update its designated users directly through SVPCO. Bank may conclusively rely upon any information or instructions purported to be sent by the Customer through Online Adjustment. Customer agrees that Bank may charge Customer's Account for any adjustments and related fees. Customer agrees that the Bank shall have no responsibility with regard to the adjustment information transmitted through Online Adjustment. Notwithstanding anything to the contrary in these Service Terms or the Account Documentation, Online Adjustment will automatically terminate upon the termination or expiration of the agreement covering the SVPCO online adjustment service between Bank and The Clearing House.

## H. CHECK PRINT

The Check Print Service enables the Customer instruct the Bank to create and mail checks and/or documents on behalf of the Customer.

1. **Print Orders.** The Bank will execute each print order requested by the Customer which is received by the Bank in a manner described in these Service Terms or as otherwise provided by the Bank (the "Print Order"). Print Order information shall include payee names and addresses. Customer agrees that it will not include any other personally identifiable information or any protected health information in its Print Orders. Print Orders may include printing of non-payment documents ("Documents") if agreed to by the Bank based upon these Service Terms.
2. **Check Pull Requests.** For any Print Order received by the Bank, the Customer may request the Bank to pull a check(s) from processing by completing the Bank's manual check pull request form ("Check Pull Request"); provided, however, that a Check Pull Request will not be effective unless and until it is received by the Bank in the form required and the Bank has had a reasonable time to act upon such request. A Print Order may not be amended or modified. The Bank has no obligation to adjust or stop the payment or posting of a Print Order it has accepted.
3. **Receipt of Print Orders.** The Customer shall transmit Print Orders to Bank to the location and in compliance with the formatting and other requirements of the Bank set forth in its operating procedures. Bank may reject any Print Order that does not comply with these Service Terms.
4. **Issuance of Checks/Documents.** For each Print Order accepted by the Bank, the Bank will: (a) cause a check to be printed and completed; (b) cause a laser facsimile signature authorized by the Customer to be placed on the check; (c) if agreed upon, cause other documents to be completed and included with the check issuance ("Documents"); and (d) mail or send the check by courier along with any Documents as agreed upon (collectively, the "Issuance"). The Customer expressly grants the Bank the authority to create and process such Issuances.
5. **Notice of Rejection.** The Bank will promptly notify the Customer if a Print Order is rejected by the Bank and will advise the Customer as to the reason. The notice or advice shall be deemed commercially reasonable if made available through the Check Print Service or given electronically, orally, by telephone or facsimile transmission.
6. **Control.** The Bank is not responsible or liable for the detection of errors contained in any Print Order as received from the Customer and is entitled to rely on the information contained therein.
7. **Reliance Upon Instructions.** The Customer is responsible for, and the Bank may rely upon, the contents of any notice or instructions that Bank believes in good faith to be from the Customer without any independent investigation. The Bank shall have no duty to inquire into the authority of the individual giving such notice or instruction. In the event the Bank receives conflicting notices or instructions, the Bank is authorized to act on either the notice or instruction, or it can refuse to act. No restriction on the Bank's acceptance of any Print Order will be binding on the Bank, except as set forth in these Service Terms unless agreed to in writing by the Bank and the Bank has had a reasonable opportunity to act upon such change.
8. **Limitation of Liability.**

The Bank's liability shall be limited to direct damages caused by the Bank's failure to use reasonable care. Reasonable care in providing the Check Print Service shall be measured by the relevant provisions of any service levels or business requirements and the standard of reasonableness of the procedures established for the transaction involved. Mere inadvertence or honest mistake of judgment shall not constitute a failure to perform such obligations or a failure to exercise reasonable care and in no case will be deemed wrongful.

- 9. Cashier's Checks.** If the Bank creates cashier's checks under the Check Print Service, the following additional terms will apply: (a) Customer will send the cashier's check print file information ("File Information") to the Bank by the Bank's cut off time on a given day ("Day One"); (b) the Customer authorizes the Bank to debit the Customer's designated account ("Funding Account") for the amounts shown on the File Information on Day One; (c) as the cashier's checks from the File Information are being processed, the account reconciliation issue file ("ARP File") must match the date of funding found in the File Information of the next banking day ("Day Two"); (d) for any cashier's check for which there is insufficient funds in the Funding Account on Day One to fund the purchase of the cashier's check, the Bank is authorized to reject the creation of such cashier's check; (e) fully funded cashier's checks will be printed on Day Two; (f) if the Customer is using one of the Bank's online services, Customer will be able to view information regarding the cashier's checks which were funded and created and those that were rejected; (g) any information from the File Information which cannot be used to create a cashier's check will be communicated to the Customer for further research and reconciliation; (h) if any cashier's check is returned as undeliverable, the cashier's check will remain outstanding in the Bank's cashier's check account and escheated according to applicable laws and regulations. If the payee of a cashier's check claims that the cashier's check was lost, stolen or destroyed before the funds are escheated, such claim will be handled in accordance with the Bank's procedures.

## I. ACH TAX PAYMENT

- 1. Service.** Bank will provide a service (the "Service") whereby Customer can direct Bank, via touchtone telephone or internet platform, to make tax payments through the automated clearing house (ACH) system from an account with Bank that Customer specifies. Customer may use the service to pay:

- any federal taxes covered by the Federal Tax Deposit Coupons (Form 8109) that Customer has executed and delivered to Bank from time to time;
- certain state taxes; and
- certain municipal taxes.

Bank may pay taxes from Customer's account in accordance with any instructions issued in Customer's name that Bank verifies pursuant to the security procedures specified in these Service Terms. In using the Service, Customer agrees to comply with and be bound by the Operating Rules of the National Automated Clearing House Association ("NACHA Rules").

- 2. Receipt of Instructions and Cancellations.** Customer may issue instructions and cancellations only during service hours that Bank specifies, and Customer acknowledges that Bank may change such service hours upon prior notice to Customer. Bank must receive instructions, including but not limited to payment cancellation instructions, not later than 6:00 p.m. ET (or such other time as Bank specifies) on the Business Day prior to the day on which the tax payment is due. For purposes of this Section, "Business Day" means a day on which the Bank is open for business in its New York office. Instructions received after such time shall not be processed until the following business day and Customer shall be liable for any charges, fees or costs associated with such payment. Bank may reject or delay processing of a tax payment if the request is not complete or is inaccurate or otherwise does not meet the criteria Bank specifies for acceptance herein or in the User Guide (as hereafter defined).

The Service is not designed or intended to be used for any ACH tax payment that is required to be formatted as an "International ACH Transaction" (or IAT) under the NACHA Rules. Customer agrees not to use or attempt to use the Service to originate any ACH tax payment that is required to be formatted under the NACHA Rules as an "International ACH Transaction" (or IAT). Customer shall indemnify and hold Bank harmless from and against any and all claims, demands, losses, fines, penalties, damages, liabilities and expenses, including, without limitation, legal fees and expenses, resulting directly or indirectly from any ACH tax payment processed or requested to be processed by Customer via the Service which should have been formatted under the NACHA Rules as an IAT.

### 3. Tax Payment Security Procedures.

- (a) A Bank-issued or approved access code and PIN and/or other security device ("Security Device") is required to access the Service. The Customer shall be bound by and adhere to the security procedures and other procedures for use of the Service advised to it in writing through any medium by the Bank, as may be revised from time to time upon notice to the Customer (the "User Guide"). The Customer shall notify the Bank immediately of loss or theft of a Security Device, any unauthorized use of a Security Device or any other breach of security. The Bank may dishonor or disable any Security Device at any time and will inform the Customer of the same. The Customer agrees that any use of the Service with a Security Device is deemed to be carried out directly by and on behalf of the Customer. The Customer agrees to safeguard all Security Devices and to instruct each Authorized User (as defined below) to do the same.

- (b) This Section 3(b) applies to use of the Service through the designated internet platform, but does not apply to touchtone telephone access. Customer shall designate an administrator (the "Administrator") who shall have authority in accordance with the operational instructions for the Service provided to Customer in the User Guide. Customer agrees to notify Bank of any change in Administrator in the manner and form designated by Bank. Any such changes shall be effective at such time as Bank has received such notice and has had a reasonable opportunity to act upon it. In accordance with the procedures contained in the User Guide, the Administrator shall be responsible for (i) designating individuals as users ("Authorized Users"); (ii) identifying the functions of the Service; (iii) requesting, creating, controlling, disseminating, and/or canceling user entitlements; (iv) receiving and distributing materials, notices, documents and correspondence relating to the security procedures; and (v) advising each Authorized User of his/her obligations hereunder and under the User Guide. The Administrator shall provide to the Bank, upon the Bank's request, a list of Authorized Users.

- 4. Open Network Access.** The Customer acknowledges that there are certain security, corruption, transmission error and access availability risks associated with using open networks such as the internet, and the Customer assumes all such risks. The Customer shall make an independent

assessment of the adequacy of the internet and the Bank's security procedures. The Customer further acknowledges that the selection and use by it of any third party security and communications software and third party service providers is the sole responsibility of the Customer, and the Bank disclaims all risks related thereto, notwithstanding that the Bank may recommend certain security and/or communications software and services. The Customer agrees to, at its sole expense, procure and maintain all hardware, browsers, software and telecommunications equipment necessary to access the Service in accordance with the Bank's recommended system configuration.

- 5. Funding.** Customer authorizes Bank to debit Customer's applicable account for the amount of each tax payment and for any applicable bank fees and charges when due. In the event Customer does not have sufficient funds in Customer's applicable account to cover the amount of a tax payment, Bank shall have no obligation to make the tax payment for Customer. Bank may require Customer to pay Bank the amount of each tax payment on the date of transmission of the tax payment instruction or otherwise prior to the tax payment due date. Bank may from time to time establish or revise maximum dollar limits for the total value of all outstanding files of tax payments that Bank will release on customer's behalf. Bank may change or cancel the limits any time without prior notice to Customer, although Bank will try to notify Customer before Bank does that. Funds Bank receives and holds pursuant to the Service shall be held as a deposit liability to Customer and not in trust for Customer or the taxing authority.
- 6. Warranties; Indemnity.** Except as specified below, Customer will be deemed to make the same warranties to Bank as Bank makes pursuant to the NACHA Rules although Customer will not be deemed to warrant the power of the Bank under applicable law to comply with the requirements of the NACHA Rules or the conformity of tax payments and other data Bank transmits to the file specifications contained in the NACHA Rules. Customer further represents and warrants to Bank that: (i) Customer shall not access the Service from any jurisdiction in which the Service is not authorized; and (ii) each tax payment Customer originates will comply with applicable U.S. laws and regulations and Customer acknowledges that payments may not be initiated that violate the laws of the United States.

Customer agrees to indemnify Bank and Bank's employees, officers, directors and agents, and hold all of them harmless from and against any and all claims, demands, losses, liabilities or expenses (including attorney's fees and costs) resulting directly or indirectly from (a) Customer's breach of any warranty made under this Section and (b) compliance by Bank with any request Customer makes for a cancellation, stop payment, reversal or recall of any tax payment.

Bank shall have no responsibility for any delay by any ACH Operator (as such term is defined in the NACHA Rules) or taxing authority in processing any tax payment Bank transmits to such entity or failure by such entity to process or apply any tax payment.

- 7. Stop Payments; Reversals and Recalls.** Customer's instruction to stop payment of, reverse or recall one or more tax payments must be received by Bank in such time and manner as Bank specifies. Bank will process these transactions in accordance with Bank's procedures advised to Customer. Any reversal or recall initiated by Bank is subject to acceptance by the relevant taxing authority. Tax payment instructions may not be amended or modified.
- 8. Payment Limits.** Bank may from time to time establish or revise (a) maximum dollar limits for each payment to be made by the Customer to a specified taxing authority, and (b) aggregate limits for all payments to be made by the Customer to a specified taxing authority within a 24-hour period. Bank may change or cancel the limits at any time without prior notice to Customer, although Bank will endeavor to give prior notice to Customer. Bank may require Customer to pay Bank the amount of any tax payment on the date of transmission to Bank or otherwise prior to the settlement date. Bank also may require Customer to maintain collateral with Bank in an amount Bank specifies.
- 9. Limitation of Liability.** . Intentionally Deleted.
- 10. Incorporation of Account Documentation; Termination.** The Bank's terms governing the operation of business accounts and services ("Account Documentation") are incorporated herein, as the same may be amended from time to time. If and to the extent that there is a conflict between the Account Documentation and these Service Terms, the provisions of these Service Terms shall prevail. In addition to Bank's termination rights under the Account Documentation, Bank shall have the right to terminate or suspend these Service Terms and the Service upon notice to Customer in the event of Customer's breach of the NACHA Rules.

## J. REMOTE CAPTURE SERVICE TERMS

Remote Capture is a remote scanning service that processes remittances and promotes Customers' efficiency in their businesses. Through this service, the Customer's remittance deposits can be imaged and transferred to the Bank via a Bank supplied data platform for further processing and posting to the Customer's deposit account.

### 1. Service

The Bank, which may include designated agents of the Bank, will provide Customer with Remote Capture services for domestic transactions (the "Service") in accordance with the provisions set forth in this document (the "Service Terms"). The Service allows Customer to electronically transmit deposits of eligible checks and items (eligible checks and items are limited to personal checks, money orders, business checks, cashiers checks, traveler's checks payable in U.S. Dollars and drawn on U.S. banks or U.S. Postal Service Money Orders, payable to the Customer) by using a capture device, including a desktop scanner or mobile device (hereinafter referred to as a "Scanner"), to create an electronic image of an original paper check or item and other paper source documents (collectively, "Item") and transmitting the image of the Item ("Item Image") and related data to Bank. The provisions of the Lockbox Service Terms, Account Terms, Client Access Service Terms, and any other applicable Service Terms as

may be amended from time to time (collectively, the "Account Documentation") are incorporated into these Service Terms by reference. By signing the applicable Account Documentation or by using or continuing to use the Service, Customer agrees to these Service Terms. If and to the extent there is a conflict between the Account Documentation and these Service Terms, the provisions of these Service Terms will prevail.

- a. Customer agrees that after the Item Image has been created and transmitted to the Bank for deposit, Customer shall not otherwise transfer or negotiate the original Item, substitute check or any other image of the Item. Customer further agrees that Customer shall be solely responsible for the original Items, including storage, retrieval and destruction. Customer must have in place policies and procedures for the secure storage and destruction of the original Items.
- b. Customer agrees that a copy made from the Item Image or substitute check of the Item, as defined by federal law, will become the legal representation of the Item for all purposes, including return item processing.
- c. Subpart B of Federal Regulation CC (availability of funds) does not apply when electronic images of Items are transmitted to Bank. Funds from deposits made via this Service will be available in accordance with the availability schedule for the Service. However, Bank may apply additional delays on the availability of funds based on any other factors as determined in the Bank's sole discretion.

## 2. Processing

Customer shall provide through Bank approved devices, including a desktop scanner or mobile device, the Item Images in the format and specifications and in accordance with the procedures required by the Bank. The Bank may process the Items as substitute checks, electronic images or photos-in-lieu, as may be applicable for further clearing through another financial institution, clearinghouse or the Federal Reserve Bank. Customer assumes sole responsibility for the creation of these images and their subsequent provision to the Bank. If any Item Image does not meet the Bank's or any transferee's standard processing requirements, in processing such Items, Customer assumes all risk of loss or delay and authorizes the Bank to either (a) return the Item to the Customer without further processing, (b) process the Item as sent from the Customer, (c) process the Items as photos--in-lieu of the originals, or (d) repair or attempt to repair the items for further processing. Access to the Item Images and the use of a mobile device in conjunction with the Service are governed by the Client Access Service Terms, as may be amended from time to time.

## 3. Deposit Time

Item Images are deemed received by the Bank when the Item Images have been transferred onto the Bank's system and validated by the Bank. Based upon the size of the batch of items, there may be a significant delay between the time Customer begins to send the items and the completion of the transfer as stated above. If Bank receives and validates the submitted deposit transmission no later than the Bank's designated cut off time (the "Cutoff Time") on a day that the Bank is generally open for business, i.e., Monday through Friday excluding weekends and state or federal holidays ("Business Day"), Bank will consider that Business Day to be the day of deposit (*i.e.*, the date deposit is credited). If Bank receives and validates the submitted deposit transmission after the Cutoff Time or on a non-Business Day, the deposit will be considered to be made on the next Business Day. Whether the Cutoff Time has been met will be determined by the time displayed on the Bank's internal system clocks which may not necessarily be synchronized with the internal clock displayed on Customer's computer or device. For this reason, Bank suggests that Customer submit its deposit transmissions to Bank sufficiently in advance of the Cutoff Time to avoid the possibility of missing the Cutoff Time.

## 4. Foreign Items

The Service only accepts and processes Items drawn on U.S. chartered banks.

## 5. Warranties.

5.1 Customer represents and warrants to Bank that:

- Customer will capture and transmit all Item Images using Bank approved hardware and software applicable to the Service's function;
- Any image Bank receives accurately and legibly represents all of the information on the front and back of the Item as of the time the Item was truncated;
- The information Customer transmits to Bank corresponding to an Item contains a record of all applicable MICR-line information required for a substitute check and the accurate amount of the Item;
- The Item Image conforms to the technical standards for an electronic Item set forth in Regulation J or Federal Reserve Bank Operating Circular 3, and for a substitute check set forth in Regulation CC;
- No person will receive a transfer, presentment, or return of, or otherwise be charged for, the Item (either the original Item, or a paper or electronic representation of the original Item) such that the person will be asked to make payment based on an Item it has already paid;
- Customer will not redeposit through this Service any Item previously deposited and returned to Customer;
- Customer will employ commercially reasonable security measures, including firewalls, sufficient to protect against unauthorized access or duplicate presentment;
- Customer will only transmit Items that originated as paper checks;
- Customer will comply with all applicable laws and regulations;
- Customer will not use the Service for any purpose prohibited by foreign exchange regulations, postal regulations or any other treaty, statute, regulation or authority; and

- If the Customer is depositing Items on behalf of third parties, the Customer also represents and warrants to the Bank that with respect to each Item deposited through the Service, the owner of the Item has authorized the electronic transmittal of the Item and guarantees all prior endorsements; Customer has established an anti-money laundering program in compliance with anti-money laundering laws and regulations applicable to it and such anti-money laundering program includes policies, procedures and controls designed to detect and prevent money laundering, including “know-your-customer” policies and procedures, monitoring of transactions for suspicious activities and reporting of suspicious activities, which Customer believes effectively prevents the use of Customer’s operations, personnel or facilities for money laundering purposes.

**6. New Features.** Bank may, from time to time, introduce new features to the Service or modify or delete existing features in its sole discretion. Bank shall notify Customer of any of these changes to features if Bank is legally required to do so. By using any new or modified features when they become available, Customer agrees to be bound by the rules concerning these features.

**7. Disclaimer.**

Bank makes no representations or warranties, whether express, implied or statutory regarding or relating to any of the software, capture devices or other hardware and/or access to or use of them or the related materials and the Service. Bank specifically disclaims any and all implied warranties of merchantability and fitness for a particular purpose and non-infringement. Bank and its subcontractors also do not guarantee that Customer’s access to the Services will be uninterrupted, error free or secure.

**8. Indemnification.**

**9.** Customer agrees to indemnify and hold the Bank harmless for any loss or expense (including attorney’s fees and expenses of litigation) resulting from: breach of any of the warranties made by Customer pursuant to these Service Terms or the Lockbox Service Terms; any claim pertaining to any warranty or indemnity that Bank makes with respect to an Item under the Check Clearing for the 21st Century Act, Federal Reserve Board Regulations CC and J and all other laws, regulations and industry and clearing house rules applicable to Items as either the bank of first deposit, truncating or reconverting bank.. **Customer Liability.**

Customer shall be solely responsible if any item for which Customer has been given provisional credit is returned or reversed, and neither Bank nor its subcontractors shall be liable or responsible for same. Customer acknowledges that all credits received for deposit are provisional, subject to verification, final settlement, warranty claims or return. Information and data reported under these Service Terms: (a) may be received prior to final posting and confirmation and are subject to correction and (b) are for informational purposes only and may not be relied upon. Customer agrees that Bank shall have no liability for the content of payment-related information as received from the Customer. Customer shall be solely responsible for the original Items, including storage, retrieval and destruction. Customer agrees to provide a legible copy of an image or the original Item if requested by the Bank. If Customer is unable to provide the original or legible copy, Customer shall be liable for any associated loss or claim involving the Item.

**10. Suspension/Cancellation of Service.**

Bank reserves the right to suspend or terminate the Service, in whole or in part if Bank believes Customer is in breach of these Service Terms or is otherwise using or accessing the Service in a manner inconsistent with the rules and regulations relating to the Service being provided and such breach, use or access is not cured within three business days after notice to Customer. Further, this Service will automatically terminate if the Customer’s account with the Bank is closed for any reason. Either party may terminate the Service upon thirty (30) days’ prior written notice to the other party.

**11. Intellectual Property Ownership.**

Neither these Service Terms nor the provision of the Service transfer to Customer any ownership or proprietary rights in the Bank’s technology or any work or any part thereof, and all right, title and interest in and to the Bank’s technology will remain solely with Bank or its subcontractors.

**12. Audits.** Customer agrees that the Bank shall have the right to audit Customer’s books, records, processes and procedures for managing and maintaining the security and safety of the scanners, transmissions and original Items, including the right to audit Customer’s and Customer’s agents, if any, physical locations where Customer scans original Items and processes electronic check images and data related to the Service. . Customer agrees that the use of scanners, including mobile devices, in conjunction with this Service is limited to the United States.

