

**CATHERINE D. ROBINSON**  
**MAYOR**

**JOHN ROGERS**  
**VICE-MAYOR**

**DR. ALVIN B. JACKSON, JR.**  
**CITY MANAGER**



*Crossroads of Flagler County*

**COMMISSIONERS:**

**ROBERT BARNES**

**TINA-MARIE SCHULTZ**

**TONYA GORDON**

## **BUNNELL CITY COMMISSION MEETING**

**Monday, November 22, 2021**

**Join Zoom Meeting <http://bunnellcity.us/meeting>**

**7:00 PM**

201 West Moody Boulevard,  
City Commission Chambers - Building 3  
Bunnell, FL 32110

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### **A. Call Meeting to Order and Pledge Allegiance to the Flag**

**A.1.** To Join the Zoom Meeting

**Roll Call**

**Invocation for our Military Troops and National Leaders**

### **B. Introductions, Commendations, Proclamations, and Presentations:**

**B.1.** Presentation: Available Services at SMA Healthcare Inc. by Alicia Vincent

### **C. Consent Agenda:**

**C.1. Approval of Warrant**

a. November 22, 2021 Warrant

**C.2. Approval of Minutes**

a. November 8, 2021 City Commission Meeting Minutes

**C.3.** Request to Approve a Maintenance Agreement for the Public Works Building newly repaired roof located at 300 Tolman Street.

### **D. Public Comments:**

Comments regarding items not on the Agenda. Citizens are encouraged to speak; however, comments are limited to four (4) minutes.

### **E. Ordinances: (Legislative): None**

**E.1.** Ordinance 2021-30 Request to change the official zoning map for 10± acres of land, owned by Gator-Parks LLC, Bearing the Parcel ID's:21-13-31-0650-000B0-0110 from Flagler County, R-1, Rural Residential to City of Bunnell, AG-

Agricultural. - Second Reading

- E.2.** Ordinance 2021-35 Requesting to change the Future Land Use Map for a 7.17± acre property owned by the Flagler County Board of County Commissioners from "Commercial-Medium Intensity" to "Public". - Second Reading
- E.3.** Ordinance 2021-36 Requesting to change the official zoning map for a 7.17± acre property owned by the Flagler County Board of County Commissioners from the "B-1, Business" district to the "P, Public" district. - Second Reading
- E.4.** Ordinance 2021-37 Requesting to change the Future Land Use Map in the Comprehensive Plan for 2.8± acres of land owned by Kimberly & Conrad Leggett, bearing the Parcel ID: 21-13-31-0650-000A0-0930 from Flagler County, Residential- Low Density/Rural Estate to City of Bunnell Agriculture. - Second Reading
- E.5.** Ordinance 2021-38 Requesting to change the official zoning map for 2.8± acres of land owned by Kimberly & Conrad Leggett, bearing Parcel ID: 21-13-31-0650-000a0-0930, from the Flagler County "MH-1, Rural Mobile Home" district to the City of Bunnell "AG, Agricultural District." - Second Reading

**F. Resolutions: (Legislative):**

- F.1.** Resolution 2021-18 Authorizing Submittal of the State Revolving Fund Loan Application for the Construction of the Wastewater Treatment Plant Rehab Project

**G. Old Business: None**

**H. New Business: None**

**I. Reports:**

- **City Clerk**
- **City Attorney**
- **City Manager**

City Manager Report- October 2021

- **Mayor and City Commissioners**

**J. Call for Adjournment.**

**This agenda is subject to change without notice. Please see posted copy at City Hall, and our website [www.BunnellCity.us](http://www.BunnellCity.us).**

**NOTICE:** If any person decides to appeal any decision made by the City Commission or any of its boards, with respect to any matter considered at any meeting of such boards or commission, he or she will need a record of the proceedings, and for this 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 based, 286.0105 Florida Statutes.

**Any person requiring a special accommodation at this meeting because of a disability or physical impairment should contact the City Clerk at (386) 437-7500 at least 48 hours prior to the meeting date.**

**THE CITY OF BUNNELL IS AN EQUAL OPPORTUNITY SERVICE PROVIDER.**

***Posted by City Clerk's office on November 16, 2021***



## City of Bunnell, Florida

### Agenda Item No. A.1.

Document Date: 10/20/2021 Amount:  
Department: City Clerk Account #:  
Subject: To Join the Zoom Meeting  
Agenda Section: Call Meeting to Order and Pledge Allegiance to the Flag

#### Summary/Highlights:

The City is committed to providing opportunities for all citizens to participate in their local government. Therefore, the City is continuing to offer Zoom as a means to participate in City public meetings.

*Any person requiring a special accommodation at this meeting because of a disability or physical impairment should contact the City Clerk at (386) 437-7500 x 5 at least 2 business days prior to the meeting date.*

#### Background:

Join Zoom Meeting <http://bunnellcity.us/meeting>  
Meeting ID: 944 464 2817

Or from the Zoom Mobile App  
<https://us02web.zoom.us/j/9444642817>

Or dial by phone for AUDIO ONLY:  
+1 253 215 8782 US  
+1 301 715 8592 US  
Meeting ID: 944 464 2817

Prior to the start of the meeting please make sure you have silenced/muted **all** cell phones or noise-making devices, such as tvs, radios other media devices, faucets, etc., as they can be heard through the meeting audio.

Those in the audience/public have the opportunity to speak during "D. Public Comments," for items not on the agenda, or when the Mayor opens each agenda item to Public Comments.

To participate during Public Comments, those participating virtually, shall:

1. Click the "Raise Hand" button on the bottom of the Zoom Meeting Screen and wait to be recognized by the Mayor.

2. If participating by telephone (AUDIO) only, unmute your line by pressing \*6, request to speak by saying "Madame Mayor" then wait to be recognized by the Mayor to continue.

Each person recognized to speak by the Mayor shall speak clearly and state their name and their address into the record before proceeding with their comments.

Public Comments are limited to 4 minutes. When 4 minutes is over "TIME" will be announced.

Written comments regarding items that appear on the agenda can be submitted to the City Clerk's office either by dropping written comments into the payment box located at the Administration Complex, by mail at PO Box 756, Bunnell, FL 32110, by fax at 386-437-8253 or by e-mail at [info@bunnellcity.us](mailto:info@bunnellcity.us) by **12:00 PM (noon) Friday, November 19, 2021**. Comments will be read into the record or provided to all Commissioners prior to the start of the meeting.

Draft Minutes of this meeting will be available subsequent to the meeting.

*The public is advised to check the City website for up-to-date information on any changes to the manner in which the meeting will be held and the location.*

**Staff Recommendation:**

**City Attorney Review:**

**Finance Department Review/Recommendation:**

**City Manager Review/Recommendation:**



**City of Bunnell, Florida**



## City of Bunnell, Florida

### ATTACHMENTS:

Description  
Warrant 11/22/2021

Type  
Warrant



City of Bunnell, FL

# Expense Approval Register

Packet: APPKT07420 - 11.22.2021 Warrant

(None)	Post Date	Vendor Name	Description (Item)	Account Number	Amount
<b>Vendor: Advance Stores Company, Incorporated</b>					
	11/01/2021	Advance Stores Company, In	Battery/Environmental Fee	001-0541-541.4640	104.67
	11/02/2021	Advance Stores Company, In	Battery/Maintainer Chrg/Env	001-0541-541.4640	137.49
<b>Vendor Advance Stores Company, Incorporated Total:</b>					<b>242.16</b>
<b>Vendor: Advanced Environmental Laboratories, Inc.</b>					
	10/18/2021	Advanced Environmental Lab	Water Testing October 2021	404-0535-535.3400	300.90
	10/31/2021	Advanced Environmental Lab	Water Testing October 2021	404-0535-535.3400	3,196.80
<b>Vendor Advanced Environmental Laboratories, Inc. Total:</b>					<b>3,497.70</b>
<b>Vendor: AG-PRO, LLC</b>					
	11/05/2021	AG-PRO, LLC	Clamp	001-0541-541.4640	36.08
<b>Vendor AG-PRO, LLC Total:</b>					<b>36.08</b>
<b>Vendor: AKA Underground Inc</b>					
	11/08/2021	AKA Underground Inc	2 Bores	401-0533-533.3401	900.00
<b>Vendor AKA Underground Inc Total:</b>					<b>900.00</b>
<b>Vendor: Benjamin A. Hill, Inc.</b>					
	11/04/2021	Benjamin A. Hill, Inc.	12 Mo Unlimited-Use Sub Di	001-0538-538.3400	120.00
	11/04/2021	Benjamin A. Hill, Inc.	12 Mo Unlimited-Use Sub Di	001-0541-541.3400	120.00
	11/04/2021	Benjamin A. Hill, Inc.	12 Mo Unlimited-Use Sub Di	401-0533-533.3401	120.00
	11/04/2021	Benjamin A. Hill, Inc.	12 Mo Unlimited-Use Sub Di	404-0535-535.3400	120.00
<b>Vendor Benjamin A. Hill, Inc. Total:</b>					<b>480.00</b>
<b>Vendor: Bunnell Auto Supply, Inc.</b>					
	10/26/2021	Bunnell Auto Supply, Inc.	Ignition Lock Cylinder	001-0541-541.4640	69.99
	11/02/2021	Bunnell Auto Supply, Inc.	Absorbent/Red-Tacky/Rubbe	001-0549-549.5200	172.85
<b>Vendor Bunnell Auto Supply, Inc. Total:</b>					<b>242.84</b>
<b>Vendor: Central Hydraulics, Inc.</b>					
	11/05/2021	Central Hydraulics, Inc.	MJIC45 X MORB/FJIC X MJIC	402-0534-534.4620	28.43
<b>Vendor Central Hydraulics, Inc. Total:</b>					<b>28.43</b>
<b>Vendor: Charter Communications Holdings LLC</b>					
	10/27/2021	Charter Communications Hol	200 Tolman St 10/26-11/25/	404-0535-535.4100	109.26
	10/30/2021	Charter Communications Hol	100 Utility Dr November 202	401-0533-533.4100	114.26
	11/02/2021	Charter Communications Hol	200 S Church St November 2	001-0572-572.4100	118.98
<b>Vendor Charter Communications Holdings LLC Total:</b>					<b>342.50</b>
<b>Vendor: Charter Communications</b>					
	11/01/2021	Charter Communications	201 W Moody Blvd Novemb	001-0511-511.4100	88.83
	11/01/2021	Charter Communications	201 W Moody Blvd Novemb	001-0512-512.4100	268.81
	11/01/2021	Charter Communications	201 W Moody Blvd Novemb	001-0513-513.4100	339.27
	11/01/2021	Charter Communications	201 W Moody Blvd Novemb	001-0516-516.4100	41.55
	11/01/2021	Charter Communications	201 W Moody Blvd Novemb	001-0521-521.4100	338.12
	11/01/2021	Charter Communications	201 W Moody Blvd Novemb	001-0524-524.4100	207.74
	11/01/2021	Charter Communications	201 W Moody Blvd Novemb	001-0541-541.4100	41.55
	11/01/2021	Charter Communications	201 W Moody Blvd Novemb	401-0533-533.4100	41.55
	11/01/2021	Charter Communications	201 W Moody Blvd Novemb	404-0535-535.4100	41.56
<b>Vendor Charter Communications Total:</b>					<b>1,408.98</b>
<b>Vendor: Compressed Air Systems Inc.</b>					
	09/30/2021	Compressed Air Systems Inc.	Thermal Valve Repair WTP Ai	401-0533-533.4640	1,093.69
<b>Vendor Compressed Air Systems Inc. Total:</b>					<b>1,093.69</b>
<b>Vendor: Critter Caravan Inc</b>					
	11/02/2021	Critter Caravan Inc	Petting Zoo Balance (Christm	001-0511-511.4900	297.50
<b>Vendor Critter Caravan Inc Total:</b>					<b>297.50</b>
<b>Vendor: DG Hardware, Inc.</b>					
	11/04/2021	DG Hardware, Inc.	Ultra CVR GlS Blk Qt/Brush A	001-0541-541.5200	29.34



## Expense Approval Register

Packet: APPKT07420 - 11.22.2021 Warrant

(None)	Post Date	Vendor Name	Description (Item)	Account Number	Amount
	11/04/2021	DG Hardware, Inc.	(3) Long Handle Square Point	001-0541-541.5265	68.82
	11/09/2021	DG Hardware, Inc.	Swiffer Pads	001-0572-572.5200	50.95
	11/09/2021	DG Hardware, Inc.	Letter Stencil Genie 4"	001-0541-541.5200	11.86
			<b>Vendor DG Hardware, Inc. Total:</b>		<b>160.97</b>
<b>Vendor: Environmental Land Services of Flagler County, Inc</b>					
	10/08/2021	Environmental Land Services	Solid Waste Dumping 10/1/2	402-0534-534.3400	3,744.05
	11/12/2021	Environmental Land Services	Solid Waste Dumping 11/5/2	402-0534-534.3400	4,043.65
	11/05/2021	Environmental Land Services	Solid Waste Dumping 10/29-	402-0534-534.3400	4,017.76
			<b>Vendor Environmental Land Services of Flagler County, Inc Total:</b>		<b>11,805.46</b>
<b>Vendor: Flagler Trailers LLC</b>					
	10/26/2021	Flagler Trailers LLC	Backing Plates/5 Lug Brake D	001-0541-541.4640	875.92
			<b>Vendor Flagler Trailers LLC Total:</b>		<b>875.92</b>
<b>Vendor: Florida Bullet, Inc.</b>					
	11/01/2021	Florida Bullet, Inc.	Speer Bonded Duty, 223 Re	001-0521-521.5200	627.80
			<b>Vendor Florida Bullet, Inc. Total:</b>		<b>627.80</b>
<b>Vendor: Gannett Media Corp</b>					
	11/12/2021	Gannett Media Corp	October 2021 Invoice	001-0512-512.4800	1,215.24
	11/12/2021	Gannett Media Corp	October 2021 Invoice	001-0524-524.4800	692.40
			<b>Vendor Gannett Media Corp Total:</b>		<b>1,907.64</b>
<b>Vendor: GT Distributors</b>					
	11/04/2021	GT Distributors	(12) Sparc AR Red Dot Rifle S	001-0521-521.5200	1,904.72
			<b>Vendor GT Distributors Total:</b>		<b>1,904.72</b>
<b>Vendor: Hawkins Inc</b>					
	10/29/2021	Hawkins Inc	WWTP Chemicals	404-0535-535.5200	731.00
	11/05/2021	Hawkins Inc	WWTP Chemicals	404-0535-535.5200	504.00
			<b>Vendor Hawkins Inc Total:</b>		<b>1,235.00</b>
<b>Vendor: HD Supply Facilities Maintenance Ltd</b>					
	10/29/2021	HD Supply Facilities Mainten	ProCal Calibration Kit	404-0535-535.5200	274.62
	11/09/2021	HD Supply Facilities Mainten	(OR) Hach Free Ammonia Re	401-0533-533.5205	119.78
	11/09/2021	HD Supply Facilities Mainten	Hach DPD 4 (Total) for 25mL	401-0533-533.5205	242.00
	11/09/2021	HD Supply Facilities Mainten	(OR) Hach Monochlor F Pow	401-0533-533.5205	466.14
	11/09/2021	HD Supply Facilities Mainten	(OR) Sulfuric Acid Standard 1	401-0533-533.5205	26.75
	11/09/2021	HD Supply Facilities Mainten	Cuvettes, HF M100+ & Micro	401-0533-533.5205	85.40
	11/09/2021	HD Supply Facilities Mainten	Fill Solution for Free Chlorine	401-0533-533.5205	110.00
	11/09/2021	HD Supply Facilities Mainten	15" boot sz12	401-0533-533.5205	17.55
	11/09/2021	HD Supply Facilities Mainten	Freight	401-0533-533.5205	98.96
	11/09/2021	HD Supply Facilities Mainten	Replacement Atomizer for A	401-0533-533.5205	58.10
	11/09/2021	HD Supply Facilities Mainten	(OR) 30-day CLX Total Chlorin	401-0533-533.5205	536.20
			<b>Vendor HD Supply Facilities Maintenance Ltd Total:</b>		<b>2,035.50</b>
<b>Vendor: Jamson Labs/Power Kleen</b>					
	10/15/2021	Jamson Labs/Power Kleen	4 Cases Power Kleen	402-0534-534.5200	294.65
			<b>Vendor Jamson Labs/Power Kleen Total:</b>		<b>294.65</b>
<b>Vendor: Joreb Inc</b>					
	09/02/2021	Joreb Inc	Support & Bearing Cross Sha	001-0572-572.4640	61.84
			<b>Vendor Joreb Inc Total:</b>		<b>61.84</b>
<b>Vendor: Kerri A Uebel</b>					
	10/29/2021	Kerri A Uebel	Narrow V Belt/Deflector	401-0533-533.4640	151.35
			<b>Vendor Kerri A Uebel Total:</b>		<b>151.35</b>
<b>Vendor: Knight Jon Boy Inc</b>					
	10/29/2021	Knight Jon Boy Inc	Port-a-Potties (2 Large Set-U	001-0511-511.4900	540.00
			<b>Vendor Knight Jon Boy Inc Total:</b>		<b>540.00</b>
<b>Vendor: LaTour Enterprizes Inc.</b>					
	09/29/2021	LaTour Enterprizes Inc.	Tech Troubleshoot & Bypass	404-0535-535.4640	100.00
			<b>Vendor LaTour Enterprizes Inc. Total:</b>		<b>100.00</b>

## Expense Approval Register

Packet: APPKT07420 - 11.22.2021 Warrant

(None)	Post Date	Vendor Name	Description (Item)	Account Number	Amount
<b>Vendor: Liberty National Life Insurance</b>					
	10/15/2021	Liberty National Life Insuranc	Liberty - November 2021	001-2185000	775.09
			<b>Vendor Liberty National Life Insurance</b>	<b>Total:</b>	<b>775.09</b>
<b>Vendor: Lynch Oil Company</b>					
	10/26/2021	Lynch Oil Company	Tank 2	001-0541-541.5215	-68.67
	10/26/2021	Lynch Oil Company	Tank 2	401-0533-533.5210	-105.97
	10/26/2021	Lynch Oil Company	Tank 2	404-0535-535.5210	639.45
	11/09/2021	Lynch Oil Company	Tank 2	001-0541-541.5215	310.18
	11/09/2021	Lynch Oil Company	Tank 2	401-0533-533.5210	292.05
			<b>Vendor Lynch Oil Company Total:</b>		<b>1,067.04</b>
<b>Vendor: Michael Leo Dove</b>					
	11/10/2021	Michael Leo Dove	Building Inspections 10/20/2	001-0524-524.3401	2,005.00
			<b>Vendor Michael Leo Dove Total:</b>		<b>2,005.00</b>
<b>Vendor: Municipal Code Corporation</b>					
	11/04/2021	Municipal Code Corporation	Admin Support Fee 11/1/21-	001-0512-512.3400	250.00
			<b>Vendor Municipal Code Corporation Total:</b>		<b>250.00</b>
<b>Vendor: New Directions</b>					
	11/01/2021	New Directions	Quarterly 11/21-01/22	001-0511-511.2300	32.44
	11/01/2021	New Directions	Quarterly 11/21-01/22	001-0512-512.3400	19.46
	11/01/2021	New Directions	Quarterly 11/21-01/22	001-0513-513.2300	34.39
	11/01/2021	New Directions	Quarterly 11/21-01/22	001-0516-516.2300	3.57
	11/01/2021	New Directions	Quarterly 11/21-01/22	001-0521-521.2300	97.32
	11/01/2021	New Directions	Quarterly 11/21-01/22	001-0524-524.2300	25.95
	11/01/2021	New Directions	Quarterly 11/21-01/22	001-0541-541.2300	35.04
	11/01/2021	New Directions	Quarterly 11/21-01/22	001-0549-549.2300	6.49
	11/01/2021	New Directions	Quarterly 11/21-01/22	001-0572-572.2300	25.95
	11/01/2021	New Directions	Quarterly 11/21-01/22	401-0533-533.2300	54.18
	11/01/2021	New Directions	Quarterly 11/21-01/22	402-0534-534.2300	26.28
	11/01/2021	New Directions	Quarterly 11/21-01/22	404-0535-535.2300	54.18
			<b>Vendor New Directions Total:</b>		<b>415.25</b>
<b>Vendor: NextEra Energy Inc</b>					
	10/29/2021	NextEra Energy Inc	02735-15254 October 2021	001-0519-519.4300	41.20
	10/29/2021	NextEra Energy Inc	06115-08987 October 2021	404-0535-535.4300	23.41
	10/29/2021	NextEra Energy Inc	08456-32520 October 2021	001-0519-519.4300	44.37
	10/29/2021	NextEra Energy Inc	16455-03937 October 2021	001-0541-541.4300	380.11
	10/29/2021	NextEra Energy Inc	16525-04919 October 2021	404-0535-535.4300	5,031.69
	10/29/2021	NextEra Energy Inc	27516-03917 October 2021	404-0535-535.4300	67.09
	10/29/2021	NextEra Energy Inc	47802-16398 October 2021	001-0519-519.4300	1,035.67
	10/29/2021	NextEra Energy Inc	50935-93118 October 2021	001-0519-519.4300	17.11
	10/29/2021	NextEra Energy Inc	51926-14112 October 2021	001-0519-519.4300	64.70
	10/29/2021	NextEra Energy Inc	56661-53118 October 2021	001-0519-519.4300	153.11
	11/01/2021	NextEra Energy Inc	37390-07957 October 2021	001-0541-541.4300	3,450.70
	11/01/2021	NextEra Energy Inc	37400-05982 October 2021	001-0541-541.4300	164.58
	11/01/2021	NextEra Energy Inc	47533-10046 October 2021	404-0535-535.4300	58.69
	11/03/2021	NextEra Energy Inc	09445-94365 October 2021	404-0535-535.4300	14.65
	11/03/2021	NextEra Energy Inc	23515-07823 October 2021	401-0533-533.4300	13.09
	11/04/2021	NextEra Energy Inc	01235-95431 October 2021	001-0521-521.4300	10.38
	11/04/2021	NextEra Energy Inc	01408-42220 October 2021	404-0535-535.4300	61.69
	11/04/2021	NextEra Energy Inc	05365-06116 October 2021	404-0535-535.4300	18.15
	11/04/2021	NextEra Energy Inc	08857-07703 October 2021	401-0533-533.4300	3,927.88
	11/04/2021	NextEra Energy Inc	14322-90094 October 2021	001-0572-572.4300	1,046.45
	11/04/2021	NextEra Energy Inc	19639-02331 October 2021	001-0521-521.4300	10.38
	11/04/2021	NextEra Energy Inc	24515-76322 October 2021	001-0572-572.4300	21.06
	11/04/2021	NextEra Energy Inc	25840-57588 October 2021	001-0541-541.4300	11.86
	11/04/2021	NextEra Energy Inc	26391-00821 October 2021	404-0535-535.4300	18.99
	11/04/2021	NextEra Energy Inc	28635-95142 October 2021	001-0572-572.4300	126.40
	11/04/2021	NextEra Energy Inc	29732-82177 October 2021	001-0521-521.4300	10.38
	11/04/2021	NextEra Energy Inc	34080-03816 October 2021	404-0535-535.4300	72.23
	11/04/2021	NextEra Energy Inc	38244-16469 October 2021	404-0535-535.4300	137.24

## Expense Approval Register

Packet: APPKT07420 - 11.22.2021 Warrant

(None)	Post Date	Vendor Name	Description (Item)	Account Number	Amount
	11/04/2021	NextEra Energy Inc	39472-13538 October 2021	404-0535-535.4300	11.65
	11/04/2021	NextEra Energy Inc	48483-68421 October 2021	001-0519-519.4300	164.25
	11/04/2021	NextEra Energy Inc	56811-06810 October 2021	001-0541-541.4300	158.80
	11/04/2021	NextEra Energy Inc	56821-04848 October 2021	001-0541-541.4300	23.58
	11/04/2021	NextEra Energy Inc	56831-02874 October 2021	001-0541-541.4300	70.73
	11/04/2021	NextEra Energy Inc	59268-64496 October 2021	401-0533-533.4300	82.43
	11/04/2021	NextEra Energy Inc	60520-97182 October 2021	001-0521-521.4300	10.38
	11/04/2021	NextEra Energy Inc	66101-01831 October 2021	001-0572-572.4300	187.34
	11/04/2021	NextEra Energy Inc	66311-06884 October 2021	001-0541-541.4300	35.89
	11/04/2021	NextEra Energy Inc	67468-67586 October 2021	001-0541-541.4300	11.65
	11/04/2021	NextEra Energy Inc	68117-21478 October 2021	001-0521-521.4300	10.38
	11/04/2021	NextEra Energy Inc	76171-09884 October 2021	404-0535-535.4300	53.45
	11/04/2021	NextEra Energy Inc	79034-46115 October 2021	001-0521-521.4300	10.38
	11/04/2021	NextEra Energy Inc	82864-01883 October 2021	404-0535-535.4300	28.88
	11/04/2021	NextEra Energy Inc	93326-99348 October 2021	001-0521-521.4300	10.38
	11/04/2021	NextEra Energy Inc	95527-02467 October 2021	404-0535-535.4300	53.13
	11/04/2021	NextEra Energy Inc	99040-97517 October 2021	001-0519-519.4300	70.68
		<b>Vendor NextEra Energy Inc</b>		<b>Total:</b>	<b>17,027.24</b>
<b>Vendor: Nicholson A/C &amp; Heating, Inc.</b>					
	11/01/2021	Nicholson A/C & Heating, Inc	Ice Machine Lease Novembe	001-0541-541.4400	130.00
		<b>Vendor Nicholson A/C &amp; Heating, Inc.</b>		<b>Total:</b>	<b>130.00</b>
<b>Vendor: ODYSSEY MANUFACTURING COMPANY</b>					
	10/27/2021	ODYSSEY MANUFACTURING	Sodium Chloride	401-0533-533.5205	3,795.44
		<b>Vendor ODYSSEY MANUFACTURING COMPANY</b>		<b>Total:</b>	<b>3,795.44</b>
<b>Vendor: Palatka Truck Center LLC</b>					
	11/02/2021	Palatka Truck Center LLC	Steering Box (Core Credit)	402-0534-534.4620	-600.00
	11/02/2021	Palatka Truck Center LLC	Steering Box	402-0534-534.4620	950.99
		<b>Vendor Palatka Truck Center LLC</b>		<b>Total:</b>	<b>350.99</b>
<b>Vendor: Praetorian Group Inc</b>					
	11/01/2021	Praetorian Group Inc	PoliceOne Academy Annual	001-0521-521.5500	869.20
		<b>Vendor Praetorian Group Inc</b>		<b>Total:</b>	<b>869.20</b>
<b>Vendor: Public Risk Insurance Advisors</b>					
	10/03/2021	Public Risk Insurance Advisor	Policy #PK FL1 0182002 21-1	001-1551000	133,692.00
		<b>Vendor Public Risk Insurance Advisors</b>		<b>Total:</b>	<b>133,692.00</b>
<b>Vendor: Ring Investments LLC</b>					
	11/15/2021	Ring Investments LLC	Boom Mower (B296040) An	001-0541-541.4400	39,822.93
		<b>Vendor Ring Investments LLC</b>		<b>Total:</b>	<b>39,822.93</b>
<b>Vendor: Staples Inc</b>					
	10/28/2021	Staples Inc	DX42108-01 Overage Chrg 9/	001-0512-512.3400	107.41
	10/28/2021	Staples Inc	DX42108-01 Overage Chrg 9/	001-0513-513.3400	58.64
	10/28/2021	Staples Inc	DX42108-01 Overage Chrg 9/	001-0521-521.3400	120.69
	10/28/2021	Staples Inc	DX42108-01 Overage Chrg 9/	001-0524-524.3400	138.12
		<b>Vendor Staples Inc</b>		<b>Total:</b>	<b>424.86</b>
<b>Vendor: Staples, Inc</b>					
	11/01/2021	Staples, Inc	APPROVED Pre Inked Stamp	001-0524-524.5100	11.19
	11/01/2021	Staples, Inc	Storage Boxes/Legal Files Fol	001-0524-524.5100	95.18
	11/13/2021	Staples, Inc	Storag Boxes/Tape/Laminati	001-0524-524.5100	50.47
	11/13/2021	Staples, Inc	Map Boxes	001-0524-524.5100	19.49
		<b>Vendor Staples, Inc</b>		<b>Total:</b>	<b>176.33</b>
<b>Vendor: Sunshine State One Call of Florida, Inc</b>					
	10/31/2021	Sunshine State One Call of FI	Monthly Assessment Billing	401-0533-533.3401	42.27
	10/31/2021	Sunshine State One Call of FI	Monthly Assessment Billing	404-0535-535.3400	42.27
		<b>Vendor Sunshine State One Call of Florida, Inc</b>		<b>Total:</b>	<b>84.54</b>
<b>Vendor: Tara A. Fisher</b>					
	11/09/2021	Tara A. Fisher	Emergency Call Out 604 E M	001-0519-519.4610	80.00
		<b>Vendor Tara A. Fisher</b>		<b>Total:</b>	<b>80.00</b>