**K. ELECTRONIC CHANNELS**

**1. Service and Service Terms.**

The Bank will provide a service (the “**Service**”) for electronic access to the Customer’s account information, reports and data (collectively, “**Data**”) and for the electronic transmission to the Bank of messages, service requests, and payment and non-payment instructions (each an “**Instruction**”) and from the Bank of messages, notifications and alerts, via the J.P. Morgan Access® Online, J.P. Morgan Access® Mobile, J.P. Morgan Host-to-Host/managed file transfer and J.P. Morgan Treasury Services API channels. The Bank reserves the right to modify the applications and products

available via the Service. The Service is governed by these terms (the "**Service Terms**"), which incorporate the Bank's terms governing the business accounts and services, including service terms that govern the Bank's processing of Instructions transmitted via the Service (collectively, the "**Account Documentation**"), as the same may be amended from time to time and the Agreement. If and to the extent that there is a conflict between the Agreement, the Account Documentation and these Service Terms, the provisions of the Agreement shall prevail. Capitalized terms used in these Service Terms, and not otherwise defined, have the meaning set forth in the Global Account Terms or other account terms applicable to the Customer. JPMorgan Chase Bank, N.A. is organized under the laws of U.S.A. with limited liability.

## 2. Security Procedures and Other Controls

**2.1. General.** The security procedures for each channel are set forth below, as may be modified on notice to the Customer through any medium (each, a "**Security Procedure**"). Any Instruction, the authenticity of which has been verified through a Security Procedure, shall be effective as that of the Customer, whether or not authorized, and notwithstanding that the Instruction may result in an overdraft of an Account. Controls unilaterally implemented by the Bank shall not be deemed to be Security Procedures for purposes hereof unless explicitly identified as such in writing. The Customer is responsible for implementing any procedures and requirements set forth in the applicable documentation provided to it by the Bank, as well as any subsequent modification to the procedures and requirements that are designed to strengthen the Security Procedures.

### 2.2. Security Procedures and Other Controls for Access Online and Mobile Channels.

**2.2.1. Access Online.** The Security Procedure for verifying payment Instructions given in the Customer's name via the Access Online channel is validation of a user ID and confidential password of an Authorized User (as defined in Section 2.6 below), a token code generated by a Bank issued or approved security device ("**Security Device**") assigned to that Authorized User and Bank transaction review as specified in Section 2.5.

**2.2.2. Access Mobile.** The Security Procedure for verifying payment Instructions given in the Customer's name via the Access Mobile channel is either (i) validation of the registration with the Bank of the mobile device, a biometric identifier, and the private swipe key of an Authorized User (as defined in Section 2.6 below) and transaction review as specified in Section 2.5 or (ii) validation of a user ID and confidential password of an Authorized User (as defined in Section 2.6 below), a token code generated by Security Device assigned to that Authorized User and transaction review as specified in Section 2.5.

**2.2.3. Controls Offered to Customer.** For Access Online and Mobile, the Customer may choose to apply certain controls offered by the Bank to the Customer from time to time designed to reduce the Customer's risk of unauthorized transactions. The Customer is responsible for choosing controls that are appropriate for the Customer taking into account, among other things, the nature and scale of the Customer's business, including the size, type and frequency of payment orders normally issued to the Bank, and the nature of its technical environment, internal accounting controls and information security policies and procedures (collectively, "**Customer Internal Controls**"). The Security Procedure that is established by agreement of the Customer and the Bank herein is established in view of the Customer Internal Controls applied by the Customer. For the avoidance of doubt, none of the controls described in this Section are part of the Security Procedures for the channels.

**2.3. Security Procedures and Certificate Procedures for Host-to-Host/Managed File Transfer Channel.** The Security Procedure for verifying payment Instructions given in the Customer's name via the Host-to-Host/managed file transfer channel is authentication of a digital signature certificate, which authenticates transmitted files on the basis of the corresponding security key (the "**Signature Certificate**") and transaction review as provided in Section 2.5. The Customer and the Bank will use the following procedures for the use of a transport certificate, which establishes a secure session between the Bank and the Customer on the basis of a corresponding security key (the "**Transport Certificate**") and the Signature Certificate. Each of the Signature Certificate and the Transport Certificate are referred to herein as a "**Certificate**" and the corresponding security key as a "**Security Key**".

**2.3.1. Certificate Procedures and Requirements.** The Customer shall comply with the Bank's procedures and requirements for Certificates and Security Keys notified to the Customer, including but not limited to Certificate validity period, key strength and cryptographic specifications, as amended from time to time. Any request to the Bank to add, update or delete a Security Key shall include the applicable Certificate, a text file or other physical representation of the public Security Key of such Certificate and any other information in the manner and form designated by the Bank. The Bank shall have the right to rely on any request that the Bank believes in good faith to have been sent by the designated security administrator ("**Security Administrator**"), notwithstanding that such Security Administrator may be a third party acting on behalf of the Customer.

**2.3.2. Certificate Expiration.** Notwithstanding any courtesy notifications the Bank may send to the Customer regarding the Customer's impending Certificate expiration, the Customer acknowledges that it is the Customer's sole responsibility to update the Certificate prior to its expiration date. The Bank shall have no liability for any loss or damage (including, for the avoidance of doubt, any indirect, special, punitive or consequential damages or losses) arising from the Customer's failure to timely update its Certificate. To allow for proper execution of administrative procedures, and to prevent any lapse in service or emergency procedures, the Customer must request a Certificate change at least 30 days prior to actual Certificate expiration.

**2.4. Security Procedure and Certificate/Token Procedures for API Channel.** The Security Procedure for verifying payment Instructions given in the Customer's name via the API channel is authentication of a Signature Certificate and transaction review as provided in Section 2.5.

**2.4.1. Secure Session.** The Customer and the Bank will establish a secure session between the Customer and the Bank by validation of either (i) a Transport Certificate or (ii) a Bank-generated token ("**API Token**").

**2.4.2. Certificate Procedures and Requirements.** The Customer and the Bank will use the procedures set forth in Sections 2.3.1 and 2.3.2 for the use of Certificates for the API channel.

**2.4.3. API Token Procedures and Requirements.** The Customer shall comply with the Bank's procedures and requirements for API Tokens, as amended from time to time, including but not limited to the generation and safekeeping of any credentials used for the validation of

the API Token, notified to the Customer. The Bank shall have the right to revoke an API Token at any time, including in reliance on a request or communication related to an API Token that the Bank believes in good faith to have been sent by the Security Administrator, notwithstanding that such Security Administrator may be a third party acting on behalf of Customer. Any request to the Bank to update an API Token shall be made solely in the manner and form designated by the Bank.

- 2.5. **Transaction Review.** In addition to the Security Procedures described above, the applicable Security Procedure for each channel also includes transaction review based on various risk characteristics. The transaction review shall be conducted in accordance with commercially reasonable protocols selected by the Bank. Additional authentication from the Customer, such as call-back verification, may be required to complete certain transactions identified by the Bank through transaction review.
- 2.6. **Confidentiality/Security Breach.** The Customer will be responsible for safeguarding and ensuring that the Security Procedures, Security Devices, API Tokens and any credentials used for the validation of the API Token are known to and used (i) in the case of Access Online and Mobile, only by individuals designated as users by the Security Administrators ("**Authorized Users**"), or, (ii) in the case of the Host-to-Host/managed file transfer and API channels, only by the Security Administrators, as applicable. The Customer shall notify the Bank immediately in the event of any loss, theft or unauthorized use of a Security Procedure, a Security Device, API Token, any credentials used for the validation of the API Token or any other breach of security. The Bank may dishonor or disable any Security Device, API Token, any credentials used for the validation of the API Token or any aspect of the Security Procedures at any time without prior notice and will inform the Customer of the same. In addition, each Customer must implement its own physical and logical security, as well as management controls, that appropriately protect the hardware, software, and access controls used in the transaction process from unauthorized access and use.
- 2.7. **Security Administrator Designation.** The Customer shall designate Security Administrators who shall have equal authority as specified in Section 2.8 below. The Bank is entitled to rely on any such designation of a Security Administrator. The Customer agrees to notify the Bank of any change in Security Administrators in the manner and form designated by the Bank. Any such change shall be effective at such time as the Bank has received such notice and has had a reasonable opportunity to act upon it.
- 2.8. **Security Administrator Responsibilities.** Each Security Administrator shall be authorized by the Customer to and be responsible for (i) designating individuals as Authorized Users with respect to the Access Online and Mobile channels; (ii) identifying the functions of the Service that each Authorized User may access; (iii) requesting, creating, controlling, disseminating, and/or canceling user entitlements with respect to the Access Online and Mobile channels; (iv) managing the Customer's Certificates and corresponding Security Keys or API Tokens and any credentials used for the validation of the API Token with respect to the Host-to-Host/managed file transfer and API channels, as applicable; (v) receiving and distributing materials, notices, documents and correspondence relating to the Security Procedures, as applicable; and (vi) advising each Authorized User of his/her obligations hereunder or under any of the applicable Account Documentation. The Security Administrators shall provide to the Bank, upon the Bank's request, a list of Authorized Users for the Access Online and Mobile channels. In the absence of a valid designation of a Security Administrator at any time or in the event that, after reasonable efforts, the Bank is unable to contact a Security Administrator, the Bank may deliver Security Devices, API Tokens (and any attendant credentials) and materials and deliver/receive Security Keys to/from any person authorized to act on behalf of the Customer with respect to the Accounts.
- 2.9. **Processing.** The Customer acknowledges that the application of the Security Procedures and any controls unilaterally implemented by the Bank may cause delays in processing Instructions or result in the Bank declining to execute an Instruction.

### 3. Open Network Access; Equipment

THE SERVICE IS PROVIDED "AS IS" AND "AS AVAILABLE". TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, ALL WARRANTIES AND REPRESENTATIONS, EXPRESS, STATUTORY OR IMPLIED, WITH REGARD TO THE SERVICE ARE HEREBY DISCLAIMED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE AND COURSE OF DEALING OR USAGE OF TRADE OR WARRANTIES OF NON-INFRINGEMENT OR WARRANTIES AS TO ANY RESULTS TO BE OBTAINED FROM THE USE OF THE SERVICE. TO THE EXTENT THAT ANY IMPLIED WARRANTIES CANNOT BE DISCLAIMED UNDER APPLICABLE LAW, ANY SUCH IMPLIED WARRANTIES ARE LIMITED IN DURATION TO 30 DAYS FROM THE INITIAL DELIVERY DATE OF THE RELEVANT SERVICE. THE BANK AND ITS THIRD PARTY DATA AND SERVICE PROVIDERS DO NOT WARRANT OR GUARANTEE THE SECURITY, SEQUENCE, TIMELINESS, ACCURACY, PERFORMANCE OR COMPLETENESS OF THE DATA OR THAT ANY PART OF THE SERVICE WILL BE ERROR-FREE, WITHOUT DELAY OR UNINTERRUPTED.

The Customer is responsible for, at its sole expense, obtaining, installing, maintaining and operating all browsers, software, hardware, telecommunications equipment or other equipment (collectively, "**System**") necessary for the Customer to access and use the Service in accordance with the Bank's recommended system configuration. The Bank makes no endorsement of any System or third party site, notwithstanding that the Bank may recommend certain Systems or provide a link to a third party site where the Customer may download software. The Customer shall at all times maintain current and effective anti-virus, anti-spyware or other security software and shall take all reasonable measures to maintain the security of its System. The Customer acknowledges that there are certain security, corruption, transmission error, and access availability risks associated with using open networks such as the Internet. The Customer further acknowledges that it has made an independent assessment of the adequacy of the Internet, the System and the Security Procedures in connection with the use of the Service. The Customer assumes all risks and liabilities associated with the operation, performance and security of its System and the use of the Internet or other open networks, failure or use of Customer's or third party equipment, hardware, browsers, operating systems and/or other software or programs, and services or persons outside of the Bank's control, and the Bank disclaims all such risks. The Customer shall not use any equipment, hardware, software or program that harms the Bank. The Customer agrees to indemnify and hold the Bank, and its agents, employees, officers and directors, harmless from and against any and all claims, damages, demands, judgments, liabilities, losses, costs and expenses arising, directly or indirectly, from the Customer's use of Customer's or third-party software or program. The Bank may in its discretion provide training or information on best practices to the Customer from time to time but in so doing it will not be considered a consultant or advisor with respect to cybersecurity.

## EXHIBIT A - JURISDICTION SPECIFIC PROVISIONS

### A. Australia & New Zealand

To the extent that any supply made by the Bank under these Service Terms is a taxable supply for the purposes of the Australian Goods and Services Tax, or that goods and services tax under the New Zealand Goods and Services Tax Act 1985 is payable in respect of any supply under this License Agreement, (“**GST**”), the fees payable in respect of that taxable supply (“**original amount**”) will be increased by the amount of GST payable in respect of that taxable supply. Customer must pay the increased amount at the same time and in the same manner as the original amount.

### B. Indonesia

The Bank and the Customer agree that, for the effectiveness of any termination of these Service Terms or the Services provided hereunder, they hereby waive any provisions, procedures and operation of any applicable law to the extent a court order is required for the termination of these Service Terms and the Account Documentation as applicable to the services provided under these Service Terms.

Section 7.3 shall be replaced by “Except for losses directly resulting from errors or delay caused by the Bank’s gross negligence or willful misconduct, the Customer acknowledges that the Bank shall not be liable for any delays in any Data, message notification or alert delivered via any mobile device.”

### C. Malaysia/Labuan

In relation to accounts held in Malaysia (excluding Labuan) and/or where the Service is provided in Malaysia (excluding Labuan) references in the Service Terms to “Bank,” shall mean J.P. Morgan Chase Bank Berhad. In relation to accounts held in Labuan and/or where the Service is provided in Labuan, references in the Service Terms to “Bank,” shall mean J.P. Morgan Chase Bank, N.A., Labuan Branch. The Service provided by J.P. Morgan Chase Bank Berhad shall be accessed through <http://www.jpmorganaccess.com.my> and the Customer undertakes not to access or utilize or attempt to access or utilize the Service through any other JPMorgan website.

### D. Republic of China (Taiwan)

Section 7.3 shall be replaced by “Except for losses directly resulting from errors or delay caused by the Bank’s gross negligence or willful misconduct, the Customer acknowledges that the Bank shall not be liable for any delays in any Data, message notification or alert delivered via any mobile device.”

The Customer acknowledges that it will take steps to ensure it enters into the correct website before attempting to access the Service.

### E. European Union.

The Customer acknowledges that it is not a “consumer” for the purpose of the European Union’s Electronic Commerce Directive (“**ECD**”) (i.e., that it is not an individual) and agrees that the Bank shall not be required to make any disclosures or do any other thing which a non-consumer may agree not to require under the UK rules and legislation implementing the ECD. For further information on the Bank, please see “Notice regarding EU e-commerce information” in the Terms & Conditions on <http://www.jpmorgan.com>.

- A. The Bank will collect information about the Customer and the Customer’s employees and agents (such as, without limitation, authorized signatory details) which may constitute personal data for the purposes of the data protection law. Such personal data may be collected by or on behalf of the Bank in a number of ways (the “**Collection Methods**”), including via documentation relating to the provision to or use by the Customer of electronic banking services or via the Customer’s use of such electronic banking services and via other correspondence or communications between the Customer and the Bank.
- B. Details of the Bank’s processing activities of personal data can be found in its EMEA Privacy Policy, which is available on the Bank’s website at [www.jpmorgan.com/privacy/EMEA](http://www.jpmorgan.com/privacy/EMEA). The Bank’s EMEA Privacy Policy may be updated or revised from time to time without prior notice. The EMEA Privacy Policy may be used to assist the Customer with providing a fair processing notice to the Customer’s underlying data subjects.
- C. The Customer agrees that it has an appropriate legal basis to provide personal data to the Bank and that the Customer will provide any requisite notice to individuals and ensure that there is a proper legal basis for the Bank to process the personal data as described in and for the purposes detailed in the Bank’s EMEA Privacy Policy. Both the Customer and the Bank will comply with its respective obligations under applicable data protection and privacy laws.

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Eligibility for particular products and services is subject to final determination by J.P. Morgan and/or its affiliates.



**4. Instructions; Data**

- 4.1. The Customer shall be solely responsible for the genuineness and accuracy, both as to content and form, of all Instructions given to the Bank's in the Customer's name and verified through the applicable Security Procedure.
- 4.2. The Customer acknowledges that Data may not have been reviewed by the Bank, may be inaccurate, and may be periodically updated and adjusted. The Bank is not obligated to assure the accuracy of Data and will not be liable for any loss or damage arising out of the inaccuracy of Data. Further, the Bank shall have no liability for the receipt or viewing by any party of Data sent to the destinations designated by the Customer, including but not limited to email addresses, fax and telephone number(s).

**5. Customer Warranties**

The Customer warrants and covenants to the Bank that: (i) prior to submitting any document or Instruction that designates Authorized Users, the Customer shall obtain from each individual referred to in such document or Instruction all necessary consents to enable the Bank to process the data set out therein for the purposes of providing the Service; (ii) the Customer has accurately designated in writing or electronically the geographic location of its Authorized Users and shall provide all updates to such information; (iii) the Customer shall not access the Service from any jurisdiction which the Bank informs the Customer or where the Customer has knowledge that the Service is not authorized; and (iv) the Security Procedures offered to the Customer conform to the Customer's wishes and needs and the Customer has not requested Security Procedures other than those expressly agreed by the Customer and the Bank. The Customer hereby represents warrants and covenants to the Bank that these Service Terms constitute its legal and binding obligations enforceable in accordance with its terms.

**6. Miscellaneous**

- 6.1. The additional jurisdiction specific provisions set forth in the attached Exhibit are applicable to the Customer based on the domicile of the Customer. Where any local laws or regulations of any jurisdiction apply as a result of the Customer's Authorized Users accessing the Service from such jurisdiction or as a result of the location of such accounts in such jurisdiction, the jurisdictional specific provisions of that jurisdiction set forth in the attached Exhibit shall apply to the use of the Service by such Authorized Users.
- 6.2. These Service Terms shall be governed by and construed in accordance with the laws of the State of Florida, USA (without reference to the conflict of laws rules thereof).


**7. Mobile**

- 7.1. Accepting use of the Bank's SMS text notification service and/or Access Mobile channel constitutes the Customer's authorization for the Bank to send Data, message notifications and alerts through any communication service providers, including both Internet and telecommunications providers, which shall each be deemed to be acting as the Customer's agent. Such providers may not encrypt communications.
- 7.2. Authorized Users may be required to accept an application agreement or license in order to download Access Mobile. The Customer acknowledges that the Account Documentation shall in all cases govern the provision of these services.
- 7.3. The Customer acknowledges that the Bank shall not be liable for any delays in any Data, message notification or alert delivered via any mobile device.

**IN WITNESS WHEREOF**, the parties hereto have caused these Service Terms to be executed by their respective authorized officers. These Service Terms shall be legally binding and deemed effective upon the date when the Service Terms have been executed by both the Customer and the Bank.

**JPMORGAN CHASE BANK, N.A.**

**City of Lake Worth Beach**

Signature:   
 Print Name: HUASCAR R. HILDEVERT  
 Title: AUTHORIZED OFFICER  
 Date: 9/24/21

Signature: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

# ACCOUNT TERMS

V1.7\_02\_03\_21 (negotiated)

## INTRODUCTION

This document, as amended or supplemented by account addenda for each country in which the Accounts are held, (collectively, the "Account Terms"), along with the Customer's and Bank's Banking Services Agreement ("Agreement"), contains the general terms, conditions and disclosures for the Accounts and Services selected by the Customer and constitutes an agreement between the Bank and the Customer and supersedes all previous drafts, discussions and negotiations, whether oral or written, between them in connection with the opening of Accounts and receipt of Services.

References to the "Bank" shall mean **JPMorgan Chase Bank, N.A.**, and any of its affiliates. References to the "Customer" shall mean the entity to which the Bank, as an independent contractor, provides Accounts and Services. All accounts subject to the Account Terms are, regardless of their location, referred to as "Accounts". References to "Services" shall mean services offered by the Bank and subject to the Account Terms and any applicable Service Terms. References to "Service Terms" shall mean any terms and conditions regarding specific types of Accounts or Services that are subject to the Account Terms. Use of a Service constitutes acceptance of the relevant Service Terms. In addition to the Account Terms and Service Terms, the Accounts are subject to other Account-related documentation, including signature cards and application forms (the "Account Documentation").

The Customer shall not transfer any of its rights and obligations in an Account or with respect to a Service, or create any form of security interest over such rights and obligations in an Account, without the prior written consent of the Bank. Failure to obtain the Bank's prior written consent constitutes a breach of these Account Terms by the Customer and may result in immediate closure of Accounts or termination of Services.

The Account Terms, Account Documentation and Service Terms may vary applicable law to the maximum extent permitted under any such law. Any provision of applicable law that cannot be varied shall supersede any conflicting term of the Account Terms, Account Documentation or Service Terms.

The Account Terms may be supplemented or amended as set forth in Section 17.6 (Amendments; Supplement; Waivers) herein.

## 1. Authorized Persons.

**1.1 Authorized Persons.** The Bank is authorized to rely on any document or designation that identifies a person authorized to act on behalf of the Customer ("Authorized Person") with respect to the Accounts and Services, until the authority for such Authorized Person is withdrawn by the Customer upon written notice to the Bank, and the Bank has had a reasonable opportunity to act on such notice. The Customer will provide a specimen signature for Authorized Persons in the manner requested by the Bank.

**1.2 Authorizations.** Each Authorized Person is independent of the Bank and, subject to any written limitation provided by the Customer and received and accepted by the Bank, is authorized on behalf of the Customer to: open, operate and close Accounts; overdraw Accounts as permitted by the Bank; appoint and remove Authorized Persons; execute or otherwise agree to any form of agreement relating to the Accounts or Services, including Account Documentation; execute guarantees, indemnities or other undertakings to the Bank in relation to guarantees, letters of credit or other financial transactions, or in relation to missing documents; draw, accept, endorse or discount checks, drafts, bills of exchange, notes and other financial instruments ("Items"); receive materials related to security procedures; and give instructions ("Instructions"), including requests and payment orders, by means other than the signing of an Item, with respect to any Account transaction. Without limitation, such Instructions may direct: (i) the payment, transfer or withdrawal of funds; (ii) the disposition of money, credits, items or property at any time held by the Bank for account of the Customer; (iii) the provision of access as described in Section 1.4 (Third Party Access) and Section 2.1 (Third Party Instructions) below; (iv) the provision of information regarding the Accounts; (v) any other transaction of the Customer with the Bank; or (vi) the amendment or cancellation of any prior Instruction.

**1.3 Facsimile Signatures.** If the Customer provides the Bank with facsimile signature specimens, or if the Customer issues Items with a facsimile signature on one or more occasions, the Bank is authorized to pay Items signed by facsimile signature (including computer generated signatures) if the actual or purported facsimile signature, regardless of how or by whom affixed, resembles the specimens filed with the Bank by the Customer, or resembles a specimen facsimile signature otherwise employed for the Customer's benefit.

**1.4 Third Party Access.** The Customer may request that the Bank permit a third party to have access to an Account by submitting an access request in a form acceptable to the Bank (an "Access Request"), and the third party designated in such form will be referred to as a "Third Party"). Each Third Party is authorized by the Customer to issue Instructions to the Bank in relation to an Account, including to initiate payments and transfers against an Account, and to access and receive balance and transaction information (including account statements, information reporting and transaction advices) by any method of communication, including the Bank's electronic channels, facsimile transmission, in writing, by telephone and SWIFT message, and the Bank is authorized to act on such Instructions and provide such access as described in this Section and Section 2.1 (Third Party Instructions) below. Subject to the Third Party's completion of documentation required by the Bank, the Bank is authorized to act upon any Instructions issued in the name of any authorized person of the Third Party who has been nominated by the Third Party in a form acceptable to the Bank, and such authorized person shall be deemed an Authorized Person with respect to the provisions of these Account Terms relating to the use of the Accounts and the giving of Instructions with respect to the Accounts. The Customer may revoke an Access Request at any time by giving the Bank written notice of such revocation; such revocation shall be effective when the Bank has received such notice and has had a reasonable opportunity to act upon it.

## 2. Security Procedures; Confirmations.

**2.1 Security Procedures Generally.** When issuing Instructions, the Customer is required to follow the Bank's security procedures as communicated to the Customer by the Bank from time to time, including the procedures set forth herein, and shall be bound by such security procedures for use

of the Service. Upon receipt of an Instruction, the Bank will use the security procedures to verify that the Instruction is effective as that of the Customer. A security procedure may require the use of algorithms or other codes, identifying words or numbers, encryption, call back procedures or similar security devices. It is understood that the purpose of the security procedure is to verify the authenticity of, and not to detect errors in, Instructions. The Customer shall safeguard the security procedure and make it available only to persons that it has authorized. Any Instruction, the authenticity of which has been verified through such security procedure, shall be effective as that of the Customer, whether or not authorized.

**Security Procedure for Verbal or Written Instructions.** Unless the Customer and the Bank have agreed in writing to an alternate security procedure, the Bank may verify the authenticity of verbal or written (including those transmitted by facsimile) funds transfer Instructions by telephonic call-back to an Authorized Person. The Customer agrees that this security procedure is commercially reasonable for such Instructions.

**Security Procedure for Instructions Received through Electronic Channels.** If the Bank receives an Instruction in the name of the Customer by means of any of Bank's electronic channels, the Customer's SWIFT BIC codes, or other electronic channels through which the Bank has notified Customer that it will accept Instructions, then Bank may rely on authentication procedures established by such electronic channels as the security procedure. Any such Instruction shall be deemed to have been given by an Authorized Person and shall be effective as that of the Customer, whether or not authorized. By using an electronic channel to provide Instructions to the Bank, the Customer agrees that this security procedure is commercially reasonable for such Instructions.

**Security Procedure for Third Party Instructions.** The security procedures applicable to Instructions from any Third Party shall be those security procedures established by the Bank with the Third Party. Any Instruction that the Bank receives from the Third Party, the authenticity of which has been verified through such security procedure, shall be effective as that of the Customer, whether or not authorized, and shall be deemed an Instruction given on behalf of the Customer for all purposes of these Account Terms. The Bank is authorized to act upon any Instructions received via any of the SWIFT BIC codes specified in an Access Request whether or not such SWIFT BIC codes are associated with the Customer or the Third Party.

**2.2 Confirmations.** If the Customer, other than with respect to security procedures, chooses to confirm an Instruction, any confirmation must be clearly marked as a confirmation, and, if there is any discrepancy between an Instruction and a confirmation, the terms of the Instruction shall prevail. Subject to [Section 2.1 \(Security Procedure for Verbal or Written Instructions\)](#), the Bank may, at its option, confirm or clarify any request or Instruction using any means, even if a security procedure appears to have been followed. If the Bank is not satisfied with any confirmation or clarification, it may decline to honor the Instruction.

### 3. Deposits.

**3.1 Processing Incoming Items.** All Items deposited or cashed are received for collection only and are subject to receipt of final payment. The Bank may agree with other banks and clearing houses to vary procedures regarding the collection or return of Items, and deadlines to the extent permitted by applicable law or market practice. The Bank chooses the method of collecting Items and may use other banks in the process. The Bank will present Items in accordance with the custom and market practice of the jurisdictions in which the Items are handled for collection. The Bank is not responsible for actions or omissions of other banks, nor for the loss or destruction of any Item in the possession of other banks or in transit. The Customer shall use reasonable efforts to assist the Bank in locating or obtaining replacements of Items lost while in the Bank's possession. For purposes of determining when an Item is sent to the Customer, the provision of an image of the Item or information identifying the Item (e.g., Item number, amount, date of Item) is a sufficient substitute for the actual Item.

**3.2 Availability of Funds; Credits Not Received.** Credits and deposits to an Account will be available in accordance with the Bank's availability policy and applicable law. If the Bank credits an Account: (i) in contemplation of receiving funds for the Customer's credit and those funds are not actually received by the Bank; or (ii) in reliance on a transaction which is subsequently returned, reversed, set aside or revoked, or if the Bank does not receive funds for the Customer's credit for value on the date advised by or on behalf of the Customer, or if final settlement is not received by the Bank for any reason, then the Bank shall be entitled to debit any Account of the Customer with the amount previously credited and/or with any other charges incurred, even if doing so creates or increases an overdraft.

**3.3 Collection Basis Processing.** If an Item is processed by the Bank on a collection basis, the Bank may defer credit to the relevant Account until it has received final, non-reversible, payment in accordance with applicable law and market practice.

### 4. Payment of Items.

**4.1 Processing Outgoing Items.** The Bank is authorized to pay any Item drawn on the Account, in accordance with the Bank's usual procedures, including any Item that purports to be a substitute check. The Bank is authorized to debit the Account on which the Item is drawn on the day the Item is presented, certified or accepted, or at such earlier time when the Bank receives notice by electronic or other means that an Item drawn on an Account has been deposited for collection. The Bank may determine Account balances in order to decide whether to dishonor an Item for insufficient funds at any time between receiving such presentment or notice and the time of the return of the Item, and need make no more than one such determination.

**4.2 No Inquiry.** The Bank is authorized to pay all Items presented to it or cashed at the Bank, regardless of amount and without inquiry as to the circumstances of issue, negotiation or endorsement or as to the disposition of proceeds, even if drawn, endorsed or payable to cash, bearer or the order of the signer or any Authorized Person or to a lender in payment of the signer's or Authorized Person's obligations.

**4.3 Limitations.** The Customer shall immediately notify the Bank if it becomes aware that any Items (whether completed or blank) are lost or stolen. The Customer shall not allow any third party to issue Items against or otherwise use the Accounts unless specifically agreed to in writing by the

Bank. The Customer shall not issue Items that are post-dated, and the Bank shall not be liable for any damages caused by premature payment or certification of a post-dated Item. Further, the Customer shall not put any condition, restriction, or legend on any Item; and the Bank is not required to comply with any such condition, restriction or legend.

**4.4 Electronic Processing; Specifications.** The Bank may process any Item by electronic means. All Items issued by the Customer against any Account must comply with industry standards and the Bank's check specifications and image standards, published from time to time. The Bank shall not be liable for damages or losses due to any delay or failure in procuring, collecting, or paying Items not conforming to such specifications or standards, except to the extent such losses or damages are the direct result of the Bank's gross negligence or willful misconduct.

## **5. Funds Transfer Instructions.**

**5.1 Processing Funds Transfer Instructions.** The Customer may issue funds transfer Instructions against Accounts, subject to the Bank's acceptance. Funds transfer Instructions will be received, processed and transmitted only on the Bank's funds transfer business days, and within the Bank's established cut-off hours on such days. Instructions requesting cancellation or amendment of funds transfer Instructions must be clearly marked as such and received at a time and in a manner affording the Bank a reasonable opportunity to act on the cancellation or amendment Instruction. The Customer may reverse, amend, cancel or revoke any Instructions only with the consent of the Bank and, if applicable, the beneficiary's bank. The Bank will debit the Account for the amount of each funds transfer Instruction accepted by the Bank, and the Customer authorizes the Bank to debit the Account for, or deduct from the amount of the funds transfer, all associated fees, including debit and credit processing charges. In processing a funds transfer, other banks may deduct fees from the funds transfer. No restrictions upon the acceptance of funds transfer Instructions by the Bank or upon the Accounts that the Bank may debit shall be binding unless agreed to by the Bank in writing. The Bank shall not be required to inquire into the circumstances of any transaction.

**5.2 Acting on Instructions.** Notwithstanding any Instructions by the Customer to the contrary, the Bank reserves the right to use any funds transfer system and any intermediary bank in the execution of any funds transfer Instruction and may otherwise use any means of executing the funds transfer Instruction that the Bank deems reasonable in the circumstances.

**5.3 Inconsistent Name and Number.** The Bank and other financial institutions, including the beneficiary's bank, may rely upon the identifying number of the beneficiary, the beneficiary's bank or any intermediary bank included in a funds transfer Instruction, even if it identifies a person different from the beneficiary, the beneficiary's bank or intermediary bank identified by name.

### **5.4 Foreign Exchange.**

- (a) If the Bank accepts a funds transfer Instruction issued in the Customer's name for payment in a currency (the "Non-Account Currency") other than the currency of the Account (the "Account Currency"), the Bank is authorized to enter into a foreign exchange transaction to sell to the Customer the amount of Non-Account Currency required to complete the funds transfer and debit the Account for the purchase price of the Non-Account Currency. If the Bank receives a payment to the Account in a Non-Account Currency, the Bank is authorized to purchase the Non-Account Currency from the Customer and to credit the purchase price to the Customer's Account in lieu of the Non-Account Currency.
- (b) The applicable foreign exchange rate and spread for any of the foregoing transactions shall be determined by the Bank in its sole discretion and may differ from foreign exchange rates and spreads at which comparable transactions are entered into with other customers or the range of foreign exchange rates or spreads at which the Bank otherwise enters into foreign exchange transactions on the relevant date. The Bank may generate additional profit or loss in connection with the Bank's execution of a foreign exchange transaction or management of its risk related thereto in addition to the applicable spread. Further, (i) the Bank may execute such foreign exchange transactions in such manner as the Bank determines in its sole discretion; and (ii) the Bank may manage the associated risks of the Bank's own position in the market in a manner it deems appropriate without regard to the impact of such activities on the Customer. Any such foreign exchange transaction will be between the Bank and the Customer as principals, and the Bank will not be acting as agent or fiduciary for the Customer.
- (c) Notwithstanding any prior action or course of dealing, subject to applicable law, the Bank has no obligation to cancel, reverse or otherwise buy back foreign currencies purchased by the Customer under a Service and the Bank makes no commitment to buy back currencies. The Customer acknowledges that it may not be able to sell back certain foreign currencies once purchased.

**5.5 Cancellation of Foreign Exchange Drafts.** Subject to applicable law, the Bank may cancel any draft issued by the Bank on behalf of the Customer in a Non-Account Currency if the draft is not presented for payment within one hundred eighty (180) calendar days after the date of issuance, and the Customer authorizes the Bank to recredit the Customer's Account with an equivalent amount of Account Currency at a foreign exchange rate and spread, and at such date and time, as the Bank determines in its sole discretion. Following such cancellation, the Customer shall be responsible for all claims that may be asserted against the Bank in respect of the draft.

## **6. Interest; Fees; Taxes.**

**6.1 Interest.** The Bank may apply interest on balances in Accounts at rates determined by the Bank in its sole discretion, subject to any withholding or deduction for tax as required by applicable law (including the Foreign Account Tax Compliance Act ("FATCA")). The Bank may deduct from the Accounts charges for early withdrawals, which may include a deduction from principal (if permitted or required by law). If the rate applied by the Bank is negative, the Customer may be required to make a negative rate payment, including on non-interest bearing Accounts, which the Bank shall be entitled to collect by debiting the Account.

## 6.2 Fees and Taxes.

- (a) The Bank may impose and the Customer will pay fees for Accounts and Services provided by the Bank, including transaction, maintenance, balance-deficiency, and service fees and other charges (collectively "Fees"). The Bank may debit any Account for Fees and/or Taxes, even if such debit creates or increases an overdraft of the Account. References to "Taxes" shall mean any taxes (including value added taxes, sales taxes and similar taxes), levies, imposts, deductions, charges, stamp, transaction and other duties and withholdings (together with any related interest, penalties, fines, and expenses) in connection with the Fees, Accounts or Services (including payments or receipts to an Account) except if such Taxes are imposed on the overall net income of the Bank.
- (b) All payments (including Fees and interest on overdrafts) from the Customer to the Bank pursuant to the Account Terms, the Service Terms and any Account Documentation shall be in full, without set-off or counterclaim, and free of any withholding or deduction (collectively, a "Deduction") related to any tax or other claim, unless a Deduction is required by applicable law. If any Deduction is required by applicable law in respect of any payment due to the Bank, the Customer shall:
  - (i) ensure that the Deduction is made;
  - (ii) pay the amount of the Deduction as required by applicable law;
  - (iii) increase the payment in respect of which the Deduction is required so that the net amount received by the Bank after the Deduction shall be equal to the amount which the Bank would have been entitled to receive in the absence of any requirement to make any Deduction; and
  - (iv) deliver to the Bank, within thirty (30) days after it has made payment to the applicable authority, a certified copy of the original receipt issued by the authority, evidencing the payment to the authority of all amounts required to be deducted.
- (c) All Fees are exclusive of Taxes. In addition to any Fees or other amounts due and except to the extent the Bank is otherwise compensated for such Taxes under this Section 6, the Customer will pay or reimburse the Bank for any Taxes which the Bank is required to account for to any tax authority under any applicable law and, where required by applicable law, the Customer shall account for any Taxes directly to the applicable tax authority.

**6.3 Tax Documentation and Information.** The Customer will provide the Bank with such documentation and information as the Bank may require in connection with taxation, and represents that such information is true and correct in every respect and shall immediately notify the Bank if any information requires updating or correction.

## 7. Account Statements.

The Bank will issue Account statements, confirmations, or advices ("Account Statements") at the frequency and in the manner advised to the Customer from time to time. The Customer is responsible for ensuring that an Authorized Person promptly examines each Account Statement and any accompanying Items that are made available to it by the Bank, and reporting any irregularities to the Bank in writing, including any claim of unauthorized funds transfer activity. The Bank shall not be responsible for the Customer's reliance on balance, transaction or related information that is subsequently updated or corrected or for the accuracy or timeliness of information supplied by any third party to the Bank. Electronic Account Statements, if applicable, shall be deemed to be received by the Customer when the Bank sends notice to the Customer that the Account Statement has been posted by electronic means (including by posting such Account Statement on a Bank website).

## 8. Overdrafts.

**8.1 Overdrafts.** The Bank may debit an Account even if the debit may cause or increase an overdraft. Unless otherwise agreed in writing, the Bank is under no obligation to permit any overdraft or to continue to permit overdrafts after having permitted an overdraft or to provide notice of any refusal to permit an overdraft, in each case notwithstanding any prior action or course of dealing. Any overdraft shall be immediately due and payable by the Customer to the Bank, unless otherwise agreed in writing. If the Bank permits an overdraft, the Bank is authorized to charge interest on the amount of the overdraft as long as the overdraft is outstanding, at a rate determined by the Bank, up to the maximum rate permitted by law at the time of the overdraft or at the specific rate agreed in writing between the Customer and the Bank. Subject to applicable law, interest shall accrue on any negative balance in an Account notwithstanding closure of the Account and/or termination of these Account Terms. If the Bank pays an Item that causes or increases an overdraft, the Bank may deduct applicable Fees and expenses from the Account without notice.

**8.2 Order of Payment.** When Items and other debits to the Account are presented to the Bank for payment on the same day and there are insufficient available funds in the Account to pay all of these transactions, the Bank may choose the order in which it pays transactions, including the largest transaction first or any other order determined by the Bank, in its sole discretion.

## 9. Set Off. Security Interest

**9.1 Set-Off.** The Bank may at any time, without prejudice to any other rights which it may have, and without prior notice or demand for payment, combine, consolidate or merge all or any of the Accounts of the Customer or may retain, apply or set off any money, deposits or balances held in, or standing to the credit of, any Account in any currency towards payment of any amount owing by the Customer to the Bank or any of its affiliates. The Bank shall be entitled to accelerate the maturity of any time deposit or fixed term deposit. For the purposes of this Section the Bank may effect currency conversions at such times or rates as it may think reasonable and may effect such transfers between any Accounts as it considers necessary.

## 10. Confidential Information; Agents; Consents.

**10.1 Confidential Information.** “Confidential Information” means and includes all non-public information regarding the Customer, its Accounts or the Services. The term Confidential Information does not include information which is or becomes publicly available by means other than the Bank’s breach of this section, information the Bank develops independently without the use of Confidential Information, information the Bank obtains from a third-party that is not reasonably known to have confidentiality obligations for such information, or required by applicable law or court order to be released by the Bank or Customer.

- (a) The Bank will maintain Confidential Information in the same manner it maintains its own confidential information.
- (b) The Customer authorizes the Bank and its agents, employees, officers and directors and affiliates to use Confidential Information (i) to provide services to and administer the relationship with Customer, (ii) for any operational, credit or risk management purposes, (iii) for due diligence, verification or sanctions or transaction screening purposes, (iv) for the prevention or investigation of crime, fraud or any malpractice, including the prevention of terrorism, money laundering and corruption, (v) to improve and develop products or services, including, but not limited to using data analytics, (vi) for compliance with any legal, regulatory or tax requirements or tax reporting or any industry standard, code of practice, or internal policies or (vii) with prior consent of the Customer.
- (c) In connection with the permitted uses set forth in subsection (b), the Customer authorizes the Bank and its agents, employees, officers and directors and affiliates to disclose Confidential Information to (i) any subcontractor, consultant, agent, or any other unaffiliated third party or service provider, including the transmission of information to other banks and clearing houses and through channels and networks operated by third parties that the Bank reasonably believes is required in connection with the Services and provided that such parties are subject to equivalent confidentiality obligations; (ii) to the Bank’s professional advisors, auditors or public accountants; (iii) the Bank’s subsidiaries, affiliates and branches and their relevant parties as set forth in subsection (i) and (ii) herein; (iv) to a proposed assignee of the Bank’s rights under the Account Documentation; and (v) with the consent of the Customer.
- (d) In addition to the foregoing, the Bank may use and disclose Confidential Information as required by (i) applicable law or courts of competent jurisdiction; (ii) governmental or regulatory or supervisory authorities, or law enforcement agencies with jurisdiction over the Bank’s or Customer’s businesses; or (iii) to establish, exercise or defend claims, enforce legal rights, or satisfy the legal obligations of the Bank.
- (e) The Customer acknowledges that: (i) permitted disclosures of Confidential Information may be transmitted across national boundaries in the context of outsourcing arrangements and through networks, including networks owned and operated by third parties; and (ii) the Bank may process or store, or engage service providers to process or store Confidential Information on its behalf, both in its own premises and those of its services providers, located in, amongst others, the European Economic Area, the United States of America, India, the Philippines, Singapore, Hong Kong, Australia, China, Japan, Brazil, Mexico, Argentina, Colombia, Chile, South Africa, Russia and any other country where the Bank or such service providers conduct business.

**10.2 Agents.** The Bank may appoint or retain any agent (who may be any affiliate of the Bank or any unaffiliated third party) either at the Account location or outside, to perform data processing, collection and/or any other services in connection with the Accounts and Services.

**10.3 Consents.** The Customer represents that prior to submitting to the Bank information about natural persons related to the Customer (including Authorized Persons, users of the Bank’s electronic access systems, officers and directors, employees, beneficial owners, and customers and persons on whose behalf the Customer is receiving or transmitting funds, issuing items or maintaining an Account), the Customer shall have obtained such consents as may be required by applicable law or agreement, for the Bank to process and use the information for purposes of providing the Accounts or Services.