## Expense Approval Register

Packet: APPKT07420 - 11.22.2021 Warrant

(None)	Post Date	Vendor Name	Description (Item)	Account Number	Amount
<b>Vendor: The Gaboton Group, LLC</b>					
	11/02/2021	The Gaboton Group, LLC	Retainer - November 2021	001-0511-511.3100	2,000.00
				<b>Vendor The Gaboton Group, LLC Total:</b>	<b>2,000.00</b>
<b>Vendor: The Mower Depot, Inc.</b>					
	11/03/2021	The Mower Depot, Inc.	Ex-Mark Mower	001-0541-541.6400	9,119.00
				<b>Vendor The Mower Depot, Inc. Total:</b>	<b>9,119.00</b>
<b>Vendor: The Pitney Bowes Bank Inc</b>					
	11/04/2021	The Pitney Bowes Bank Inc	Sep/Oct 2021 Refills	001-0512-512.4200	8.42
	11/04/2021	The Pitney Bowes Bank Inc	Sep/Oct 2021 Refills	001-0513-513.4200	48.13
	11/04/2021	The Pitney Bowes Bank Inc	Sep/Oct 2021 Refills	001-0513-513.4900	4.05
	11/04/2021	The Pitney Bowes Bank Inc	Sep/Oct 2021 Refills	001-0521-521.4200	86.86
	11/04/2021	The Pitney Bowes Bank Inc	Sep/Oct 2021 Refills	001-0524-524.4200	33.71
	11/04/2021	The Pitney Bowes Bank Inc	Sep/Oct 2021 Refills	401-0533-533.4200	144.04
	11/04/2021	The Pitney Bowes Bank Inc	Sep/Oct 2021 Refills	402-0534-534.4200	153.70
	11/04/2021	The Pitney Bowes Bank Inc	Sep/Oct 2021 Refills	404-0535-535.4200	144.04
				<b>Vendor The Pitney Bowes Bank Inc Total:</b>	<b>622.95</b>
<b>Vendor: Trailco Group, Inc</b>					
	11/15/2021	Trailco Group, Inc	Ste 6 December 2021 Rent/T	001-0519-519.4400	840.00
	11/15/2021	Trailco Group, Inc	Ste 4 December 2021 Rent/T	001-0519-519.4400	840.00
				<b>Vendor Trailco Group, Inc Total:</b>	<b>1,680.00</b>
<b>Vendor: Tyler Technologies</b>					
	08/18/2021	Tyler Technologies	Upgrade Comm Dev. Softwar	001-0524-524.5230	2,080.01
				<b>Vendor Tyler Technologies</b>	<b>Total: 2,080.01</b>
<b>Vendor: UniFirst Corporation</b>					
	11/10/2021	UniFirst Corporation	Uniform Rental	001-0541-541.5220	27.63
	11/10/2021	UniFirst Corporation	Uniform Rental	001-0549-549.5220	11.15
	11/10/2021	UniFirst Corporation	Uniform Rental	001-0572-572.5200	16.08
	11/10/2021	UniFirst Corporation	Uniform Rental	001-0572-572.5220	22.25
	11/10/2021	UniFirst Corporation	Uniform Rental	401-0533-533.5220	23.04
	11/10/2021	UniFirst Corporation	Uniform Rental	402-0534-534.5220	17.11
	11/10/2021	UniFirst Corporation	Uniform Rental	404-0535-535.5220	10.54
	11/03/2021	UniFirst Corporation	Uniform Rentals/Mops & Ma	001-0541-541.5220	27.63
	11/03/2021	UniFirst Corporation	Uniform Rentals/Mops & Ma	001-0549-549.5220	11.15
	11/03/2021	UniFirst Corporation	Uniform Rentals/Mops & Ma	001-0572-572.5200	16.08
	11/03/2021	UniFirst Corporation	Uniform Rentals/Mops & Ma	001-0572-572.5220	22.25
	11/03/2021	UniFirst Corporation	Uniform Rentals/Mops & Ma	401-0533-533.5220	23.04
	11/03/2021	UniFirst Corporation	Uniform Rentals/Mops & Ma	402-0534-534.5220	17.11
	11/03/2021	UniFirst Corporation	Uniform Rentals/Mops & Ma	404-0535-535.5220	10.54
	11/08/2021	UniFirst Corporation	Uniform Rental	404-0535-535.5220	16.99
	09/01/2021	UniFirst Corporation	Uniform Rental/Mats & Mop	001-0541-541.5220	27.67
	09/01/2021	UniFirst Corporation	Uniform Rental/Mats & Mop	001-0549-549.5220	39.76
	09/01/2021	UniFirst Corporation	Uniform Rental/Mats & Mop	001-0572-572.5200	16.08
	09/01/2021	UniFirst Corporation	Uniform Rental/Mats & Mop	001-0572-572.5220	22.27
	09/01/2021	UniFirst Corporation	Uniform Rental/Mats & Mop	401-0533-533.5220	12.85
	09/01/2021	UniFirst Corporation	Uniform Rental/Mats & Mop	402-0534-534.5220	17.13
	09/01/2021	UniFirst Corporation	Uniform Rental/Mats & Mop	404-0535-535.5220	15.66
	09/15/2021	UniFirst Corporation	Uniform Rentals	001-0541-541.5220	27.37
	09/15/2021	UniFirst Corporation	Uniform Rentals	001-0549-549.5220	15.13
	09/15/2021	UniFirst Corporation	Uniform Rentals	001-0572-572.5200	16.08
	09/15/2021	UniFirst Corporation	Uniform Rentals	001-0572-572.5220	22.30
	09/15/2021	UniFirst Corporation	Uniform Rentals	401-0533-533.5220	12.85
	09/15/2021	UniFirst Corporation	Uniform Rentals	402-0534-534.5220	17.13
	09/15/2021	UniFirst Corporation	Uniform Rentals	404-0535-535.5220	15.66
				<b>Vendor UniFirst Corporation Total:</b>	<b>550.53</b>
<b>Vendor: United Rentals (North America), Inc.</b>					
	11/01/2021	United Rentals (North Ameri	Light Tower/Envir Chrg (Hallo	001-0511-511.4900	314.16
	11/01/2021	United Rentals (North Ameri	Light Tower/Envir Chrg (Hallo	001-0511-511.4900	314.16

## Expense Approval Register

Packet: APPKT07420 - 11.22.2021 Warrant

(None)	Post Date	Vendor Name	Description (Item)	Account Number	Amount
	11/01/2021	United Rentals (North Ameri	Light Tower/Envir Chrg (Hallo	001-0511-511.4900	314.16
			<b>Vendor United Rentals (North America), Inc. Total:</b>		<b>942.48</b>
<b>Vendor: Verizon Connect Telo Inc.</b>					
	11/01/2021	Verizon Connect Telo Inc.	Gov't Fleet/Video Camera Su	001-0541-541.4100	76.40
	11/01/2021	Verizon Connect Telo Inc.	Gov't Fleet/Video Camera Su	001-0572-572.4100	57.30
	11/01/2021	Verizon Connect Telo Inc.	Gov't Fleet/Video Camera Su	401-0533-533.4100	76.40
	11/01/2021	Verizon Connect Telo Inc.	Gov't Fleet/Video Camera Su	401-0535-535.4100	76.40
	11/01/2021	Verizon Connect Telo Inc.	Gov't Fleet/Video Camera Su	402-0534-534.4100	152.40
			<b>Vendor Verizon Connect Telo Inc. Total:</b>		<b>438.90</b>
<b>Vendor: Vincent Raulerson</b>					
	11/05/2021	Vincent Raulerson	DJ Services (Christmas in Bun	001-0511-511.4900	350.00
			<b>Vendor Vincent Raulerson Total:</b>		<b>350.00</b>
<b>Vendor: Volusia/Flagler Association of Code Enforcement</b>					
	10/01/2021	Volusia/Flagler Association o	Membership Dues - Gary Har	001-0524-524.5500	20.00
			<b>Vendor Volusia/Flagler Association of Code Enforcement Total:</b>		<b>20.00</b>
			<b>Grand Total:</b>		<b>249,040.51</b>

**Fund Summary**

<b>Fund</b>	<b>Expense Amount</b>
001 - GENERAL FUND	211,529.99
401 - WATER	12,651.72
402 - SOLID WASTE	12,880.39
404 - SEWER	11,978.41
<b>Grand Total:</b>	<b>249,040.51</b>

**Account Summary**

<b>Account Number</b>	<b>Account Name</b>	<b>Expense Amount</b>
001-0511-511.2300	Medical/Dental/Life Exp.	32.44
001-0511-511.3100	Professional Services Ex	2,000.00
001-0511-511.4100	Communications Expens	88.83
001-0511-511.4900	Other Current Chgs & O	2,129.98
001-0512-512.3400	Other Contracted Servic	376.87
001-0512-512.4100	Communications Expens	268.81
001-0512-512.4200	Postage	8.42
001-0512-512.4800	Advertising	1,215.24
001-0513-513.2300	Medical / Life Ins Exp - E	34.39
001-0513-513.3400	Other Contract Services	58.64
001-0513-513.4100	Communications Expens	339.27
001-0513-513.4200	Postage	48.13
001-0513-513.4900	Other Current Chgs - Ad	4.05
001-0516-516.2300	Medical/Life Ins Exp	3.57
001-0516-516.4100	Communications Expens	41.55
001-0519-519.4300	Utilities	1,591.09
001-0519-519.4400	Rental/Lease	1,680.00
001-0519-519.4610	Repairs & Maint. - Buildi	80.00
001-0521-521.2300	Medical / Life Ins Exp - E	97.32
001-0521-521.3400	Other Contract Services	120.69
001-0521-521.4100	Communications Expens	338.12
001-0521-521.4200	Postage	86.86
001-0521-521.4300	Utility - Public Services	72.66
001-0521-521.5200	Operating Supplies	2,532.52
001-0521-521.5500	Training	869.20
001-0524-524.2300	Medical / Life Ins Exp - E	25.95
001-0524-524.3400	Other Contract Services	138.12
001-0524-524.3401	Bldg / Fire Inspection Ex	2,005.00
001-0524-524.4100	Communications Expens	207.74
001-0524-524.4200	Postage	33.71
001-0524-524.4800	Advertising / Promo Exp	692.40
001-0524-524.5100	Office Supplies Expenses	176.33
001-0524-524.5230	Software	2,080.01
001-0524-524.5500	Training	20.00
001-0538-538.3400	Other Contract Services	120.00
001-0541-541.2300	Medical / Life Ins Exp - E	35.04
001-0541-541.3400	Other Contract Services	120.00
001-0541-541.4100	Communications Expens	117.95
001-0541-541.4300	Utility - Public Services	4,307.90
001-0541-541.4400	Rental / Lease Expense	39,952.93
001-0541-541.4640	Equipment Repair & Mai	1,224.15
001-0541-541.5200	Operating Supplies	41.20
001-0541-541.5215	Fuel - Off Road Diesel	241.51
001-0541-541.5220	Uniforms Exp	110.30
001-0541-541.5265	Tools	68.82
001-0541-541.6400	Machinery/Equipment E	9,119.00
001-0549-549.2300	Medical/Life Ins Exp	6.49
001-0549-549.5200	Operating Supplies	172.85
001-0549-549.5220	Uniforms	77.19
001-0572-572.2300	Medical / Life Ins Exp - E	25.95
001-0572-572.4100	Communications Expens	176.28

**Account Summary**

Account Number	Account Name	Expense Amount
001-0572-572.4300	Utility - Public Services	1,381.25
001-0572-572.4640	Repair/Maint - Equipme	61.84
001-0572-572.5200	Operating Supplies	115.27
001-0572-572.5220	Uniforms Exp	89.07
001-1551000	Prepaid Expenses - Gen	133,692.00
001-2185000	125 Plans Employee Pay	775.09
401-0533-533.2300	Medical / Life Ins Exp - E	54.18
401-0533-533.3401	Other Contract Services	1,062.27
401-0533-533.4100	Communications Expens	232.21
401-0533-533.4200	Postage	144.04
401-0533-533.4300	Utility - Public Services	4,023.40
401-0533-533.4640	Repair / Maint - Equipm	1,245.04
401-0533-533.5205	Operating Supplies Exp -	5,556.32
401-0533-533.5210	Fuel	186.08
401-0533-533.5220	Uniforms Exp	71.78
401-0535-535.4100	Communications Expens	76.40
402-0534-534.2300	Medical/Dental Insuranc	26.28
402-0534-534.3400	Other Contract Services	11,805.46
402-0534-534.4100	Communications - Solid	152.40
402-0534-534.4200	Postage - Solid Waste	153.70
402-0534-534.4620	Repair/Maint Vehicles -	379.42
402-0534-534.5200	Operating Supplies	294.65
402-0534-534.5220	Uniforms - Solid Waste	68.48
404-0535-535.2300	Medical/Life	54.18
404-0535-535.3400	Other Contractual Servic	3,659.97
404-0535-535.4100	Communications	150.82
404-0535-535.4200	Postage	144.04
404-0535-535.4300	Utilities	5,650.94
404-0535-535.4640	Repairs & Maint. - Equip	100.00
404-0535-535.5200	Operating Supplies	1,509.62
404-0535-535.5210	Fuel	639.45
404-0535-535.5220	Uniforms	69.39
	<b>Grand Total:</b>	<b>249,040.51</b>

**Project Account Summary**

Project Account Key	Expense Amount
**None**	249,040.51
<b>Grand Total:</b>	<b>249,040.51</b>



## City of Bunnell, Florida

### ATTACHMENTS:

Description  
Proposed Minutes

Type  
Minutes



CATHERINE D. ROBINSON  
MAYOR

JOHN ROGERS  
VICE-MAYOR

DR. ALVIN B. JACKSON, JR  
CITY MANAGER



COMMISSIONERS:

TONYA GORDON

BOB BARNES

TINA-MARIE SCHULTZ

## BUNNELL CITY COMMISSION MINUTES

Monday, November 8, 2021

Join Zoom Meeting <http://bunnellcity.us/meeting>

7:00 PM

201 West Moody Boulevard,  
City Commission Chambers - Building 3  
Bunnell, FL 32110

### A. Call Meeting to Order and Pledge Allegiance to the Flag

Mayor Robinson called the meeting to order at 7:00 PM and led the Pledge to the Flag.

It was determined there was a quorum physically present at the meeting.

**Roll Call (Present):** Mayor Catherine D. Robinson; Commissioner Tonya Gordon; Commissioner Bob Barnes; City Attorney John Cary; City Manager Alvin Jackson; City Clerk Kristen Bates; Deputy Clerk Bridgitte Gunnells

**Excused:** Vice Mayor Rogers; Commissioner Tina-Marie Schultz

Mayor Robinson stated Vice Mayor Rogers and Commissioner Schultz, if able, have requested telephonic participation via Zoom.

**Motion:** To allow Vice Mayor Rogers to participate telephonically if able later in the meeting

**Motion by:** Commissioner Barnes

**Second by:** Commissioner Gordon

**Roll Call Vote:**

Commissioner Barnes – Yea

Commissioner Gordon – Yea

Mayor Robinson - Yea

**Vote:** Motion carried unanimously

**Motion:** To allow Commissioner Schultz to participate telephonically if able later in the meeting

**Motion by:** Commissioner Gordon

**Second by:** Commissioner Barnes

**Roll Call Vote:**

Commissioner Barnes – Yea

Commissioner Gordon – Yea

Mayor Robinson - Yea

**Vote:** Motion carried unanimously

### Invocation for our Military Troops and National Leaders

Pastor Daisy Henry led the invocation.

**B. Introductions, Commendations, Proclamations, and Presentations: None**

**C. Consent Agenda:**

**C.1. Approval of Warrant**

**a. November 08, 2021 Warrant**

**C.2. Approval of Minutes**

**a. October 25, 2021 City Commission Meeting Minutes**

**Motion:** Approve the Consent Agenda.

**Motion by:** Commissioner Gordon

**Second by:** Commissioner Barnes

**Board Discussion:** None

**Public Discussion:** None

**Roll Call Vote:**

Commissioner Barnes – Yea

Commissioner Gordon - Yea

Mayor Robinson – Yea

**Vote:** Motion carried unanimously

**D. Public Comments:**

**Comments regarding items not on the agenda. Citizens are encouraged to speak; however, comments are limited to four (4) minutes.**

Pastor Daisy Henry (E. Drain St.)- asked the Commission about scheduling a City-wide cleanup day and reinstating the Beautification Program. She stated the Versie Lee Mitchell Center needs attention to the outside and also asked when rentals of the Coquina City Hall would resume because that is revenue for the City.

*Mayor Robinson asked the City Manager to respond to the comments. City Manager Jackson responded stating the Coquina City Hall had environmental issues that need to be addressed before the facility can be used again. He provided an update about the City's grant application for the funds needed to reconstruct the hall and further explained remediation will need to occur before any reconstruction can start.*

**E. Ordinances: (Legislative):**

**E.1. Ordinance 2021-23 Requesting to change the Future Land Use Map in the Comprehensive Plan for 5.34± acres of land, owned by Shannon and Angela Strickland, Bearing the Parcel ID:02-13-30-0650-000D0-0102 from City of Bunnell, Agriculture and Silviculture to City of Bunnell, Agriculture. - Second Reading**  
City Attorney Cary read the short title into the record.

**Motion:** Adopt Ordinance 2021-23 Requesting to change the Future Land Use Map in the Comprehensive Plan for 5.34± acres of land, owned by Shannon and Angela Strickland, Bearing the Parcel ID:02-13-30-0650-000D0-0102 from City of Bunnell, Agriculture and Silviculture to City of Bunnell, Agriculture. - Second Reading

**Motion by:** Commissioner Gordon

**Second by:** Commissioner Barnes

**Board Discussion:** None

**Public Discussion:** None

**Roll Call Vote:**

Commissioner Barnes – Yea

Commissioner Gordon - Yea

Mayor Robinson – Yea

**Vote:** Motion carried unanimously

**E.2. Ordinance 2021-24 Requesting to change the official zoning map for 5.34± acres of land, owned by Shannon and Angela Strickland, Bearing the Parcel ID:02-13- 30-0650-000D0-0102 from Flagler County, AC- Agriculture to City of Bunnell, AG- Agricultural District. - Second Reading**

City Attorney Cary read the short title into the record.

**Motion:** Adopt Ordinance 2021-24 Requesting to change the official zoning map for 5.34± acres of land, owned by Shannon and Angela Strickland, Bearing the Parcel ID:02-13- 30-0650-000D0-0102 from Flagler County, AC- Agriculture to City of Bunnell, AG- Agricultural District. - Second Reading

**Motion by:** Commissioner Barnes

**Second by:** Commissioner Gordon

**Board Discussion:** None

**Public Discussion:** None

**Roll Call Vote:**

Commissioner Barnes – Yea

Commissioner Gordon - Yea

Mayor Robinson – Yea

**Vote:** Motion carried unanimously

**E.3. Ordinance 2021-25 Requesting to change the Future Land Use Map in the Comprehensive Plan for 7.75± acres of land, owned by Shannon and Angela Strickland, Bearing the Parcel ID's:02-13-30-0650-000A0-0026 & 02-13-30-0650- 000A0-0027 from City of Bunnell, Agriculture and Silviculture to City of Bunnell, Agriculture. - Second Reading**

City Attorney Cary read the short title into the record.

**Motion:** Adopt Ordinance 2021-25 Requesting to change the Future Land Use Map in the Comprehensive Plan for 7.75± acres of land, owned by Shannon and Angela Strickland, Bearing the Parcel ID's:02-13-30-0650-000A0-0026 & 02-13-30-0650- 000A0-0027 from City of Bunnell, Agriculture and Silviculture to City of Bunnell, Agriculture. - Second Reading

**Motion by:** Commissioner Gordon

**Second by:** Commissioner Barnes

**Board Discussion:** None

**Public Discussion:** None

**Roll Call Vote:**

Commissioner Barnes – Yea

Commissioner Gordon - Yea

Mayor Robinson – Yea

**Vote:** Motion carried unanimously

**E.4. Ordinance 2021-26 Requesting to change the official zoning map for 7.75± acres of land, owned by Shannon and Angela Strickland, Bearing the Parcel ID's:02-13- 30-0650-000A0-0026 & 02-13-30-0650-000A0-0027 from Flagler County AC, Agriculture to City of Bunnell, AG- Agricultural. - Second Reading**

City Attorney Cary read the short title into the record.

**Motion:** Adopt Ordinance 2021-26 Requesting to change the official zoning map for 7.75± acres of land, owned by Shannon and Angela Strickland, Bearing the Parcel ID's:02-13- 30-0650-000A0-0026 & 02-13-30-0650-000A0-0027 from Flagler County AC Agriculture to City of Bunnell, Agricultural. - Second Reading

**Motion by:** Commissioner Barnes

**Second by:** Commissioner Gordon

**Board Discussion:** None

**Public Discussion:** None

**Roll Call Vote:**

Commissioner Barnes – Yea  
Commissioner Gordon - Yea  
Mayor Robinson – Yea

**Vote:** Motion carried unanimously

**E.5. Ordinance 2021-29 Request to change the Future Land Use Map in the Comprehensive Plan for 10± acres of land, owned by Gator-Parks LLC, Bearing the Parcel ID:21-13-31-0650-000B0-0110 from Flagler County, Residential Low Density/Rural Estate to City of Bunnell, Agriculture. - Second Reading**

City Attorney Cary read the short title into the record.

**Motion:** Approve Ordinance 2021-29 Request to change the Future Land Use Map in the Comprehensive Plan for 10± acres of land, owned by Gator-Parks LLC, Bearing the Parcel ID:21-13-31-0650-000B0-0110 from Flagler County, Residential Low Density/Rural Estate to City of Bunnell, Agriculture. - Second Reading

**Motion by:** Commissioner Gordon

**Second by:** Commissioner Barnes

**Board Discussion:** None

**Public Discussion:** None

**Roll Call Vote:**

Commissioner Barnes – Yea  
Commissioner Gordon - Yea  
Mayor Robinson – Yea

**Vote:** Motion carried unanimously

**E.6. Ordinance 2021-30 Request to change the official zoning map for 10± acres of land, owned by Gator-Parks LLC, Bearing the Parcel ID's:21-13-31-0650-000B0- 0110 from Flagler County, R-1, Rural Residential to City of Bunnell, AG- Agricultural. - Second Reading**

*This item was not heard, and no action was taken. The News Tribune failed to run the legal notice as submitted and approved. Ordinance 2021-30 will be advertised for Second Reading on November 22, 2021.*

**E.7. Ordinance 2021-31 Request to change the Future Land Use Map in the Comprehensive Plan for 5 ± acres of land, owned by Joseph & Amber Gallagher, Bearing the Parcel ID: 21-13-31-0650-000A0-0081 from Flagler County, Residential Low Density/Rural Estate to City of Bunnell, Agriculture. - Second Reading**

City Attorney Cary read the short title into the record.

**Motion:** Approve Ordinance 2021-31 Request to change the Future Land Use Map in the Comprehensive Plan for 5 ± acres of land, owned by Joseph & Amber Gallagher, Bearing the Parcel ID: 21-13-31-0650-000A0-0081 from Flagler County, Residential Low Density/Rural Estate to City of Bunnell, Agriculture. - Second Reading

**Motion by:** Commissioner Barnes

**Second by:** Commissioner Gordon

**Board Discussion:** None

**Public Discussion:** None

**Roll Call Vote:**

Commissioner Barnes – Yea  
Commissioner Gordon - Yea  
Mayor Robinson – Yea

**Vote:** Motion carried unanimously

**E.8. Ordinance 2021-32 Request to change the official zoning map for 5± acres of land, owned by Joseph & Amber Gallagher, Bearing the Parcel ID's: 21-13-31-0650- 000A0-**

**0081 from Flagler County, R-1, Rural Residential to City of Bunnell, AG- Agricultural. - Second Reading**

City Attorney Cary read the short title into the record.

**Motion:** Adopt Ordinance 2021-32 Request to change the official zoning map for 5± acres of land, owned by Joseph & Amber Gallagher, Bearing the Parcel ID's: 21-13-31-0650- 000A0-0081 from Flagler County, R-1, Rural Residential to City of Bunnell, AG- Agricultural. - Second Reading

**Motion by:** Commissioner Gordon

**Second by:** Commissioner Barnes

**Board Discussion:** None

**Public Discussion:** None

**Roll Call Vote:**

Commissioner Barnes – Yea

Commissioner Gordon - Yea

Mayor Robinson – Yea

**Vote:** Motion carried unanimously

**E.9. Ordinance 2021-35 Requesting to change the Future Land Use Map for a 7.17± acre property owned by the Flagler County Board of County Commissioners from "Commercial-Medium Intensity" to "Public". - First Reading**

City Attorney Cary read the short title into the record.

**Motion:** Approve Ordinance 2021-35 Requesting to change the Future Land Use Map for a 7.17± acre property owned by the Flagler County Board of County Commissioners from "Commercial-Medium Intensity" to "Public". - First Reading

**Motion by:** Commissioner Barnes

**Second by:** Commissioner Gordon

**Board Discussion:** Mayor Robinson advised this is the future site of the new County library.

**Public Discussion:** None

**Roll Call Vote:**

Commissioner Barnes – Yea

Commissioner Gordon - Yea

Mayor Robinson – Yea

**Vote:** Motion carried unanimously

**E.10. Ordinance 2021-36 Requesting to change the official zoning map for a 7.17± acre property owned by the Flagler County Board of County Commissioners from the “B-1, Business” district to the “P, Public” district. - First Reading**

City Attorney Cary read the short title into the record.

**Motion:** Approve Ordinance 2021-36 Requesting to change the official zoning map for a 7.17± acre property owned by the Flagler County Board of County Commissioners from the “B-1, Business” district to the “P, Public” district. - First Reading

**Motion by:** Commissioner Gordon

**Second by:** Commissioner Barnes

**Board Discussion:** None

**Public Discussion:** None

**Roll Call Vote:**

Commissioner Barnes – Yea

Commissioner Gordon - Yea

Mayor Robinson – Yea

**Vote:** Motion carried unanimously

**E11. Ordinance 2021-37 Requesting to change the Future Land Use Map in the Comprehensive Plan for 2.8± acres of land owned by Kimberly & Conrad Leggett,**

**bearing the Parcel ID: 21-13-31-0650-000A0-0930 from Flagler County, Residential- Low Density/Rural Estate to City of Bunnell Agriculture. - First Reading**

City Attorney Cary read the short title into the record.

**Motion:** Approve Ordinance 2021-37 Requesting to change the Future Land Use Map in the Comprehensive Plan for 2.8± acres of land owned by Kimberly & Conrad Leggett, bearing the Parcel ID: 21-13-31-0650-000A0-0930 from Flagler County, Residential- Low Density/Rural Estate to City of Bunnell Agriculture. - First Reading

**Motion by:** Commissioner Barnes

**Second by:** Commissioner Gordon

**Board Discussion:** None

**Public Discussion:** None

**Roll Call Vote:**

Commissioner Barnes – Yea

Commissioner Gordon - Yea

Mayor Robinson – Yea

**Vote:** Motion carried unanimously

**E.12. Ordinance 2021-38 Requesting to change the official zoning map for 2.8± acres of land owned by Kimberly & Conrad Leggett, bearing Parcel ID: 21-13-31-0650- 000a0-0930, from the Flagler County “MH-1, Rural Mobile Home” district to the City of Bunnell “AG, Agricultural District.” - First Reading**

City Attorney Cary read the short title into the record.

**Motion:** Approve Ordinance 2021-38 Requesting to change the official zoning map for 2.8± acres of land owned by Kimberly & Conrad Leggett, bearing Parcel ID: 21-13-31-0650-000a0-0930, from the Flagler County “MH-1, Rural Mobile Home” district to the City of Bunnell “AG, Agricultural District.” - First Reading

**Motion by:** Commissioner Gordon

**Second by:** Commissioner Barnes

**Board Discussion:** None

**Public Discussion:** None

**Roll Call Vote:**

Commissioner Barnes – Yea

Commissioner Gordon - Yea

Mayor Robinson – Yea

**Vote:** Motion carried unanimously

**F. Resolutions: (Legislative): None**

**G. Old Business: None**

**H. New Business:**

**H.1. Request Approval to Set a Closing date for the purchase of Lot 4 Flagler Central Commerce Parkway to be used for the new City Administration and Police Department Complex.**

City Manager Jackson presented the item to the Board. He reported the inspections and feasibility studies had been conducted on the property at 2400 Commerce Parkway and found the property suitable for purchase. Final purchase price is \$228,000.00 with a closing date of December 15, 2021 proposed.