## 11. Liability Limitation; Force Majeure.

**11.1 Liability.** The Bank, its agents, employees, officers and directors, shall not be liable for any damage, loss, expense or liability of any nature which the Customer may suffer or incur, except to the extent of losses or expenses directly resulting from the gross negligence or willful misconduct of the Bank, its agents, employees, officers or directors. The Bank, its agents, employees, officers and directors shall not, in any event, be liable for indirect, special, consequential or punitive loss or damage of any kind (including lost profits, loss of business or loss of goodwill), in each case, whether or not foreseeable, even if the Bank, its agents, employees, officers or directors have been advised of the likelihood of such loss or damage, and regardless of whether the claim for loss or damage is made in negligence, gross negligence, for breach of contract or otherwise; provided, however, that the foregoing shall not apply to the extent such loss or damage is caused by fraud on the part of the Bank, its agents, employees, officers or directors. Customer shall promptly provide the Bank with a notice of any claims it receives regarding a Service.

**11.2 Force Majeure.** Neither the Bank nor the Customer shall be liable for any loss or damage, expense or liability of any nature to the other for its failure to perform or delay in the performance of its obligations resulting from an act of God, act of governmental or other authority, de jure or de facto, legal constraint, civil or labor disturbance, fraud or forgery (other than on the part of the other party or its employees), war, terrorism, catastrophe, fire, flood or electrical, computer, mechanical or telecommunications failure or malfunction, including inability to obtain or interruption of communications facilities, or failure of any agent or correspondent, or unavailability or failure of or the effect of rules or operations of a payment or funds transfer system, including non-availability of appropriate foreign exchange or foreign currency, or any cause beyond its reasonable control.

## 12. Indemnity.

The Customer indemnifies and holds the Bank, and its agents, employees, officers and directors, harmless from and against any and all claims, damages, demands, judgments, liabilities, losses, costs and expenses (including attorneys' fees) (collectively, "Losses") arising out of or resulting from: (i) the Bank's acceptance or execution of any request, direction or transaction in connection with any Account or any Service provided to the Customer, including Items and Instructions; or (ii) the Bank's payment of any taxes, interest or penalty otherwise due from the Customer paid on the Customer's behalf, or for which the Bank has no responsibility under the Account Terms, the Service Terms or any Account Documentation. Notwithstanding the foregoing, the Bank, its agents, employees, officers and directors shall not be indemnified for any Losses to the extent resulting directly from its own gross negligence, willful misconduct or fraud.

## 13. Notices.

**13.1 Notice to the Customer.** All Account Terms, Service Terms, Account Documentation, notices and other documents may be delivered, made available and/or made accessible to the Customer by ordinary mail or courier at the address of the Customer provided to the Bank, or by facsimile transmission, electronic means and channels (including SWIFT message, emails and by posting on a Bank website) or by such other means as the Customer and the Bank may agree upon from time to time

## 14. Termination. Intentionally deleted.

## 15. Account Disclosures.

### 15.1 Rejection of Funds; Reversal of Erroneous Postings.

(a) The Bank may return or refuse to accept all or any part of a deposit or credit to an Account, at any time, and will not be liable to the Customer for doing so, even if such action causes outstanding Items to be dishonored and returned, or payment orders to be rejected.

(b) The Bank may reverse any transactions posted to the Account if it determines such posting was made in error and that Customer was not entitled to the funds posted.

**15.2 Withdrawal.** The Bank may refuse to allow withdrawals from Accounts, may block or suspend an Account, or perform any other function in certain circumstances, including where: (i) there appears to be a dispute relating to an Account, including disputes regarding the persons authorized to issue Instructions; (ii) as required by applicable law, legal process affecting the Account, or order of any relevant government regulatory, judicial or tax authority, including a levy or restraining notice; (iii) the Account is being used as collateral to secure indebtedness to the Bank or its affiliates; (iv) documentation requested by the Bank has not been presented; or (v) the Customer fails to pay its indebtedness to the Bank or its affiliates when due.

**15.3 Payable Branch; Deposits Outside of the U.S.** Any amount standing to the credit of any Account with the Bank is payable exclusively at a branch in the country at which the Account is held; however, payment may be suspended from time to time in order to comply with any applicable law, governmental decree or similar order, in any jurisdiction, for the time period affecting the Bank, its officers, employees, affiliates, subsidiaries, agents or correspondents. The Customer acknowledges that deposits held in a branch of the Bank located outside the United States are not payable in the United States and: (i) are not insured by the Federal Deposit Insurance Corporation or any other United States governmental agency; (ii) are subject to cross-border risks; and (iii) have a lesser preference as compared to deposits held in the United States in the event of a liquidation of the Bank.

**15.4 Commissions and Rebates.** In connection with the provision of any Service by the Bank to the Customer, the Bank may from time to time receive commission, rebate or similar payments from other banks or third parties.

## 16. Governing Law and Procedure. Intentionally deleted

## 17. Miscellaneous.

**17.1 Languages.** If the Account Terms, Account Documentation or Service Terms are translated into, or appear in a language other than English, the English language version shall control.

**17.2 Successors and Assigns.** The Account Terms, Service Terms and Account Documentation will be binding on each of the parties' successors, assigns and transferees. The parties agree that neither party may assign or transfer any of its rights or obligations under the Account Terms, Service Terms or Account Documentation without the prior written consent of the other party, which consent will not be unreasonably withheld or delayed; except that the Bank may assign or transfer the Account Terms, Service Terms and Account Documentation (a) to any affiliate or subsidiary of the Bank, or (b) in connection with a merger, reorganization or other restructuring involving the Bank or its business; upon notice to the Customer, and the Customer hereby consents to the same.

**17.3 Order of Precedence.** Any terms of any supplement, amendment, agreement, Service Terms or notice that are inconsistent with a provision of the Account Terms or the Account Documentation shall supersede such provision of the Account Terms or the Account Documentation for purposes of the particular Account or Service that is the subject thereof.

**17.4 Interpretation.** Section and subsection headings are for convenience only and shall not affect the meaning of the Account Terms, the Service Terms and any Account Documentation. References to Schedules, Sections, Subsections and Clauses are to Schedules, Sections, Subsections and Clauses of the Account Terms, the Service Terms and any Account Documentation. Words in the singular import the plural and vice versa. If any provision of the Account Terms, the Service Terms and any Account Documentation shall be held to be illegal, invalid, or unenforceable the validity of the remaining portions of the Account Terms the Service Terms and any Account Documentation shall not be affected. The term "including" shall in all cases mean "including without limitation" unless otherwise indicated. The term "affiliates" shall mean with respect to any entity, an entity, whether directly or indirectly, that controls, is controlled by, or is under common control with that entity. The term "applicable laws" or similar terms shall mean any law, statute, order, decree, rule, injunction, license, consent, approval, agreement, guideline, circular or regulation of a government authority.

**17.5 Compliance; Transaction Screening.** The Customer shall comply with all applicable laws and with the Bank's policies notified to the Customer. The Bank is required to act in accordance with Bank policies, the laws of various jurisdictions relating to the prevention of money laundering and the implementation of sanctions, including economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State. The Bank is not obligated to execute payment orders or effect any other transaction where a party to the transaction is a person or entity with whom the Bank is prohibited from doing business by any law applicable to the Bank, or in any case where compliance would, in the Bank's opinion, conflict with applicable law or market practice or its own policies and procedures. Where the Bank does not execute a payment order or effect a transaction for such reasons, the Bank may take any action required by any law applicable to the Bank including freezing or blocking funds. Transaction screening may result in delays in the posting of transactions and/or funds availability. The Bank may direct the Customer (a) to make changes to the activity in the Customer's Accounts, including to cease and desist from using the Accounts for particular types of transactions or for transactions involving particular parties from time to time, and (b) not to use the Accounts to send payments with certain characteristics. The Customer agrees to comply with such directions.

**17.6 Amendments Supplements; Waivers.** All amendments must be in writing. The Account Terms may be amended or supplemented on notice to the Customer, including by terms contained in any Service Terms or Account Documentation. The Service Terms may be amended or supplemented on notice to the Customer. These amendments or supplements may impose restrictions on the Accounts and Services, as the Bank deems necessary in the course of its business, and will be effective on notice to the Customer or at such other time to be specified in the notice; provided that amendments or supplements that are required by law may be implemented immediately or as required by law. By signing an Account signature card, Account application or similar document or by using or continuing to use any of the Accounts or Services, the Customer agrees to the Account Terms, the Account Documentation, Service Terms and any amendments or supplements, as applicable. Any amendment to these Account Terms which would increase the Customer's liability or would require any change which would have a material adverse effect on the Customer shall be required to be signed by both parties hereto in order to be effective. Where reasonably practical, the Bank will provide the Customer thirty (30) days advance notice of such changes to Account operations and processes.

The Bank may waive any of provision of these Account Terms, the Account Documentation or the Service Terms, but such waiver shall apply only on that occasion. Such waiver shall not constitute a waiver of any other provision of the Account Terms, the Account Documentation or the Service Terms. Any such waiver shall not affect the Bank's right to enforce any of its rights with respect to other customers or to enforce any of its rights with respect to later transactions with Customer and is not sufficient to modify the terms and conditions of the Account Terms, the Account Documentation or the Service Terms. The rights and remedies in the Account Terms, the Service Terms and any Account Documentation are cumulative and are not exclusive of any other rights or remedies provided by applicable law.

**17.7** .Intentionally deleted.

**17.8 Internet Services; Notice of Claims.** The Customer agrees at its sole expense: (i) to advise each of its employees, officers, agents or other persons accessing any Service by or on behalf of Customer ("Users") of their obligations under the Account Terms, Account Documentation or under any Service Terms or ancillary Service material, including the obligation to refrain from using the Service via the Internet in the countries identified by the Bank; and (ii) to provide the Bank with all information reasonably necessary to setup and provide Services for the Customer, including advising the Bank of the countries from which Users will access any Service via the Internet.

**17.9 Recordings.** To the extent permitted by applicable law, the Customer acknowledges that the Bank may record and monitor all electronic communications (e.g., telephone and email communication) for the purposes of ensuring compliance with the Bank's legal and regulatory obligations and the Bank's internal policies. The Customer shall notify and obtain their employee's consent to such recording and monitoring where required by applicable law.

**17.10 Instructions.** Instructions may be sent to the Bank using such means as the Bank may permit from time to time. All Instructions, whether Items, payment orders or otherwise, are subject to applicable laws, and rules, policies, operations and market practices of the applicable clearing or settlement systems or payment networks.

**17.11 Electronic Copies.** The Bank may retain copies (paper, electronic or otherwise) of any documents or Items relating to the Accounts and Services in a form preserving an image of any such documents or Items, including signatures, or a regular business record and discard the original documents or Items.

**17.12 Intellectual Property.** All intellectual property rights in or relating to a Service, including any trademarks, service marks, logos, and trade names used in conjunction with a Service are the property of the Bank or its licensors and are protected by applicable copyright, patent, trademark and other intellectual property law. Except as provided herein, the Customer shall not reproduce, transmit, sell, display, distribute, establish any hyperlink to, provide access to, modify, or commercially exploit in whole or in part any part of a Service, without the prior written consent of the Bank. Further, except as may be required by applicable law, Customer shall not make any public announcements (including interviews) or publish



any promotional or marketing materials, publicity or press releases, customer listings, testimonials or advertising in relation to the Accounts or Services or the subject matter of these terms and conditions without obtaining the prior written approval of Bank.

**17.13 Know Your Customer.** To assist in the prevention of the funding of terrorism and money laundering activities, applicable law may require financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for the Customer: when the Customer opens an Account, the Bank may ask for the Customer's name, address, date of birth (for natural persons), and/or other information and documents that will allow the Bank to identify the Customer. The Bank may also request and obtain certain information from third parties regarding the Customer. For purposes of this provision, the Customer, to the extent required by applicable law, shall include any Authorized Person or signatory on an Account.

**Information.** To fulfill the Bank's "know your customer" responsibilities, the Bank will request information from the Customer from time to time, inter alia, regarding the Customer's organization, business, Third Parties and, to the extent applicable, Authorized Persons and beneficial owner(s) of the Customer, the Customer's customers, and their beneficial owners, including relevant natural or legal persons, and the Customer shall procure and furnish the same to the Bank in a timely manner. The Bank may also request further information and/or documentation in connection with the provision of the Accounts or Services. Any information and/or documentation furnished by the Customer is the sole responsibility of the Customer and the Bank is entitled to rely on the information and/or documentation without making any verification whatsoever (except for the authentication under the security procedures, as applicable). The Customer represents that all such information and/or documentation is true, correct and not misleading and shall advise the Bank promptly of any changes and, except as prohibited by applicable law, the Customer agrees to provide complete responses to the Bank's requests within the timeframes specified. The Customer will notify the Bank in writing if any Accounts or monies it holds or places with the Bank are subject to restrictions or otherwise held or received by the Customer in a capacity other than previously disclosed to the Bank, including monies being held for the benefit of third parties, whether as fiduciary or otherwise, monies subject to encumbrances, monies received as intermediary, processor or payment service provider, or arising from undisclosed business or similar sources. The Bank may, at its sole discretion and subject to such further conditions as it may impose, including execution of further documentation in form and manner acceptable to the Bank, permit the holding of such Accounts or deposits or receipt of funds. Unless prohibited by applicable law, the Customer agrees to promptly disclose to the Bank activity in the Customer's Accounts that is suspicious or violates applicable laws or sanctions.

If the Customer fails to provide or consent to the provision of any information required by this Section, the Bank may close any Account or suspend or discontinue providing any Service without further notice.

**17.14 Click-Thru and Electronic Signatures.** The Bank may make Service Terms and Account Documentation available to the Customer via electronic means (including by posting on a Bank website or electronic signature platform). The Bank may request that an Authorized Person "click" or electronically sign to indicate the Customer's approval of such terms. The Customer agrees that the act of "clicking" its acceptance or applying its electronic signature (or any similar act which has the same effect) with respect to any such Service Terms or Account Documentation will be evidence of Customer's acceptance of such Service Terms and Account Documentation, to the same extent, and with the same force and effect, as if Customer had manually executed a written version of such Service Terms and Account Documentation. To the extent the terms of the Agreement conflict with Service Terms and Account Documentation available to the Customer via electronic means, the Agreement shall control.

## **18. Interpleader; Reimbursement.**

**18.1 Interpleader.** The Bank may apply to an appropriate court for resolution of any dispute relating to the Customer's Accounts, including any dispute: (i) regarding the ownership of or entitlement to the funds; (ii) regarding the persons authorized to issue Instructions or act on behalf of the Customer; or (iii) by or amongst persons authorized to act or purportedly authorized to act on behalf of the Customer. If permitted by the court, the Bank may pay funds held by the Bank for the account of the Customer into the court pending resolution of such dispute.

**18.2 Reimbursement.** The Customer agrees to reimburse the Bank for any expenses, including its attorneys' fees and costs incurred in connection with the resolution of disputes (including interpleader proceedings) or in connection with the Bank's response to, any legal or regulatory process relating to an Account or the Services.

## **19. Provisional Recredit.**

In connection with any dispute regarding an Account, the Bank may choose to credit the Account pending completion of the Bank's investigation of the dispute. If the Bank determines that the Customer is not entitled to such credit, then, the Bank may reverse the provisional recredit to the Account, even if that reversal results in an overdraft.

IN WITNESS WHEREOF, the parties hereto have caused these Account Terms to be executed by their respective authorized officers. These Account Terms shall be legally binding and deemed effective upon the date when the Account Terms have been executed by both the Customer and the Bank.

JPMORGAN CHASE BANK, N.A.

Signature: Hildevert  
Print Name: HUASCAR R. HILDEVERT  
Title: AUTHORIZED OFFICER  
Date: 9/24/21

City of Lake Worth Beach

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

# ADDENDUM TO ACCOUNT TERMS UNITED STATES OF AMERICA

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Accounts maintained by the Customer with the Bank are subject to the Bank's Account Terms and the Bank's and Customer's Banking Services Agreement (the "Agreement"). This addendum ("Addendum") amends or supplements the Account Terms with respect to Accounts maintained in the United States of America ("U.S.") and to Services provided in connection with such U.S. Accounts, regardless of the location where Services are provided. Capitalized terms used in this Addendum, and not otherwise defined, have the meanings set forth in the Account Terms. By using any Account maintained in the U.S., the Customer acknowledges receipt of, and agrees to be bound by, the Agreement and the Account Terms which includes this Addendum, each as may be amended or supplemented from time to time.

## Section 2 of the Account Terms (Instructions; Security Procedures) is amended by adding the following provision:

- 2.3 The Customer represents to the Bank that the Customer has not requested funds transfer security procedures other than those expressly agreed by the Customer and the Bank.

## Section 3 of the Account Terms (Deposits) is amended by adding the following provisions:

- 3.4 Verification; Adjustments. Receipts issued by the Bank for deposits are based solely on the amounts stated in the deposit ticket. Credits for Items received for deposit or collection (whether or not accompanied by a deposit ticket) are subject to verification and the Bank's receipt of final payment of deposited Items. The Bank may make adjustments to the Account for any errors appearing on deposit tickets or occurring during processing or otherwise, but the Bank has no obligation to do so for *de minimis* discrepancies.
- 3.5 Foreign Currency Items. The Bank may handle Items drawn on a non-U.S. bank or Items payable in a foreign currency on a collection basis, not for deposit, even if the Bank has received the Items in a deposit. The Customer may not receive provisional credit for such Items or, if provisional credit has been given, the Bank may revoke it. Credit for Items payable in a foreign currency will be converted into U.S. dollars at a foreign exchange rate and spread, and at such date and time, as the Bank determines in its discretion.
- 3.6 Endorsements. Endorsement must be placed on the back of Items only in the area within 1.5 inches from the trailing edge of the Item. The trailing edge of the Item is defined as the left-hand edge of the check looking at it from the front. If the Customer is authorized in writing to endorse Items on the Bank's behalf, the Customer agrees to comply with the endorsement standards of the Bank.
- 3.7 Encoding. If the Customer encodes information on an Item, the Customer warrants to the Bank and to all other collecting and paying banks of that Item that it is properly encoded and the Customer will be liable for losses related to encoding errors, including any loss due to delay in processing caused by an encoding error.
- 3.8 Return or Charge Back. The Customer should not use carrier documents (Items placed inside envelopes) in either high-speed forward or return cash letters. The Bank may charge the Account for Items returned unpaid to the Bank or for claims based on asserted unauthorized signatures, endorsements or alterations.
- 3.9 Collections. The Customer agrees that the Bank may collect any Item deposited to Customer's Account by electronic means. The Bank has no duty to inspect such Item during the deposit and collection process.
- 3.10 Variance. The Bank may agree with other banks and clearing houses to vary procedures regarding the collection or return of Items, and to vary applicable deadlines, to the maximum extent permitted by applicable laws, and rules, policies, operations and practices of the applicable clearing or settlement systems or payment networks (collectively "Rules & Regulations").
- 3.11 Substitute Checks. The Customer will not deposit any substitute checks (that are not returned Items) unless the Bank expressly agrees to accept such Items for deposit. In the absence of the Bank's express agreement, the Customer will be solely responsible for any loss or claim in connection with its use of substitute checks.
- 3.12 Night Depository Deposits. The Bank is not liable for any deposit made through the use of the Bank's night depositories until the Bank issues a written acknowledgement of the deposit. The Bank's count of the amount deposited in a night depository will be conclusive. The Customer is solely responsible for any loss that may be incurred before the Bank verifies the contents of the deposit.
- 3.13 Remotely Created Checks. If the Customer deposits a remotely created check ("RCC"), as such term is defined in Federal Reserve Regulation CC, the Customer warrants to the Bank, with respect to each RCC, that the person on whose account the RCC is drawn, authorized the issuance of such RCC in the amount and to the payee stated on the RCC. The Customer authorizes the Bank to debit the Customer's account for any claim or return based upon an unauthorized RCC and the Customer agrees to indemnify and hold the Bank harmless from and against any claims, liabilities, costs and expenses (including attorneys' fees) resulting directly or indirectly from any breach of the foregoing warranty.
- 3.14 Electronically-Created Items. The Customer should not deposit electronically-created items ("ECIs") to its account, as such term is defined in Federal Reserve Regulation CC. ECIs are included in the definition of an Item. If the Customer does deposit an ECI, the Customer authorizes the Bank to debit the Customer's account for any claim, return or adjustment related to the ECI, and the Customer agrees to indemnify and

hold the Bank harmless from and against any claims, liabilities, costs and expenses (including attorneys' fees) resulting directly or indirectly from the Customer's deposit of the ECI.

- 3.15 ATM Cards. The Bank may issue one or more automated teller machine ("ATM") cards ("Cards") and personal identification numbers ("PINs") to Customer's employees or agents for use in initiating certain Account transactions at Bank owned ATMs. Unless otherwise agreed by Bank, Customer agrees that Cards will be used only at ATMs owned by the Bank and Customer shall be liable for any transactions and fees resulting from the use of such Cards. The Customer agrees that the types of transactions offered through the use of any Card may be limited by the Bank, in its sole discretion. The Bank may cancel any Card at any time and for any reason, and will notify Customer of such cancellation. The Customer agrees to obtain possession of and return to the Bank or destroy all cancelled Cards. If the Customer believes a Card or PIN has been lost or stolen, the Customer shall immediately contact the Bank's ATM call center. All ATM transactions are subject to verification. Any deposit transaction through an ATM that is not made on a business day or made after the Bank's designated cut-off time will be processed on the Bank's next business day.
- 3.16 Internet Gambling. The Customer agrees not to conduct any transactions through the Account that are directly or indirectly related to unlawful Internet gambling, including the acceptance or receipt of any funds or deposits in connection therewith. The term "unlawful Internet gambling," as used in this section, shall have its meaning set forth in 12 C.F.R. Section 233.2(bb).

**Section 4 of the Account Terms (Payment of Items) is hereby amended by adding the following provisions:**

- 4.5 Cashing Items. The Bank may, in its discretion, cash Items drawn on an Account when presented by the holder. If a holder who is not a deposit customer of the Bank presents an Item drawn on the Account for cash, the Bank may refuse to cash the Item, or may charge the holder a fee for cashing the Item.
- 4.6 Signatures. If the Customer establishes an Account which purports to: (i) require two or more signatures on Items drawn on the Account, or (ii) limits the amount for which an Item can be issued, the Customer acknowledges that any such requirements are solely for the Customer's own internal control purposes. The Customer agrees that, provided that the Bank follows its usual and customary procedures for processing and paying Items, the Bank will not be liable for paying any Item (a) lacking the required number of signatures, or (b) in an amount exceeding the applicable limit.
- 4.7 Fraudulent Items. The Bank provides Services to which the Customer may subscribe, such as Positive Pay and Reverse Positive Pay, which are reasonably designed to prevent payment of unauthorized or altered Items. Customer agrees that failure to use such Services will constitute Customer negligence contributing to the making of an unauthorized signature or the alteration of an Item, and the Customer will assume the risk that Items paid against its Account may be unauthorized or altered. In that event, the Customer will be precluded from asserting any claims against the Bank for paying any unauthorized, altered, counterfeit or other fraudulent Items. The Bank shall not be required to re-credit Customer's Account or otherwise have any liability for paying such Items to the extent such Services would likely have prevented such loss.
- 4.8 Obscured Endorsements. The Customer assumes responsibility for losses that the Customer or the Bank may incur as the result of processing delays caused by the Customer's: (i) issuance of an Item in such a manner that information, marks or bands on the back of the Item obscure endorsements; or (ii) placement of an endorsement on the back of the Item which obscures other endorsements.
- 4.9 Negotiation Outside of U.S. If an Item is transferred or negotiated outside of the U.S. and is subsequently sent to the Bank for deposit, collection or payment in the U.S., the Customer shall be deemed to make, to the Bank, the transfer and presentment warranties under the Rules & Regulations, as if such Item were negotiated or otherwise transferred in the U.S.
- 4.10 Stop Payments. A stop payment Instruction from the Customer will be effective with respect to an Item if: (i) the Bank has a reasonable opportunity to act on such Instruction prior to its payment or encashment, which shall be at least one (1) full Business Day following the Business Day on which the Bank received the Instruction; and (ii) the Instruction is in the form required by the Bank, the information is complete and is delivered to the location designated by the Bank. For purposes of this Section, "Business Day" means a day on which the Bank is generally open for business in the jurisdiction where the Account is maintained. Stop payment Instructions, unless otherwise provided, will be valid for one (1) year and will automatically renew up to six (6) additional years unless the Bank receives Customer's revocation of a stop payment Instruction. The Customer may request, through the Bank's call center or other authorized representative, a non-renewable stop payment, which will be effective for a 180-day period. The Bank shall not be liable for any Item properly paid or cashed prior to the effective time of a stop payment request. The Customer acknowledges that a stop payment instruction does not limit or vary its obligation to pay the subject Item and, notwithstanding a stop payment instruction, the Bank may properly pay such an item to a person entitled to enforce it.

- 4.11 Standard of Care. Any Item issued by the Customer drawn on its Account shall be deemed to be endorsed in the name of the payee if: the Item is endorsed or deposited into an account in a name that is substantially similar to that of the payee; the payee is a fictitious person; the Customer was wrongfully or erroneously induced to issue the Item payable to the stated payee; the deposit of the item was accomplished by an employee entrusted with responsibility for the Item or person working in concert with such an employee; or the Customer or payee failed to act with ordinary care with respect to the Item. The Bank shall not be liable for any loss caused by the alteration or unauthorized signature or endorsement on any Item issued by the Customer, unless the Customer establishes that the Bank failed to handle the Item with ordinary care, and that such failure substantially contributed to the loss. If the Bank's failure to act with ordinary care substantially contributed to the loss on the item, the loss shall be allocated between the Customer and the Bank based upon the extent to which their respective failures to exercise ordinary care contributed to the loss. The Bank may process any Item by electronic means and is not required to inspect the Item paid by automated payment processing.

**Section 5 of the Account Terms (Funds Transfer Instructions) is amended by adding the following provisions:**

5.4 Foreign Exchange.

...

(d) If the Bank accepts a funds transfer Instruction issued in the Customer's name for payment from its Account in the Account Currency to a beneficiary account the Bank determines is a Non Account Currency account, the Bank is authorized in its discretion to enter into a foreign exchange transaction to convert the Account Currency funds into an amount of the relevant Non-Account Currency of such beneficiary account and complete the funds transfer as provided in Section 5.4(a) above.

- 5.6 Funds Transfer by Check. If the Customer, through the Bank's funds transfer services, requests that payment be made by check, the Customer authorizes the Bank to debit the Customer's Account on receipt of the Instruction and to issue a check as agent for the Customer in accordance with the Instruction. If the Customer requests the Bank to place a stop payment on the check before the check has been presented for payment, such request must be clearly identified as a stop payment request, including the reference number given for the transaction, and it must be received by the Bank at a time and in a manner designated by the Bank from time to time. If the check is not presented for payment within one hundred eighty (180) days after issuance, the Bank may place a stop payment on the check and transfer the funds back to the Account.

- 5.7 Credit Entries Received Through Automated Clearing House (ACH) System. Credit given by the Bank to the Customer for an ACH credit entry shall be provisional, until the Bank receives final payment. If the Bank does not receive final payment, the Bank may revoke the provisional credit and charge back the amount of the entry to the Account, or obtain a refund from the Customer, in which case the originator of the credit entry shall not be deemed to have paid the Customer the amount of such entry. The Bank shall not be obligated to notify the Customer of the receipt of a payment order or ACH entry for credit or debit to an Account.

- 5.8 Same Day Amend and Cancel. The Customer may subscribe to a service to enable same day amendment and cancellation of payment orders. All cancellation or amendment messages sent to the Bank shall be in the format specified by the Bank and must be received by the Bank no later than such time as may be established by the Bank upon notice to the Customer.

- 5.9 Priority/Timed. The Bank will determine the order in which it processes payment orders. If the Customer's payment order bears the codeword "PRIORITY" in such field as the Bank specifies, the Bank will use reasonable efforts to execute such payment order in advance of the Customer's standard payment orders. If the Customer's payment order bears the codeword "TIMED" in such field as the Bank specifies, the Bank will endeavor, but will have no obligation, to process the payment order by the time requested by the Customer within the payment order. For "TIMED" payment orders, funds in the Customer's Account are reserved by the Bank on the payment value date until processed. For the avoidance of doubt, all payment orders are subject to the Bank's acceptance, and the Bank will have no liability for failure to process payments by the time requested by the Customer.

- 5.10 Real Time Payments. Payments received through the Real Time Payment System operated by The Clearing House Payments Company LLC ("RTP System") will be processed pursuant to the RTP Operating Rules and any other applicable Rules & Regulations, to which the Customer agrees to be bound. If the Customer receives a payment through the RTP System on behalf of another person or entity, such other person or entity must be a resident of, or otherwise domiciled in the United States. In the further transmission of any such payments, the Customer agrees to comply with all applicable US laws and regulations, including, without limitation, those administered by the US Office of Foreign Assets Control.

- 5.11 Messaging Standards. To the extent there is any inconsistency between a fund transfer financial messaging standard and the governing law set forth in Section 16.1, the governing law set forth in Section 16.1 will govern.

**Section 6 of the Account Terms (Interest; Fees; Taxes) is amended by adding the following provisions:**

- 6.4 Earnings Credit Account Analysis. The Customer may instruct the Bank to calculate and apply a credit (the "Earnings Credit") on eligible Accounts by calculating an earnings credit rate (the "ECR") to balances held in an Account (the "ECR Balance"). The ECR and ECR Balance are set out in the Account Statements. The Bank, in its sole discretion, may establish a threshold on the ECR Balance (the "Threshold") and apply (a) ECR to the portion of the ECR Balance that is below the Threshold and (b) interest to the portion of the ECR Balance that is above the Threshold. The Earnings Credit calculated for each billing period will be applied by the Bank as an offset (the "ECR Application") against Fees actually incurred by the Customer during the same billing period for the use of certain of the Bank's products or services. Fees eligible

for the ECR Application shall be determined by the Bank in its sole discretion. Any excess Earnings Credit remaining after the ECR Application expires immediately and will not be carried forward or backward in relation to the billing period in which the Fees are charged. If the Earnings Credit is insufficient to offset all Fees, the Customer remains responsible for paying all remaining Fees.

**Section 7 of the Account Terms (Account Statements) is amended by adding the following provisions:**

- 7.2 Images Sufficient. The Customer acknowledges that Account Statements and images of paid Items are available to it and are sufficient to allow it to make all examinations and reports of Account activity including errors, as required in this Section. The Bank is not required to return paid or cancelled Items with the Account Statement.
- 7.3 Obligation to Inspect. The Customer must notify the Bank in writing, within a reasonable period of time not to exceed 60 calendar days of the date of an Account Statement, of (i) the failure to receive the Account Statement, or (ii) any errors, unauthorized payments, charges, alterations, discrepancies or irregularities reported on the Account Statement ("Errors"). The Customer must notify the Bank in writing of any unauthorized, improper, or missing endorsements within six (6) months after the date of the Account Statement on which the Item was reported to have been paid. The Customer must provide the Bank with all information necessary for the Bank to investigate any claim based upon an endorsement or Error, and must provide all supporting evidence that the Bank requests. Failure to comply with the time frames set forth above shall be deemed conclusive proof that the Customer failed to exercise reasonable care and promptness in examining Account Statements and paid Items or identifying Errors and that such failure may cause subsequent loss to the Bank. If the Customer fails to comply with the notice requirements set forth above, the Bank is not required to reimburse the Customer for the Customer's claimed loss and the Customer shall be barred from bringing any action against the Bank.
- 7.4 Inactive Accounts. If an Account has no activity other than charges assessed or interest credited by the Bank for a period of six (6) or more months, the Bank is not required to provide an Account statement until additional activity occurs in the Account. If an Account has no activity other than charges assessed or interest credited by the Bank for a period of twelve (12) or more months, the Customer may be unable to access the Account until the Customer contacts the Bank.
- 7.5 Advice Services. The Customer may subscribe to Bank services for the delivery of account-related information ("Advices") to a party designated by the Customer, including information relating to credits and debits to a Customer account, and the return or rejection of certain payments. Advices may be sent via SWIFT, electronic mail, facsimile transmission, ordinary mail, telephone, through internet sites, or as otherwise agreed by the parties. The Customer is responsible for maintaining the accuracy of the information that is required for delivery of Advices, including the address, telephone and/or facsimile number of the recipient and, if applicable, the messaging components and conditions that will trigger the transmission of the Advices.

**Section 10 of the Account Terms (Agents; Information) is amended by replacing Section 10.3 with the following provision:**

- 10.3 Offshoring. Certain services may be performed by Bank or any affiliate, including affiliates, branches or units located in any country in which Bank conducts business or has a service provider. The Customer authorizes Bank to transfer Customer information to such affiliates, branches or units at such locations as the Bank deems appropriate. Bank reserves the right to store, access, or view data in locations it deems appropriate for the services provided.

**Section 15 of the Account Terms (Account Disclosures) is amended by adding the following provisions:**

- 15.5 Withdrawal Limitations on Certain Account Types. U.S. federal regulations limit the number of pre-authorized or automatic transfers or withdrawals or telephonic/electronic instructions (including check, draft, debit card or similar order payable to third parties) that can be made from a savings account (including a savings sub-account (as described below) and a money market deposit account) to a total of six (6) per calendar month or statement cycle or similar period. The Customer agrees to comply at all times with such restrictions. Exceeding these withdrawal limits may result in the Bank converting the savings account into a non-interest bearing demand deposit account, with any attendant changes in pricing and account terms and conditions. Further, the Bank is required by U.S. law to reserve the right to require at least seven (7) days' notice prior to a withdrawal from a savings account (including a savings sub-account) or an interest-bearing negotiable order of withdrawal account ("NOW Account").
- 15.6 NOW Accounts. The Customer, if eligible, may open a NOW Account. There is no limit on the number of withdrawals that the Customer may make from the demand deposit or NOW sub-account.
- 15.7 Administrative Subaccounts. The Bank is authorized, for regulatory reporting and internal accounting purposes, to divide an Account: (i) in the case of a demand deposit checking Account, into a non-interest bearing demand deposit sub-account and a non-interest bearing savings sub-account; (ii) in the case of a NOW Account, into an interest bearing NOW sub-account and an interest bearing savings sub-account, and, in both cases, to transfer funds on a daily basis between these sub-accounts in accordance with U.S. law at no cost to the Customer. The Bank will record the sub-accounts and any transfers between them on the Bank's books and records only. The sub-accounts and any transfers between them will not affect the Account number, balance requirement or use of the Account, except as described herein.
- 15.8 Savings Subaccounts. The Bank will establish a target balance for the Customer's demand deposit or NOW sub-account, which it may change at any time. To the extent funds in the demand deposit or NOW sub-account exceed the target balance, the excess will be transferred to the Customer's savings sub-account, unless the maximum number of transfers from the savings sub-account for that calendar month or statement cycle have already occurred. If withdrawals from the demand deposit or NOW sub-account exceed the available balance in the demand deposit or NOW sub-account, funds from the Customer's savings sub-account will be transferred to the demand deposit or NOW sub-account up to the entire balance of available funds in the savings sub-account to cover the shortfall and to replenish any target balance

that the Bank has established for the demand deposit or NOW sub-account. If a sixth transfer is needed during a calendar month or statement cycle, it will be for the entire balance in the Customer's savings sub-account, and such funds will remain in the demand deposit or NOW sub-account for the remainder of the calendar month or statement cycle.

- 15.9 Branch Designation. The Bank, for its administrative purposes may designate a branch of the Bank as the branch of record of an Account which may be different from the branch at which the Account is opened. This designation requires no action on the part of the Customer and will not change the Bank's operations, Services or customer support.
- 15.10 No Fiduciary Relationship. Bank's relationship with Customer concerning the Accounts is that of a debtor and creditor. No fiduciary, quasi-fiduciary or other special relationship exists between Bank and Customer or any third parties regarding the Accounts.

**Section 16 of the Account Terms (Governing Law) is amended by adding the following provision:**

- 16.4 In the event the Bank is required to remit funds to any state as abandoned property, the Account may be charged for fees in remitting funds to that state. In addition, the Bank may charge fees in connection with its handling of dormant funds and accounts.

**Section 17 of the Account Terms (Miscellaneous) is amended by adding the following provisions:**

- 17.15 When the Customer provides the Bank any information requested by the Bank under its "Know Your Customer" or Anti-Money Laundering or other compliance polices pertaining to any natural or other persons, the Customer represents to the Bank that the Customer has obtained that person's consent that the Bank may make continued use of that person's information in order for the Bank to discharge any of its responsibilities in connection with "Know Your Customer" or Anti-Money Laundering, or other compliance purposes.
- 17.16 Beneficial Ownership. Customer agrees to adhere to the FinCEN Customer Due Diligence final rule which requires certain entities to provide and certify beneficial ownership information to the Bank at 10% and provide information on a controller when opening a new USD account. The Bank is required to collect and validate certain information (e.g. Name, Address, DOB, SSN or Passport # for non US individuals) for new accounts impacted by the rule. If an entity is exempt from rule, the Bank may require documentation to support the exemption.
- 17.17 Payable Through Accounts. If the Customer is a bank or financial institution and is not organized under the laws of the U.S., it shall not permit its customers to conduct banking transactions in the U.S. through the Customer's Account, and shall not provide its customers with check stock, drafts, wire transfer capabilities or any other means which would enable its customers to draw on the Customer's Account. These types of arrangements are typically called "payable through accounts" and are prohibited under these Account Terms. The Customer acknowledges that the sale of U.S. dollar checks or drafts to third parties is prohibited without the express written approval of the Bank.
- 17.18 No Advice. The Customer acknowledges and agrees that the Bank has not provided and will not provide any investment, tax or accounting advice or recommendation in relation to the Accounts or any investments made under any Service.
- 17.19 ERISA Status. The Customer will notify the Bank in writing, reasonably in advance of the Account opening, if any Accounts or monies it holds or places with the Bank are subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), together with all the rules promulgated thereunder, or Section 4975 of the Internal Revenue Code, together with all the rules promulgated thereunder. The Bank may, in its sole discretion and subject to such further conditions as it may impose, including, without limitation, execution of further documentation in form and manner acceptable to the Bank, permit the holding of such Accounts or deposits or receipt of funds.
- 17.20 Additional Representation for ERISA Benefit Plans.  
(i) If the Customer is or represents a "benefit plan," as defined in Section 3(42) of ERISA, and U.S. Department of Labor Regulations Section 2510.3-101, as modified by Section 3(42) of ERISA (together, the "Plan Asset Rules" and each such benefit plan investor, a "Benefit Plan"), or is acting on behalf of one or more Benefit Plans, the Customer represents and warrants that:
- (1) the Bank has not or will not provide advice with respect to the services obtained by the Benefit Plan.
  - (2) the Benefit Plan fiduciary (the "Plan Fiduciary") is independent of the Bank, and is not an individual acting for his or her own Individual Retirement Account, and such Plan Fiduciary is either (a) a bank as defined in Section 202 of the Investment Advisers Act of 1940 (the "Advisers Act"), or similar institution that is regulated and supervised and subject to periodic examination by a State or Federal agency; (b) an insurance carrier which is qualified under the laws of more than one state to perform the services of managing, acquiring or disposing of assets of a Benefit Plan; (c) an investment adviser registered under the Advisers Act or, if not registered as an investment adviser under the Advisers Act by reason of paragraph (a)(1) of Section 203A of the Advisers Act, is registered as an investment adviser under the laws of the state in which it maintains its principal office and place of business; (d) a broker-dealer registered under the Securities Exchange Act of 1934, as amended; or (e) has, and will at all times have, total assets of at least U.S. \$50,000,000 under its management or control;
  - (3) the Plan Fiduciary is capable of evaluating investment risks independently, both in general and with respect to the Accounts and Services;
  - (4) the Plan Fiduciary is a "fiduciary" with respect to the Benefit Plan within the meaning of Section 3(21) of ERISA, Section 4975 of the Code, or both, and is responsible for exercising independent judgment in evaluating the receipt of Services by the Benefit Plan;

- (5) the Bank has not exercised any authority to cause the Benefit Plan to agree to these Account Terms; and
- (6) the Plan Fiduciary has been informed (a) that the Bank is not undertaking to provide impartial investment advice or to give advice in a fiduciary capacity in connection with the Services; and (b) of the existence and nature of the financial interests of the Bank, as disclosed in the Account Terms and Service Terms.


(ii) The representations and covenants in the above clauses are intended to comply with the U.S. Department of Labor's Reg. Sections 29 C.F.R. 2510.3-21(a) and (c)(1) as promulgated on April 8, 2016 (81 Fed. Reg. 20,997). If these regulations are revoked or repealed, these representations shall be deemed no longer in effect.

17.21 FDIC Part 370 Disclosure. If the Customer's Account is eligible for "pass through" deposit insurance from the Federal Deposit Insurance Corporation (the "FDIC") as set forth in the Federal Deposit Insurance Act and 12 CFR § 330, then the Customer acknowledges and agrees that if the Bank becomes insolvent or enters into receivership (hereinafter a "Bank Receivership"), the Customer will: (a) cooperate fully with the Bank and the FDIC in connection with determining the insured status of funds in each Account, and (b) provide the FDIC with the information that identifies each beneficial owner and its interest in the funds in each such Account within 24 hours of the Bank Receivership, unless it falls within one of the enumerated exceptions in 12 CFR 370.5(b). The information described in (b) must be sent to the Bank in the format specified by the FDIC (see: [www.fdic.gov/regulations/resources/recordkeeping/index.html](http://www.fdic.gov/regulations/resources/recordkeeping/index.html)). The Bank shall provide the Customer an opportunity to validate its capability to deliver the information described in (b) in the format specified by the FDIC so that a timely calculation of deposit insurance coverage for the Account can be completed.

The Customer further acknowledges and agrees that following a Bank Receivership: (i) a hold will be placed on each Account once a receiver of the Bank is appointed so that the FDIC can conduct the deposit insurance determination and such hold will not be released until the FDIC obtains the necessary data to enable the FDIC to calculate the deposit insurance coverage for each Account; (ii) its failure to provide the necessary data to the FDIC may result in a delay in receipt of insured funds and legal claims against the Customer from the beneficial owners of the funds in the applicable Account; and (iii) failure to provide the data the FDIC requires may result in the applicable Account being frozen until the information is received, delaying receipt of FDIC insurance proceeds.

Notwithstanding other provisions in this Agreement, this section survives after the FDIC is appointed as the Bank's receiver, and the FDIC is considered a third party beneficiary of this section.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by their respective authorized officers. This Agreement shall be legally binding and deemed effective upon the date when the Agreement has been executed by both the Customer and the Bank.