**Motion:** Approve Setting the Closing date for the purchase of Lot 4 Flagler Central Commerce Parkway to be used for the new City Administration and Police Department Complex.

**Motion by:** Commissioner Barnes

**Second by:** Commissioner Gordon

**Board Discussion:** None

**Public Discussion:** None

**Roll Call Vote:**

Commissioner Barnes – Yea

Commissioner Gordon - Yea

Mayor Robinson – Yea

**Vote:** Motion carried unanimously

**H.2. Request for Final Plat Approval for Grand Reserve Phase 4**

City Attorney Cary presented the item to the Board.

**Motion:** Approve the Final Plat for Grand Reserve Phase 4.

**Motion by:** Commissioner Gordon

**Second by:** Commissioner Barnes

**Board Discussion:** Staff advised this phase includes 135 new homes.

**Public Discussion:** None

**Roll Call Vote:**

Commissioner Barnes – Yea

Commissioner Gordon - Yea

Mayor Robinson – Yea

**Vote:** Motion carried unanimously

**H.3. Request Approval of Insituform's Slip Lining Phase 4 Proposal**

Infrastructure Director Vost presented the item to the Board. The funding for the project is through a grant awarded to the City by St. Johns River Water Management District.

**Motion:** Approve the Proposal by Insituform for the Slip Lining Phase 4 Project

**Motion by:** Commissioner Barnes

**Second by:** Commissioner Gordon

**Board Discussion:** None

**Public Discussion:** None

**Roll Call Vote:**

Commissioner Barnes – Yea

Commissioner Gordon - Yea

Mayor Robinson – Yea

**Vote:** Motion carried unanimously

**I. Reports:**

- **City Clerk** – Provided a brief update on the Christmas in Bunnell event.
- **City Attorney** – Will be out of town for the next meeting; however, another attorney from the office will be in attendance.
- **City Manager** – Stated all the rain recently has kept the Infrastructure Department very busy and that the rain is causing the City to move forward with some refurbishment to lift stations. Discussed the RFP for the sale of 201 W. Moody Blvd. Recommended moving forward with all cash offer for \$650,000.00.

**City Attorney** – asked for a motion to approve adding an item to the agenda to authorize the Mayor to sign a contract for negotiations about the sale of the property.

**Motion:** Add this item to the agenda.

**Motion by:** Commissioner Gordon

**Second by:** Commissioner Barnes

**Board Discussion:** None

**Public Discussion:** None

**Roll Call Vote:**

Commissioner Barnes – Yea

Commissioner Gordon - Yea  
Robinson – Yea  
**Vote:** Motion carried unanimously

**Motion:** Approve authorizing the Mayor to sign a contract regarding negotiations for the sale of 201 W. Moody Blvd.

**Motion by:** Commissioner Barnes  
**Second by:** Commissioner Gordon

**Board Discussion:** None

**Public Discussion:** None

**Roll Call Vote:**

Commissioner Barnes – Yea

Commissioner Gordon - Yea

Mayor Robinson – Yea

**Vote:** Motion carried unanimously

- **Mayor and City Commissioners**
  - **Commissioner Barnes** – None
  - **Commissioner Gordon** – None
  - **Mayor Robinson** – Reported her attendance at the Northeast Florida Regional Council meeting where information was provided on grants and legislative priorities. She always shares these with the City Manager so staff can explore whether the City might be eligible for any other funding. Mayor Robinson remind everyone of Veteran’s Day later this week.

**J. Call for Adjournment.**

**Motion:** Adjourn

**Motion by:** Commissioner Barnes

**Seconded by:** Commissioner Gordon

**Vote:** Motion carried unanimously

Meeting adjourned at 7:45 PM.

\_\_\_\_\_  
Catherine D. Robinson, Mayor

\_\_\_\_\_  
Kristen Bates, CMC, City Clerk

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**\*\*The City adopts summary minutes. Audio files in official City records are retained according to the Florida Department of State GS1-SL records retention schedule\*\***





## City of Bunnell, Florida

### Agenda Item No. C.3.

Document Date: 10/28/2021 Amount: \$950.00 per year for five years

Department: City Clerk Account #: Public Works; Solid Waste; Fleet; Parks and Recreation

Subject: Request to Approve a Maintenance Agreement for the Public Works Building newly repaired roof located at 300 Tolman Street.

Agenda Section: Consent Agenda:

Goal/Priority: Financial Stability/Sustainability, Quality of Life

#### ATTACHMENTS:

Description	Type
Proposed Agreement	Contract
Standard Contract Addendum	Contract

#### Summary/Highlights:

This is a request to approve a five year maintenance plan for the newly repaired roof of the Public Works building located at 300 Tolman Street.

#### Background:

In June/July 2021, the City contracted with TectaAmerica to repair the roof of the main building at the Public Works yard. The job is finished. The contractor provides a maintenance program for this job/roof.

By selecting the five year option, the City will extend the life of this roof and get a lower rate per year.

As multiple departments use this yard and building, the annual cost would be divided among all those departments.

#### Staff Recommendation:

Approve the Maintenance Agreement for the Public Works Building newly repaired roof located at 300 Tolman Street for a five year period.

**City Attorney Review:**

Approved in conjunction with standard contract addendum.

**Finance Department Review/Recommendation:**

**City Manager Review/Recommendation:**

Approved.



## TECTACARE™ Planned Maintenance Program

### City of Bunnell Maintenance Shop Building



Prepared For: City of Bunnell

Prepared By: Cassandra Ortiz – Service Coordinator.

Date: 8/12/2021

# Preventative Maintenance Agreement



TectaAmerica Southeast, LLC appreciates the opportunity to submit a proposal for preventative maintenance for your business. We propose to perform and furnish the labor, materials, insurance, supervision, equipment and warranty (herein together referred to as "Work" described herein for:

Owner/Customer: City of Bunnell  
(hereinafter referred to as "Client")  
Project Address: 300 Tolman St, Bunnell FL 32110

Every day, you deal with the challenges and concerns directly associated with your core business. Dealing with your roof isn't, and shouldn't be one of them. To ensure a successful roofing program, you need to rely on your trusted business partner to provide a combination of products and services that best suit your needs. You expect them to lend experience, give advice, and offer guidance on the best approaches to meet your needs. You also require a partner that will be there if something goes wrong; and that has the experience and sense of urgency to resolve issues that arise.

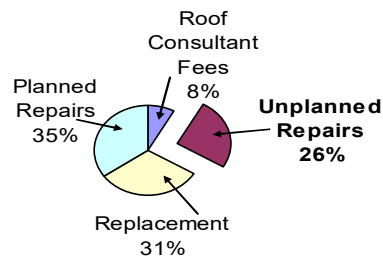
## A. Benefits of Planned Maintenance Programs

*Why undertake an active roof management program?*

The financial benefits of roof management stem from two principal areas: maintaining the roof over time through an annual maintenance program helps avoid emergency repairs and unplanned downtime; and the ongoing maintenance helps prolong the life of the roof, thus delaying the capital expenditure and improving the Return On Investment (ROI).

*In general, roofs are given cursory attention until there are problems and not viewed as a system that needs maintenance (such as needed by the mechanical system or for vehicles):*

Breakdown of Roofing Expenditures



**Over 25% of all roof expenditures are unplanned and unbudgeted, leading to facility disruptions and costly interior renovations:**

**But, proactive roof management with preventive maintenance will deliver real returns:**

- An independent quantitative analysis of the effect of preventive maintenance programs shows that preventive maintenance dollars spent have a positive Net Present Value (NPV) and deliver over 300% Return On Investment (ROI) over time.

*Source: Jones Lang LaSalle "Determining the Economic Value of Preventive Maintenance"*

## B. TECTACARE™ : Planned Maintenance Program:

TectaCare is our planned maintenance program performed throughout the life of your roof and designed to protect your investment and keep your warranties valid. Our technicians will inspect, clean, maintain and report on the condition of your rooftops and make any recommendations necessary to keep your facility's roofs in shape.

### Benefits of the TECTACARE™ planned maintenance program include:

- Priority service in emergency situations
- Keeps roof's warranty valid by providing annual inspections as required by manufacturers
- Assures warranty servicing by identifying warrantable issues
- Identifies small problems due to normal exposure before escalating to serious issues
- Extends the life of the roof through regular maintenance

#### OUR FOUR STEP PROGRAM INCLUDES:

- 1** **Roof Inspection** – We will do a visual survey of the exterior condition of your roof and related sheet metal work. We are looking for deterioration or damage that has occurred between your service visits and will document conditions to monitor during future service visits. We are unable to inspect for structural damage and deterioration below the roof membrane.
- 2** **General Upkeep** - We will clear debris from the roof surface, gutters. Debris can cause water to back up on to roof underlayment and pond, which causes premature aging of the roof membrane and could cause significant damage to the roof system.
- 3** **Maintenance** – As required, we will re-caulk up to 50' metal flashing, caulk pipe clamps and patch up to 5-voids/burns in roof membrane.
- 4** **Annual Report** – We will provide you with an annual outline of work performed and a condition assessment, to include an updated roof drawing and work related photographs. We will propose and require appropriate approval prior to starting any additional work. This may include deficiencies, defects or such items as weather related damage, fire damage, or damage caused by others.

## C. Additional Repairs

We will propose and require appropriate approval for repairs that fall outside the scope of work noted above prior to starting any additional work. This may include deficiencies, defects or such items as weather related damage, fire damage, or damage caused by others

**D. Facility Information**

Project Name:	<b>Yard Main Building</b>
Project Address:	300 Tolman St Bunnell, FL 32110
Roof Type:	GAF 60mil TPO
Area Under Contract	Approximately 37,000 sf
Site Contact:	Debra Winson <a href="mailto:dwinson@bunnellcity.us">dwinson@bunnellcity.us</a>
Phone:	

**E. Pricing**

We are pleased to provide you with the following investment costs to perform the solutions outlined above. Your choice of partner to perform this work will affect not only the expeditious performance of this project, but more importantly the long-term performance of your investment.

**Annual Inspection Schedule Option:**

Please select which plans fits your current needs:

Duration	2021	2022	2023	2024	2025	Initial
One Year	\$ 1,250.00	5% Increase	→			
Two Year	\$ 1,050.00	\$ 1,050.00	5% Increase	→		
*Five Year	\$ 950.00	\$ 950.00	\$ 950.00	\$ 950.00	\$ 950.00	X

\* The five year plan locks in the current rate for five consecutive years with no yearly increase.

After the end of the agreed duration above, a new rate shall be established.

**F. Timing**

Inspections will be scheduled **once a year** to be performed prior to the beginning or end of the hurricane season (Feb. or March).

**G. Renewal Options**

Within 30 days of the end of each one (1) year period, the owner and/or Tecta America Southeast shall have the option to cancel this agreement:

1. If either party elects to exercise the option to cancel this agreement, written notice should be provided to the other party, c/o the key contacts below.
2. If not cancelled, the agreement automatically renews at the quoted rate as outlined in this document in Section E.

**H.** The undersigned hereby accepts this Proposal including the terms and conditions, and agrees that this writing shall authorizes Tecta to proceed with the Work.

Accepted by:

Cassandra Ortiz  
 \_\_\_\_\_  
 TECTA AMERICA SOUTHEAST, LLC

\_\_\_\_\_  
 CITY OF BUNNELL

Date: 8/12/2021

Date: \_\_\_\_\_

1. **Nature of Work.** TectaAmerica Southeast, LLC ("Contractor") shall furnish the labor and material to perform the work described herein or in the referenced contract documents. Contractor does not provide engineering, consulting or architectural services. It is the Owner's responsibility to retain a licensed architect or engineer to determine proper design and code compliance. If plans, specifications or other design documents have been furnished to Contractor, Customer warrants that they are sufficient and conform to all applicable laws and building codes. Contractor is not responsible for loss, damage or expense due to defects in plans or specifications or building code violations unless such damage results from a deviation by Contractor from the contract documents. Contractor is not responsible for location of roof drains, adequacy of drainage, ponding on the roof or structural conditions.

2. **Commencement of Work.** Customer warrants that the structures on which Contractor is to work are in sound condition and capable of withstanding normal activities of roofing construction, equipment and operations. Contractor's prosecution of the roof work indicates only that the surface of the deck appears satisfactory to Contractor to attach roofing materials. Contractor is not responsible for the construction, undulations or structural sufficiency of the roof deck or other trades' work or design.

3. **Asbestos and Toxic Materials.** This proposal is based on Contractor's not coming into contact with asbestos-containing or toxic materials. Contractor is not responsible for expenses, claims or damages arising out of the presence, disturbance or removal of asbestos-containing or toxic materials. Contractor shall be entitled to reasonable compensation for all additional expenses incurred as a result of the presence of asbestos-containing or toxic materials at the work site. Customer agrees to indemnify Contractor from and against any liability, damages, losses, claims, demands or citations arising out of the presence of asbestos or toxic materials at the work site.

4. **Payment.** Unless stated otherwise on the face of this proposal, Customer shall pay the contract price plus any additional charges for changed or extra work within ten (10) days of substantial completion of the Work. If completion of the Work extends beyond one month, Customer shall make monthly progress payments to Contractor by or before the fifth (5th) day of each month for the value of Work completed during the preceding month, plus the value of materials suitably stored for the project. All sums not paid when due shall earn interest at the rate of 1-1/2% per month. Contractor shall be entitled to recover from Customer costs of collection, including attorney's fees, resulting from Customer's failure to make proper payment when due. Contractor's entitlement to payment is not dependent upon criteria promulgated by Factory Mutual Global, including wind uplift testing.

5. **Right to Stop Work.** The failure of Customer to make proper payment to Contractor when due shall, in addition to all other rights, constitute a material breach of contract and shall entitle Contractor, at its discretion, to suspend all work and shipments, including furnishing warranty, until full payment is made. The time period in which Contractor shall perform the work shall be extended for a period equal to the period during which the Work was suspended, and the contract sum to be paid Contractor shall be increased by the amount of Contractor's reasonable costs of shut-down, delay and start-up.

6. **Insurance.** Contractor shall carry worker's compensation, automobile and commercial general liability insurance. Contractor will furnish a Certificate of Insurance, evidencing the types and amounts of its coverages, upon request. Customer shall purchase and maintain builder's risk and property insurance, including the labor and materials furnished by Contractor, covering fire, extended coverage, malicious mischief, vandalism and theft on the premises to protect against loss or damage to material and equipment and partially completed work until the job is completed and accepted. Moneys owed to Contractor shall not be withheld by reason of any damage or claim against Contractor covered by liability or property damage insurance maintained by Contractor or claims covered under builder's risk insurance.

7. **Additional Insured.** If Customer requires and Contractor agrees to name Customer or others as additional insureds on Contractor's liability insurance policy, Customer and Contractor agree that the naming of Customer or other parties as an additional insured is intended to apply to claims made against the additional insured to the extent the claim is due to the negligence of Contractor and is not intended to make the Contractor's insurer liable for claims that are due to the fault of the additional insured.

8. **Interior Protection.** Customer acknowledges that re-roofing of an existing building may cause disturbance, dust or debris to fall into the interior. Customer agrees to remove or protect property directly below the roof in order to minimize potential interior damage. Contractor shall not be responsible for disturbance, damage, clean up or loss to interior property that Customer did not remove or protect prior to commencement of roofing operations. Customer shall notify tenants of re-roofing and the need to provide protection underneath areas being re-roofed. Customer agrees to hold Contractor harmless from claims of tenants who were not so notified and did not provide protection.

9. **Damages and Delays.** Contractor will not be responsible for damage done to Contractor's Work by others. Any repairing of the same by Contractor will be charged as an extra. Contractor shall not be liable for liquidated or delay damages due to a delay in completion of the Project unless the delay was caused by Contractor. Contractor shall not be responsible for loss, damage or delay caused by circumstances beyond its reasonable control, including but not limited to acts of God, accidents, fire, weather, vandalism, strikes, jurisdictional disputes, failure or delay of transportation, shortage of or inability to obtain materials, equipment or labor. In the event of these occurrences, Contractor's time for performance under this proposal shall be extended for a time sufficient to permit completion of the Work.

10. **Roof Projections.** Contractor will flash all projections through roofing that are shown on the architectural plans provided to Contractor and that are in place prior to installation of roofing. Any penetrations through the roofing to be installed by Contractor not shown on the plans provided to Contractor prior to submittal of this proposal or required after installation of roofing shall be considered an order for extra work, and Contractor shall be compensated at its customary time and material rates.

11. **Wind Loads or Uplift Pressures.** Design Professional is responsible to design the work to be in compliance with applicable codes and regulations and to specify or show the work that is to be performed. Contractor is not responsible for design, including calculation or verification of wind-load design. To the extent minimum wind loads or uplift pressures are required, Contractor's bid is based solely on manufacturer's printed test results. Contractor itself makes no representation regarding wind uplift capacity and assumes no liability for wind uplift.

12. **Backcharges.** No backcharges or claims for payment of services or materials and equipment furnished by Customer to Contractor shall be valid unless previously authorized in writing by Contractor and unless written notice is given to Contractor within five (5) days of the event, act or omission which is the basis of the backcharge.

13. **Electrical Safety.** Owner warrants that there will be no live power lines on or near the roof servicing the building where Contractor will be working and that Owner will turn off any such power supplies to avoid an electrocution risk to Contractor's employees. Contractor's price is based upon there not being electrical conduit or other materials embedded within the roof assembly or attached directly to the underside or topside of the roof deck upon which Contractor will be working. Owner will indemnify Contractor from personal injury and other claims and expenses if Owner fails to turn-off power so as to avoid injury to Contractor's personnel or resulting from the presence of concealed electrical conduit and live electrical power. Contractor is not responsible for costs of repair or damages, including disruption of service, resulting from damage to undisclosed or concealed electrical or other utility lines.

14. **Availability of Site.** Contractor shall be provided with direct access to the work site for the passage of trucks and materials and direct access to the roof. Contractor shall not be required to begin work until underlying areas are ready and acceptable to receive Contractor's work and sufficient areas of roof deck are clear and available and free from snow, water or debris to allow for continuous full operation. The expense of any extra trips by Contractor to and from the job as a result of the job not being ready for the Work after Contractor has been notified to proceed will be charged as an extra.

15. **Warranty.** Contractor's work will be warranted by Contractor in accordance with its standard warranty, which is made a part of this proposal and contract and incorporated by reference. A facsimile of Contractor's standard warranty is attached or, if not, will be furnished upon request. Contractor SHALL NOT BE LIABLE FOR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES. The acceptance of this proposal by the Customer signifies his agreement that this warranty shall be and is the exclusive remedy against Contractor.

A manufacturer's warranty shall be furnished to Customer if a manufacturer's warranty is called for on the face of this proposal. It is expressly agreed that in the event of alleged defects in the materials furnished pursuant to this contract, Customer shall have recourse only against the manufacturer of such material.

16. **Existing Conditions.** Contractor is not responsible for leakage due to existing conditions through the existing roof or other portions of the building that have not yet been re-roofed by Contractor.

17. **Mold.** Contractor and Owner are committed to acting promptly so that roof leaks are not a source of potential interior mold growth. Owner will make periodic inspections for signs of water intrusion and act promptly including prompt notice to Contractor if Owner believes there are roof leaks, to correct the condition. Upon receiving notice, Contractor will make roof repairs. The Owner is responsible for monitoring any leak areas and for indoor air quality. Contractor is not responsible for indoor air quality. Owner shall hold harmless and indemnify Contractor from claims due to indoor air quality and resulting from a failure by Owner to maintain the building in a manner to avoid growth of mold. Customer agrees to indemnify and hold harmless Contractor from claims brought by tenants and third parties arising from mold growth.

18. **Material Cost Escalation.** Steel products, asphalt, polyisocyanurate and other roofing products are sometimes subject to unusual price volatility due to conditions that are beyond the control or anticipation of Contractor. If there is a substantial increase in these or other roofing products between the date of this proposal and the time when the work is to be performed, the amount of the contract may be increased to reflect the additional cost to the roofing Contractor, upon submittal of written documentation and advance notice.

19. **Material References.** Contractor is not responsible for the actual verification of technical specifications of product manufacturers; i.e., R-value or ASTM or UL compliance, but rather the materials used are represented as such by the material manufacturer.

20. **Tolerances.** All labor and materials shall be furnished in accordance with normal industry standards and industry tolerances for uniformity, color, variation, thickness, size, weight, finish and texture. Specified quantities are intended to represent an average over the entire roof area.

21. **Fumes and Emissions.** Customer acknowledges that odors and emissions from roofing products will be released and noise will be generated as part of the roofing operations to be performed by Contractor. Customer shall be responsible for interior air quality, including controlling mechanical equipment, HVAC units, intake vents, wall vents, windows, doors and other openings to prevent fumes and odors from entering the building. Customer is aware that roofing products emit fumes, vapors and odors during the application process. Some people are more sensitive to these emissions than others. Customer shall hold Contractor harmless from claims from third parties relating to fumes and odors that are emitted during the normal roofing process.

22. **Oil-canning.** Metal roofing and especially lengthy flat-span sheet-metal panels often will exhibit waviness, commonly referred to as "oil-canning." The degree of oil-canning and the appearance of the panels will vary depending on factor such as the length and color of the panels, alloy, gauge, galvanizing process, substrate condition, and exposure to sunlight. Oil-canning pertains to aesthetics and not the performance of the panels and is not controlled by the roofing Contractor. The type of metal roofing panels specified can affect the degree of oil-canning. Contractor is not responsible for oil-canning or aesthetics. Oil-canning shall not be grounds to withhold payment or reject panels of the type specified.

23. **Dispute Resolution.** If a dispute shall arise between Contractor and Customer with respect to any matters or questions arising out of or relating to this Agreement or the breach thereof, Contractor and Customer will seek to mediate the dispute. If mediation is not successful, arbitration shall be administered by and conducted in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association unless the parties mutually agree otherwise. This Agreement to arbitrate shall be specifically enforceable under the prevailing arbitration law. The award rendered by the arbitrators shall be final, and judgment may be entered upon it in any Court having jurisdiction thereof. Any legal claim against Contractor alleging any breach of this contract or negligence by Contractor must be initiated no later than two (2) years after Contractor performed the roofing installation covered by this contract. Collection matters may be processed through litigation or arbitration at the discretion of the Contractor.

**CITY OF BUNNELL, FLORIDA**  
**ADDENDUM TO CONTRACTOR AGREEMENT**

**THIS ADDENDUM** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2021, by and between the CITY OF BUNNELL, a Florida municipality, hereinafter referred to as the “City”, and TECTAAMERICA SOUTHEAST LLC, hereinafter referred to as “Contractor”, concerning that certain agreement entitled Preventative Maintenance Agreement for the City of Bunnell Maintenance Shop Building, dated the 12th day of August, 2021 (“Agreement”).

**WITNESSETH:**

**WHEREAS**, Section 119.0701, Fla. Stat., requires that certain public agency contracts must include certain statutorily required provisions concerning the contractor’s compliance for Florida’s Public Records Act; and

**WHEREAS**, Section 768.28, Fla. Stat., sets forth certain mandatory limitations on indemnification and liability for Florida public agencies; and

**WHEREAS**, Florida law requires that public agency contracts be subject to non-appropriation and thereby contingent upon appropriation during the public agency’s statutorily mandated annual budget approval process; and

**WHEREAS**, Section 448.095, Fla. Stat., imposes certain obligations on public agencies with regard to the use of the E-Verify system by their contractors and subcontractors; and

**WHEREAS**, Section 287.135, Fla. Stat., provides restrictions on local governments contracting with companies that are on certain Scrutinized Companies lists

**NOW, THEREFORE**, in consideration of the covenants set forth herein, the parties agree to this addendum as follows:

**1. Amendment.** This Addendum hereby amends and supplements the terms of the Agreement. In the event of a conflict between the terms of the Agreement and terms of this Addendum, the terms of this Addendum shall prevail.

**2. Public Records Compliance.** Contractor agrees that, to the extent that it may "act on behalf" of the City within the meaning of Section 119.0701(1)(a), Florida Statutes in providing its services under this Agreement, it shall:

- (a) Keep and maintain public records required by the public agency to perform the service.
- (b) Upon request from the public agency’s custodian of public records, provide the public agency 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 or as otherwise provided by law.



- (c) Ensure that 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 contract term and following completion of the contract if the contractor does not transfer the records to the public agency.
- (d) Upon completion of the contract, transfer, at no cost, to the public agency all public records in possession of the contractor or keep and maintain public records required by the public agency to perform the service. If the contractor transfers all public records to the public agency upon completion of the contract, the contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the contractor keeps and maintains public records upon completion of the contract, the contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the public agency, upon request from the City's custodian of public records, in a format that is compatible with the information technology systems of the City.
- (e) Pursuant to Section 119.0701(2)(a), Fla. Stat., **IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS, CITY OF BUNNELL, CITY CLERK, AT 201 W. MOODY BLVD, BUNNELL, FLORIDA 32110.**

**3. Public Records Compliance Indemnification.** Contractor agrees to indemnify and hold the City harmless against any and all claims, damage awards, and causes of action arising from the contractor's failure to comply with the public records disclosure requirements of Section 119.07(1), Florida Statutes, or by contractor's failure to maintain public records that are exempt or confidential and exempt from the public records disclosure requirements, including, but not limited to, any third party claims or awards for attorneys' fees and costs arising therefrom. Contractor authorizes the public agency to seek declaratory, injunctive, or other appropriate relief against Contractor in Flagler County Circuit Court on an expedited basis to enforce the requirements of this section.

**4. Compliance/Consistency with Section 768.28, Fla. Stat.** Any indemnification or agreement to defend or hold harmless by City specified in the Agreement shall not be construed as a waiver of City's sovereign immunity, and shall be limited to such indemnification and liability limits consistent with the requirements of Section 768.28, Fla. Stat. and subject to the procedural requirements set forth therein. Any other purported indemnification by City in the Agreement in derogation hereof shall be void and of no force or effect.

**5. Non-appropriation.** The City's performance and obligation to pay under this Agreement is contingent upon an appropriation during the City's annual budget approval process. If funds are not appropriated for a fiscal year, then the Contractor shall be notified as soon as is practical by memorandum from the City Manager or designee that funds have not been

appropriated for continuation of the Agreement, and the Agreement shall expire at the end of the fiscal year for which funding has been appropriated notwithstanding any automatic renewal as may be provided in the Agreement. The termination of the Agreement at fiscal year-end shall be without penalty or expense to the City, subject to the City paying all invoices for services rendered during the period the Agreement was funded by an appropriation.

**6. E-Verify Compliance.** Contractor affirmatively states, under penalty of perjury, that in accordance with Section 448.095, Fla. Stat., Contractor is registered with and uses the E-Verify system to verify the work authorization status of all newly hired employees, that in accordance with such statute, Contractor requires from each of its subcontractors an affidavit stating that the subcontractor does not employ, contract with, or subcontract with an unauthorized alien, and that Contractor is otherwise in compliance with Sections 448.09 and 448.095, Fla. Stat.

**7. Compliance/Consistency with Scrutinized Companies Provisions of Florida Statutes.** Section 287.135(2)(a), Florida Statutes, prohibits a company from bidding on, submitting a proposal for, or entering into or renewing a contract for goods or services of any amount if, at the time of contracting or renewal, the company is on the Scrutinized Companies that Boycott Israel List, created pursuant to section 215.4725, Florida Statutes, or is engaged in a boycott of Israel. Section 287.135(2)(b), Florida Statutes, further prohibits a company from bidding on, submitting a proposal for, or entering into or renewing a contract for goods or services over one million dollars (\$1,000,000) if, at the time of contracting or renewal, the company is on either the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, both created pursuant to section 215.473, Florida Statutes, or the company is engaged in business operations in Cuba or Syria.

Accordingly, Contractor hereby certifies that Contractor is not listed on any of the following: (i) the Scrutinized Companies that Boycott Israel List, (ii) Scrutinized Companies with Activities in Sudan List, or (iii) the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List. Contractor further hereby certifies that Contractor is not engaged in a boycott of Israel or engaged in business operations in Cuba or Syria. Contractor understands that pursuant to section 287.135, Florida Statutes, the submission of a false certification may subject Contractor to civil penalties, attorney's fees, and/or costs. Contractor further understands that any contract with City for goods or services of any amount may be terminated at the option of City if Contractor (i) is found to have submitted a false certification, (ii) has been placed on the Scrutinized Companies that Boycott Israel List, or (iii) is engaged in a boycott of Israel. And, in addition to the foregoing, if the amount of the contract is one million dollars (\$1,000,000) or more, the contract may be terminated at the option of City if the company is found to have submitted a false certification, has been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or has been engaged in business operations in Cuba or Syria.

**8. Venue and Jurisdiction.** Notwithstanding any of other provision to the contrary, this Agreement and the parties' actions under this Agreement shall be governed by and construed under the laws of the state of Florida, without reference to conflict of law principles. As a material condition of this Agreement, each Party hereby irrevocably and unconditionally: i) consents to

submit and does submit to the jurisdiction of the Circuit Court in and for Flagler County, Florida for any actions, suits or proceedings arising out of or relating to this Agreement.

**9. Additional Terms.** Notwithstanding any of other provision to the contrary, the parties agree as follows: None

**IN WITNESS WHEREOF**, the parties hereto have executed and delivered this instrument on the days and year indicated below and the signatories below to bind the parties set forth herein.

**Contractor: TECTAAMERICA SOUTHEAST, LLC**

\_\_\_\_\_  
Witness  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Signature  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Witness  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Title: \_\_\_\_\_

Date Signed by Contractor: \_\_\_\_\_

**CITY OF BUNNEL**

\_\_\_\_\_  
Catherine D. Robinson, Mayor

ATTEST:

\_\_\_\_\_  
Kristen Bates, City Clerk

Date signed by CITY: \_\_\_\_\_

Approved as to form and sufficiency

\_\_\_\_\_  
Vose Law Firm, City Attorney



## City of Bunnell, Florida

### Agenda Item No. E.1.

Document Date: 11/4/2021 Amount:  
Department: Community Development Account #:  
Subject: Ordinance 2021-30 Request to change the official zoning map for 10± acres of land, owned by Gator-Parks LLC , Bearing the Parcel ID's:21-13-31-0650-000B0-0110 from Flagler County, R-1, Rural Residential to City of Bunnell, AG- Agricultural. - Second Reading  
Agenda Section: Ordinances: (Legislative): None  
Goal/Priority: Increase Economic Base

#### ATTACHMENTS:

Description	Type
Gator Parks Proposed Rezoning Ordinance	Ordinance
Gator Parks Location Map	Location Map(s)

#### Summary/Highlights:

The applicant is requesting an amendment to the official zoning map to change the zoning on a 10± acre property from Flagler County, "R-1, Rural Residential" to City of Bunnell, "AG- Agricultural".

There is a companion FLUM amendment application requesting to change the Future Land Use Map (FLUM) designation from Flagler County, "Residential Low Density/Rural Estate" to City of Bunnell, "Agriculture" that is being processed concurrently with this application.

The Planning, Zoning and Appeals Board heard this request at their September 23, 2021 Meeting. At this meeting, the PZA Board voted to recommend approval of the proposed ordinance.

This item was last heard at the October 25, 2021 City Commission meeting for First Reading. At this meeting, the Commission voted to approve the proposed ordinance. This item was set for Second Reading on November 8, 2021; however, after publication of the agenda it was discovered the News Tribune did not run the advertisement as requested and approved in their October 27, 2021 edition of the paper. The item was continued at the November 8, 2021 Commission meeting and the required advertisement was run on November 10, 2021 in the News Tribune.

#### Background:

The applicant, Gator-Parks LLC, owns a 10± acre property identified as Parcel ID:21-13-31-0650-000B0-0110. The property has not been assigned an address. It is located at the northwest corner of the intersection of Twin Lakes Road and Favoretta Road. The applicant plans to build a residence on this property in the future.

The property is currently zoned Flagler County, "R-1, Rural Residential". Although recently annexed into the City, the property did not receive a City of Bunnell zoning classification. The Flagler County "R-1, Rural Residential" has a minimum lot size of 1 acre.

The proposed zoning classification is City of Bunnell "AG-Agricultural". The intent of the "AG-Agricultural" district is to "preserve and enhance an agricultural lifestyle while facilitating orderly and sustainable development." The minimum lot size in the "AG-Agricultural" district is one (1) acre.

The proposed "AG-Agricultural" zoning is consistent with the existing pattern of surrounding development.

**Staff Recommendation:**

Adopt Ordinance 2021-30 Request to change the official zoning map for 10± acres of land, owned by Gator-Parks LLC, Bearing the Parcel ID's:21-13-31-0650-000B0-0110 from Flagler County, R-1, Rural Residential to City of Bunnell, AG- Agricultural. - Second Reading

**City Attorney Review:**

**Finance Department Review/Recommendation:**

**City Manager Review/Recommendation:**

Approved.

## ORDINANCE 2021-30

**AN ORDINANCE OF THE CITY OF BUNNELL, FLORIDA PROVIDING FOR THE REZONING OF REAL PROPERTY TOTALING APPROXIMATELY 10± ACRES, OWNED BY GATOR PARKS LLC, BEARING PARCEL ID: 21-13-31-0650-000B0-0110 LOCATED AT THE NORTHWEST CORNER OF THE INTERSECTION OF TWIN LAKES ROAD AND FAVORETTA ROAD WITHIN THE BUNNELL CITY LIMITS FROM FLAGLER COUNTY, “R-1, RURAL RESIDENTIAL” TO CITY OF BUNNELL, “AG- AGRICULTURAL”; PROVIDING FOR THE TAKING OF IMPLEMENTING ADMINISTRATIVE ACTIONS; PROVIDING FOR THE ADOPTION OF MAPS BY REFERENCE; REPEALING ALL CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR NON-CODIFICATION AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, Ashley Danielle Stover, the owner of certain real property, which land totals approximately 10± acres in size located at the northwest corner of the intersection of Twin Lakes Road and Favoretta Road and is assigned Tax Parcel Identification Number 21-13-31-0650-000B0-0110 by the Property Appraiser of Flagler County; and

**WHEREAS**, Gator Parks LLC has applied to the City of Bunnell pursuant to the controlling provisions of State law and the *Code of Ordinances of the City of Bunnell*, to have the subject property rezoned to the City of Bunnell AG- Agricultural zoning classification from the existing Flagler County, “R-1, Rural Residential” zoning classification; and

**WHEREAS**, the City’s Community Department has conducted a thorough review and analysis of the demands upon public facilities and general planning and land development issues should the subject rezoning application be approved and has otherwise reviewed and evaluated the application to determine whether is comports with sound and generally accepted land use planning practices and principles as well as whether the application is consistent with the goals, objectives and policies set forth in the City’s *Comprehensive Plan*; and

**WHEREAS**, on September 23, 2021 the Planning, Zoning and Appeals Board of the City of Bunnell reviewed this request and recommended approval of the proposed ordinance to the City Commission; and

**WHEREAS**, professional City planning staff, the City’s Planning, Zoning and Appeals Board and the City Commission have determined that the proposed rezoning of the subject property as set forth in this Ordinance is consistent with the *Comprehensive Plan of the City of Bunnell*, the land development regulations of the City of Bunnell, and the controlling provisions of State law; and

**WHEREAS**, the City Commission of the City of Bunnell, Florida has taken, as implemented by City staff, all actions relating to the rezoning action set forth herein in accordance with the requirements and procedures mandated by State law.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF BUNNELL, FLORIDA:**

**Section 1. Legislative Findings and Intent.**

- (a) The City Commission of the City of Bunnell hereby adopts and incorporates into this Ordinance the City staff report and City Commission agenda memorandum relating to the application relating to the proposed rezoning of the subject property as well as the recitals (whereas clauses) to this Ordinance.
- (b) The subject property, which is approximately 10± acres in size, is located at the northwest corner of the intersection of Twin Lakes Road and Favoretta Road in the City of Bunnell.
- (c) The City of Bunnell has complied with all requirements and procedures of Florida law in processing and advertising this Ordinance.

**Section 2. Rezoning of Real Property/Implementing Actions.**

- (a) Upon enactment of this Ordinance the following described property, as depicted in the map attached to this Ordinance, and totaling approximately 10± acres in size, shall be rezoned to the City of Bunnell AG- Agricultural zoning classification from the existing Flagler County, “R-1, Rural Residential” zoning classification; and

**LEGAL DESCRIPTION:** 10.00 AC BUNNELL DEV CO SUB BLK B TRACT 11  
OR 1708/1013

**ADDRESS:** Unaddressed parcel in the City of Bunnell

**TAX PARCEL IDENTIFICATION NUMBER:** 21-13-31-0650-000B0-0110

- (b) The City Manager, or designee, is hereby authorized to execute any and all documents necessary to formalize approval of the rezoning action taken herein and to revise and amend the Official Zoning Map or Maps of the City of Bunnell as may be appropriate to accomplish the action taken in this Ordinance.
- (c) Conditions of development relating to the subject property may be incorporated into the subsequent pertinent development orders and such development orders may be subject to public hearing requirements in accordance with the provisions of controlling law.

**Section 3. Incorporation of Maps.**

The maps attached to this Ordinance are hereby ratified and affirmed and incorporated into this Ordinance as a substantive part of this Ordinance.

**Section 4. Conflicts.**

All ordinances or part of ordinances in conflict with this Ordinance are hereby repealed

**Section 5. Severability.**

If any section, sentence, phrase, word, or portion of this Ordinance is determined to be invalid, unlawful or unconstitutional, said determination shall not be held to invalidate or impair the validity, force or effect of any other section, sentence, phrase, word, or portion of this Ordinance not otherwise determined to be invalid, unlawful, or unconstitutional.

**Section 6. Non-codification.**

This Ordinance shall be not be codified in the *City Code of the City of Bunnell* or the *Land Development Code of the City of Bunnell*; provided, however, that the actions taken herein shall be depicted on the zoning maps of the City of Bunnell by the City Manager, or designee.

**Section 7. Effective Date**

This Ordinance shall take effect upon the effective date of Ordinance 2021-29.

First Reading: approved on this 25th day of October 2021.

Second/Final Reading: adopted on this 22<sup>nd</sup> day of November 2021.

**CITY COMMISSION, City of Bunnell, Florida.**

By: \_\_\_\_\_  
Catherine D. Robinson, Mayor

Approved for form and content by:

\_\_\_\_\_  
Vose Law Firm, City Attorney



Attest:

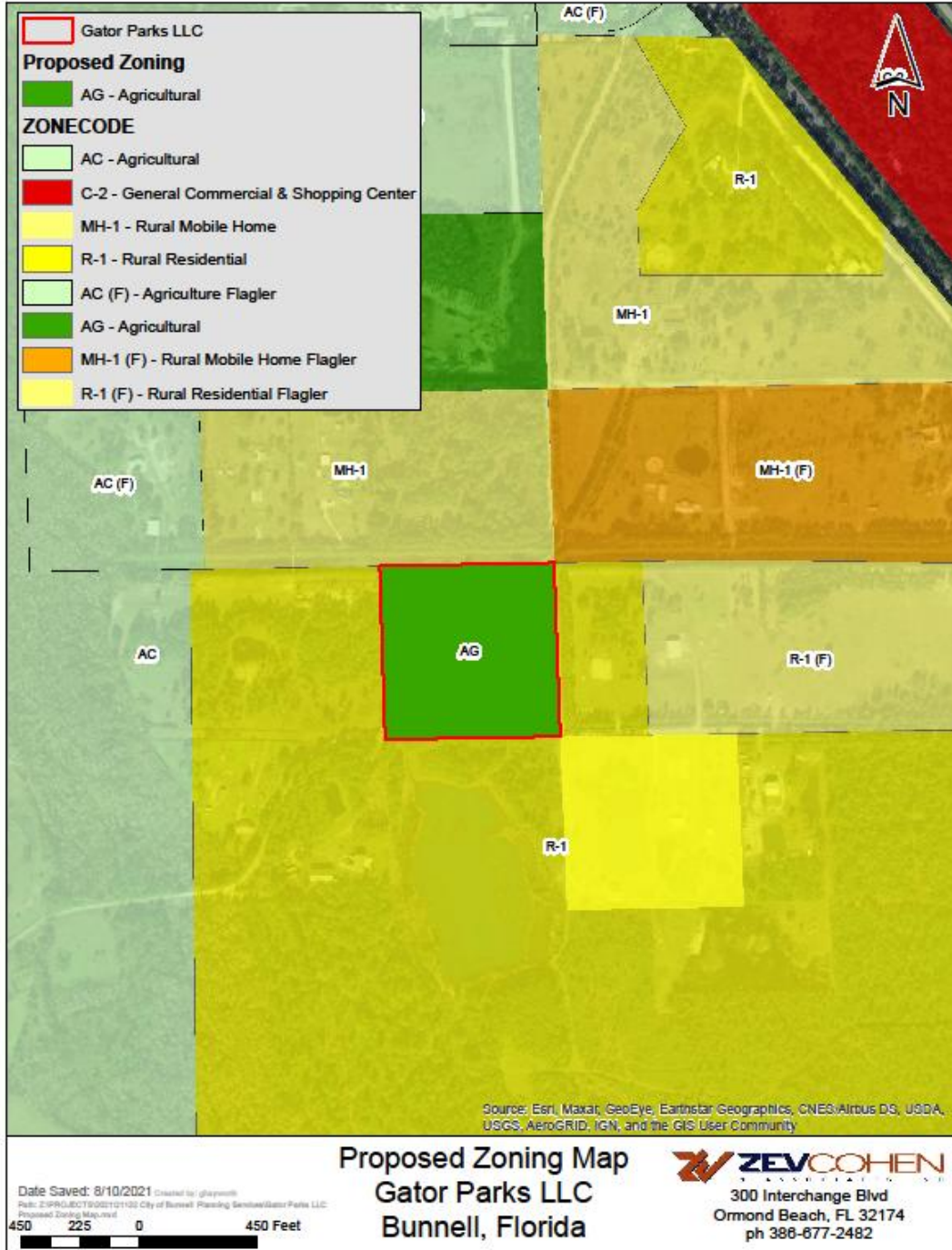
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

Kristen Bates, CMC, City Clerk

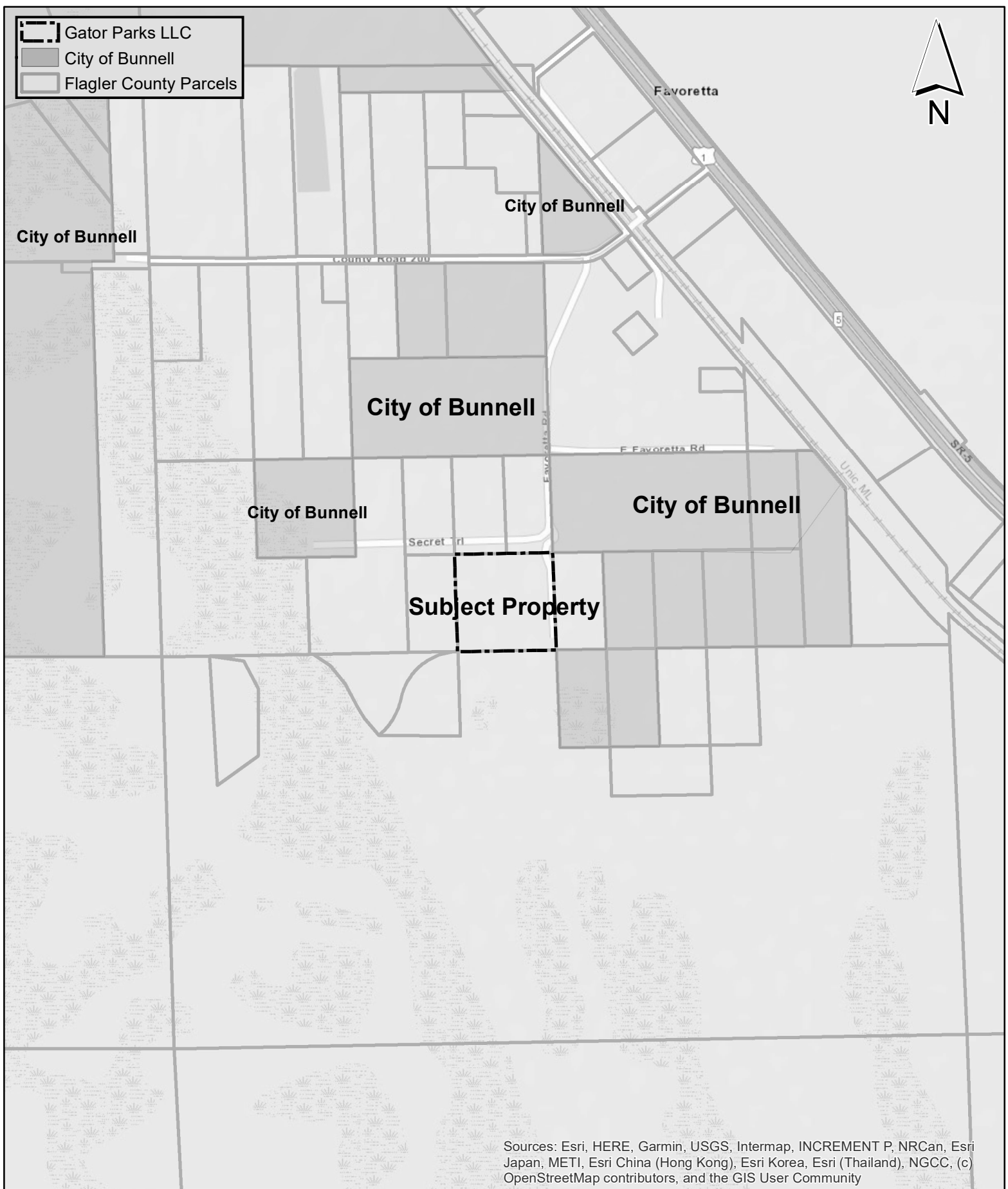
Seal:

# Exhibit "A"

## Proposed Zoning District



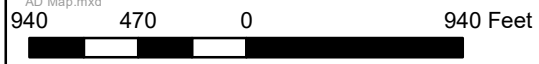
 Gator Parks LLC  
 City of Bunnell  
 Flagler County Parcels



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community

Info:

Date Saved: 8/13/2021 Created by: ghayworth  
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**Gator Parks LLC**  
**Bunnell, Florida**

**ZEVCOHEN**  
 & ASSOCIATES, INC.  
 300 Interchange Blvd  
 Ormond Beach, FL 32174  
 ph 386-677-2482



## City of Bunnell, Florida

### Agenda Item No. E.2.

Document Date: 11/1/2021 Amount:  
Department: Community Development Account #:  
Subject: Ordinance 2021-35 Requesting to change the Future Land Use Map for a 7.17± acre property owned by the Flagler County Board of County Commissioners from "Commercial-Medium Intensity" to "Public". - Second Reading  
Agenda Section: Ordinances: (Legislative): None  
Goal/Priority: Increase Economic Base

#### ATTACHMENTS:

Description	Type
Flagler County Library FLUM Ordinance 2021-35	Ordinance
Flagler County Library Location Map	Location Map(s)

#### Summary/Highlights:

The applicant is requesting a small scale amendment to the City of Bunnell Comprehensive Plan to change the Future Land Use Map (FLUM) designation on a 7.17± acre property from "Commercial-Medium Intensity" to "Public".

There is a companion rezoning request to amend the City's official zoning map to change the zoning of this property from the "B-1, Business" district zoning classification to the "P, Public" district zoning classification.

The Planning, Zoning and Appeals Board heard this request at their October 5, 2021 Meeting. At this meeting, the PZA Board voted to recommend approval of the proposed ordinance.

This item was heard at the November 8, 2021 City Commission meeting. At this meeting, the City Commission voted to approve the proposed ordinance. In accordance with Florida Statute, this item was advertised in the November 10, 2021 edition of the News Tribune.

#### Background:

The applicant, the Flagler County Board of County Commissioners, owns a 7.17± acre property located on the east side of Commerce Parkway approximately 1,066 feet south of East Moody Boulevard. This site is immediately east of the Flagler County Emergency Services

Department. The County plans to construct a public library on the property.

The property's current FLUM designation is "Commercial-Medium Intensity". The "Commercial-Medium Intensity" designation is a general purpose commercial land use designation that allows a variety of retail, office and service related uses up to a Floor Area Ratio of 0.4 and an Impervious Surface Ratio of 60%.

The proposed FLUM designation is "Public". The "Public" FLUM designation allows public and semi-public institutional uses owned by the public or non-profit organizations. The maximum Floor Area Ratio is 0.6. There is no maximum Impervious Service Ratio.

The maximum allowable intensity of the proposed FLUM designation will result in an increase in the allowed gross floor area on the property of up to 62,465 SF.

The property is located in an area where public infrastructure and services are already in place; and adequate capacity exists in the available facilities and services to accommodate the proposed land use change. Development of this site will promote the efficient and cost-effective provision of public infrastructure and services.

**Staff Recommendation:**

Adopt Ordinance 2021-35 Requesting to change the Future Land Use Map for a 7.17± acre property owned by the Flagler County Board of County Commissioners from "Commercial-Medium Intensity" to "Public". - Second Reading

**City Attorney Review:**

Approved as to form and legality.

**Finance Department Review/Recommendation:**

**City Manager Review/Recommendation:**

Approved.

## ORDINANCE 2021-35

**AN ORDINANCE OF THE CITY OF BUNNELL, FLORIDA AMENDING THE CITY OF BUNNELL COMPREHENSIVE PLAN, AS PREVIOUSLY AMENDED; PROVIDING FOR AMENDMENT TO THE FUTURE LAND USE MAP IN THE FUTURE LAND USE ELEMENT OF THE CITY OF BUNNELL COMPREHENSIVE PLAN RELATIVE TO CERTAIN REAL PROPERTY CONTAINING 7.17± ACRES, OWNED BY THE FLAGLER COUNTY BOARD OF COUNTY COMMISSIONERS, BEARING PARCEL ID: 11-12-30-0650-000D0-0012, LOCATED ON THE EAST SIDE OF COMMERCE PARKWAY APPROXIMATELY 1,066 FEET SOUTH OF EAST MOODY BOULEVARD WITHIN THE BUNNELL CITY LIMITS FROM COMMERCIAL-MEDIUM INTENSITY TO PUBLIC; PROVIDING FOR LEGISLATIVE FINDINGS AND INTENT; PROVIDING FOR ASSIGNMENT OF THE LAND USE DESIGNATION FOR THE PROPERTY; PROVIDING FOR SEVERABILITY; PROVIDING FOR RATIFICATION OF PRIOR ACTS OF THE CITY; PROVIDING FOR CONFLICTS; PROVIDING FOR CODIFICATION AND DIRECTIONS TO THE CODE CODIFIER AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the real property which is the subject of this Ordinance is described by Tax Identification Parcel Number 11-12-30-0650-000D0-0012, located in the City of Bunnell; and

**WHEREAS**, the owner of the property, Flagler County Board of County Commissioners, has requested this change to the future land use; and

**WHEREAS**, the City of Bunnell has not had any small-scale land use amendments since October 25, 2021 and has not submitted any small-scale land use amendments to the Department of Economic Opportunity since December 7, 2018; and

**WHEREAS**, the City of Bunnell's Planning, Zoning and Appeals Board, as the City's local planning agency, held a public hearing on October 5, 2021 to consider amending the Future Land Use Map of the Future Land Use Element of the *City of Bunnell Comprehensive Plan* and recommended approval of the proposed Future Land Use Map amendment to the *Comprehensive Plan* for the subject property as requested by the property owner; and

**WHEREAS**, Section 163.3187, *Florida Statutes*, relates to the amendment of adopted local government comprehensive plans and sets forth certain requirements relating to small scale amendments and which are related to proposed small-scale development activities and provides, among other things, that such amendments may be approved without regard to statutory limits on the frequency of consideration of amendments to the *City of Bunnell Comprehensive Plan*; and

**WHEREAS**, the City of Bunnell has complied with all requirements and procedures of Florida law in processing this amendment to the *City of Bunnell Comprehensive Plan* including, but not limited to, Section 163.3187, *Florida Statutes*.

**NOW, THEREFORE, BE IT ENACTED BY THE CITY COMMISSION OF THE CITY OF BUNNELL, FLORIDA:**

**Section 1. Legislative findings and intent.**

(a) The City Commission of the City of Bunnell hereby adopts and incorporates into this Ordinance the City staff report and City Commission agenda memorandum relating to the application relating to the proposed amendment to the *City of Bunnell 2030 Comprehensive Plan* pertaining to the subject property.

(b) The City of Bunnell has complied with all requirements and procedures of Florida law in processing and advertising this Ordinance.

(c) This Ordinance is internally consistent with the goals, objectives and policies of the *City of Bunnell 2030 Comprehensive Plan*.

(d) The exhibits to this Ordinance are incorporated herein as if fully set forth herein verbatim.

**Section 2. Amendment to Future Land Use Map.**

(a) The Future Land Use Plan Element of the *City of Bunnell 2030 Comprehensive Plan* and the City's Future Land Use Map are hereby amended by assigning the "Public" land use designation to the real property which is the subject of this Ordinance as set forth herein.

(b) The property which is the subject of this Comprehensive Plan amendment is described as follows:

**LEGAL DESCRIPTION:** 7.17 ACRES BUNNELL DEV CO SUBD BEING PT OF TRACTS 1,3,4,18,19,20 BLOCK D POR SE CRNR SEC 11 THENCE NE 1221.26' SW 399' TO POB SW 807.34' NW 386.72' NE 807.32' SE 386.72' TO POB OR 2527/1799

**ADDRESS:** Unaddressed parcel in the City of Bunnell

**TAX PARCEL IDENTIFICATION NUMBER:** 11-12-30-0650-000D0-0012

**Section 3. Implementing Administrative Actions.**

The City Manager, or designee, is hereby authorized to implement the provisions of this Ordinance as deemed appropriate and warranted.

**Section 4. Ratification of Prior Actions.**

The prior actions of the City Commission and its agencies in enacting and causing amendments to the *2030 Comprehensive Plan of the City of Bunnell*, as well as the implementation thereof, are hereby ratified and affirmed.

**Section 5. Severability.**

If any section, sentence, phrase, word, or portion of this Ordinance proves to be invalid, unlawful or unconstitutional, it shall not be held to impair the validity of the ordinance or effect of any other action or part of this Ordinance.

**Section 6. Conflicts.**

All ordinances or parts of ordinances in conflict herewith are hereby repealed.

**Section 7. Codification/Instructions to Code Codifier.**

It is the intention of the City Commission of the City of Bunnell, Florida, and it is hereby ordained that the provisions of this Ordinance shall become and be made a part of the codified version of the City of Bunnell *2030 Comprehensive Plan* and/or the *Code of Ordinances of the City of Bunnell*, Florida in terms of amending the Future Land Use Map of the City.

**Section 8. Effective Date.**

The small-scale Comprehensive Plan amendment set forth herein shall not become effective, in accordance with Section 163.3187(5)(c), *Florida Statutes*, until 31 days after the enactment of this Ordinance. If challenged within 30 days after enactment, the small-scale amendment set forth in this Ordinance shall not become effective until the State land planning agency or the Administration Commission, respectively, issues a final order determining that the subject small-scale amendment is in compliance with controlling State law.

First Reading: approved on this 8<sup>th</sup> day of November 2021.

Second Reading: adopted on this 22<sup>nd</sup> day of November 2021.