**JPMORGAN CHASE BANK, N.A.**  
 Signature:   
 Print Name: HUASCAR R. HILBEVERT  
 Title: AUTHORIZED OFFICER  
 Date: 9/24/21

**City of Lake Worth Beach**  
 Signature: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_



## AVAILABILITY POLICY - FOR ACCOUNTS MAINTAINED IN THE U.S.

The Bank's policy is to make funds available to the Customer on the same, next or second business day after the day of deposit depending on the type of deposit and when the deposit is made as described below. If the Customer will need the funds from a deposit immediately, the Customer should ask the Bank when the funds will be available.

- A. Determining the Day of a Deposit.** If a deposit is made to an account on a business day before the Bank's cutoff time established for that location (which will be no earlier than 2 p.m. local time), then the Bank will consider that day to be the day of deposit. However, if a deposit is made after the cutoff time or on a day that is not a business day, then the Bank will consider the deposit to have been made no later than the next business day. For determining the availability of deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. Availability with respect to any deposit will be determined by the location of the banking center or other facility where the deposit was received. For deposits made at the Bank's automated teller machines (ATMs) the cutoff time is 11 p.m. Eastern Time unless otherwise noted on the ATM screen.
- B. Same Day Availability.** Funds from the following deposits made at a banking center or at an ATM that do not require deposit envelopes will be available on the business day the Bank determines the deposit is made:
- Cash;
  - Wire transfers; and
  - Electronic direct deposits to an account.
- C. Next Day Availability.** Funds from the following deposits are available on the first business day after the business day the Bank determines the deposit is made:
- U.S. Treasury checks that are payable to the Customer;
  - Checks drawn on a Bank affiliate that holds the applicable account (excluding a Controlled Disbursement site); and
  - At least, the first \$225 from a day's total deposits.

If the deposit is made in person to a Bank employee, funds from the following deposits are also available on the first business day after the business day the Bank determines the deposit is made:

- State and local government checks that are payable to the Customer, if a special deposit slip, available upon request at any Bank banking center is used;
- Cashier's, certified, and teller's checks that are payable to the Customer, if a special deposit slip, available upon request at any Bank banking center, is used; and
- Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders, if these items are payable to the Customer.

If a special deposit slip is not used, availability of funds from these deposits will follow the schedule identified in the Availability of Other Check Deposits section below.

- D. Availability of Other Check Deposits.** Generally, funds from all other deposits of checks drawn on banks (as defined in Federal Reserve Regulation CC) will be available no later than the second business day after the day of deposit. Checks that require special handling may receive delayed availability. The amount of funds available to the Customer will be reduced by the amount of any deposited check that is returned unpaid. If the Bank reprocesses the check, the funds will become available no later than the second business day after the business day in which the check is reprocessed.
- E. Longer Delays May Apply.** In some cases the Bank may not make all of the funds that are deposited by check available. Depending on the type of check deposited, funds may not be available as set forth above. However, the first \$225 of the aggregate deposit will be available on the first business day after the day of deposit.

If the Bank is not going to make all of the funds from a deposit available at the times shown above, it will notify the Customer and specify when the funds will be available. If a deposit is not made directly to a Bank employee, or if the Bank decides to take this action after the Customer has left the premises, the Bank will mail or otherwise send the notice to the Customer by the business day after the day of deposit.

Funds deposited by check may be delayed for a longer period under the following circumstances:

- The Bank believes a deposited check will not be paid;
- Deposited checks for all of the Customer's accounts total more than \$5,525 in any one day ;
- The Customer redeposited a check that has been returned unpaid;
- The Customer has overdrawn one or more of its accounts repeatedly in the last six months; or
- There is an emergency, such as failure of communications or computer equipment.

In such circumstances, funds will generally be available no later than the seventh business day after the day of deposit. Inclement weather or transportation problems may lead to additional delays under certain availability schedules. Customer may have specific availability schedules related to a banking service.

**F. Special Rules for New Accounts.** If the account is a new account, the following special rules may apply during the first thirty days the account is open:

- Funds from deposits of the first \$5,525 of that day's total deposits of cashier's, certified, teller's, traveler's and federal, state and local government checks payable to the Customer will be available on the first business day after the day of deposit. The excess over \$5,525 will be available no later than the ninth business day after the day of deposit. If the deposit of checks (other than U.S. Treasury checks) is not made in person to one of the Bank's employees, the first \$5,525 may not be made available until the second business day after the day of deposit; and
- Funds from all other check deposits will be made available no later than the fifteenth business day after the day of deposit.

**G. Large Dollar Deposits.** The U.S. Federal Reserve Banks will not forward process any Item over \$99,999,999.99 and considers such Items as "non-cash items." Such Items should not be deposited in the Account. If Customer does deposit such an Item, the Bank may refuse to process such Item or handle it as a collection Item. If handled as a collection Item, Customer credit and availability will be deferred accordingly.

This Availability Policy and availability schedules may be changed without notice.

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JPMorgan Chase Bank, N.A. Member FDIC.

# EXECUTIVE BRIEF REGULAR MEETING

**AGENDA DATE:** October 19, 2021

**DEPARTMENT:** Community Sustainability

**TITLE:**

Discussion of Vacant Property Ordinance

**SUMMARY:**

Initial draft ordinance governing the maintenance and upkeep of vacant improved and unimproved properties throughout the City.

**BACKGROUND AND JUSTIFICATION:**

For several years, there has been interest in having a more formal ordinance governing the maintenance, upkeep, security and appearance of vacant properties in the City. Vacant properties can be unimproved or improved. Unimproved properties are vacant lots with no buildings, structures or other improvements. Improved properties are those with buildings, structures or other improvements.

Provided for discussion before the Commission is a draft ordinance outlining specific requirements for the maintenance of both types of vacant properties. Some of the proposed requirements include lighting, sod, perimeter fencing, screening of windows, local property management contact and other measures to ensure safety and a pleasing appearance.

**MOTION:**

Move to approve/disapprove providing direction to staff to proceed with formalizing property maintenance ordinance.

**ATTACHMENT(S):**

Draft Ordinance

ORDINANCE NO. \_\_\_\_\_ OF THE CITY OF LAKE WORTH, FLORIDA, AMENDING CHAPTER 2 "ADMINISTRATION", ARTICLE VII "ABATEMENT OF NUISANCE, SECTION 2-75.11(g) "MAINTENANCE REQUIREMENTS" TO REQUIRE ADDITIONAL MAINTENANCE REQUIREMENTS FOR VACANT AND UNIMPROVED PROPERTY WITHIN THE CITY AND FOR OTHER PURPOSES; PROVIDING FOR SEVERABILITY; PROVIDING FOR THE REPEAL OF LAWS IN CONFLICT; PROVIDING FOR CODIFICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Lake Worth ("City") is a duly constituted municipality having such power and authority conferred upon it by the Florida Constitution and Chapter 166, Florida Statutes; and

WHEREAS, the City's Code of Ordinances provides, in Chapter 2, Article VII "Abatement of Nuisance", section 2-75.11, a "Foreclosed, vacant and unimproved property registration program" whose purpose includes establishing a process to monitor and address the conditions of vacant, abandoned and distressed real property within the City; and

WHEREAS, the maintenance requirements for the properties is set forth in 2-75.11(g) need to be expanded to better protect the City from blight that is caused by inadequate maintenance; and

WHEREAS, the City Commission has reviewed the recommended amendments and has determined that it is in the best interest of the public health, safety and general welfare of the City to adopt the ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF LAKE WORTH, FLORIDA, that:

Section 1. The foregoing recitals are hereby affirmed and ratified.

Section 2. Chapter 2 "Administration", Article VII "Abatement of Nuisance", section 2-75.11(g) is hereby amended as follows:

(g) *Maintenance requirements, generally.*

- (1) Properties subject to this section shall be kept free of weeds, overgrown brush, dead vegetation, trash, junk, debris, building materials, any accumulation of newspapers, circulars, flyers, notices, except those required by federal, state, or local law, discarded personal items including, but not limited to, furniture, clothing, large and small

appliances, or any other items that give the appearance that the property is abandoned or not being properly maintained. Grass over twelve (12) inches tall is prohibited.

- (2) The property shall be maintained free of graffiti or similar markings by removal or painting over such graffiti or markings with an exterior grade paint that matches the color of the exterior structure.
  - (3) Yards shall be landscaped and maintained pursuant to the standards set forth in the ordinances of the City of Lake Worth. Landscaping shall include, but shall not be limited to, grass, ground cover, bushes, shrubs, hedges or similar plantings, decorative rock or bark, artificial turf or sod designed specifically for residential, commercial or industrial installation, as applicable. Landscaping shall not include weeds, gravel, broken concrete, asphalt or similar material. Maintenance shall include, but shall not be limited to, watering, irrigation, cutting and mowing of required landscape and removal of all trimmings and weeds.
  - (4) Pools and spas shall be kept in a safe and sanitary order so that pool and spa water remains free and clear of pollutants and debris. Pools and spas shall comply with the enclosure requirements of the city's ordinances and the Florida Building Code.
  - (5) In the event that the National Weather Service, National Hurricane Center, or other appropriate weather agency declares a hurricane warning for any portion of the city, all materials, furnishings, and equipment at the property shall be secured, stored, or removed so as to not create a safety hazard due to hurricane force winds.
  - (6) Failure of the mortgagee and/or property owner of record to properly maintain the property is a violation of the Code of Ordinances of the City of Lake Worth. Pursuant to a finding and determination by a special magistrate, the city may take the necessary action to ensure compliance with its ordinances and place a lien or liens and a special assessment on the property.
- (h) Maintenance requirements, unimproved property.  
In addition, the requirements in subsection (g) above, owners of unimproved property must, within ninety (90) days of registering under this section, agree to comply with the City's Maintenance of Property Manual, which shall include a requirement that the property:

- i. be lighted in a manner to discourage crime;
- ii. be sodded throughout the entire unimproved area of the property;
- iii. be irrigated, preferably with a timer mechanism;
- iv. surrounded with a vinyl coated four (4) feet tall chain linked fence which shall be installed around the entire property area, unless the city's DRO waives or alters the requirement;
- v. provided with signage attached to the fencing that lists the responsible party for the property, which party is generally available within 24 hours' notice, including address, phone number and email address; and

(i) Maintenance requirements, vacant property and vacant commercial property.

In addition the requirements in subsection (g) above, owners of vacant property and vacant commercial property must, within ninety (90) day of registering under this section, agree to comply with the City's Maintenance of Property Manual, which shall include a requirement that the property:

:

- i. be screened with window coverings on all windows in a scheme that is approved by the city's DRO, said scheme to be subject to change every 365 days in the discretion of the city's DRO;
- ii. be lighted in a manner to discourage crime;
- iii. be irrigated, preferably with a timer mechanism;
- iv. surrounded with a vinyl coated four (4) feet tall chain linked fence which shall be installed around the entire property area, unless the city's DRO waives or alters the requirement.

(j) Maintenance requirements, demolished property.

For the purposes of this section demolished property shall be property where the building or structure has been removed. In such case, the demolished property becomes unimproved property, and the owner must comply with the requirements of this Chapter. However, the additional requirements of subsection (h) shall not apply if construction on the property begins within one year of the demolition. The DRO has the discretion to alter the one year limitation upon good cause showing.

(~~h~~k) Security requirements.

- (1) Properties subject to this section shall be maintained in a secure manner so as not to be accessible to unauthorized persons.
- (2) A "secure manner" shall include, but shall not be limited to, the closure and locking of windows, doors, gates and other openings of such size that may allow a child or adult to access the interior of the property and/or structure. Broken windows shall be secured by re-glazing or boarding. All means of access shall be secured by replacing, reglazing or boarding of the openings so as to meet all applicable laws, codes and regulations including the issuance of a boarding certificate.

(i) Property Management.

- (1) If a mortgage on the property is in default and the property has become vacant or abandoned, a local property manager shall be designated by the mortgagee to perform the work necessary to bring the property into compliance with the Code of Ordinances and the local property manager must perform weekly inspections to verify compliance with the requirements of this section 2-75.11 and any other applicable laws or ordinances of the City of Lake Worth.
- (2) Upon request of the city or its authorized representative, the local property manager shall provide a copy of the inspection reports to the code compliance department.
- (3) When a property becomes vacant, it shall be posted with the name and twenty-four-hour contact telephone number of the local property manager. The posting shall be no less than 18 inches x 24 inches, and no larger than 36 inches times 48 inches in size, and shall be of a font that is legible from a distance of forty-five (45) feet. The posting shall contain the following language: THIS PROPERTY IS MANAGED BY [name of local property manager], who may be contacted at any time by calling ( ) [the 24-hour contact telephone number] or emailing [the email address].
- (4) All written information thereupon shall be clear, legible and updated as required. The posting shall be placed on the interior of a window facing the street to the front of the property so that it is visible from the street, or secured to the exterior of the building/structure facing the street to the front of the property so that it is visible from the street or if no such area

exists, on a stake of sufficient size to support the posing in a location that is at all times visual from the street to the front of the property but not readily accessible to vandals. Exterior posting shall be constructed of and printed with weather-resistant materials.

(5) Failure of the mortgagee or property owner of record to properly inspect and secure the property and post and maintain the signage required by this section 2-75.11 (g) is a violation of this section. Pursuant to a finding and determination by a Special Magistrate of the City of Lake Worth, the city may take the necessary action to ensure compliance with this section 2-75.11, and place a lien or liens on the property to recover costs and expenses in support thereof..

(jm) *Opposing, obstructing enforcement officer; penalty.* Whoever opposes, obstructs or resists any enforcement officer or any person authorized by the city in the discharge of duties as provided in this section, upon conviction, may be sanctioned as provided in the Code of Ordinances of the City of Lake Worth or F.S. ch. 162.

(kn) *Immunity of enforcement officer.* Any enforcement officer or any person authorized by the city to enforce this section shall be immune from prosecution, civil or criminal, for reasonable, good faith entry or trespass upon real property while in the discharge of duties imposed by this section.

(lo) *Additional authority.* The code compliance administrator shall have authority to require the mortgagee and/or owner of record of any property affected by this section to implement additional maintenance and/or security measures, including but not limited to having an on-site security guard. Failure to comply with the terms of this Section 2-75.11 shall constitute a continuing public nuisance. The city shall have the authority to promptly abate the public nuisance, in whole or in part, at the expense of the mortgagee or other responsible party.

(mp) *Supplemental provisions.* Nothing contained in this Section 2-75.11 shall prohibit the city from enforcing its codes by any other means, including, but not limited to, injunction, abatement or as otherwise provided by code.

Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.



Section 4. The sections of the ordinances may be made a part of the City Code of Laws and ordinances and may be re-numbered ore re-lettered to accomplish such, and the word “ordinance” may be changed to “section”, “division”, or any other appropriate word.

Section 5. If any provision of this ordinance, or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared severable,

Section 6. This ordinance shall become effective ten (10) days after its final passage.

The passage of this ordinance was moved by \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, and upon being put to a vote, the vote was as follows:

Mayor Betty Resch  
Vice Mayor Herman Robinson  
Commissioner Christopher McVoy  
Commissioner Sarah Malega  
Commissioner Kim Stokes

The Mayor thereupon declared this ordinance duly passed on first reading on the \_\_\_\_ of \_\_\_\_\_ 2021.

The passage of this ordinance on second reading was moved by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, and upon being put to a vote, the vote was as follows:

Mayor Betty Resch  
Vice Mayor Herman Robinson  
Commissioner Christopher McVoy  
Commissioner Sarah Malega  
Commissioner Kim Stokes

The Mayor thereupon declared this ordinance duly passed and enacted on the \_\_\_\_\_ day of \_\_\_\_\_, 2021.



## C-51 CANAL ADVISORY COMMITTEE

MEMBERS	APPOINTED	PHONE	ETHICS TRAINING
Laura Starr 2610 Holy Cross Lane <a href="mailto:lstarr@yourfloridacounsel.com">lstarr@yourfloridacounsel.com</a> <b>(Mayor's Appointment)</b>	04/04/17	C: 561-414-5686	YES
Mark Foley 801 South Olive Avenue 1509 - WPB <a href="mailto:markfoley5@gmail.com">markfoley5@gmail.com</a> <b>(Vice Mayor's Appointment – District 4)</b>	06/20/17	C: 561-543-4025	YES
Carla Blockson 1802 Pierce Drive <a href="mailto:bloclsonpc@yahoo.com">bloclsonpc@yahoo.com</a> <b>(Commissioner District 1 Appointment)</b>	05/04/21	C: 561-628-2576	
Sally Gonsalves 1739 22 <sup>nd</sup> Avenue North <a href="mailto:sstill@warddamon.com">sstill@warddamon.com</a> <b>(Commissioner District 2 Appointment)</b>	06/20/17	C: 954-478-3341	YES
Michelle Sylvester 6570 High Ridge Rd., Lantana <a href="mailto:1jupiterlight@gmail.com">1jupiterlight@gmail.com</a> <b>(Commissioner District 3 Appointment)</b>	05/02/17	C: 561-301-3818	YES

### COMMITTEE LIAISON

Brian Shields, Water Utility Director  
[bshields@lakeworth.org](mailto:bshields@lakeworth.org)  
 561-586-1712

The purpose of this committee to monitor and review the results of the State's engineering and feasibility or any other subsequent studies related to the C-51 Canal.

Resolution No. 56-2016 – effective November 1, 2016, created a five-member committee composed of one member appointed by the Mayor and one member appointed by each City Commissioner. Appointed members of the Committee shall serve at the pleasure of the City Commission and may be removed from the Committee for any reason.

The committee shall meet as necessary or as requested by the City Commissioner or the City Manager.

If any member shall fail to be present at three (3) consecutive regularly scheduled meetings or at twenty (20) percent of the regularly scheduled meetings of the Committee held within any 12-month period, the city clerk shall declare the member's office vacant, and the City Commission shall promptly fill such vacancy. If the position of a member becomes vacant for any reason, the City Commission shall appoint another person to serve.

FINANCIAL DISCLOSURE FORMS ARE NOT REQUIRED.



## CHARTER REVIEW COMMITTEE

(Committee members were selected during the 6/15/21 Regular Commission Meeting)

### MEMBERS

Wes Blackman  
241 Columbia Drive  
[wesblackman@gmail.com](mailto:wesblackman@gmail.com)  
561-308-0364

Joyce Brown  
15 South J Street  
[joyce@flamingoclaystudio.org](mailto:joyce@flamingoclaystudio.org)  
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Jerri LeAnn Clairday  
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Anthony Gallegos  
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Sam Goodstein, Vice Chair  
1717 12<sup>th</sup> Avenue South, Lot E4  
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Zade Shamsi-Basha  
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205-306-5229

Ramsay Stevens, Chair  
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561-373-9501

Dave Wilson  
427 South J Street  
[dlwilson@davewilson.cc](mailto:dlwilson@davewilson.cc)  
561-308-8039

### COMMITTEE LIAISON: TBD

Resolution no. 02-2021 of the City of Lake Worth Beach, Florida, established a Charter Review Committee to review, recommend, and submit proposed amendments to the city's charter.



The Charter Review Committee shall review the City Charter and provide a recommendation to the City Commission regarding proposed amendments to the City Charter. The Charter Review Committee shall consider proposed amendments which include, but are not limited to term limits, resign to run restrictions, declarations of emergency, and more detailed procedures on vacancy appointments. The Charter Review Committee's recommendation shall be delivered to the City Clerk within 180 days of its first meeting unless an extension is granted by the City Manager in writing. The City Clerk will place the Charter Review Committee's recommendation on an upcoming City Commission regular meeting agenda. The City Commission shall review the recommendation of the Charter Review Committee and determine if any proposed amendments to the City Charter should be pursued by the City. Ultimately, the timing of any proposed amendment(s) to the Charter will be finalized by ordinance no later than early December 2021 in order to be placed on the March 2022 municipal election ballot by the Palm Beach County Supervisor of Elections.

The Charter Review Committee shall consist of thirteen (13) City resident and/or City business owner members appointed by the City Commission. The Mayor and each Commissioner will recommend a member to be ratified by the entire Commission no later than March 2, 2021. Appointed members shall serve without compensation. The appointed members shall serve until the Charter Review Committee submits its recommendation to the City Commission for consideration. Thereafter, the Charter Review Committee will be automatically dissolved without further action. All Charter Review Committee members shall serve at the pleasure of the City Commission. Any vacancy created by the incapacity or resignation of a member shall be promptly filled in writing by the original maker of the appointment without the need for ratification.

**Meetings.** The Charter Review Committee shall meet for the purpose organization within thirty (30) days of all members being appointed. The City Clerk shall organize the first meeting of the Charter Review Committee. At the initial meeting, the Charter Review Committee shall elect a Chair from its membership to lead the meetings and elect a Vice-Chair to act in the event the Chair is absent. The Charter Review Committee shall also elect a Secretary from its membership to take and maintain minutes of the Charter Review Committee meetings. The City Attorney will provide Sunshine Law and Public Records training to the Charter Review Committee at its first meeting.

Further meetings of the Charter Review Committee shall be held on the call of the Chair or a majority of the appointed members. All meetings of the Charter Review Committee shall be open to the public with reasonable notice of the date and time of the meetings. All meetings shall be held at City Hall in the Commission Chambers. The Charter Review Committee shall allow public comment at its meetings. Minutes of each meeting shall be taken and maintained by the Secretary. The Secretary shall send a copy of the minutes to the City Clerk for maintaining after the Charter Review Committee is dissolved.