**CITY COMMISSION, City of Bunnell, Florida.**

By: \_\_\_\_\_  
Catherine D. Robinson, Mayor



Approved for form and content by:

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Vose Law Firm, City Attorney

Attest:

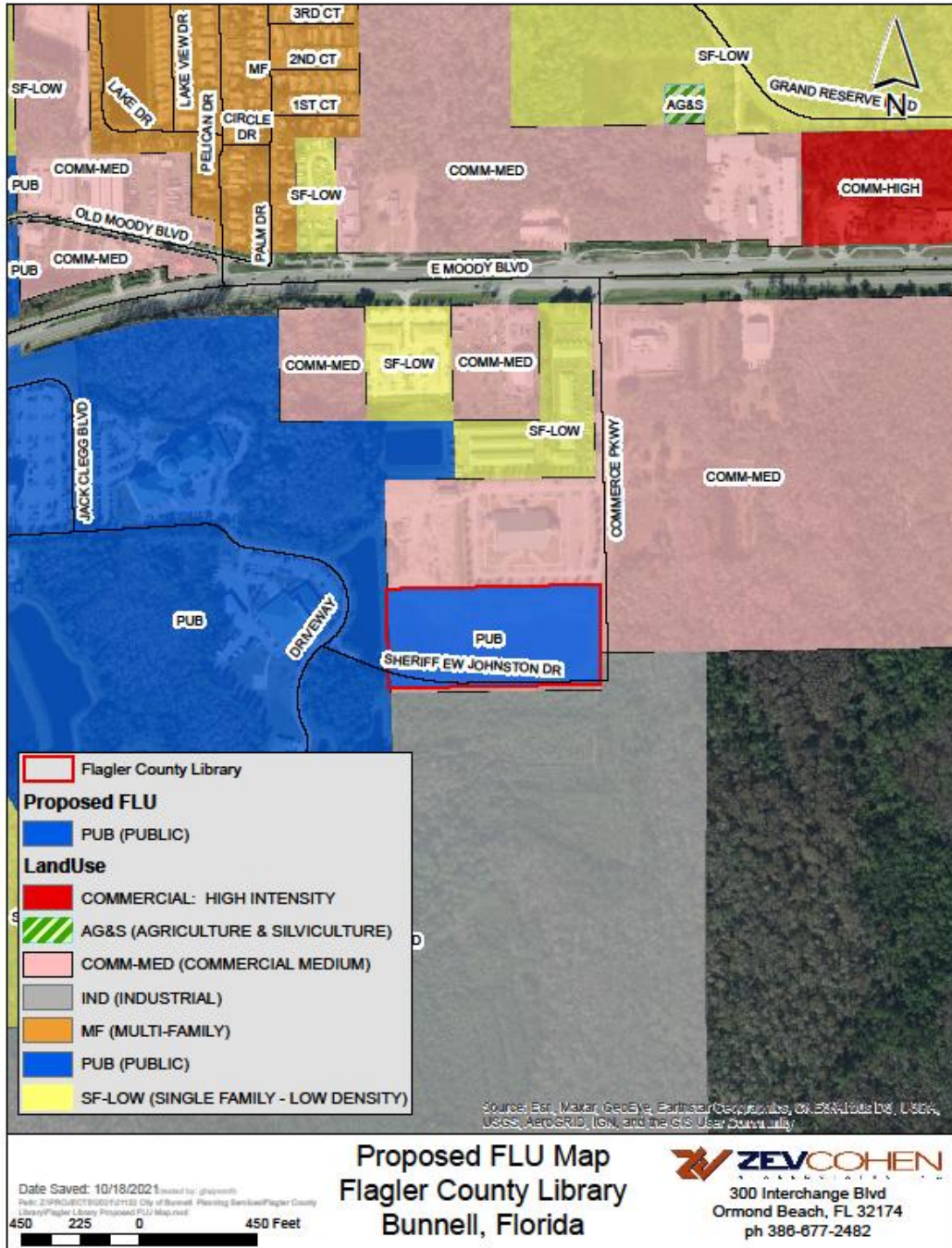
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
Kristen Bates, City Clerk, CMC

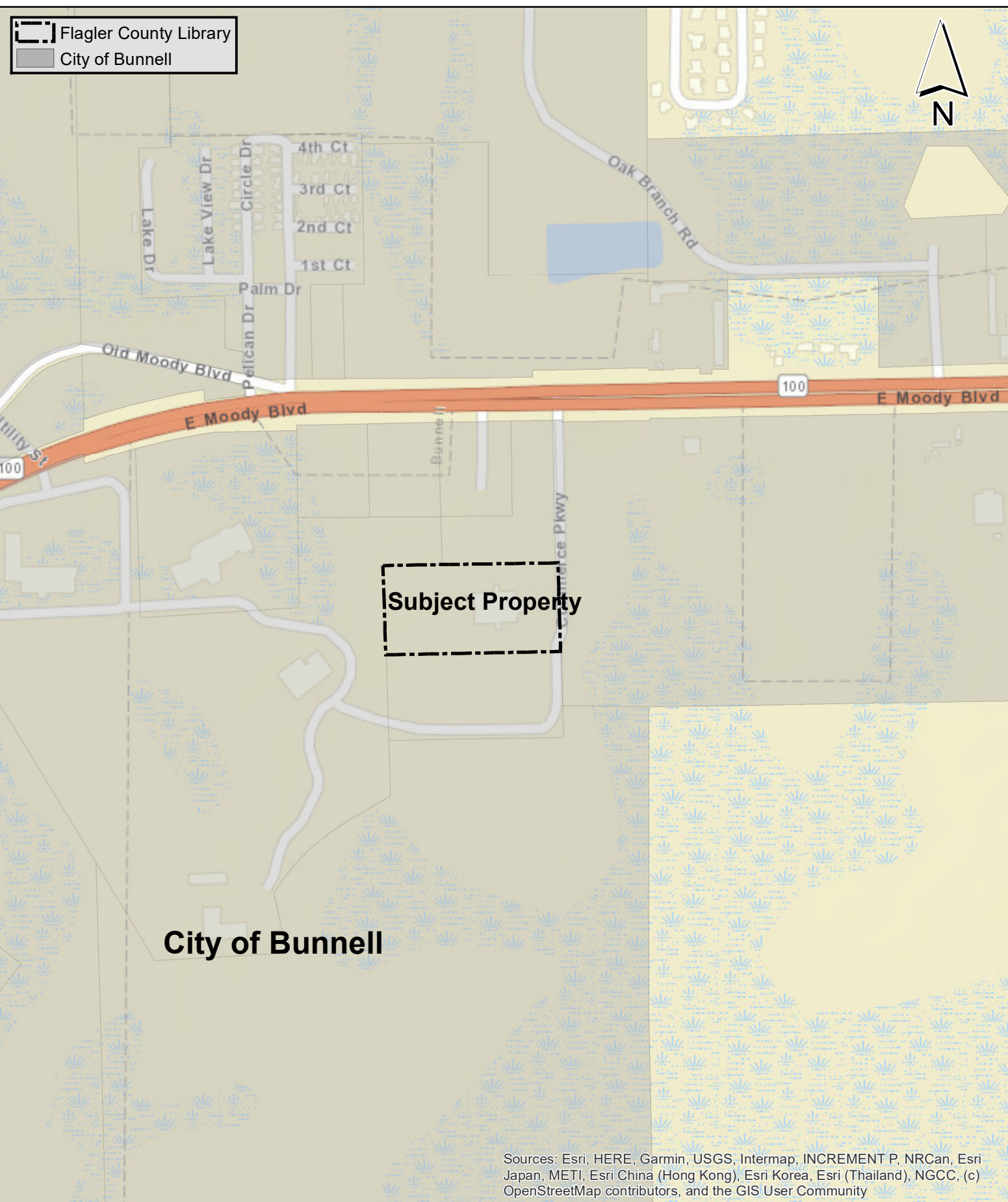
Seal:

# EXHIBIT A

## Proposed Future Land Use Map Amendment



 Flagler County Library  
 City of Bunnell



**City of Bunnell**

**Subject Property**

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community

Info:

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 650 325 0 650 Feet

**Flagler County Library**  
**Bunnell, Florida**

  
 300 Interchange Blvd  
 Ormond Beach, FL 32174  
 ph 386-677-2482



## City of Bunnell, Florida

### Agenda Item No. E.3.

Document Date: 11/1/2021 Amount:  
Department: Community Development Account #:  
Subject: Ordinance 2021-36 Requesting to change the official zoning map for a 7.17± acre property owned by the Flagler County Board of County Commissioners from the "B-1, Business" district to the "P, Public" district. - Second Reading  
Agenda Section: Ordinances: (Legislative): None  
Goal/Priority: Increase Economic Base

#### ATTACHMENTS:

Description	Type
Flagler County Library Rezoning Ordinance 2021-36	Ordinance
Flagler County Library Location Map	Location Map(s)

#### Summary/Highlights:

The applicant is requesting an amendment to the official zoning map to change the zoning on a 7.17± acre property from the "B-1, Business" district to the "P, Public" district.

There is a companion FLUM amendment application requesting to change the Future Land Use Map (FLUM) designation from the "Commercial-Medium Intensity" future land use category to the "Public" future land use category.

The Planning, Zoning and Appeals Board heard this request at their October 5, 2021 Meeting. At this meeting, the PZA Board voted to recommend approval of the proposed ordinance.

This item was heard at the November 8, 2021 City Commission meeting. At this meeting, the City Commission voted to approve the proposed ordinance. In accordance with Florida Statute, this item was advertised in the November 10, 2021 edition of the News Tribune.

#### Background:

The applicant, the Flagler County Board of County Commissioners, owns a 7.71± acre property located on the west side of Commerce Parkway approximately 1,066 feet south of E Moody Boulevard. The property is immediately to the east of the Flagler County Emergency Service Department. Flagler County Plans to construct a public library on the property.

The property is currently zoned "B-1 Business" district. The B-1 zoning district is a general purpose commercial zoning district that permits intensive general retail activity as well as business and personal services.

The proposed zoning classification is the "P Public" district. The P zoning district allows uses related the administration and operation of the city and county governments.

The LDC stipulates that P zoning district is "compatible with the public comprehensive plan land use designation." The vicinity of the subject property already contains a number of government and institutional uses.

The proposed "P, Public" zoning district is consistent with the existing pattern of surrounding development in the area.

**Staff Recommendation:**

Adopt Ordinance 2021-36 Requesting to change the official zoning map for a 7.17± acre property owned by the Flagler County Board of County Commissioners from the "B-1, Business" district to the "P, Public" district. - Second Reading

**City Attorney Review:**

Approved as to form and legality.

**Finance Department Review/Recommendation:**

**City Manager Review/Recommendation:**

Approved.

## ORDINANCE 2021-36

**AN ORDINANCE OF THE CITY OF BUNNELL, FLORIDA PROVIDING FOR THE REZONING OF REAL PROPERTY TOTALING 7.17± ACRES, OWNED BY THE FLAGLER COUNTY BOARD OF COUNTY COMMISSIONERS, BEARING PARCEL ID: 11-12-30-0650-000D0-0012 LOCATED ON THE EAST SIDE OF COMMERCE PARKWAY APPROXIMATELY 1,066 FEET SOUTH OF EAST MOODY BOULEVARD WITHIN THE BUNNELL CITY LIMITS FROM THE “B-1, BUSINESS DISTRICT” TO THE “P, PUBLIC DISTRICT”; PROVIDING FOR THE TAKING OF IMPLEMENTING ADMINISTRATIVE ACTIONS; PROVIDING FOR THE ADOPTION OF MAPS BY REFERENCE; REPEALING ALL CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR NON-CODIFICATION AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, Flagler County Board of County Commissioners, the owner of certain real property, which land totals approximately 7.17± acres in size located on the east side of Commerce Parkway approximately 1,066 feet south of East Moody Boulevard and is assigned Tax Parcel Identification Number 11-12-30-0650-000D0-0012 by the Property Appraiser of Flagler County; and

**WHEREAS**, Flagler County Board of County Commissioners has applied to the City of Bunnell pursuant to the controlling provisions of State law and the *Code of Ordinances of the City of Bunnell*, to have the subject property rezoned to the “P, Public” district zoning classification from the existing “B-1, Business” district zoning classification; and

**WHEREAS**, the City’s Community Department has conducted a thorough review and analysis of the demands upon public facilities and general planning and land development issues should the subject rezoning application be approved and has otherwise reviewed and evaluated the application to determine whether is comports with sound and generally accepted land use planning practices and principles as well as whether the application is consistent with the goals, objectives and policies set forth in the City’s *Comprehensive Plan*; and

**WHEREAS**, on October 5, 2021 the Planning, Zoning and Appeals Board of the City of Bunnell reviewed this request and recommended approval of the proposed ordinance to the City Commission; and

**WHEREAS**, professional City planning staff, the City’s Planning, Zoning and Appeals Board and the City Commission have determined that the proposed rezoning of the subject property as set forth in this Ordinance is consistent with the *Comprehensive Plan of the City of Bunnell*, the land development regulations of the City of Bunnell, and the controlling provisions of State law; and

**WHEREAS**, the City Commission of the City of Bunnell, Florida has taken, as implemented by City staff, all actions relating to the rezoning action set forth herein in accordance with the requirements and procedures mandated by State law.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF BUNNELL, FLORIDA:**

**Section 1. Legislative Findings and Intent.**

- (a) The City Commission of the City of Bunnell hereby adopts and incorporates into this Ordinance the City staff report and City Commission agenda memorandum relating to the application relating to the proposed rezoning of the subject property as well as the recitals (whereas clauses) to this Ordinance.
- (b) The subject property, which is 7.17± acres in size, is located on the east side of Commerce Parkway approximately 1,066 feet south of East Moody Boulevard in the City of Bunnell.
- (c) The City of Bunnell has complied with all requirements and procedures of Florida law in processing and advertising this Ordinance.

**Section 2. Rezoning of Real Property/Implementing Actions.**

- (a) Upon enactment of this Ordinance the following described property, as depicted in the map attached to this Ordinance, and totaling approximately 10± acres in size, shall be rezoned to the “P, Public” district zoning classification from the existing “B-1, Business” district zoning classification; and

**LEGAL DESCRIPTION:** 7.17 ACRES BUNNELL DEV CO SUBD BEING PT OF TRACTS 1,3,4,18,19,20 BLOCK D POR SE CRNR SEC 11 THENCE NE 1221.26' SW 399' TO POB SW 807.34' NW 386.72' NE 807.32' SE 386.72' TO POB OR 2527/1799

**ADDRESS:** Unaddressed parcel in the City of Bunnell

**TAX PARCEL IDENTIFICATION NUMBER:** 11-12-30-0650-000D0-0012

- (b) The City Manager, or designee, is hereby authorized to execute any and all documents necessary to formalize approval of the rezoning action taken herein and to revise and amend the Official Zoning Map or Maps of the City of Bunnell as may be appropriate to accomplish the action taken in this Ordinance.
- (c) Conditions of development relating to the subject property may be incorporated into the subsequent pertinent development orders and such development orders may be subject to public hearing requirements in accordance with the provisions of controlling law.

**Section 3. Incorporation of Maps.**

The maps attached to this Ordinance are hereby ratified and affirmed and incorporated into this Ordinance as a substantive part of this Ordinance.

**Section 4. Conflicts.**

All ordinances or part of ordinances in conflict with this Ordinance are hereby repealed

**Section 5. Severability.**

If any section, sentence, phrase, word, or portion of this Ordinance is determined to be invalid, unlawful or unconstitutional, said determination shall not be held to invalidate or impair the validity, force or effect of any other section, sentence, phrase, word, or portion of this Ordinance not otherwise determined to be invalid, unlawful, or unconstitutional.

**Section 6. Non-codification.**

This Ordinance shall be not be codified in the *City Code of the City of Bunnell* or the *Land Development Code of the City of Bunnell*; provided, however, that the actions taken herein shall be depicted on the zoning maps of the City of Bunnell by the City Manager, or designee.

**Section 7. Effective Date**

This Ordinance shall take effect upon the effective date of Ordinance 2021-35.

First Reading: approved on this 8<sup>th</sup> day of November 2021.

Second/Final Reading: adopted on this 22<sup>nd</sup> day of November 2021.

**CITY COMMISSION, City of Bunnell, Florida.**

By: \_\_\_\_\_  
Catherine D. Robinson, Mayor

Approved for form and content by:

\_\_\_\_\_  
Vose Law Firm, City Attorney



Attest:

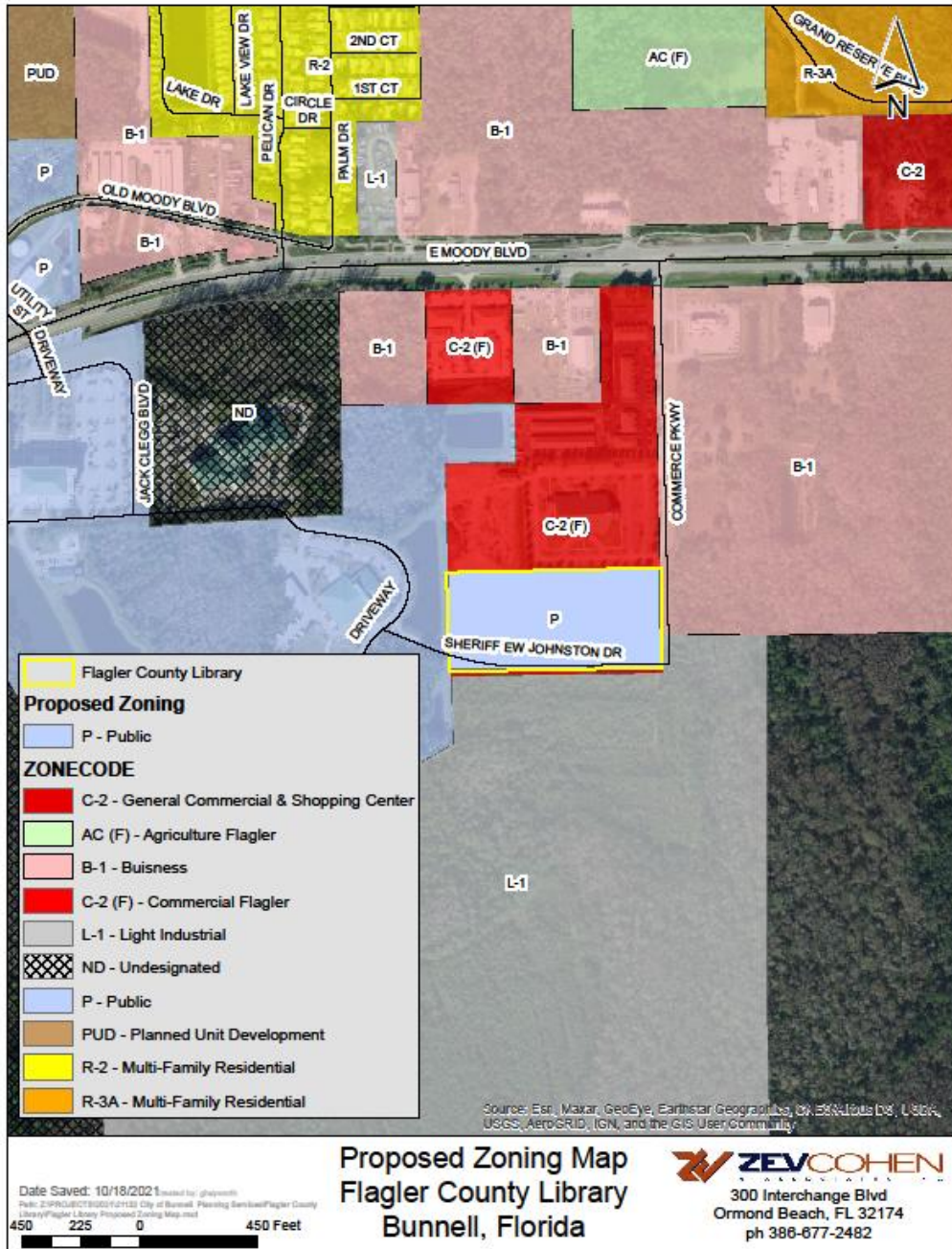
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
Kristen Bates, CMC, City Clerk

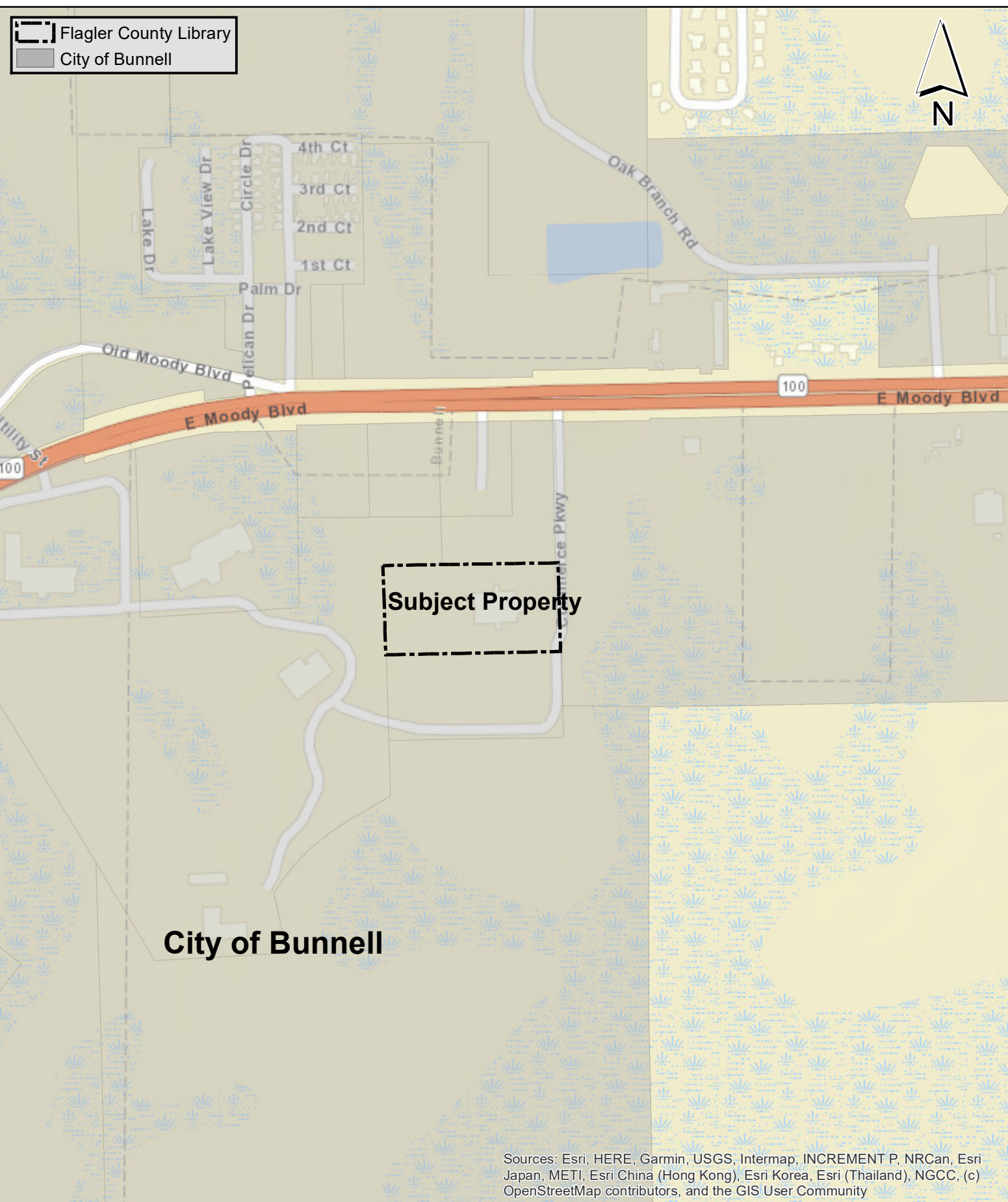
Seal:

# Exhibit "A"

## Proposed Rezoning Map



 Flagler County Library  
 City of Bunnell



**Subject Property**

**City of Bunnell**

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community

Info:

Date Saved: 9/13/2021 Created by: ghayworth  
 Path: Z:\PROJECTS\2021\21132 City of Bunnell Planning Services\Flagler County Library AD Map.mxd

650 325 0 650 Feet



**Flagler County Library**  
**Bunnell, Florida**

  
 300 Interchange Blvd  
 Ormond Beach, FL 32174  
 ph 386-677-2482



## City of Bunnell, Florida

### Agenda Item No. E.4.

Document Date: 11/1/2021 Amount:  
Department: Community Development Account #:  
Subject: Ordinance 2021-37 Requesting to change the Future Land Use Map in the Comprehensive Plan for 2.8± acres of land owned by Kimberly & Conrad Leggett, bearing the Parcel ID: 21-13-31-0650-000A0-0930 from Flagler County, Residential- Low Density/Rural Estate to City of Bunnell Agriculture. - Second Reading  
Agenda Section: Ordinances: (Legislative): None  
Goal/Priority: Increase Economic Base

#### ATTACHMENTS:

Description	Type
Leggett FLUM Ordinance 2021-37	Ordinance
Leggett Location Map	Location Map(s)

#### Summary/Highlights:

The applicant is requesting a small scale amendment to the City of Bunnell Comprehensive Plan to change the Future Land Use Map (FLUM) designation on a 2.8± acre property from Flagler County, Residential - Low Density/Rural Estate to City of Bunnell, "Agriculture".

There is a companion rezoning request to amend the official zoning map to change the zoning from the Flagler County, "MH-1 Rural Mobile Home" district to the City of Bunnell, "AG- Agriculture" district.

The Planning, Zoning and Appeals Board heard this request at their October 5, 2021 Meeting. At this meeting, the PZA Board voted to recommend approval of the proposed ordinance.

This item was heard at the November 8, 2021 City Commission meeting. At this meeting, the City Commission voted to approve the proposed ordinance. In accordance with Florida Statute, this item was advertised in the November 10, 2021 edition of the News Tribune.

#### Background:

The applicants, Kimberly & Conrad Leggett, own a 2.8± acre property identified as Parcel ID's:02-13-30-0650-000A0-0001. The property is located at 655 E. Favoretta Road. The

applicants plan to construct a single family home on the property.

The parcel's current FLUM designation is Flagler County, "Residential - Low Density/Rural Estate". The Flagler County " Residential - Low Density/Rural Estate" allows low density residential density at up to one (1) dwelling unit per acre.

The proposed FLUM designation is City of Bunnell "Agriculture". The "Agriculture" land use designation was created to allow a range of agricultural and related uses, while also allowing low density residential development at a maximum density of one (1) dwelling unit per acre.

If developed at the maximum allowable density, the proposed FLUM designation will not result in any increase dwelling units on the property compared to the current FLUM designation. The applicant's intended use is consistent with the rural character of the area.

**Staff Recommendation:**

Adopt Ordinance 2021-37 Requesting to change the Future Land Use Map in the Comprehensive Plan for 2.8± acres of land owned by Kimberly & Conrad Leggett, bearing the Parcel ID: 21-13-31-0650-000A0-0930 from Flagler County, Residential- Low Density/Rural Estate to City of Bunnell Agriculture. - Second Reading

**City Attorney Review:**

Approved as to form and legality.

**Finance Department Review/Recommendation:**

**City Manager Review/Recommendation:**

Approved.

## ORDINANCE 2021-37

**AN ORDINANCE OF THE CITY OF BUNNELL, FLORIDA AMENDING THE CITY OF BUNNELL COMPREHENSIVE PLAN, AS PREVIOUSLY AMENDED; PROVIDING FOR AMENDMENT TO THE FUTURE LAND USE MAP IN THE FUTURE LAND USE ELEMENT OF THE CITY OF BUNNELL COMPREHENSIVE PLAN RELATIVE TO CERTAIN REAL PROPERTY CONTAINING 2.8± ACRES, OWNED BY KIMBERLY & CONRAD LEGGETT, BEARING PARCEL ID: 21-13-31-0650-000A0-0930, LOCATED AT 655 EAST FAVORETTA ROAD WITHIN THE BUNNELL CITY LIMITS FROM FLAGLER COUNTY, RESIDENTIAL - LOW DENSITY/RURAL ESTATE TO CITY OF BUNNELL AGRICULTURE; PROVIDING FOR LEGISLATIVE FINDINGS AND INTENT; PROVIDING FOR ASSIGNMENT OF THE LAND USE DESIGNATION FOR THE PROPERTY; PROVIDING FOR SEVERABILITY; PROVIDING FOR RATIFICATION OF PRIOR ACTS OF THE CITY; PROVIDING FOR CONFLICTS; PROVIDING FOR CODIFICATION AND DIRECTIONS TO THE CODE CODIFIER AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the real property which is the subject of this Ordinance is described by Tax Identification Parcel Number 21-13-31-0650-000A0-0930, located in the City of Bunnell; and

**WHEREAS**, the owners of the property, Kimberly & Conrad Leggett, have requested this change to the future land use; and

**WHEREAS**, the City of Bunnell has not had any small-scale land use amendments since October 25, 2021 and has not submitted any small-scale land use amendments to the Department of Economic Opportunity since December 7, 2018; and

**WHEREAS**, the City of Bunnell's Planning, Zoning and Appeals Board, as the City's local planning agency, held a public hearing on October 5, 2021 to consider amending the Future Land Use Map of the Future Land Use Element of the *City of Bunnell Comprehensive Plan* and recommended approval of the proposed Future Land Use Map amendment to the *Comprehensive Plan* for the subject property as requested by the property owner; and

**WHEREAS**, Section 163.3187, *Florida Statutes*, relates to the amendment of adopted local government comprehensive plans and sets forth certain requirements relating to small scale amendments and which are related to proposed small-scale development activities and provides, among other things, that such amendments may be approved without regard to statutory limits on the frequency of consideration of amendments to the *City of Bunnell Comprehensive Plan*; and

**WHEREAS**, the City of Bunnell has complied with all requirements and procedures of Florida law in processing this amendment to the *City of Bunnell Comprehensive Plan* including, but not limited to, Section 163.3187, *Florida Statutes*.