A majority of the appointed members of the Charter Review Committee shall constitute a quorum. No City Charter amendment shall be submitted to the City Commission unless recommended by an affirmative vote of a majority of the appointed members.

**FINANCIAL DISCLOSURE FORMS ARE NOT REQUIRED.**



## CITIZENS ADVISORY COMMITTEE - BOND REFERENDUM

(3-year terms)

MEMBERS	APPOINTED	PHONE	ETHICS TRAINING	TERM EXPIRES
Cynthia Brown 1510 North N Street <a href="mailto:cindeebrown@ymail.com">cindeebrown@ymail.com</a> <b>(Mayor's Appointment)</b>	10/15/2016	C: 561-797-5531	YES	07/31/2020
Peter Callaro 1820 North Palmway <a href="mailto:pcallaro@yahoo.com">pcallaro@yahoo.com</a> <b>(Vice Mayor's Appointment – District 4)</b>	04/04/2016	C: 561-214-5888	YES	07/31/2020
Kathleen Mcgiveron 2121 Collier Avenue <a href="mailto:kkss21@bellsouth.net">kkss21@bellsouth.net</a> <b>(Commissioner District 1 Appointment)</b>	04/04/2016	C: 561-351-8104	YES	07/31/2020
Deana Booker Torrence – VICE CHAIR 404 South L Street <a href="mailto:deanerjo@gmail.com">deanerjo@gmail.com</a> <b>(Commissioner District 2 Appointment)</b>	08/01/2017	C: 203-215-7964	YES	07/31/2020
Michelle Sylvester 6570 High Ridge Rd., Lantana <a href="mailto:1jupiterlight@gmail.com">1jupiterlight@gmail.com</a> <b>(Commissioner District 3 Appointment)</b>	05/02/2017	C: 561-301-3818	YES	07/31/2020
Linda Brower 1100 South Lakeside Drive <a href="mailto:Linda.brower@att.net">Linda.brower@att.net</a> <b>(Commissioner District 4 Appointment)</b>	05/02/2017	H: 561-588-9455	YES	07/31/2020
Maryann Furth Polizzi 2 Lakeside Palms Ct. <a href="mailto:Furth.Maryann@gmail.com">Furth.Maryann@gmail.com</a> <b>(Mayor's Appointment)</b>	05/21/2019	C: 561-685-6010	YES	07/31/2020
<b>Members of the FAB</b>				
Lindy Seto 316 Princeton Drive <a href="mailto:Lindy.seto@gmail.com">Lindy.seto@gmail.com</a> <b>(Mayor's Appointment)</b>	05/21/2019	C: 561-490-3225	YES	07/31/2021



Charles Royce 129 S. Golfview Rd <a href="mailto:chroyce@aol.com">chroyce@aol.com</a> <b>(Vice Mayor's Appointment – District 4)</b>	05/04/2021	C: 786-397-4953		07/31/2023
Laura Aveard 1024 N. Palmway <a href="mailto:laveard@yahoo.com">laveard@yahoo.com</a> <b>(District 1 Appointment)</b>	05/17/2021	C: 954-661-7156		07/31/2012
VACANT (due to Judith Just's resignation) <b>(District 2 Appointment)</b>				07/31/2023
VACANT (due to Michael Calhoun's passing) <b>(District 3 Appointment)</b>				07/31/2021
Donald Rosenshine 131 N. Golfview Rd. #3 <a href="mailto:Donrosenshine29@gmail.com">Donrosenshine29@gmail.com</a> <b>(District 4 Appointment – Vice Mayor)</b>	8/18/2020	C: 443-603-6137	YES	07/31/2022
Sherry Schmidt 4 Indigo Terrace <a href="mailto:sherry@cri-re.com">sherry@cri-re.com</a> <b>(Mayor's Appointment)</b>	07/31/2013	C: 954 551-1655	YES	07/31/2022

**COMMITTEE LIAISON**

Bruce Miller, Director of Financial Services

The purpose of this committee is to review all expenditures from the bond proceeds for improving local roadways and eliminating potholes in the City.

Resolution No. 47-2016 – effective October 4, 2016, created a fourteen-member committee composed of seven members of the City's Finance Advisory Board and seven members, two members selected by the Mayor and two members to be selected by the Vice Mayor and one member selected by each City Commissioner.

Appointed members of the Committee shall serve 3-year terms and shall serve at the pleasure of the City Commission and may be removed from the Committee for any reason.

The committee shall meet as necessary or as requested by the City Commissioner or the City Manager.

If any member shall fail to be present at three (3) consecutive regularly scheduled meetings or at twenty (20) percent of the regularly scheduled meetings of the Committee held within any 12-month period, the city clerk shall declare the member's office vacant, and the City Commission shall promptly fill such vacancy. If the position of a member becomes vacant for any reason, the City Commission shall appoint another person to serve.

FINANCIAL DISCLOSURE FORMS ARE NOT REQUIRED.



## CITY TREE BOARD

Three -Year Terms

MEMBERS	APPOINTED	PHONE	ETHICS TRAINING	TERM EXPIRES
VACANT (McVoy's resignation) <b>(Mayor's Appointment)</b>				07/31/2023
Donna Kerner 1012 N J Street – <a href="mailto:dakerner@hotmail.com">dakerner@hotmail.com</a> <b>(Vice Mayor's Appointment – District 4)</b>	03/02/21	202-320-2841	by 4/2	07/31/2024
Diane Brown 905 N Lakeside Drive – <a href="mailto:meadowrockers@bellsouth.net">meadowrockers@bellsouth.net</a> <b>(District 1 Appointment)</b>	03/02/21	561-389-8551	by 4/2	07/31/2022
Richard Stowe 414 N. Federal Highway - <a href="mailto:richstowe@gmail.com">richstowe@gmail.com</a> <b>(District 2 Appointment)</b>	04/23/13	H: 561-231-3509	YES	07/31/2021
Andrew Gottlieb 141 Harvard Drive - <a href="mailto:Adgottlieb71@gmail.com">Adgottlieb71@gmail.com</a> <b>(District 3 Appointment)</b>	08/06/19	C: 561-635-4374	YES	07/31/2022
Ginny Powell 224 North Palmway - <a href="mailto:Ginny_lou@live.com">Ginny_lou@live.com</a> <b>(District 4 Appointment – Vice Mayor)</b>	06/18/19	C: 561-315-4565	YES	07/31/2022
VACANT (Guyaux's resignation) <b>(Mayor's Appointment)</b>				07/31/2022

### ADVISOR

City Horticulturist, David McGrew (Community Sustainability) W: 561-586-1677 YES

The board was created to establish policy and provide standards within the City landscape ordinance for tree preservation and protection, both public and private, to include, but not be limited to, providing educational materials on proper planting, pruning techniques, insect and disease control, planting of native species, inventory of existing trees, permit guidelines including rules for tree removal, opportunities for citizen involvement and City tree sales. The planting of trees provides a continuing shade canopy into the future.

Ord. No. 2014-07, effective 02/11/14, the Tree Board has been amended to reinsert the provision for electing officers, including a secretary, for a term of one year. Ord. No. 2008-14, effective 7/10/08, amended attendance requirements: a member who fails to attend three consecutive regularly scheduled meetings or 20% of regularly scheduled meetings held within a 12-month period shall have his/her seat declared vacant by the City Clerk and the City Commission shall promptly fill such vacancy.

Ord. No. 2007-42, effective 10/02/07, increased membership from five to seven resident members and eliminated the alternate member. City Horticulturist shall be the advisor to the Board.

**Meetings:** Second Thursday of each month at 6:00 PM. **FINANCIAL DISCLOSURE FORMS ARE NOT REQUIRED.**



## CONSTRUCTION BOARD OF ADJUSTMENT AND APPEALS

Four-Year Terms

<b>HECTOR CABRERA</b> 321 Maryland Dr. (General Contractor & Real State)	Appointed 07/20/2021 561-313-0677 <a href="mailto:cabraracnstrurctioninc@msn.com">cabraracnstrurctioninc@msn.com</a>	Term Expires 07/31/2025 Latest Ethics Training <b>Mayor's Appointment</b>
<b>BEN ELLIS, JR.</b> 189 Harvard Drive (Engineer)	Appointed 07/23/2012 561-254-3805 / 561-370-3300 <a href="mailto:bellis@ellisgritter.com">bellis@ellisgritter.com</a>	<b>Term Expires 07/31/2020</b> Latest Ethics Training YES <b>Vice Mayor's Appointment Dist 4</b>
<b>MARK SZAFARYN</b> 1103 South "N" Street (Plumbing Contractor)	Appointed 02/20/1996 561-586-7063 / 561-586-1288 <a href="mailto:gszafaryn@bellsouth.net">gszafaryn@bellsouth.net</a>	Term Expires 07/31/2021 Latest Ethics Training YES <b>District 1 Appointment</b>
<b>VACANT</b> Address (Discipline Type)	Appointed Phone number Email address	Term Expires 07/31/2024 Latest Ethics Training <b>District 2 Appointment</b>
<b>VACANT</b> Address (Discipline Type)	Appointed Phone number Email address	Term Expires 07/31/2022 Latest Ethics Training <b>District 3 Appointment</b>
<b>VACANT</b> Address (Discipline Type)	Appointed Phone number Email address	Term Expires 07/31/2024 Latest Ethics Training <b>District 4 Appointment – Vice Mayor</b>
<b>DAVID BRODIE</b> 2610 Holy Cross Lane (Discipline Type)	Appointed 08/21/2018 561-350-8282 <a href="mailto:dbrodie@yourfloridacounsel.com">dbrodie@yourfloridacounsel.com</a>	Term Expires 07/31/2022 Latest Ethics Training YES <b>Mayor's Appointment</b>

Membership: The Board shall consist of seven members who either are residents of, or have a business located in the City. Board members shall be composed of individuals with knowledge and experience in the technical codes to include, to the greatest extent possible, an architect, engineer, general contractor, electrical contractor, HVAC contractor, plumbing contractor, and any other contractor licensed category.

A board member shall not act in a case in which he has a personal or financial interest. Three absences of any member from required meetings of the board shall in a 12-month period, at the discretion of the applicable governing body, render any such member subject to immediate removal from office.

The Construction Board of Adjustments and Appeals shall have the power, as further defined in 116.4, to hear appeals of decisions and interpretations of the building official and consider variances of the technical codes.





Board meets on an as needed basis. Ord. No. 2003-25, enacted 8/5/03, established attendance requirements: a member who fails to attend three consecutive regularly scheduled meetings or 25% of all meetings held within a 12-month period shall have his/her seat declared vacant by the City Clerk and the City Commission shall promptly fill such vacancy.

Ord. No. 2008-14, effective 7/10/08, amended attendance requirements: a member who fails to attend three consecutive regularly scheduled meetings or 20% of regularly scheduled meetings held within a 12-month period shall have his/her seat declared vacant by the City Clerk and the City Commission shall promptly fill such vacancy.

**Financial Disclosure Forms are required; City residency required. (Ordinance No. 92-11).**

Secretary: Therese Howell-Poitier, 561-586-1644



**COMMUNITY REDEVELOPMENT AGENCY**

Four-Year Terms

MEMBERS	APPOINTED	PHONE	ETHICS TRAINING	TERM EXPIRES
Brendan Lynch - CHAIR 920 South Lakeside Drive <a href="mailto:blynch@plastridge.com">blynch@plastridge.com</a> <b>(Mayor’s Appointment)</b>	05/05/2015	C: 561-386-1703	YES	08/21/2023
Carla Blockson 1802 Pierce Drive <a href="mailto:blocksonpc@yahoo.com">blocksonpc@yahoo.com</a> <b>(Vice Mayor’s Appointment - District 4)</b>	05/04/2021	C: 561-628-2576		07/31/2024
Mark Rickards – VICE CHAIR 2508 Lake Osborne Drive <a href="mailto:Mark.rickards@kimley-horn.com">Mark.rickards@kimley-horn.com</a> <b>(District 1 Appointment)</b>	09/19/2017	C: 561-214-5032	YES	08/21/2025
Andrew Bartlett 211 North L Street <a href="mailto:Drewbartlett135@gmail.com">Drewbartlett135@gmail.com</a> <b>(Commissioner District 2 Appointment)</b>	11/05/2019	C: 404-7882062	YES	08/21/2022
Caroline Glass Shamsi-Basha 503 N K Street <a href="mailto:Carolinedgsb@gmail.com">Carolinedgsb@gmail.com</a> <b>(District 3 Appointment)</b>	09/09/2021	C: 205-394-9670		08/21/2025
Leah Foertsch 1421 N. O Street <a href="mailto:Leah.foertsch@gmail.com">Leah.foertsch@gmail.com</a> <b>(District 4 Appointment – Vice Mayor)</b>	05/20/2014	C: 305-299-3025	YES	08/21/2025
Brent Whitfield 133 Duke Drive <a href="mailto:bwhitfield@chenmoore.com">bwhitfield@chenmoore.com</a> <b>(Mayor’s Appointment)</b>	01/16/2018	H: 561-329-1797	YES	08/21/2022

Executive Director: Joan Oliva - 561-493-2550 - [joliva@lakeworth.org](mailto:joliva@lakeworth.org)  
Commission Liaison: Mayor Betty Resch - 561-586-1735 – [bresch@lakeworthbeachfl.gov](mailto:bresch@lakeworthbeachfl.gov)

Responsible for formulating and implementing projects that are consistent with the Lake Worth Redevelopment Plan to assist in revitalizing and redeveloping portions of the City of Lake Worth Beach.



Established by Resolution No. 47-89, effective 7/3/89. Florida Statute 163.356 (3) (b), Any person may be appointed as commissioner if he or she resides or is engaged in business, which means owning a business, practicing a profession, or performing a service for compensation, or serving as an officer or director of a corporation or other business entity so engaged, within the area of operation of the agency, which shall be coterminous with the area of operation of the county or municipality, and is otherwise eligible for such appointment under this part. Ordinance No. 93-2, effective 2/13/93, to consist of seven members appointed by City Commission. Ordinance No. 2008-14, effective 7/10/08, amended attendance requirements: if any member of the board shall fail to be present at three (3) consecutive regularly scheduled meetings or at twenty (20) percent of the regularly scheduled meetings of the board held within any 12-month period, the city clerk shall schedule the matter for hearing before the city commission.

**Effective May 1, 2013, Chapter 2013-36 FINANCIAL DISCLOSURE FORMS ARE REQUIRED.**

Meeting Schedule: Second Tuesday of every month at the Hatch located 1121 Lucerne Avenue at 6:00 p.m.

SECRETARY: Emily Theodossakos, 561-493-2550



## ELECTRIC UTILITY ADVISORY BOARD

One, Two, and Three -Year Terms

MEMBERS	APPOINTED	PHONE	ETHICS TRAINING	TERM EXPIRES
Ramsay Stevens 618 South K Street <a href="mailto:ramsaystevens@gmail.com">ramsaystevens@gmail.com</a> (2-year term) - (At-large member) <b>(Mayor's Appointment)</b>	04/16/2019	C: 561-373-9501	YES	07/31/2022
Matthew Portilla 1301 Cochran Dr. <a href="mailto:mattportilla@me.com">mattportilla@me.com</a> (3-year term) <b>(District 1 Appointment)</b>	08/06/2019	C: 561-267-0692	YES	07/31/2024
Ibrahim Chalhoub 2 Lakeside Palms Ct. <a href="mailto:ichalhoub@bellsouth.net">ichalhoub@bellsouth.net</a> (3-year term) <b>(District 2 Appointment)</b>	10/20/2015	C: 561-762-9178	YES	07/31/2021
David Simms 715 North L Street <a href="mailto:dsimm@hotmail.com">dsimm@hotmail.com</a> (3-year term) <b>(District 3 Appointment)</b>	07/20/2021	C: 561-541-7874		7/31/2024
Ryan Oblander 1702 North A Street <a href="mailto:ryanoblender@gmail.com">ryanoblender@gmail.com</a> (3-year term) <b>(District 4 Appointment)</b>	05/04/2021	C: 954-650-3366	YES	07/31/2024
VACANT (2-year term) - (At-large business owner) <b>(Commission's Appointment)</b>				7/31/2022
VACANT (Village of Palm Springs Roger St. Martin) (1-year term) - (At-large utility service area) <b>(Commission's Appointment)</b>				07/31/2021
<b>BOARD LIAISON</b> Ed Liberty, Electric Utility Director <a href="mailto:eliberty@lakeworth.org">eliberty@lakeworth.org</a> 561-586-1670 - 1900 2 <sup>nd</sup> Avenue North				



**Effective 7/16/19: ORDINANCE NO. 2019-07 OF THE CITY OF LAKE WORTH BEACH, FLORIDA, REPEALING AND REPLACING ARTICLE XX OF CHAPTER 2 OF THE CODE OF ORDINANCES TO RECONSTITUTE THE CITY'S ELECTRIC UTILITY ADVISORY BOARD**

In 2012, the City Commission of the City of Lake Worth Beach created the City's Electric Utility Advisory Board (EUAB) to advise the City Commission, on behalf of the City's citizens and residents, on electric utility policies, plans and programs. While the EUAB has provided invaluable advisory assistance and recommendations to the City Commission in the past, the City Commission is more actively and engaged in electric utility policies, plans and programs including the creation of a public monthly City Commission meeting dedicated solely to electric utility issues. The electric utility's financial and operational performance, project plans and initiatives are regularly reviewed with the City Commission in public. The City's citizens, residents, members of the public and customers of City's electric utility are afforded the ability to provide public comment on electric utility matters at City Commission meetings. The City Commission desires to maintain the EUAB but to utilize its advisory assistance on a quarterly and/or as-needed basis as directed by the City Commission or the Electric Utility Director. The City Commission also desires to make other amendments to the EUAB's governing ordinance including, but not limited to, reducing the membership from seven (7) members to five (5) members. The City Commission of the City of Lake Worth Beach deems it to be in the best interests of the citizens and residents of the City to reconstitute the EUAB as set forth herein.

Chapter 2, Article XX, entitled "Electric Utility Advisory Board" of the Code of Ordinances of the City of Lake Worth Beach, is hereby repealed (which includes repealing sections 2-235, 2-236, 2-237, 2-238 and 2-239) and the following shall be established as Article XX:

ARTICLE XX. - ELECTRIC UTILITY ADVISORY BOARD - Section 2-235. - Creation of electric utility advisory board and purpose.

There is hereby established an electric utility advisory board. The board shall serve as an advisory board to the electric utility director and the city commission on policy-related matters regarding the city's electric utility.

Section 2-236. - Composition; term of members; compensation of members.

(a) The electric utility advisory board shall consist of five (5) uncompensated volunteer members to be appointed by each member of the city commission. Each member shall be appointed for a two (2) year term. Members may be re-appointed for subsequent terms. Vacancies shall be filled by qualified members for the unexpired term of the member whose post becomes vacant. Appointments shall be made by the city commission on the basis of professional career experience relevant to the electric utility industry or knowledge of the city's electric utility. All members of the electric utility advisory board must be customers of the city's electric utility. All members must also satisfy the requirements of section 2-9 of the city's code regarding the residence requirement of advisory board members; however, at least one (1) member of the board may reside outside the city's municipal boundaries in order to represent the interests of the city's electric utility customers outside the municipal boundaries. The member residing outside the municipal boundaries must be a customer of the city's electric utility or own a business within the municipal boundaries, which business is a customer of the city's electric utility.

(b) Preference for membership shall be to those who are knowledgeable or possess professional expertise in the following areas: engineering, commercial and residential development, accounting and finance, traditional energy generation and distribution, renewable energy generation and/or energy conservation or related fields.

(c) If any member of the electric utility advisory board shall fail to be present at three (3) consecutive regular meetings or at fifty (50) percent of the regular meetings of the board held within any 24-month period, the city clerk shall declare the member's office vacant, and the city commission shall promptly fill such vacancy.

(d) The members of the electric utility advisory board serve at the pleasure of the city commission and the city commission may remove any member(s) of the board from office upon affirmative vote of the city commission after due notice and an opportunity for the member(s) to be heard.

Section 2-237. - Officers; meetings and procedures.

(a) At its first meeting, the electric utility advisory board shall appoint a chairperson for a one-year term and annually thereafter. In addition, the members of the board shall elect such officers as may be deemed necessary or desirable to serve at the will of the board.

(b) The meetings of the electric utility advisory board shall be quarterly unless there are no pending policy-decisions for the board's consideration. Alternatively, additional meetings of the electric utility advisory board may be called by the electric utility director or as directed by the city commission at a public meeting.

(c) A minimum of three board members will constitute a quorum for the board. Meetings of the board shall be conducted in accordance with Robert's Rules of Order. Minutes shall be kept of all meetings of the board and all such meetings shall be properly noticed and open to the public.

Section 2-238. - Duties.

The electric utility advisory board shall act in an advisory capacity to the city commission and electric utility director on policy decisions regarding the city's electric utility.

FINANCIAL DISCLOSURE FORMS ARE NOT REQUIRED.