**NOW, THEREFORE, BE IT ENACTED BY THE CITY COMMISSION OF THE CITY OF BUNNELL, FLORIDA:**

**Section 1. Legislative findings and intent.**

- (a) The City Commission of the City of Bunnell hereby adopts and incorporates into this Ordinance the City staff report and City Commission agenda memorandum relating to the application relating to the proposed amendment to the *City of Bunnell 2030 Comprehensive Plan* pertaining to the subject property.
- (b) The City of Bunnell has complied with all requirements and procedures of Florida law in processing and advertising this Ordinance.
- (c) This Ordinance is internally consistent with the goals, objectives and policies of the *City of Bunnell 2030 Comprehensive Plan*.
- (d) The exhibits to this Ordinance are incorporated herein as if fully set forth herein verbatim.

**Section 2. Amendment to Future Land Use Map.**

- (a) The Future Land Use Plan Element of the *City of Bunnell 2030 Comprehensive Plan* and the City's Future Land Use Map are hereby amended by assigning the "Agriculture" land use designation to the real property which is the subject of this Ordinance as set forth herein.
- (b) The property which is the subject of this Comprehensive Plan amendment is described as follows:

**LEGAL DESCRIPTION:** 2.80 AC BUNNELL DEV CO SUBD BEING PT OF W 1/2 OF N 1/2 TR 9 BLK A POR NW CRNR TR 7 THENCE SE 660.63' SE 291.66' TO POB NE 330.50' SE 366.69' SW 330.60' NW 366.69' TO POB A/D/A PARCELS 3 & 4 PER SURVEY PROVIDED OR 1991/1060 OR 2061/1660 (L/E 2342/1765

**ADDRESS:** 655 East Favoretta Road

**TAX PARCEL IDENTIFICATION NUMBER:** 21-13-31-0650-000A0-0930

**Section 3. Implementing Administrative Actions.**

The City Manager, or designee, is hereby authorized to implement the provisions of this Ordinance as deemed appropriate and warranted.

**Section 4. Ratification of Prior Actions.**

The prior actions of the City Commission and its agencies in enacting and causing amendments to the *2030 Comprehensive Plan of the City of Bunnell*, as well as the implementation thereof, are hereby ratified and affirmed.

**Section 5. Severability.**

If any section, sentence, phrase, word, or portion of this Ordinance proves to be invalid, unlawful or unconstitutional, it shall not be held to impair the validity of the ordinance or effect of any other action or part of this Ordinance.

**Section 6. Conflicts.**

All ordinances or parts of ordinances in conflict herewith are hereby repealed.

**Section 7. Codification/Instructions to Code Codifier.**

It is the intention of the City Commission of the City of Bunnell, Florida, and it is hereby ordained that the provisions of this Ordinance shall become and be made a part of the codified version of the City of Bunnell 2030 *Comprehensive Plan* and/or the *Code of Ordinances of the City of Bunnell, Florida* in terms of amending the Future Land Use Map of the City.

**Section 8. Effective Date.**

The small-scale Comprehensive Plan amendment set forth herein shall not become effective, in accordance with Section 163.3187(5)(c), *Florida Statutes*, until 31 days after the enactment of this Ordinance. If challenged within 30 days after enactment, the small-scale amendment set forth in this Ordinance shall not become effective until the State land planning agency or the Administration Commission, respectively, issues a final order determining that the subject small-scale amendment is in compliance with controlling State law.

First Reading: approved on this 8<sup>th</sup> day of November 2021.

Second Reading: adopted on this 22<sup>nd</sup> day of November 2021.

**CITY COMMISSION, City of Bunnell, Florida.**

By: \_\_\_\_\_  
Catherine D. Robinson, Mayor

Approved for form and content by:

\_\_\_\_\_  
Vose Law Firm, City Attorney



Attest:

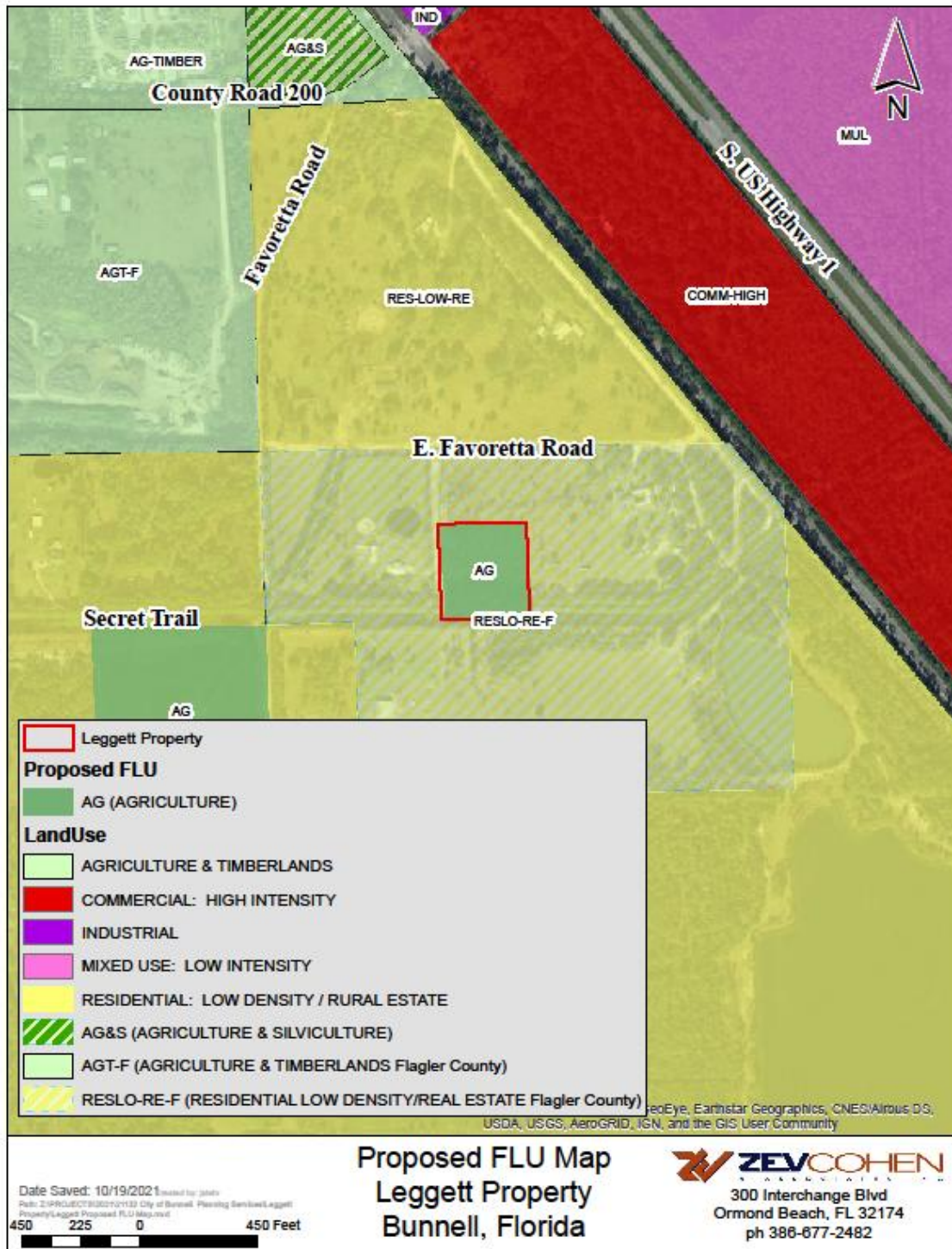
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
Kristen Bates, City Clerk, CMC

Seal:

# EXHIBIT A

## Proposed Future Land Use Map



 Leggett Property  
 City of Bunnell



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community

Info:

Date Saved: 10/19/2021 created by: jstehr  
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**Leggett Property**  
**Bunnell, Florida**

  
 300 Interchange Blvd  
 Ormond Beach, FL 32174  
 ph 386-677-2482



## City of Bunnell, Florida

### Agenda Item No. E.5.

Document Date: 11/1/2021 Amount:  
Department: Community Development Account #:  
Subject: Ordinance 2021-38 Requesting to change the official zoning map for 2.8± acres of land owned by Kimberly & Conrad Leggett, bearing Parcel ID: 21-13-31-0650-000a0-0930, from the Flagler County "MH-1, Rural Mobile Home" district to the City of Bunnell "AG, Agricultural District." - Second Reading  
Agenda Section: Ordinances: (Legislative): None  
Goal/Priority: Increase Economic Base

#### ATTACHMENTS:

Description	Type
Leggett Rezoning Ordinance 2021-38	Ordinance
Leggett Location Map	Location Map(s)

#### Summary/Highlights:

The applicant is requesting an amendment to the official zoning map to change the zoning on a 2.8± acre property from the Flagler County "MH-1, Rural Mobile Home" district to the City of Bunnell "AG, Agricultural District".

There is a companion FLUM amendment application requesting to change the Future Land Use Map (FLUM) designation from Flagler County, Residential - Low Density/Rural Estate to City of Bunnell, "Agriculture".

The Planning, Zoning & Appeals Board heard this request at their October 5, 2021 Meeting. At that meeting, the PZA Board voted to recommend approval of the proposed ordinance.

This item was heard at the November 8, 2021 City Commission meeting. At this meeting, the City Commission voted to approve the proposed ordinance. In accordance with Florida Statute, this item was advertised in the November 10, 2021 edition of the News Tribune.

#### Background:

The applicants, Kimberly & Conrad Leggett, own a 2.8± acre property identified as Parcel ID's:02-13-30-0650-000A0-0001. The property is located at 655 E. Favoretta Road. The

applicants plan to construct a single family home on the property.

The property is currently zoned Flagler County “MH-1, Rural Mobile Home” district. The Flagler County “MH-1, Rural Mobile Home” district is a transitional zoning category between agricultural and urban areas. It allows a mixture of single-family dwellings and mobile homes.

The proposed zoning classification is City of Bunnell "AG-Agricultural". The intent of the "AG-Agricultural" district is to "preserve and enhance an agricultural lifestyle while facilitating orderly and sustainable development." The minimum lot size in the "AG-Agricultural" district is one (1) acre.

The proposed "AG-Agricultural" zoning is consistent with the proposed FLUM designation and the existing pattern of surrounding development.

**Staff Recommendation:**

Adopt Ordinance 2021-38 Requesting to change the official zoning map for 2.8± acres of land owned by Kimberly & Conrad Leggett, bearing Parcel ID: 21-13-31-0650-000a0-0930, from the Flagler County “MH-1, Rural Mobile Home” district to the City of Bunnell “AG, Agricultural District.” - Second Reading

**City Attorney Review:**

Approved as to form and legality.

**Finance Department Review/Recommendation:**

**City Manager Review/Recommendation:**

Approved.

## ORDINANCE 2021-38

**AN ORDINANCE OF THE CITY OF BUNNELL, FLORIDA PROVIDING FOR THE REZONING OF REAL PROPERTY TOTALING 2.8± ACRES, OWNED BY KIMBERLY & CONRAD LEGGETT, BEARING PARCEL ID: 21-13-31-0650-000A0-0930 LOCATED AT 655 EAST FAVORETTA ROAD WITHIN THE BUNNELL CITY LIMITS FROM THE FLAGLER COUNTY “MH-1, RURAL MOBILE HOME DISTRICT” TO THE CITY OF BUNNELL “AG, AGRICULTURAL DISTRICT”; PROVIDING FOR THE TAKING OF IMPLEMENTING ADMINISTRATIVE ACTIONS; PROVIDING FOR THE ADOPTION OF MAPS BY REFERENCE; REPEALING ALL CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR NON-CODIFICATION AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, Kimberly & Conrad Leggett, the owners of certain real property, which land totals 2.8± acres in size located at 655 East Favoretta Road and is assigned Tax Parcel Identification Number 21-13-31-0650-000A0-0930 by the Property Appraiser of Flagler County; and

**WHEREAS**, Flagler County Board of County Commissioners has applied to the City of Bunnell pursuant to the controlling provisions of State law and the *Code of Ordinances of the City of Bunnell*, to have the subject property rezoned to the City of Bunnell “AG, Agricultural” district zoning classification from the existing Flagler County “MH-1, Rural Mobile Home district zoning classification; and

**WHEREAS**, the City’s Community Department has conducted a thorough review and analysis of the demands upon public facilities and general planning and land development issues should the subject rezoning application be approved and has otherwise reviewed and evaluated the application to determine whether is comports with sound and generally accepted land use planning practices and principles as well as whether the application is consistent with the goals, objectives and policies set forth in the City’s *Comprehensive Plan*; and

**WHEREAS**, on October 5, 2021 the Planning, Zoning and Appeals Board of the City of Bunnell reviewed this request and recommended approval of the proposed ordinance to the City Commission; and

**WHEREAS**, professional City planning staff, the City’s Planning, Zoning and Appeals Board and the City Commission have determined that the proposed rezoning of the subject property as set forth in this Ordinance is consistent with the *Comprehensive Plan of the City of Bunnell*, the land development regulations of the City of Bunnell, and the controlling provisions of State law; and

**WHEREAS**, the City Commission of the City of Bunnell, Florida has taken, as implemented by City staff, all actions relating to the rezoning action set forth herein in accordance with the requirements and procedures mandated by State law.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF BUNNELL, FLORIDA:**

**Section 1. Legislative Findings and Intent.**

- (a) The City Commission of the City of Bunnell hereby adopts and incorporates into this Ordinance the City staff report and City Commission agenda memorandum relating to the application relating to the proposed rezoning of the subject property as well as the recitals (whereas clauses) to this Ordinance.
- (b) The subject property, which is 2.8± acres in size, is located 655 East Favoretta Road in the City of Bunnell.
- (c) The City of Bunnell has complied with all requirements and procedures of Florida law in processing and advertising this Ordinance.

**Section 2. Rezoning of Real Property/Implementing Actions.**

- (a) Upon enactment of this Ordinance the following described property, as depicted in the map attached to this Ordinance, and totaling 2.8± acres in size, shall be rezoned to the City of Bunnell “AG, Agricultural” district zoning classification from the existing Flagler County, “MH-1, Rural Mobile Home” district zoning classification” district zoning classification;

**LEGAL DESCRIPTION:** 2.80 AC BUNNELL DEV CO SUBD BEING PT OF W 1/2 OF N 1/2 TR 9 BLK A POR NW CRNR TR 7 THENCE SE 660.63' SE 291.66' TO POB NE 330.50' SE 366.69' SW 330.60' NW 366.69' TO POB A/D/A PARCELS 3 & 4 PER SURVEY PROVIDED OR 1991/1060 OR 2061/1660 (L/E 2342/1765.

**ADDRESS:** 655 East Favoretta Road

**TAX PARCEL IDENTIFICATION NUMBER:** 21-13-31-0650-000A0-0930

- (b) The City Manager, or designee, is hereby authorized to execute any and all documents necessary to formalize approval of the rezoning action taken herein and to revise and amend the Official Zoning Map or Maps of the City of Bunnell as may be appropriate to accomplish the action taken in this Ordinance.
- (c) Conditions of development relating to the subject property may be incorporated into the subsequent pertinent development orders and such development orders may be subject to public hearing requirements in accordance with the provisions of controlling law.

**Section 3. Incorporation of Maps.**

The maps attached to this Ordinance are hereby ratified and affirmed and incorporated into this Ordinance as a substantive part of this Ordinance.

**Section 4. Conflicts.**

All ordinances or part of ordinances in conflict with this Ordinance are hereby repealed

**Section 5. Severability.**

If any section, sentence, phrase, word, or portion of this Ordinance is determined to be invalid, unlawful or unconstitutional, said determination shall not be held to invalidate or impair the validity, force or effect of any other section, sentence, phrase, word, or portion of this Ordinance not otherwise determined to be invalid, unlawful, or unconstitutional.

**Section 6. Non-codification.**

This Ordinance shall be not be codified in the *City Code of the City of Bunnell* or the *Land Development Code of the City of Bunnell*; provided, however, that the actions taken herein shall be depicted on the zoning maps of the City of Bunnell by the City Manager, or designee.

**Section 7. Effective Date**

This Ordinance shall take effect upon the effective date of Ordinance 2021-37.

First Reading: approved on this 8<sup>th</sup> day of November 2021.

Second/Final Reading: adopted on this 22<sup>nd</sup> day of November 2021.

**CITY COMMISSION, City of Bunnell, Florida.**

By: \_\_\_\_\_  
Catherine D. Robinson, Mayor

Approved for form and content by:

\_\_\_\_\_  
Vose Law Firm, City Attorney



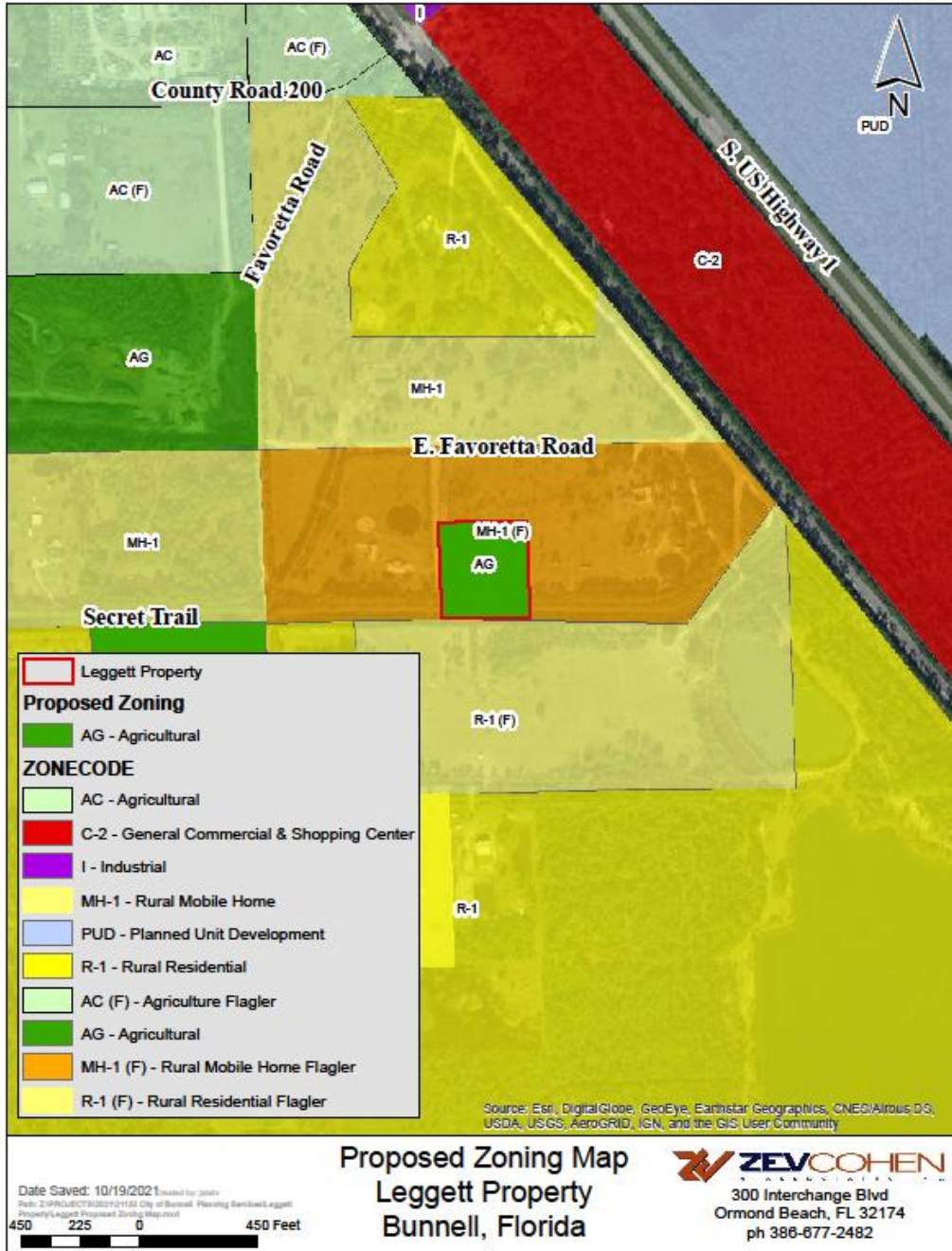
Attest:



\_\_\_\_\_  
Kristen Bates, CMC, City Clerk

Seal:

# Exhibit "A"

## Proposed Rezoning Map



 Leggett Property  
 City of Bunnell



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community

Info:

Date Saved: 10/19/2021 created by: jstehr  
 Path: Z:\PROJECTS\2021\21132 City of Bunnell Planning Services\Leggett  
 Property\Leggett Property AD Map.mxd



**Leggett Property**  
**Bunnell, Florida**

  
 300 Interchange Blvd  
 Ormond Beach, FL 32174  
 ph 386-677-2482



## City of Bunnell, Florida

### Agenda Item No. F.1.

Document Date: 11/10/2021 Amount:  
Department: Infrastructure Account #:  
Subject: Resolution 2021-18 Authorizing Submittal of the State Revolving Fund Loan  
Application for the Construction of the Wastewater Treatment Plant Rehab  
Project  
Agenda Section: Resolutions: (Legislative):  
Goal/Priority: Infrastructure

#### ATTACHMENTS:

Description	Type
SRF Loan Application	Exhibit
SRF Loan App Attachment 1	Exhibit
SRF Loan App Attachment 2	Exhibit
SRF Loan App Attachment 3	Exhibit
SRF Loan App Attachment 4	Exhibit
SRF Loan App Attachment 5 - Legal Opinion	Exhibit
SRF Loan App Attachment 6 - Resolution 2021-18	Resolution
SRF Loan App Attachment 7	Exhibit
SRF Loan App Attachment 8	Exhibit
SRF Loan App Attachment 9	Exhibit
SRF Loan App Attachment 10	Exhibit
SRF Loan App Attachment 11	Exhibit

#### Summary/Highlights:

Staff is seeking approval to submit the State Revolving Fund (SRF) loan application for the previously announced allocated funding for the Wastewater Treatment Plant Rehab/Expansion project construction.

#### Background:

The City was notified of actions taken at the SRF Program public meeting held August 11, 2021 concerning adoption of the Fiscal Year 2022 Water Pollution Control SRF Priority List. Actions taken at the meeting included authorization of a loan for the City's Wastewater Treatment Plant Rehab/Expansion construction. The SRF Program recommended to allocate \$12,000,000 with

\$4,000,000 loan forgiveness.

CPH, Inc. has been working with City staff to complete all the necessary requirements for the SRF loan approval. Adoption of this Resolution is the next step in the application process in which it authorizes the loan application and agreement, establishes pledged revenues, and designates authorized representatives.

**Staff Recommendation:**

Adoption of Resolution 2021-18 authorizing submittal of the State Revolving Fund loan application for the construction of the Wastewater Treatment Plant Rehab Project.

**City Attorney Review:**

Approved as to form and legality.

**Finance Department Review/Recommendation:**

Approved.

**City Manager Review/Recommendation:**

Approved.

STATE OF FLORIDA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION

**STATE REVOLVING LOAN PROGRAM**  
**for**  
**Point Source Water Pollution Control**

**LOAN APPLICATION**



Florida Department of Environmental Protection  
State Revolving Fund Program  
Marjory Stoneman Douglas Building  
3900 Commonwealth Blvd., MS 3505  
Tallahassee, FL 32399-3000

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**LOAN APPLICATION**

- (1) SUBMITTAL. Submit the application and attachments to the Department of Environmental Protection, MS 3505, State Revolving Fund Program, 3900 Commonwealth Blvd., Tallahassee, Florida 32399-3000. The application (and backup) may be submitted electronically to the Department's Project Manager.
- (2) COMPLETING THE APPLICATION.
  - (a) This application consists of five parts: (I) ADMINISTRATIVE INFORMATION; (II) PROJECT INFORMATION; (III) FINANCIAL INFORMATION; (IV) AUTHORIZATION AND ASSURANCES; and (V) SUPPLEMENTARY INFORMATION.
  - (b) All information provided on this application must be printed. Monetary amounts may be rounded.
  - (c) Forms and attachments to be submitted are denoted with italic print.
- (3) ASSISTANCE. Completing this application may require information that can be obtained from Clean Water State Revolving Fund Program staff. Please email [SRF\\_Reporting@dep.state.fl.us](mailto:SRF_Reporting@dep.state.fl.us) for assistance in completing this application.

**PART I - ADMINISTRATIVE INFORMATION**

- (1) PROJECT SPONSOR City of Bunnell  
Federal Employer Identification Number 59-6000285  
DUNS Number 039896360
- (2) AUTHORIZED REPRESENTATIVE (person authorized to sign or attest loan documents).  
Name Catherine D. Robinson Title City Mayor  
Telephone (386) 437-7500 FAX (386) 437-8253 Email crobinson@bunnellcity.us  
Mailing Address PO Box 756, Bunnell, FL 32110
- (3) PRIMARY CONTACT (person to answer questions regarding this application).  
Name Benjamin Fries Title Vice President / Associate  
Telephone 407-322-6841 FAX \_\_\_\_\_ Email bfries@cphcorp.com  
Employer CPH, Inc.  
Mailing Address 500 W Fulton Street  
Sanford, FL 32771
- (4) ADDITIONAL CONTACTS. If more than one additional person is to receive copies of Department correspondence, attach the information (*Attachment #* \_\_\_\_\_).  
Name Dustin Vost Title Infrastructure Director  
Telephone (386) 283-6072 FAX \_\_\_\_\_ Email dvost@bunnellcity.us  
Employer City of Bunnell  
Mailing Address PO Box 756  
Bunnell, FL 32110
- (5) PROJECT NUMBER (listed on the Department's priority list). 18013
- (6) INTERIM FINANCING. A local government project sponsor that has interim financing may be subject to certain conditions regarding such financing.

**Is the project currently being funded with interim financing?**       Yes       No



**PART II – PROJECT INFORMATION**

If you are applying for a planning, design, or SSES loan for a project that will involve construction, complete only Subpart A below. If you are applying for a loan to construct a project that is already planned and designed, complete only Subpart B below.

**A. PLANNING, DESIGN OR SSES PROJECT**

Information should be provided for each separate facility to be planned and designed as appropriate. For design/build projects (not eligible for design loans) or those where multiple facilities, segments, or phases are involved, please attach information for activities, schedule, and cost for each. (*Attachment #*\_\_\_\_\_)

- (1) **ACTIVITIES.** Attach a brief description of the scope of planning and design activities to be financed by this loan. Include a list of any specialized studies to be performed. (*Attachment #*\_\_\_\_\_). Are these activities the same as those scheduled on the *Request for Inclusion Form*?  Yes  No. If “No”, please explain. (*Attachment #*\_\_\_\_\_)
- (2) **SCHEDULE.**
  - (a) Provide proposed completion dates for the items. (Please call Department staff to discuss time frames needed to complete required tasks.)
 

Planning documentation	
Engineering work	
Certification of site availability	
Permit	
  - (b) Do you anticipate that an interlocal agreement with another party will be necessary to implement the project? If “Yes”, please explain. (*Attachment #*\_\_\_\_\_).  Yes  No
  - (c) Is this a design/build project?  Yes  No
  - (3) **COST.** Is the cost information submitted for the planning, design or SSES loan priority list current?  Yes  No. If “No”, please explain and submit revised cost information using the appropriate page of the *Request for Inclusion Form*. (*Attachment #*\_\_\_\_\_). Note that the disbursable amount will be limited to the priority list amount.

PRECONSTRUCTION LOAN APPLICANTS PROCEED TO PART III.

**B. CONSTRUCTION OR I/I REHABILITATION PROJECT**

- (1) **ACTIVITIES.**
  - (a) Attach a brief description of construction or I/I rehabilitation activities to be financed by this loan. Include a list of the contracts (by title) corresponding to the plans and specifications accepted by the Department (*Attachment #*1).
 

Are these contracts the same as those scheduled on the *Request for Inclusion Form*?  Yes  No

If “No”, please explain. (*Attachment #*\_\_\_\_\_)
  - (b) Have any of the contracts been bid?  Yes  No
 

If “Yes”, indicate which contracts have been bid. (*Attachment #*\_\_\_\_\_)
  - (c) Was planning, design, or SSES for this project financed in another SRF loan?  Yes  No
 

If “Yes”, give the SRF loan number. 18051
  - (d) Does this project involve an interlocal agreement with other local governments or other entities?  Yes  No
 

If “Yes”, attach a copy of the Department letter accepting the interlocal agreement. (*Attachment #*\_\_\_\_\_)

Is the interlocal agreement, as accepted by the Department, fully executed and enforceable?  Yes  No

If “No”, please explain (*Attachment #*\_\_\_\_\_).

- (2) SCHEDULE. (month and year)
- (a) Anticipated notice to proceed for first construction contract. June 2022
- (b) Anticipated completion of all construction contracts. December 2023
- (3) COST. Is the cost information submitted for the priority list current?  Yes  No

If "No", please explain and submit revised cost information using the appropriate page of the *Request for Inclusion Form*. (Attachment #) Note that the disburseable amount will be limited to the priority list amount.

**PART III - FINANCIAL INFORMATION**

Estimates of the capitalized interest, project useful life for financial hardship loans, financing rate, pledged revenue coverage, limitations on annual loan amounts for large projects, applicability and amount of repayment reserves, amount of the loan service fee and any other information may be obtained by contacting staff in the State Revolving Fund Management Section.

- (1) PRINCIPAL. The requested amount of the loan which does not include capitalized interest is \$12,000,000

Note that the disburseable amount will be limited to the priority list amount and must be consistent with the project information provided under **PART II** of this application. Also note that the capitalized interest is an inexact estimate, and it is subject to adjustment by the Department to reflect actual disbursement timing. The principal amount of the loan does not include the loan service fee.

- (2) TERMS AND REPAYMENT.

- (a) Loans to local government project sponsors are amortized over the lesser of useful life of the project or 20 years unless the project is to serve a small community qualifying as having a financial hardship. Loans to financial hardship communities may be amortized over the lesser of useful life of the project or 30 years. Loans to non-governmental project sponsors are amortized over the lesser of the useful of the project or 20 years. Finance charges and principal are paid semiannually.

What is the useful life of the project? Meters - 10-12 (years)  
years  
WTP Building  
– 50 years  
WTP  
Mechanical  
Equipment –  
1-20 years

Over how many years would you like to amortize the loan? 20 (years)

- (b) List all revenues that are to be pledged for repayment of this loan. Utility Operating Revenues.

Pledged revenue receipts or collections by the project sponsor must exceed the amount of the repayments due to the Department unless there are other collateral provisions. The excess revenue, or coverage, generally is 15% of each repayment.

- (c) Department unless there are other collateral provisions. The excess revenue, or coverage, generally is 15% of each repayment.

What coverage is proposed for the loan? 115% (coverage percentage)

- (d) Is any other financial assistance being applied to this project?  Yes  No

If "Yes", please list. (Attachment #)

- (3) ANNUAL FUNDING LIMIT. Large project funding (generally, loans in excess of \$10 million) may be provided in increments pursuant to the initial loan agreement and subsequent amendments. Each increment shall have a separate financing rate as established in the agreement or amendment providing that increment.

(4) INFORMATION ON LIENS.

- (a) Describe, if applicable, all debt obligations having a prior or parity lien on the revenues pledged to repay this loan. (*Attachment #2*) For example: City Name, Florida, Water and Sewer System Revenue Bonds, Series 1996, issued in the amount of \$10,000,000, pursuant to Ordinance No. 93-104, as amended and supplemented by Ordinance No. 96-156.
- (b) Using the Part V, *Schedule of Prior and Parity Liens*, provide debt service information, if applicable, on each prior and parity obligation.
- (c) For the listed obligations, provide a copy of the ordinance(s), resolution(s), official statement(s), or pages thereof, setting forth the definitions, use of proceeds, debt service schedule, pledged revenues, rate covenants, provisions for issuing additional debt, provisions for bond insurance, and debt rating. (*Attachment #3*).
- (d) Describe any other notes and loans payable from the revenues pledged to repay this loan. (*Attachment #4*).

(5) ACTUAL AND PROJECTED REVENUES.

- (a) Complete the Part V, *Schedule of Actual Revenues and Debt Coverage* for the past two fiscal years.
- (b) Complete the Part V, *Schedule of Projected Revenues and Debt Coverage*, demonstrating the availability of pledged revenues for loan repayment.

(6) AVAILABILITY OF PLEDGED REVENUES. All sources must be supported by a written legal opinion. (*Attachment #5*) The opinion must address the following:

- (a) Availability of the revenues to repay the loan.
- (b) Right to increase rates at which revenues shall be collected to repay the loan.
- (c) Subordination of the pledge if pledged revenues are subject to a prior or parity lien.

(7) LOAN SERVICE FEE. A loan service fee is assessed on each loan. The fee is not part of the loan. The fee along with interest thereon will be deducted from the first available repayments after the final amendment to the loan agreement.

**PART IV – AUTHORIZATION AND ASSURANCES**

(1) AUTHORIZATION. Provide an authorizing resolution of the Applicant's governing body or other evidence of authorization (*Attachment #6*) for the following:

- (a) Pledging revenues to repay the loan.
- (b) Designation of the Authorized Representative(s) to file this application, provide assurances, execute the loan agreement, and represent the Applicant in carrying out responsibilities (including that of requesting loan disbursements) under the loan agreement.

(2) ASSURANCES. The Applicant agrees to comply with the laws, rules, regulations, policies and conditions relating to the loan for this project. Applicants should seek further information from the Clean Water State Revolving Fund Program staff as to the applicability of the requirements if the necessity for the assurances is of concern. Specifically, the Applicant certifies that it has complied, as appropriate, and will comply with the following requirements, as appropriate, in undertaking the Project:

- (a) Assurances for capitalization grant projects.
  - 1. Complete all facilities for which funding has been provided.
  - 2. The Archaeological and Historic Preservation Act of 1974, PL 93-291, and the National Historic Preservation Act of 1966, PL 89-665, as amended, regarding identification and protection of historic properties.
  - 3. The Clean Air Act, 42 U.S.C. 7506(c), which requires conformance with State Air Quality Implementation Plans.
  - 4. The Coastal Zone Management Act of 1972, PL 92-583, as amended, which requires assurance of project consistency with the approved State management program developed under this Act.
  - 5. The Endangered Species Act, 16 U.S.C. 1531, et seq., which requires that projects avoid disrupting threatened or endangered species and their habitats.
  - 6. Executive Order 11593, Protection and Enhancement of the Cultural Environment, regarding preservation, restoration and maintenance of the historic and cultural environment.

7. Executive Order 11988, Floodplain Management, related to avoiding, to the extent possible, adverse impacts associated with floodplain occupancy, modification and development whenever there is a practicable alternative.
  8. Executive Order 11990, Protection of Wetlands, related to avoiding, to the extent possible, adverse impacts associated with the destruction or modification of wetlands and avoiding support of construction in wetlands.
  9. The Fish and Wildlife Coordination Act, PL 85-624, as amended, which requires that actions to control natural streams or other water bodies be undertaken to protect fish and wildlife resources and their habitats.
  10. The Safe Drinking Water Act, Section 1424(e), PL 93-523, as amended, regarding protection of underground sources of drinking water.
  11. The Wild and Scenic Rivers Act, PL 90-542, as amended, related to protecting components or potential components of the national wild and scenic rivers system.
  12. The federal statutes relating to nondiscrimination, including: The Civil rights Act of 1964, PL 88-352, which prohibits discrimination on the basis of race, color or national origin; the Age Discrimination Act, PL 94-135, which prohibits discrimination on the basis of age; Section 13 of the Federal Water Pollution Control Act, PL 92-500, which prohibits sex discrimination; the Rehabilitation Act of 1973, PL 93-112, as amended, which prohibits discrimination on the basis of handicaps.
  13. Executive Order 11246, Equal Employment Opportunity, which provides for equal opportunity for all qualified persons.
  14. Executive Orders 11625 and 12138, Women's and Minority Business Enterprise, which require that small, minority, and women's business and labor surplus areas are used when possible as sources of supplies, equipment, construction and services.
  15. The Coastal Barrier Resources Act, 16 U.S.C. 3501 et seq., regarding protection and conservation of the coastal barrier resources.
  16. The Farmland Protection Policy Act, 7 U.S.C. 4201 et seq., regarding protection of agricultural lands from irreversible loss.
  17. The Uniform Relocation and Real Property Acquisition Policies Act of 1970, PL 91-646, which provides for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal or federally assisted programs.
  18. The Demonstration Cities and Metropolitan Development Act of 1966, PL 89-754, as amended, which requires that projects be carried out in accordance with area wide planning activities.
  19. Section 306 of the Clean Air Act, Section 508 of the Clean Water Act and Executive Order 11738, which prohibit manufacturers, firms, or other enterprises on the EPA's list of Violating Facilities from participating in the Project.
  20. Executive Order 12549, Debarment and Suspension, which prohibits any award to a party which is debarred or suspended or is otherwise excluded from, or ineligible for, participation in federal assistance programs.
  21. Minority and Women's Business Enterprise participation in project work using numerical goals, established by the U.S. Environmental Protection Agency, and to be set forth in the specifications for construction and materials contracts.
- (b) Assurances for other projects.
1. Chapter 161, Part I, F.S., "Beach and Shore Preservation Act" and Part III, "Coastal Zone Protection Act of 1985" which regulate coastal zone construction and all activities likely to affect the condition of the beaches or shore.
  2. Chapter 163, Part II, F.S., the "Local Government Comprehensive Planning and Land Development Regulation Act" which requires units of local government to establish and implement comprehensive planning programs to control future development.
  3. Chapter 186, F.S., State and Regional Planning, which requires conformance of projects with Regional Plans and the State Comprehensive Plan.
  4. Chapter 253, F.S., "Emergency Archaeological Property Acquisition Act of 1988" which requires protection of archaeological properties of major statewide significance discovered during construction activities.
  5. Chapter 258, Part III, F.S., which requires protection of components or potential components of the national wild and scenic rivers system.
  6. Chapter 267, F.S., the "Florida Historical Resources Act" which requires identification, protection, and preservation of historic properties, archaeological and anthropological sites.

7. Chapter 287, Part I, F.S., which prohibits parties convicted of public entity crimes or discrimination from participating in State-assisted projects and which requires consideration of the utilization of Minority Business Enterprises in State-assisted projects.
8. Chapter 372, F.S., the Florida Endangered and Threatened Species Act which prohibits the killing or wounding of an endangered, threatened, or special concern species or intentionally destroying their eggs or nest.
9. Chapter 373, Part IV, F.S., Florida Water Resources Act of 1972, which requires that activities on surface waters or wetlands avoid adversely affecting: public health, safety, welfare, or property; conservation of fish and wildlife, including endangered or threatened species or their habitats; navigation or the flow of water; the fishing or recreational values or marine productivity; and significant historical and archaeological resources.
10. Chapter 380, Part I, F.S., Florida Environmental Land and Water Management Act of 1972 as it pertains to regulation of developments and implementation of land and water management policies.
11. Chapter 381, F.S., Public Health, as it pertains to regulation of onsite wastewater systems.
12. Chapter 403, Part I, F.S., Florida Air and Water Pollution Control which requires protection of all waters of the state.
13. Chapter 582, F.S., Soil and Water Conservation Act which requires conformance with Water Management District's regulations governing the use of land and water resources.
14. Governor's Executive Order 95-359, which requires State Clearinghouse review of project planning documentation and intergovernmental coordination.

I, the undersigned Authorized Representative of the Applicant, hereby certify that all information contained herein and in the attached is true, correct, and complete to the best of my knowledge and belief. I further certify that I have been duly authorized to file the application and to provide these assurances.

Signed this \_\_\_\_\_ Day of \_\_\_\_\_, 20 21

Authorized Representative \_\_\_\_\_ *(signature)* Catherine D. Robinson, Mayor  
*(name typed or printed)*

Attachments

**PART V – SUPPLEMENTARY INFORMATION**

**SCHEDULE OF PRIOR AND PARITY LIENS  
(EXCLUDING SRF LOANS)**

List annual debt service beginning two years before the anticipated loan agreement date and continuing at least three additional fiscal years. Use additional pages as necessary.

	#1		#2		#3
<b>Identify Each Obligation</b>	USDA 2015 Water and Sewer Revenue Bonds		Florida Department of Transportation Loan		Water and Sewer Refunding Revenue Note, Series 2017
<b>Coverage</b>	<u>100</u> %		<u>100</u> %		<u>115</u> %
<b>Insured?</b>	<u>      </u> Yes <u>      </u> No		<u>      </u> Yes <u>      </u> No		<u>      </u> Yes <u>      </u> No

<b>Fiscal Year</b>	<b><u>Annual Debt Service (Principal Plus Interest)</u></b>			<b><u>Total Debt Service</u></b>	<b><u>Total Debt Service Incl. Coverage</u></b>
	#1	#2	#3		
2019	\$119,775	\$26,505	\$ 180,681	\$326,961	\$354,064
2020	\$119,650	\$26,505	\$181,688	\$327,843	\$355,096
2021	\$120,506	\$26,505	\$140,928	\$287,939	\$309,078
2022	\$120,325	\$26,505	\$158,067	\$304,897	\$328,607
2023	\$120,125	\$26,505	\$159,058	\$305,688	\$329,547
2024	\$119,906	\$26,505	\$160,076	\$306,487	\$330,499
2025	\$119,669	\$26,505	\$161,122	\$307,296	\$331,464
2026	\$120,413	\$26,505	\$162,196	\$309,114	\$333,443
2027	\$120,119	\$26,505	\$163,299	\$309,923	\$334,418
2028	\$119,806	\$26,505	\$164,432	\$310,743	\$335,408
2029	\$120,475	\$26,505	\$165,595	\$312,575	\$337,414
2030	\$120,106	\$	\$	\$286,895	\$311,914
2031	\$119,719	\$	\$	\$119,719	\$119,719
2032	\$120,313	\$	\$	\$120,313	\$120,313
2033	\$119,869	\$	\$	\$119,869	\$119,869
2034	\$120,406	\$	\$	\$120,406	\$120,406
2035	\$119,906	\$	\$	\$119,906	\$119,906
2036	\$120,388	\$	\$	\$120,388	\$120,388
2037	\$119,831	\$	\$	\$119,831	\$119,831
2038	\$120,256	\$	\$	\$120,256	\$120,256
2039	\$119,644	\$	\$	\$119,644	\$119,644
2040	\$120,013	\$	\$	\$120,013	\$120,013
2041	\$120,344	\$	\$	\$120,344	\$120,344
2042	\$119,638	\$	\$	\$119,638	\$119,638
2043	\$119,913	\$	\$	\$119,913	\$119,913
2044	\$120,150	\$	\$	\$120,150	\$120,150
2045	\$120,350	\$	\$	\$120,350	\$120,350

**PART V – SUPPLEMENTARY INFORMATION**

**SCHEDULE OF ACTUAL REVENUES AND DEBT COVERAGE**

(Provide information for the two fiscal years preceding the anticipated date of the SRF loan agreement.)

	<u>FY 2019</u>	<u>FY 2020</u>
(a) Operating Revenues (Source)		
<u>Water Service Revenue</u>	<u>\$1,340,355</u>	<u>\$1,406,337</u>
<u>Sewer Service Revenue</u>	<u>1,549,396</u>	<u>1,596,921</u>
(b) Interest Income	<u>25,332</u>	<u>13,824</u>
(c) Other Income or Revenue (Identify)		
<u>Other Income</u>	<u>52,418</u>	<u>57,877</u>
<u>Operating Grants</u>	<u>21,719</u>	<u>2,171</u>
<u>Capital Contributions</u>	<u>497,760</u>	<u>552,202</u>
(d) Total Revenues	<u>\$3,486,980</u>	<u>\$3,629,332</u>
(e) Operating Expenses (excluding interest on debt, depreciation, and other non-cash items)	<u>\$1,321,268</u>	<u>\$1,328,380</u>
(f) Net Revenues [(f) = (d) – (e)]	<u>\$2,165,712</u>	<u>\$2,300,952</u>
(g) Debt Service (including any required coverage)	<u>\$354,064</u>	<u>\$355,096</u>
(h) Attach audited annual financial report(s), or pages thereof, or other documentation necessary to support the above information. Include any notes or comments from the audit reports regarding compliance with covenants of debt obligations having a prior or parity lien on the revenues pledged for repayment of the SRF Loan. ( <i>Attachment #7</i> )		
(i) Attach worksheets reconciling this page with the appropriate financial statements (for example, backing out depreciation and interest payments from operating expenses). ( <i>Attachment #8</i> )		
(j) If the net revenues were not sufficient to satisfy the debt service and coverage requirement, please explain what corrective action was taken. ( <i>Attachment # _____</i> )		

**PART V – SUPPLEMENTARY INFORMATION**

**SCHEDULE OF PROJECTED REVENUES AND DEBT COVERAGE**

Begin with the fiscal year preceding first anticipated semiannual loan payment and continuing for at least three additional years. Attach a separate page for previous State Revolving Fund loans. (*Attachment #9*)

	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
(a) Operating Revenue	<u>\$3,277,942</u>	<u>\$3,852,882</u>	<u>\$4,541,777</u>	<u>\$4,911,932</u>	<u>\$5,299,606</u>
(b) Interest Income	<u>\$3,871</u>	<u>\$3,213</u>	<u>\$3,155</u>	<u>\$3,516</u>	<u>\$3,480</u>
(c) Other Income or Revenue (identify)					
<u>Water Other Revenue*</u>	<u>\$107,421</u>	<u>\$76,571</u>	<u>\$80,591</u>	<u>\$84,620</u>	<u>\$88,640</u>
<u>Sewer Other Revenue*</u>	<u>\$1,193,312</u>	<u>\$129,208</u>	<u>\$83,367</u>	<u>\$87,535</u>	<u>\$91,693</u>
(d) Total Revenues	<u>\$4,582,546</u>	<u>\$4,061,874</u>	<u>\$4,708,890</u>	<u>\$5,087,603</u>	<u>\$5,483,419</u>
(e) Operating Expenses (excluding interest on debt, depreciation, and other non-cash items)	<u>\$4,205,976</u>	<u>\$2,942,904</u>	<u>\$2,992,357</u>	<u>\$3,089,964</u>	<u>\$3,158,830</u>
(f) Net Revenues (f = d - e)	<u>\$376,570</u>	<u>\$1,118,970</u>	<u>\$1,716,533</u>	<u>\$1,997,638</u>	<u>\$2,324,588</u>
(g) Revenue (including coverage) pledged to debt service, excluding SRF loans	<u>\$309,078</u>	<u>\$328,607</u>	<u>\$329,547</u>	<u>\$330,499</u>	<u>\$331,464</u>
(h) Revenue (including coverage) pledged to outstanding SRF loans	<u>\$92,322</u>	<u>\$104,972</u>	<u>\$104,972</u>	<u>\$104,972</u>	<u>\$104,972</u>
(i) Revenue Available for this SRF Loan [(i) = (f) – (g) – (h)]	<u>\$(24,831)</u>	<u>\$685,391</u>	<u>\$1,282,014</u>	<u>\$1,562,168</u>	<u>\$1,888,152</u>

(j) Identify the source of the above information and explain methods used to develop the projections (*Attachment #10 and 11*). Include an explanation of any revenue and expense growth or other adjustments; for example, any rate increases, service growth, inflation adjustments, expense adjustments reflecting the cost of operating additional facilities, or other considerations.

(k) For construction loans, are the above projections consistent with the accepted financial feasibility information?  Yes  No

If “No”, please explain. (*Attachment #\_\_\_\_\_*)





## **Attachment #1: Project Description**

The City of Bunnell (City) owns and operates the Bunnell wastewater treatment facility (WWTF) in Flagler County. The Bunnell WWTF is an activated sludge treatment facility which operates under FDEP permit FL0020907 with a permitted capacity of 0.60 million gallons per day (MGD) annual average daily flow (AADF). The City exceeded 50% capacity prior to the year 2014. The projected Annual Average Daily Flow (AADF) is expected to exceed the permitted capacity of 0.60 MGD by the year 2024. To meet the immediate capacity needs, improve existing facility deficiencies, and enhance operational flexibility it is recommended that the facility be expanded to a 1.2 MGD rated facility.

The SRF design loan will assist the City in funding the design of the WWTF improvements. The project major tasks to be designed include: one (1) new 1.2 MGD rated basin that contains two (2) separate 0.6 MGD treatment trains with identical processes. For redundancy, the headworks structure will contain two (2) screening units that discharge the liquid flow into the flow equalization (EQ) basin upstream the two (2) biological nutrient removal (BNR) trains. The BNR configuration will improve the quality of effluent being discharged from the facility to advanced wastewater treatment standards (AWT), providing appreciable environmental benefits to Haw Creek (the Facility's surface discharge location). The two (2) new 45-foot diameter secondary clarifiers will be designed for Class I reliability (redundancy). There will be three (3) new RAS/WAS pumps – two (2) duty, one (1) standby. Two (2) new disc filters will replace the existing tertiary filters and will be constructed on an elevated platform that discharges to the new chlorine contact chamber (CCC) and dechlorination basin below. The volume of the newly constructed CCC will be greater than the existing CCC, to provide sufficient contact time (CT) during peak flow/wet-weather scenarios. Effluent treated to reclaimed water standards will be transferred via new transfer pumps to the existing 0.9 MG ground storage tank (GST). Depending on available funds and the bid prices received, an additive alternate will include the construction of a proposed 1.0 MGD GST. Another additive alternate bid item will be the preservation and repurposing of the existing oxidation ditch, which will be converted to a facultative digester in conjunction with a new thickener. A new dewatering building will be constructed to house the new screw press. A new hardened electrical building will also be constructed to house all of the new electrical gear and equipment. The existing Facility has an on-site wet weather holding pond. The existing master pump station will be improved by the addition of new piping and pumping infrastructure, to transfer the influent flow to the BNR reaeration basin. Finally, the proposed new operations building will be constructed, if the funding is available based on bidding costs, to provide adequate capacity for Operational Staff.

**SCHEDULE AND STATUS OF OUTSTANDING FINANCIAL OBLIGATIONS AS OF**

DATE: 2021

APPLICANT NAME: City of Bunnell

PHONE NUMBER : 386-437-7500

ADDRESS : PO Box 756

CITY & STATE : Bunnell, FL 32110

Creditor	Loan Purpose	Original Loan Amount	Loan Balance	Date of Loan	Int. Rate	Maturity Date	Monthly or Annual Payments	Payment Status	Security
USDA, Rural Development	Water Improvements	\$3,362,000	\$3,004,000	5/20/2015	1.8750%	5/20/2055	\$119,650 (A)	Current	W/S Revenue Bonds
CenterState Bank of FL	Water & Sewer System Improvements	\$1,937,333	\$1,326,692.37	2/14/2017	1.95%	5/21/2030	\$132,196 (A)	Current	W/S Refunding Note
CW SRF	Wastewater Improvements	\$1,069,200	\$291,235	6/7/2005	1.30%	12/15/2025	\$68,998 (A)	Current	Loan Agreement
DW SRF	Water Improvements	\$187,279	\$154,768.05	9/13/2013	2.12%	6/15/2035	\$8,362 (A)	Current	Loan Agreement
FL Dept. of Transportation	Relocate Water & Sewer Lines	\$529,694	\$212,037.87	10/15/2020	0%	10/15/2029	\$26,505 (A)	Current	Note Payable
CW SRF	Wastewater Plant Rehab Design	\$200,000	\$219,550	11/15/2021	0%	11/15/2041	\$10,978 (A)	Current	Loan Agreement

Complete a detailed schedule of outstanding financial obligations other than current operating expenses.  
 Under Payment Status column, indicate "C" for current and "D" for delinquent. If delinquent, provide full explanation.

\_\_\_\_\_  
 Signature of Authorized Representative

\_\_\_\_\_  
 Mayor

\_\_\_\_\_  
 Title

\$3,362,000  
City of Bunnell, Florida  
Water and Sewer System Revenue Bonds,  
Series 2015

May 20, 2015

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**CLOSING DOCUMENTS**

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1. Opinion of Bryant Miller Olive P.A., as Bond Counsel
2. Opinion of Sidney M. Nowell, Esq., as City Attorney
3. Tax Certificate
4. Receipt for Bonds
5. Certificate of Delivery and Payment
6. Certificate of Issuer as to Signatures, Incumbency, No Litigation and Other Matters
7. Certificate as to Public Meetings and No Conflict of Interest
8. Certificates of Recording Officer
  - (a) Ordinance enacted on December 7, 1970
  - (b) Resolution No. 2013-16A adopted on September 9, 2013
  - (c) Resolution adopted on May 18, 2015
9. Election Letter Re Cost of Carry on Bond
10. Validation Documents
  - (a) Final Judgment
  - (b) Certificate of No Appeal
11. Specimen Bond
12. Loan Resolution (Form RUS 1780-27)
13. Equal Opportunity Agreement (Form RD 400-1)
14. Assurance Agreement (Form RD 400-4)
15. Grant Agreement (Form RUS 1780-12)

16. Opinion of Counsel Relative to Rights of Way (Form RD-442-22)
17. Updated Preliminary Title Opinion (Form RD 1927-9)
18. (a) Notice to Division of Bond Finance  
(b) Division of Bond Finance Forms 2003 and 2004-B
19. IRS Form 8038-G
20. Disclosure Statement
21. Financial Certificate
22. Certificate of Rural Development
23. Attorney's Legislation Certificate
24. Loan Closing Instructions
25. Letter of Conditions
26. Request for Obligation of Funds (Form 1940-1)
27. Certificate Regarding Debt Service Coverage
28. Waiver of Parity Certificate

Distribution:

- (1) City of Bunnell, Florida
- (1) Sidney M. Nowell, Esq.
- (1) Bryant Miller Olive P.A.
- (2) Rural Development

May 20, 2015

City Commission  
Bunnell, Florida

United States of America,  
United States Department of Agriculture,  
Rural Development  
Ocala, Florida

\$3,362,000  
CITY OF BUNNELL, FLORIDA  
WATER AND SEWER SYSTEM REVENUE BONDS,  
SERIES 2015

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Bunnell, Florida (the "Issuer") in connection with the issuance by the Issuer of its \$3,362,000 Water and Sewer System Revenue Bonds, Series 2015 (the "Series 2015 Bonds") pursuant to and under the authority of the Constitution of the State of Florida, Chapter 166, Part II, Florida Statutes, the Charter of the Issuer, as amended, and other applicable provisions of law, and Resolution No. 2013-16A, adopted by the City Commission of the Issuer (the "City Commission") on September 9, 2013, as amended and supplemented by a resolution adopted by the City Commission on May 18, 2015 (collectively, the "Bond Resolution"). In such capacity, we have examined such law and certified proceedings, certifications and other documents as we have deemed necessary to render this opinion. Any capitalized undefined terms used herein shall have the meaning set forth in the Bond Resolution.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Bond Resolution and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications.

We have assumed the genuineness of signatures on all documents and instruments, the

authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

In rendering this opinion, we have examined and relied upon the opinion of even date herewith of Vose Law Firm, LLP, Issuer's Counsel, as to the due creation and valid existence of the Issuer, the due adoption of the Bond Resolution, the due execution and delivery of the Series 2015 Bonds and the compliance by the Issuer with all conditions contained in ordinances and resolutions of the Issuer precedent to the issuance of the Series 2015 Bonds.

The Series 2015 Bonds are payable from the Pledged Funds, which consist primarily of Net Revenues of the Issuer's water and sewer system and deposits in the funds and accounts created pursuant to the Bond Resolution. Pursuant to the terms, conditions and limitations contained in the Bond Resolution, the Issuer has reserved the right to issue additional parity bonds in the future which shall have a lien on the Net Revenues equal to that of the Series 2015 Bonds.

The Series 2015 Bonds do not constitute a general obligation or indebtedness of the Issuer within the meaning of any constitutional, statutory or other limitation of indebtedness and the holders thereof shall never have the right to compel the exercise of any ad valorem taxing power of the Issuer or taxation in any form on any real or personal property for the payment of the principal of or interest on the Series 2015 Bonds.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based on our examination, we are of the opinion that, under existing law:

1. The Bond Resolution constitutes a valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms.

2. The Series 2015 Bonds are valid and binding limited obligations of the Issuer enforceable in accordance with their terms, payable solely from the Pledged Funds in the manner and to the extent provided in the Bond Resolution.

3. The Bond Resolution creates a valid lien upon the Pledged Funds for the security of the Series 2015 Bonds and any additional parity bonds hereafter issued, all in the manner and to the extent provided in the Bond Resolution.

4. Interest on the Series 2015 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest on the Series 2015

Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. The opinions set forth in the preceding two sentences are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended, (the "Code") that must be satisfied subsequent to the issuance of the Series 2015 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted in the Bond Resolution to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Series 2015 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2015 Bonds.

5. The Series 2015 Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

It is to be understood that the rights of the owners of the Series 2015 Bonds and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

For purposes of this opinion, we have not been engaged or undertaken to review and, therefore, express no opinion herein regarding the accuracy, completeness or adequacy of any offering material relating to the Series 2015 Bonds. This opinion should not be construed as offering material, an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Series 2015 Bonds. We call your attention to the fact that our engagement as bond counsel was on the assumption that the Series 2015 Bonds would be marketed as a private placement with institutional investors, i.e., Rural Development. We have not passed upon any matters relating to the business affairs or condition (financial or otherwise) of the Issuer (other than as necessary to the legal opinions herein expressly rendered), and no inference should be drawn that we have expressed any opinion on matters relating to the ability of the Issuer to perform its obligations under the instruments described herein. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the Issuer or the Purchaser with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Series 2015 Bonds or regarding the perfection or priority of the lien on the Pledged Funds created by the Bond Resolution. Further, we express no opinion regarding federal income tax consequences arising with respect to the Series 2015 Bonds other than as expressly set forth herein.