## FINANCE ADVISORY BOARD

Three-Year Terms

MEMBERS	APPOINTED	PHONE	ETHICS TRAINING	TERM EXPIRES
Lindy Seto 316 Princeton Drive <a href="mailto:Lindy.seto@gmail.com">Lindy.seto@gmail.com</a> <b>(Mayor's Appointment)</b>	05/21/2019	C: 561-490-3225	YES	07/31/2021
Charles Royce 129 S. Golfview Rd <a href="mailto:chroyce@aol.com">chroyce@aol.com</a> <b>(Vice Mayor's Appointment – District 4)</b>	05/04/2021	C: 786-397-4953		07/31/2023
Laura Aveard 1024 N. Palmway <a href="mailto:laveard@yahoo.com">laveard@yahoo.com</a> <b>(District 1 Appointment)</b>	05/17/2021	C: 954-661-7156		07/31/20122
<b>VACANT</b> (due to Judith Just's resignation) <b>(District 2 Appointment)</b>				07/31/2023
<b>VACANT</b> (due to Michael Calhoun's passing) <b>(District 3 Appointment)</b>				07/31/2021
Donald Rosenshine 131 N. Golfview Rd. #3 <a href="mailto:Donrosenshine29@gmail.com">Donrosenshine29@gmail.com</a> <b>(District 4 Appointment – Vice Mayor)</b>	8/18/2020	C: 443-603-6137	YES	07/31/2022
Sherry Schmidt 4 Indigo Terrace <a href="mailto:sherry@cri-re.com">sherry@cri-re.com</a> <b>(Mayor's Appointment)</b>	07/31/2013	C: 954 551-1655	YES	07/31/2022

### BOARD LIAISON

Bruce Miller, Finance Director  
[bmiller@lakeworth.org](mailto:bmiller@lakeworth.org)  
561-586-1641

The City of Lake Worth Finance Advisory Board was created to serve in an advisory capacity to the City Commission and the City Manager. The Board shall serve to promote transparency in the City of Lake Worth's budget process and allow for additional citizen input on major financial decisions. The Board shall consult with and advise the City Manager and the City Commission in matters affecting the annual operating budget, capital improvement program and all financial policies.



Established by Ordinance No. 2010-03, effective 02/26/10, comprised of seven resident members appointed by the City Commission.

Ord. No. 2010-03, effective 2/26/10, a member who fails to attend three consecutive regularly scheduled meetings or 20% of regularly scheduled meetings held within a 12-month period shall have his/her seat declared vacant by the City Clerk and the City Commission shall promptly fill such vacancy.

**Meetings:** First Monday of each month at 6:00 pm in the City Hall Conference Room.



## HISTORIC RESOURCES PRESERVATION BOARD

Three-Year Terms

MEMBERS	APPOINTED	PHONE	ETHICS TRAINING	TERM EXPIRES
Judith Fox 514 N. Palmway <a href="#">Email: TBD</a> (Citizen at large) <b>(Mayor's Appointment)</b>	05/01/118	C: 561-253-4895	YES	07/31/2021
Robert D'Arinzo 531 North Ocean Breeze <a href="mailto:bobpier@hotmail.com">bobpier@hotmail.com</a> (Real Estate Sales) <b>(Vice Mayor's Appointment - District 4)</b>	08/16/16	C: 561-662-8370	YES	07/31/2023
Ricardo Martin 419 North Lakeside Drive <a href="mailto:Rmartin0211@yahoo.com">Rmartin0211@yahoo.com</a> (Banker / Real State) <b>(District 1 Appointment)</b>	07/20/21	C: 305-975-7906		07/31/2022
William Feldkamp CHAIR 108 Lake Avenue, #205 <a href="mailto:billfeldkamp@gmail.com">billfeldkamp@gmail.com</a> (Architecture) <b>(District 2 Appointment)</b>	04/04/17	C: 561-248-5769	YES	07/31/2022
Geoffrey Harris 605 N Lakeside Dr. #3 <a href="mailto:gbharch@gmail.com">gbharch@gmail.com</a> (Architecture) <b>(District 3 Appointment)</b>	10/06/20	C: 720-771-9276	YES	07/31/2023
Stephen Pickett 207 South K Street <a href="mailto:sdpickett@hotmail.com">sdpickett@hotmail.com</a> (Architecture) <b>(District 4 Appointment – Vice Mayor)</b>	01/19/21	C: 561-427-8325	YES	07/31/2023
Bernard Guthrie 823 South Palmway <a href="mailto:bguthrie@pottydoctor.com">bguthrie@pottydoctor.com</a> (Contractor) <b>(Mayor's Appointment)</b>	04/3/18	C: 561-719-6696	YES	07/31/2023





**Meetings:** Second Wednesday of each month at 6:00 PM

The Board's function is to consider historic preservation issues and shall consist of five resident members plus two alternates appointed by the City Commission. Four members constitute a quorum. Initial appointments: one member to serve three years; two members to serve one year; two members for a term of two years; thereafter, all regular terms three years and alternate terms one year.

Ord. No. 2014-02 - Section 23.2-7 establishes that the historic resources preservation board shall consist of seven (7) members. All members of the board shall be residents of or property owners in the city. Members of the historic resources preservation board shall serve without compensation. The seven (7) members shall be appointed by the city commission. All members of the board shall be appointed for a term of three (3) years. If any member of the board shall fail to be present at three (3) consecutive regularly scheduled meetings or at twenty-five (25) percent of the public meetings of the board held within any twelve-month period, the city clerk shall declare the member's office vacant and the city commission shall promptly fill such vacancy. Vacancies in the board membership by resignation, illness or other causes shall be filled by the city commission for the unexpired term of the member involved. Members of the historic resources preservation board may be removed from office by the city commission at its discretion. The board shall select its own chairman and vice-chairman annually at the first meeting in January. The city's preservation planner shall serve as secretary and advisor to the board. The membership of the HRPB shall include, to the extent available, members from the disciplines of architecture, architectural history, planning, archeology or related fields. At least two (2) members of the HRPB shall be experienced in the areas of real estate sales, land development, banking or law. One (1) member shall be from a professional discipline as described above and one (1) member shall be a citizen at large. The city commission shall determine whether or not the existing members of the HRPB meet the requirements of the certified local government program and may appoint up to two (2) additional members to the HRPB, if needed. Whenever a new member is appointed to the HRPB, the city commission shall consider the professional requirements of the new member to ensure that the requirements of the certified local government program are met. When necessary, persons serving on the HRPB shall attend educational meetings to develop a special interest, expertise, experience or knowledge in history, architecture, or related disciplines.

Ord. 2013-34 - Section 23.2, effective August 16, 2013 deletes alternate members and increases membership to seven (7) board members and amends absentee policy to three (3) consecutive regularly scheduled meetings or at twenty five percent (25%) of the public meetings of the Board held within any 12-month period, the City clerk shall declare the member's office vacant and the City Commission shall promptly fill such vacancy.

Ord. No. 2012-17, effective 04/27/12, changed qualifications to include disciplines of architecture, architectural history, planning, archaeology, or related fields. At least (2) members shall be experienced in the areas of real estate sales, land development, banking or law. One (1) alternate shall be from a professional discipline, and one (1) alternate member shall be a citizen at large.

Ord. No. 2010-16, HRPB was created.

**Effective July 2017, Financial Disclosure Forms are required.**

**Secretary:** Sherrie Coale



## LIBRARY BOARD

Five-Year Terms

MEMBERS	APPOINTED	PHONE	ETHICS TRAINING	TERM EXPIRES
Dave Wilson 203 South M Street <a href="mailto:dlwilson@davewilson.cc">dlwilson@davewilson.cc</a> <b>(Mayor's Appointment)</b>	03/01/2016	C: 561-308-8039	YES	07/31/2023
Mary Lindsey 327 Columbia Drive <a href="mailto:Marylindsey33460@gmail.com">Marylindsey33460@gmail.com</a> <b>(District 1 Appointment)</b>	03/06/2018	H: 561-585-6035	YES	07/31/2022
Emily Abbott 136 Harvard Dr. <a href="mailto:Emilyabbott47@gmail.com">Emilyabbott47@gmail.com</a> <b>(District 2 Appointment)</b>	01/07/20	C: 561-415-7593		07/31/2021
Samuel Goodstein 1717 12 <sup>th</sup> Avenue South <a href="mailto:goodstei@gmail.com">goodstei@gmail.com</a> <b>(District 3 Appointment)</b>	06/29/2009	H: 561-585-4321	YES	07/31/2024
Annamaria Windisch-Hunt 404 South C Street <a href="mailto:annamariahunt@me.com">annamariahunt@me.com</a> <b>(District 4 Appointment)</b>	06/16/21	561-317-5653		07/31/2025

Set up under F.S. 167.29-39. See Ord.No. 75-21, passed 8/18/75, existence in City Code (pursuant to State law subsequently repealed). The Board is responsible for recommending expenditures from the Library Trust Fund and the Simpkin Trust Fund; advising the library director on issues of policy and service; and participating in the long-range planning process.

Five members appointed by the City Commission from citizens at large. CITY RESIDENCY REQUIRED (Ord.No. 92-11).

Ord.No. 2003-25, enacted 8/5/03, established attendance requirements: a member who fails to attend three consecutive regularly scheduled meetings or 25% of all meetings held within a 12-month period shall have his/her seat declared vacant by the City Clerk and the City Commission shall promptly fill such vacancy.

Ord. No. 2007-43, enacted 10/12/07, created an alternate member for two-year term. Ord. No. 2008-14, effective 7/10/08, amended attendance requirements: a member who fails to attend three consecutive regularly scheduled meetings or 20% of regularly scheduled meetings held within a 12-month period shall have his/her seat declared vacant by the City Clerk and the City Commission shall promptly fill such vacancy. Ord. No. 2010-28, effective 11/26/10, deleted alternate member.

Meetings: Fourth Wednesday at 6:00 PM in January, March, June, and September.

Secretary: Librarian (533-7354)



## PLANNING AND ZONING BOARD

Three -Year Terms

MEMBERS	APPOINTED	PHONE	ETHICS TRAINING	TERM EXPIRES
Laura Starr 2010 Holy Cross <a href="mailto:lstarr@yourfloridacounsel.com">lstarr@yourfloridacounsel.com</a> (Professional/law) <b>(Mayor's Appointment)</b>	08/06/2019	C: 561-414-5686	YES	07/31/2022
Mark Humm 708 North H Street <a href="mailto:marknwpb@yahoo.com">marknwpb@yahoo.com</a> (Citizen at large) <b>(Vice Mayor's Appointment – District 4)</b>	07/02/2013	C: 561-351-3057 W: 561-848-5556	YES	07/31/2023
Greg Rice - CHAIR 511 Lucerne Ave. <a href="mailto:greg@bugs.com">greg@bugs.com</a> (Professional/real estate) <b>(District 1 Appointment)</b>	06/25/2012	W: 561-686-7171 C: 561-602-0193	YES	07/31/2022
Edmond LeBlanc 105 South K Street <a href="mailto:edmondleblanc@yahoo.com">edmondleblanc@yahoo.com</a> (Architecture) <b>(District 2 Appointment)</b>	06/01/21	P: 561-781-1272		07/31/2023
Zade Shamsi Basha 503 North K Street <a href="mailto:Zade.shamsibasha@law.ua.edu">Zade.shamsibasha@law.ua.edu</a> (Law) <b>(District 3 Appointment)</b>	07/20/21	C: 205-306-5229		07/31/2024
Juan Contin 826 S. Federal Highway <a href="mailto:Jcon123@hotmail.com">Jcon123@hotmail.com</a> (Architecture) <b>(District 4 Appointment – Vice Mayor)</b>	10/06/2020	C: 305-778-2082		07/31/2023
Anthony Marotta – VICE CHAIR 327 North Lakeside Dr. <a href="mailto:anthony@alliedpmg.com">anthony@alliedpmg.com</a> (Professional / property management) <b>(Mayor's Appointment)</b>	01/28/2014	W: 561-818-1184	YES	07/31/2022



**Meetings:** First Wednesday of each month at t 6:00 pm.

The Board's function is to review and approve site plans for three units or more of residential development and all commercial development. This Board also reviews community appearance and has the ability to grant variance from the Lake Worth Zoning Code.

Ord. No. 2014-02 - Sec. 23.2-8. - Planning and zoning board, established that the planning and zoning board shall consist of seven (7) members. All members of the board shall be residents of or property owners in the city. Members of the planning and zoning board shall serve without compensation. The seven (7) members shall be appointed by the city commission. All members of the board shall be appointed for a term of three (3) years. If any member of the board shall fail to be present at three (3) consecutive regularly scheduled meetings or at twenty-five (25) percent of the public meetings of the board held within any 12-month period, the city clerk shall declare the member's office vacant and the city commission shall promptly fill such vacancy. Vacancies in the board membership by resignation, illness or other causes shall be filled by the city commission for the unexpired term of the member involved. Members of the planning and zoning board may be removed from office by the city commission at its discretion. The board shall select its own chairman and vice-chairman annually at the first meeting in January. The city's community planner shall serve as secretary and advisor to the board.

To carry out its responsibilities under this article, the membership of the planning and zoning board shall include, to the extent available, three (3) members from the disciplines of architecture, landscape architecture, planning, real estate sales, land development, banking, law or related fields. Two (2) members of the planning and zoning board shall be citizen at large members. One (1) member shall be from a professional discipline as described above and one (1) member shall be a citizen at large. The city commission shall determine whether or not the existing members of the planning and zoning board meet these requirements may appoint up to two (2) additional members to the planning and zoning board, if needed. Whenever a new member is appointed to the planning and zoning board, the city commission shall consider the professional requirements of the new member to ensure that the requirements of this article are met.

Ord. 2013-34 - Section 23.2, effective August 16, 2013 deletes alternate members and increases membership to seven (7) board members and amends absentee policy to three (3) consecutive regularly scheduled meetings or at twenty five percent (25%) of the public meetings of the Board held within any 12-month period, the City clerk shall declare the member's office vacant and the City Commission shall promptly fill such vacancy.

Ord. No. 2012-17, effective April 27, 2012, changed qualifications to include three (3) members from the disciplines of architecture, landscape architecture, planning, real estate sales, land development, banking, law or related fields. Two (2) members shall be citizens at large. One (1) alternate member shall be a professional and one (1) alternate shall be citizen at large.

Ord. No. 2012-17, effective April 27, 2012, reduced from seven (7) voting members to five (5) voting and two (2) alternate members.

Ord. No. 2011-10, effective July 15, 2011, deleted the two alternate members and changed advisor to Com. Dev. Department or designee instead of City Planner

Ord. No. 2010-16, effective October 1, 2010, removed the criteria for members to have professional qualifications, such as attorney, professional planner, architect, landscape architect, real estate agent or broker, and land developer.

Ord. No. 2008-14, effective 7/10/08, amended attendance requirements: a member who fails to attend three consecutive regularly scheduled meetings or 20% of regularly scheduled meetings held within a 12-month period shall have his/her seat declared vacant by the City Clerk and the City Commission shall promptly fill such vacancy.

Ord. No. 2003-25, enacted 8/5/03, established attendance requirements: a member who fails to attend three consecutive regularly scheduled meetings or 25% of all meetings held within a 12-month period shall have his/her seat declared vacant by the City Clerk and the City Commission shall promptly fill such vacancy.

Ord. No. 97-8, enacted 4/22/97, enabling/merged/created Planning Board & Board of Appeals.

Ord. No. 95-27, enacted 10/3/95, requiring gift disclosure.

**Financial Disclosure Forms are required.**

**Secretary:** Sherrie Coale



## CITY RECREATION BOARD

Three -Year Terms

MEMBERS	APPOINTED	PHONE	ETHICS TRAINING	TERM EXPIRES
VACANT (Antieau's resignation) <b>(Mayor's Appointment)</b>				07/31/2021
Deborah Null 1 Eleventh Avenue North <a href="mailto:Nullset282@aol.com">Nullset282@aol.com</a> <b>(Vice Mayor's Appointment - District 4)</b>	06/06/17	C: 845-853-3397	YES	07/31/2022
Ericka Hadden Cooper 1413 South H Street <a href="mailto:copehadd@aol.com">copehadd@aol.com</a> <b>(District 1 Appointment)</b>	07.20.21	C: 561-932-8903		07/31/2022
Evan Cabrera 321 Maryland Drive <a href="mailto:Evancaabrera13@gmail.com">Evancaabrera13@gmail.com</a> <b>(District 2 Appointment)</b>	05/15/18	C: 561-777-0955	YES	07/31/2020
Tiffany Kapner 415 N. Lakeside Drive <a href="mailto:tekapner@yahoo.com">tekapner@yahoo.com</a> <b>(District 3 Appointment)</b>	12/4/18	C: 352-602-6275	YES	07/31/2022
Rachel Lorentzen 320 N. Lakeside Drive <a href="mailto:lorentzens@aol.com">lorentzens@aol.com</a> <b>(District 4 Appointment – Vice Mayor)</b>	05/21/19	C: 203-561-0709	YES	07/31/2021
Faith Watson – Vice Chair 921 N. Lakeside Dr. <a href="mailto:F2watson@gmail.com">F2watson@gmail.com</a> <b>(Mayor's Appointment)</b>	5/05/2015	C: 561-306-1398	YES	07/31/2020

### ADVISOR

Lauren Bennett, Leisure Services Director

W: 561-533-7363



The purpose of the Board is to assist in promoting community awareness and involvement in recreation programs and initiatives and to assist the City in planning for future facility and program needs. The Board shall consult with and advise the City Manager, Recreation Manager, and the City Commission in matters affecting recreation policies, programs, finances and future land or facility capital projects related to the total community recreation program and to its long-range plans.

Ord. No. 2013-24 effective March 29, 2013, the Student board member has been replaced by a resident board member, with a three-year term.

\*\* Ord. No. 2011-02 approved on Feb. 1, 2011 – effective July 31, 2012, two resident members shall serve for one-year term, two resident members for two year terms, and two resident members for three year terms; thereafter all succeeding members shall be appointed for three year terms. The student member shall serve a 1-year term.

Established by Ordinance No. 2005-36, effective 10/28/05, comprised of six resident members appointed by the City Commission and one student member appointed by the Lake Worth Teen Advisory Council.

Ord. No. 2006-26, effective 9/29/06, designated Recreation Manager as staff liaison.

Ord. No. 2003-25, enacted 8/5/03, established attendance requirements: a member who fails to attend three consecutive regularly scheduled meetings or 25% of all meetings held within a 12-month period shall have his/her seat declared vacant by the City Clerk and the City Commission shall promptly fill such vacancy.

Ord. No. 2008-14, effective 7/10/08, amended attendance requirements: a member who fails to attend three consecutive regularly scheduled meetings or 20% of regularly scheduled meetings held within a 12-month period shall have his/her seat declared vacant by the City Clerk and the City Commission shall promptly fill such vacancy.

During Recreation Advisory board meeting held on 6/17/15, members changed the meeting date from every second Wednesday of each month at 6:30 pm to every third Wednesday of each month at 6:15 pm.

Meetings: Third Wednesday of every other month at 6:15 pm as decided during the August 2018 regular board meeting; therefore, board meetings are held on February, April, June, August, October, and December of every year.

During the RAB regular meeting held in August 2018, the members voted and decided to meet every other month for any future board meeting. Meeting will now be held in October, December, February, April, June, August (February, April, June, August, October, December of every year)



**AGENDA**  
**CITY OF LAKE WORTH BEACH**  
**REGULAR CITY COMMISSION MEETING**  
**CITY HALL COMMISSION CHAMBER**  
**TUESDAY, NOVEMBER 02, 2021 - 6:00 PM**

**ROLL CALL:**

**INVOCATION OR MOMENT OF SILENCE:** led by Commissioner Kimberly Stokes

**PLEDGE OF ALLEGIANCE:** led by Vice Mayor Herman Robinson

**AGENDA - Additions / Deletions / Reordering:**

**PRESENTATIONS:** (there is no public comment on Presentation items)

**COMMISSION LIAISON REPORTS AND COMMENTS:**

**PUBLIC PARTICIPATION OF NON-AGENDAED ITEMS AND CONSENT AGENDA:**

**APPROVAL OF MINUTES:**

- A. Regular Meeting - October 5, 2021
- B. Regular Meeting - October 19, 2021

**CONSENT AGENDA:** (public comment allowed during Public Participation of Non-Agendaed items)

**PUBLIC HEARINGS:**

- A. Ordinance No. 2021-13 and Ordinance No. 2021-14 – Second Reading – amending the Future Land Use Map (FLUM) amendment (Ordinance 2021-13) and the Zoning Map (Ordinance 2021-14) on behalf of the PBC School District as follows: (1) a FLUM amendment from the Single Family Residential (SFR) FLU to the Public (P) FLU; and (2) a rezoning from the Single-Family Residential (SF-R) zoning district to the Public (P) zoning district on properties located at 1509 Barton Road, 1511 Barton Road, 1515 Barton Road, and 1421 Barton Road
- B. Ordinance No. 2021-15, amending the Procurement Code
- C. Ordinance No. 2021-16 – Second Reading – (possible Quasi-judicial) – Consideration of an application for a Residential Urban Planned Development, Major Site Plan, and Conditional Use Permit located at 825 and 827 South Federal Highway (Burckle Place III) and on a portion of 9th Avenue South right-of-way

**UNFINISHED BUSINESS:**

- A. Discussion regarding a traffic policy

**NEW BUSINESS:**

**CITY ATTORNEY'S REPORT:**

**CITY MANAGER'S REPORT:**

**UPCOMING MEETINGS AND WORK SESSIONS:**

**ADJOURNMENT:**

The City Commission has adopted Rules of Decorum for Citizen Participation (See Resolution No. 25-2021). The Rules of Decorum are posted within the City Hall Chambers, City Hall Conference Room, posted online at: <https://lakeworthbeachfl.gov/government/virtual-meetings/>, and available through the City Clerk's office. Compliance with the Rules of Decorum is expected and appreciated.

If a person decides to appeal any decision made by the board, agency or commission with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. (F.S. 286.0105)