City Commission  
United States of America  
May 20, 2015  
Page 4

Our opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof. Delivery of this opinion to a non-client does not create an attorney-client relationship.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

*Bryant Miller Olive P.A.*

# Sidney M. Nowell, P.A.



www.flaglerlaw.com

Sidney M. Nowell, Esq.  
Dennis K. Bayer, Esq.  
Matthew C. Maguire, Esq.

Reply to:

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**Bunnell**  
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Bunnell, FL 32110  
Tel: 386-437-1668  
Fax: 386-586-4014

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May 20, 2015

City Commission  
City of Bunnell  
1769 E. Moody Blvd.  
Bunnell, FL 32110

Bryant Miller Olive P.A.  
101 N. Monroe St., #900  
Tallahassee, FL 32301

United States Department of Agriculture,  
Rural Development  
2441 NE 3rd St. # 204-1  
Ocala, FL 34470

**Re: \$3,362,000 City of Bunnell, Florida, Water and Sewer System Revenue Bonds,  
Series 2015 (the "Series 2015 Bonds")**

Ladies and Gentlemen:

I have acted as counsel to the City of Bunnell, Florida (the "Issuer"), in connection with the authorization, sale and delivery of its \$3,362,000 Water and Sewer System Revenue Bonds, Series 2015, dated May 20, 2015, authorized and secured pursuant to the provisions of the Constitution of the State of Florida, Chapter 166, Part II, Florida Statutes; the Charter of the Issuer, as amended (the "Charter"), and other applicable provisions of law, and Resolution No. 2013-16A, adopted by the City Commission of the Issuer (the "City Commission") on September 9, 2013, as amended and supplemented by a Resolution adopted by the City Commission on May 18, 2015 (collectively, the "Bond Resolution"). Capitalized terms not otherwise defined herein shall have the meanings assigned in the Bond Resolution.

In my opinion:

(1) The Issuer is duly organized and validly existing as a municipal corporation under the Constitution and laws of the State of Florida, and has full legal right, power and authority to issue the Series 2015 Bonds pursuant to the Bond Resolution and to adopt and perform its obligations under the Bond Resolution and to authorize and issue the Series 2015 Bonds.

(2) The Issuer has duly adopted the Bond Resolution and the Bond Resolution constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer. The Issuer has duly authorized and executed the Series 2015 Bonds.

(3) To the best of my knowledge, the adoption of the Bond Resolution and the authorization, execution and delivery of the Series 2015 Bonds, and compliance with the provisions thereof, will not conflict with, or constitute a breach of or default under any law, administrative regulation, court decree, ordinance, resolution or any agreement or other instrument to which the Issuer was or is subject, as the case may be, including but not limited to the Charter and the ordinances or resolutions of the Issuer, nor will such enactment, adoption, execution, delivery, authorization or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer, or under the terms of any law, administrative regulation, ordinance, resolution or instrument, except as expressly provided in the Bond Resolution.

(4) The Issuer is lawfully empowered under the Charter and the Constitution and laws of the State of Florida to pledge to the repayment of the Series 2015 Bonds, a senior lien on the net revenues of the water system and sewer system of the Issuer (the "Net Revenues").

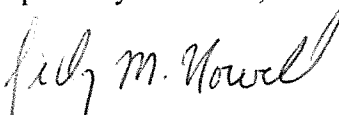
(5) The Series 2015 Bonds are senior lien obligations in parity with the Issuer's Water and Sewer Revenue Bonds, Series 1993 issued in the original principal amount of \$936,400, the Issuer's Water and Sewer Revenue Bonds, Series 1993 issued in the original principal amount of \$1,051,900, and the Issuer's outstanding Water and Sewer Revenue Bonds, Series 1997 issued in the original principal amount of \$1,080,000.

(6) As of the date hereof, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or threatened against the Issuer, questioning, affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the or the collection of the Net Revenues, or the payment of the principal of or interest on the Series 2015 Bonds from the Net Revenues, or contesting or affecting as to the Issuer the validity or enforceability of Charter, the Constitution and laws of the State of Florida in any respect relating to authorization for the issuance of the Series 2015 Bonds or the Bond Resolution, or contesting the exclusion from gross income for federal income tax purposes of the interest on the Series 2015 Bonds, or contesting the powers of the Issuer or any authority for the issuance of the Series 2015 Bonds, the adoption of the Bond Resolution, the organization or existence of the Issuer or the title to office of the officers thereof.

(7) All approvals, consents, authorizations and orders of any governmental authority or agency having jurisdiction in any matter which would constitute a condition precedent to the performance by the Issuer of its obligations under the Bond Resolution have been obtained and are in full force and effect.

The enforceability of any of the Issuer's obligations under the Series 2015 Bonds and the enforceability of the Bond Resolution may be subject to bankruptcy, insolvency, reorganization or moratorium laws and other laws pertaining to creditors' rights generally, and subject, as to enforceability, to general principles of equity.

Respectfully submitted,

  
Sidney M. Nowell

**TAX CERTIFICATE AS TO ARBITRAGE AND  
THE PROVISIONS OF SECTIONS 141-150 OF  
THE INTERNAL REVENUE CODE OF 1986, AS AMENDED**

\$3,362,000

City of Bunnell, Florida

Water and Sewer System Revenue Bonds, Series 2015

In connection with the issuance by City of Bunnell, Florida (the "Issuer") of its \$3,362,000 Water and Sewer System Revenue Bonds, Series 2015 (the "Series 2015 Bonds"), the Issuer makes and enters into the following Tax Certificate as to Arbitrage and the Provisions of Section 141-150 of the Internal Revenue Code of 1986, as amended (the "Code").

The Issuer acknowledges that the opinion of Bond Counsel regarding the exclusion of interest on the Series 2015 Bonds from gross income under Section 103(a) and Sections 141-150 of the Code is rendered in reliance upon the representations and statements of fact and expectations contained herein and assumes the Issuer's continued compliance with the provisions of this Certificate.

1. The Series 2015 Bonds are being issued pursuant to the Constitution and laws of the State of Florida, including particularly Chapter 166, Part II, Florida Statutes, the municipal charter of the Issuer, and other applicable provisions of law, and pursuant to the terms of Resolution 2013-16A adopted by the City Commission of the Issuer on September 9, 2013, as amended and supplemented, and as particularly amended and supplemented by Resolution No. 2015-14 adopted by the City Commission of the Issuer on May 18, 2015 (collectively, the "Resolution"). The Series 2015 Bonds are being issued for the following purposes:

- (a) to currently refund the Issuer's Water and Sewer System Revenue Bond Anticipation Note, Series 2014 (the "Series 2014 Note");
- (b) to pay a portion of the costs of completion of the Projects; and
- (c) to pay the costs of issuance the Series 2015 Bonds (the "Issuance Costs").

Unless otherwise specifically defined, all capitalized terms used in this Certificate shall have the same meanings as those set forth in the Resolution or in Section 1.148-1 through 1.148-10 and Section 1.150-1 of the Income Tax Regulations (the "Regulations").

2. For certain purposes of this Certificate, the portion of the Series 2015 Bonds issued to currently refund the Series 2014 Note (the "Refunding Portion") and the portion issued to finance costs of the Projects (the "New Money Portion ") shall be treated as separate issues of bonds. The refunding of the Series 2014 Note with proceeds of the Series 2015 Bonds is being

undertaken by the Issuer in order to provide permanent financing for the Projects. The Series 2014 Note will be redeemed on the date hereof. The Series 2014 Note was issued for the purpose of financing the costs of the acquisition, construction and erection of extensions and improvements to the water system of the Issuer in accordance with plans and specifications on file with the Issuer (the "Projects"). On the date of issuance of the Series 2015 Bonds, there are no remaining proceeds of the Series 2014 Note.

3. On the basis of the facts, estimates and circumstances in existence on the date hereof, we reasonably expect the following with respect to the Series 2015 Bonds being issued this day and as to the use of the proceeds thereof:

(a) Proceeds in the amount of \$3,362,000 (the "Sale Proceeds") derived from the sale of the Series 2015 Bonds to the United States Department of Agriculture, Rural Development (the "Purchaser") are expected to be needed and fully expended as follows:

(i) \$34,625.00 of said proceeds will be used to pay the Issuance Expenses for the Series 2015 Bonds;

(ii) \$194,046.64 of said proceeds will be used to pay costs of the Projects; and

(iii) \$3,133,328.36 of said proceeds will be used on the date hereof to redeem the Series 2014 Note.

(b) The total Sale Proceeds to be received from the sale of the Series 2015 Bonds to the Purchaser, together with amounts made available as a result of the refunding of the Series 2014 Note, do not exceed the total amount necessary for the purposes described above.

(c) The Issuer does not expect to sell or otherwise dispose of any property comprising a part of the Projects prior to the final maturity date of the Series 2015 Bonds, except such minor parts or portions thereof as may be disposed of due to normal wear, obsolescence, or depreciation in the ordinary course of business.

4. It is reasonably expected that binding contracts or commitments obligating the expenditure of not less than 5 percent of the Sale Proceeds of the New Money Portion toward the cost of the Projects will be entered into by the City within 6 months from the date hereof. Work on the acquisition and construction of the Projects and the allocation of the Sale Proceeds of the New Money Portion to the costs of the Projects will proceed with due diligence. It is expected that the Projects will be completed and at least 85 percent of the Sale Proceeds of the New Money Portion will be allocated to Projects expenditures within three years of the date

hereof. Not more than 50 percent of the proceeds of the New Money Portion will be invested in obligations having a substantially guaranteed yield for 4 years or more.

5. On the date of issuance of the Series 2014 Note, it was reasonably expected that not less than 85% of the spendable proceeds of the Series 2014 Note would be used to carry out the governmental purposes of such issue within three years of the date of issuance thereof. In addition, not more than 50% of the proceeds of the Series 2014 Note were invested in obligations that had a guaranteed yield of 4 years or more.

6. The Resolution establishes the Reserve Account to secure the Series 2015 Bonds. As required by the Resolution, the Issuer shall deposit Net Revenues on a monthly basis to the Reserve Account until the amount on deposit in the Reserve Account is equal to the Maximum Bond Service Requirement. The funding of the Reserve Account in the amount of the Maximum Bond Service Requirement was a condition to the purchase of the Series 2015 Bonds by the Purchaser. The Maximum Bond Service Requirement does not exceed the lesser of (i) maximum annual debt service on the Series 2015 Bonds, (ii) 125% of average annual debt service on the Series 2015 Bonds, or (iii) 10% of the original principal amount of the Series 2015 Bonds.

7. On a monthly basis the Issuer will transfer Net Revenues from the Revenue Fund to the Sinking Fund to pay debt service on the Series 2015 Bonds. The portion of the Revenue Fund and the Sinking Fund allocable to the payment of debt service on the Series 2015 Bonds will be used primarily to achieve a proper matching of the Net Revenues and debt service on the Series 2015 Bonds within each bond year and amounts deposited thereto will be depleted at least once a year except for any carryover amount which will not in the aggregate exceed the greater of (A) the earnings on such fund for the immediately preceding Bond Year, or (B) one-twelfth of the debt service on the Series 2015 Bonds for the immediately preceding Bond Year.

8. Other than the Reserve Account and the portions of the Revenue Fund and Sinking Fund allocated to pay debt service on the Series 2015 Bonds, there are no funds or accounts established pursuant to the Resolution or otherwise which are reasonably expected to be used to pay debt service on the Series 2015 Bonds, or which are pledged as collateral for the Series 2015 Bonds (or subject to a negative pledge) and for which there is a reasonable assurance on the part of the Purchaser that amounts therein will be available to pay debt service on the Series 2015 Bonds if the Issuer encounters financial difficulties.

9. The following represents the expectations of the Issuer with respect to the investment of such proceeds of the Series 2015 Bonds:

(a) Proceeds derived from the sale of the Series 2015 Bonds to be applied to pay Issuance Expenses may be invested at an unrestricted yield for a period not to exceed 13 months from the date hereof.

(b) Proceeds to be used to pay costs of the Projects may be invested at an unrestricted yield for a period not to exceed three years from the date hereof.

(c) Investment earnings on obligations acquired with amounts described in subparagraph (a) above may be invested at an unrestricted yield for a period of 13 months from the date of receipt. Investment earnings on obligations acquired with amounts described in subparagraph (b) above may be invested at an unrestricted yield for a period not to exceed three years from the date hereof or one year from the date of receipt, whichever period is longer.

(d) Amounts described in subparagraphs (a) through (c) that may not be invested at an unrestricted yield pursuant to such subparagraphs, may be invested at an unrestricted yield to the extent such amounts do not exceed \$100,000 (the "Minor Portion").

(e) Amounts described in subparagraph (d), not invested at an unrestricted yield pursuant to such subparagraph, shall be invested at a yield not in excess of the yield on the Series 2015 Bonds plus 1/8 of one percentage point or shall be invested in tax-exempt obligations under Section 103(a) of the Code the interest on which is not an item of preference within the meaning of Section 57(a)(5) of the Code.

(f) All amounts deposited in the Revenue Fund and the Sinking Fund allocated to the payment of debt service on the Series 2015 Bonds may be invested at an unrestricted yield for a period of thirteen months from the date of deposit of such amounts to such Fund. Investment earnings with respect to amounts on deposit in the Sinking Fund which are retained therein may be reinvested at an unrestricted yield for a period of thirteen months from the date of receipt of the amount earned. It is expected that all such investment earnings will be used within thirteen months of their receipt to pay principal or interest on the Series 2015 Bonds.

(g) Amounts on deposit in the Reserve Account may be invested at an unrestricted yield throughout the term of the Series 2015 Bonds to the extent such amounts do not exceed the Maximum Bond Service Requirement.

(h) Amounts described in subparagraphs (f) and (g) not invested at an unrestricted yield pursuant to such subparagraph, may be invested at an unrestricted yield to the extent such amount does not exceed the Minor Portion reduced by the amounts described in subparagraph (d) that are invested at a yield in excess of the yield on the Series 2015 Bonds; and

(i) Amounts described in subparagraph (h) that may not be invested at an unrestricted yield pursuant to the provisions of such subparagraph shall be invested at a yield not in excess of the yield of the Series 2015 Bonds or invested in tax-exempt

obligations under Section 103(a) of the Code the interest on which is not an item of preference within the meaning of Section 57(a)(5) of the Code.

10. For purposes of this Certificate, "yield" means that yield which when used in computing the present worth of all payments of principal and interest to be paid on an obligation produces an amount equal to the purchase price of such obligation. The yield on obligations acquired with amounts described in Paragraph 9 above and which are subject to the rebate requirement described in Paragraph 13 below and the yield on the Series 2015 Bonds shall be calculated by the use of the same frequency interval of compounding interest. In the case of the Series 2015 Bonds, the purchase price is \$3,362,000. The purchase price of the Series 2015 Bonds and the interest rate thereon were arrived at as a result of an arms length negotiation between the Issuer and the Purchaser. The Purchaser has represented to the Issuer that it is acquiring the Series 2015 Bonds for its own account, and is not acting as a broker or other intermediary for the purpose of reselling the Series 2015 Bonds to other investors. Any investments acquired with amounts that may not be invested at an unrestricted yield pursuant to Paragraph 9 above or which are subject to the rebate requirement described in Paragraph 13 hereof shall be purchased at prevailing market prices and shall be limited to securities for which there is an established market, shall be United States Treasury Obligations - State and Local Government Series, or shall be tax-exempt obligations under 103(a) of the Code the interest on which is not an item of tax preference within the meaning of Section 57(a)(5) of the Code. In accordance with such meaning of the term yield, the yield of the Series 2015 Bonds has been determined to be not less than 1.866292%.

11. No portion of the proceeds of the Series 2015 Bonds will be used as a substitute for other moneys of the Issuer which were otherwise to be used to pay debt service on the Series 2014 Note or pay costs of the Projects and which have been or will be used to acquire directly or indirectly, obligations producing a yield in excess of the yield on the Series 2015 Bonds.

12. There are no other obligations of the Issuer that (i) are being sold at substantially the same time as the Series 2015 Bonds (within 15 days); (ii) are being sold pursuant to a common plan of financing together with the Series 2015 Bonds, and (iii) will be paid out of substantially the same source of funds as the Series 2015 Bonds.

13. The Issuer has covenanted in the Resolution that so long as the Series 2015 Bonds remain outstanding, the moneys on deposit in any fund or account maintained in connection with the Series 2015 Bonds will not be used in any manner that would cause the Series 2015 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or bonds not described under Section 103(a) of the Code and the applicable regulations promulgated from time to time thereunder. Accordingly, the City shall comply with the guidelines and instructions in the Arbitrage Letter of Instructions from Bond Counsel, dated the date hereof, by which the City shall, except as otherwise provided in such Letter of Instructions, pay or cause to be paid to the United States an amount equal to the sum of (i) the excess of the aggregate amount earned from the investment of "Gross Proceeds" of the Series 2015 Bonds from the date



of issue over the amount that would have been earned if such amounts had been invested at a yield equal to the yield of the Series 2015 Bonds, plus (ii) the income or earnings attributable to the excess amount described in (i). See Exhibit A attached hereto.

14. Neither the Issuer nor any person related to the Issuer has entered or is expected to enter into any hedging transaction (such as an interest rate swap, cap or collar transaction) with respect to the Series 2015 Bonds.

15. The weighted average maturity of the Series 2015 Bonds does not exceed 120 percent of the reasonably expected remaining economic life of the Projects (within the meaning of Section 147(b) of the Code).

16. None of the proceeds of the Series 2015 Bonds will be used (directly or indirectly) to acquire any property which prior to its acquisition was used (or held for use) by a person other than a state or local governmental unit in connection with an output facility. For purposes of this Certificate, the term "output facility" means electric and gas generation, transmission, and related facilities.

17. None of the proceeds of the Series 2015 Bonds will be used (directly or indirectly) to make or finance a loan to any person.

18. The Issuer will not take any action which would cause the Series 2015 Bonds to be "private activity bonds" within the meaning of Section 141 of the Code. The Issuer will not permit any person other than a state or local governmental unit or as a member of the general public (a "Nonexempt Person") to use, through sale, lease, management contract, output contract or similar agreement, portions of the Projects, which in the aggregate exceed 10 percent of the Projects (based upon the cost of such portions of the project). The percentage limitation described in the preceding sentence shall be reduced to 5 percent if the private use of the Projects is not related to any governmental use or is disproportionate to governmental use, all as described in Section 141(b)(3) of the Code.

19. The Issuer acknowledges that in determining whether all or any portion of the Projects is used, directly or indirectly, in the trade or business of a Nonexempt Person for purposes of Paragraph 18 above, use of any portion of the Projects by a Nonexempt Person pursuant to a lease, management contract, service contract, output contract or other arrangement must be examined. The Issuer represents that all management and service contracts with persons who are not employees of the Issuer for use of any portion of the Projects will comply with the guidelines set forth in IRS Revenue Procedure 97-13, unless the Issuer receives an opinion from Bond Counsel that such contract will not adversely impact the exclusion of interest on the Series 2015 Bonds from gross income for purposes of federal income taxation. The Issuer agrees to maintain copies of all leases, management contracts, service contracts, output contracts, and other preferential use arrangements with Nonexempt Persons

with respect to the use of the Projects throughout the term of the Series 2015 Bonds and for a period of three years thereafter.

20. The Issuer represents that the Projects have been owned and operated in a manner which complies with the requirements set forth in Paragraph 18 above from the placed in service dates of the Projects until the date of issuance of the Series 2015 Bonds. The Issuer reasonably expects that the Projects will be owned and operated throughout the term of the Series 2015 Bonds in a manner which complies with the requirements set forth in Paragraph 18 above. The Issuer will not change the ownership or use of all or any portion of the Projects in a manner that fails to comply with Paragraph 18 above, unless it receives an opinion of Bond Counsel that such change of ownership or use will not adversely affect the exclusion of interest on the Series 2015 Bonds from gross income for federal income tax purposes.

21. The payment of the principal of and interest on the Series 2015 Bonds is not and will not be guaranteed directly or indirectly by the federal government within the meaning of Section 149(b) of the Code.

22. The Issuer is not aware of any facts or circumstances that would cause it to question the accuracy of the representations made by the Purchaser described in Paragraph 10 hereof.

23. This Certificate is, in part, to serve as a guideline in implementing the requirements of Sections 141 to 150 of the Code. If regulations, rulings, announcements and notices validly promulgated under the Code contain requirements which differ from those outlined here which must be satisfied for the Series 2015 Bonds to be tax-exempt or in order to avoid the imposition of penalties under Section 148 of the Code, pursuant to the covenants contained in the Resolution, the Issuer is obligated to take such steps as are necessary to comply with such requirements. If under those pronouncements, compliance with any of the requirements of this Certificate is not necessary to maintain the exclusion of interest on the Series 2015 Bonds from gross income and alternative minimum taxable income (except to the extent of certain adjustments applicable to corporations) or to avoid the imposition of penalties on the Issuer under Section 148 of the Code, the Issuer shall not be obligated to comply with that requirement. The Issuer has been advised to seek the advice of competent counsel with a nationally recognized expertise in matters affecting exclusion of interest on municipal bonds from gross income in fulfilling its obligations under the Code to take all steps as are necessary to maintain the tax-exempt status of the Series 2015 Bonds.

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24. To the best of our knowledge, information and belief, the above expectations are reasonable.

IN WITNESS WHEREOF, we have hereunto set our hands on this 20th day of May, 2015.

CITY OF BUNNELL, FLORIDA

By: Catherine D. Robinson  
Name: Catherine D. Robinson  
Title: Mayor

[Signature page – Tax Certificate]

EXHIBIT A

May 20, 2015

City Commission  
City of Bunnell, Florida

Re: \$3,362,000 City of Bunnell, Florida  
Water and Sewer System Revenue Bonds, Series 2015

Ladies and Gentlemen:

This letter instructs you as to certain requirements of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to the \$3,362,000 City of Bunnell, Florida Water and Sewer System Revenue Bonds, Series 2015 (the "Series 2015 Bonds"). Capitalized terms used in this letter, not otherwise defined herein, shall have the same meanings as set forth in the Issuer's Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code of 1986, As Amended (the "Tax Certificate") executed on the date hereof.

This letter is intended to provide you with general guidance regarding compliance with Section 148(f) of the Code. Because the requirements of the Code are subject to amplification and clarification, you should seek supplements to this letter from time to time to reflect any additional or different requirements of the Code. In particular, you should be aware that regulations implementing the rebate requirements of Section 148(f) (the "Regulations") have been issued by the United States Treasury Department. These regulations will, by necessity, be subject to continuing interpretation and clarification through future rulings or other announcements of the United States Treasury Department. You should seek further advice of Bond Counsel as to the effect of any such future interpretations before the computation and payment of any arbitrage rebate.

For the purposes of this Letter, (i) any instructions relating to a fund or account shall be deemed to apply only to the portion of such fund or account allocable to the Series 2015 Bonds and (ii) any reference to "the date hereof" shall be deemed to mean May 20, 2015.

Section 1. Tax Covenants. Pursuant to the Resolution (as defined in the Tax Certificate), the Issuer has made certain covenants designed to assure that interest with respect to the Series 2015 Bonds is and shall remain excluded from gross income for federal income tax purposes. The Issuer has agreed, and by this Letter does hereby covenant, that it will not directly or indirectly use or permit the use of any proceeds of the Series 2015 Bonds or any other funds or take or omit to take any action that would cause the Series 2015 Bonds to be an issue of "arbitrage bonds" within the meaning of Section 148 of the Code and that would cause interest on the Series 2015 Bonds to be included in gross income for federal income tax purposes under

the provisions of the Code. You have further agreed by this letter to comply with all other requirements as shall be determined by Bond Counsel (as hereinafter defined) to be necessary or appropriate to assure that interest on the Series 2015 Bonds will be excluded from gross income for federal income tax purposes. To that end, the Issuer will comply with all requirements of Section 148 of the Code to the extent applicable to the Series 2015 Bonds. In particular, the Issuer agrees to cause the proceeds of the Series 2015 Bonds and certain other amounts described in Paragraph 9 of the Tax Certificate to be invested in a manner that is consistent with the expectations set forth in such Certificate. In the event that at any time the Issuer is of the opinion that for purposes of this Section 1 it is necessary to restrict or to limit the yield on the investment of any moneys held by the Issuer, the Issuer shall take such action as may be necessary.

Section 2. Definitions. Unless the context otherwise requires, in addition to the use of the terms defined in the Tax Certificate, the following capitalized terms have the following meanings:

"Bond Counsel" shall mean Bryant Miller Olive PA., or other nationally recognized bond counsel.

"Bond Year" shall mean the one year period that ends at the close of business on the day in the calendar year that is selected by the Issuer. The first and last bond years may be short periods.

"Bond Yield" shall mean that discount rate that, when used in computing the present value on the Delivery Date of all unconditionally payable payments of principal, interest, and retirement price paid and to be paid on the Series 2015 Bonds, produces an amount equal to the present value on the Delivery Date, using the same discount rate, of the aggregate Issue Price of the Series 2015 Bonds. Yield is computed under the Economic Accrual Method using any consistently applied compounding interval of not more than one year. Short first and last compounding intervals may be used. Other reasonable, standard financial conventions, such as the 30 days per month/360 days per year convention, may be used in computing yield but must be consistently applied. The yield on the Series 2015 Bonds computed in this manner is 1.866292%.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations promulgated thereunder.

"Computation Date" shall mean any date selected by the Issuer as a computation date pursuant to Section 1.148-3(e) of the Regulations, and the Final Computation Date.

"Computation Credit Amount" means the amount, as of each Computation Credit Date, specified in Section 1.148-3(d)(1)(iv) of the Regulations.

"Computation Credit Date" means the last day of each Bond Year during which there are amounts allocated to Gross Proceeds of the Series 2011 Bonds that are subject to the rebate requirement of Section 148(f) of the Code, and the Final Computation Date.

"Delivery Date" shall mean May 20, 2015.

"Economic Accrual Method" shall mean the method of computing yield that is based on the compounding of interest at the end of each compounding period (also known as the constant interest method or the actuarial method).

"Final Computation Date" shall mean the date that the last bond that is part of the Series 2015 Bonds is discharged.

"Gross Proceeds" shall mean with respect to the Series 2015 Bonds, any proceeds of the Series 2015 Bonds and any funds (other than the proceeds of the Series 2015 Bonds) that are a part of a reserve or replacement fund for the issue, which amounts include amounts which are (A) actually or constructively received by the Issuer from the sale of the Series 2015 Bonds (other than amounts used to pay Accrued Interest on the Series 2015 Bonds as set forth in the Tax Certificate); (B) treated as transferred proceeds (as defined in Section 1.148-9(b) of the Regulations); (C) treated as Replacement Proceeds under Section 1.148-1(c) of the Regulations; (D) invested in a reasonably required reserve or replacement fund (as defined in Section 1.148-2(f) of the Regulations); (E) pledged by the Issuer as security for payment of debt service on the Series 2015 Bonds; (F) received with respect to obligations acquired with proceeds of the Series 2015 Bonds; (G) used to pay debt service on the Series 2015 Bonds; and (H) otherwise received as a result of investing any proceeds of the Series 2015 Bonds. The determination of whether an amount is included within this definition shall be made without regard to whether the amount is credited to any fund or account established under the Resolution or (except in the case of an amount described in (E) above) whether the amount is subject to the pledge of such instrument.

"Guaranteed Investment Contract" means any Nonpurpose Investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, and also includes any agreement to supply investments on two or more future dates (e.g., a forward supply contract).

"Installment Payment Date" shall mean a Computation Date that is not later than 5 years after the Delivery Date and subsequent Computation Dates which occur no later than 5 years after the immediately preceding Installment Payment Date.

"Investment Property" shall mean any security or obligation, any annuity contract or other investment-type property within the meaning of Section 148(b)(2) of the Code. The term Investment Property shall not include any obligation the interest on which is excluded from gross income (other than a Specified Private Activity Bond within the meaning of Section 57(a)(5)(C) of the Code) and shall not include an obligation that is a one-day certificate of

indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series Program described in 31 CFR, part 344.

"Issue Price" shall mean with respect to the Series 2015 Bonds an amount equal to \$3,362,000.

"Issue Yield" shall mean the Bond Yield unless the Series 2015 Bonds is described in Section 1.148-4(b)(3) or (4) of the Regulations, in which case, the Issue Yield shall be the Bond Yield as recomputed in accordance with such provisions of the Regulations.

"Nonpurpose Investment" shall mean any Investment Property in which Gross Proceeds are invested, other than any Purpose Investment as defined in Section 1.148-1(b) of the Regulations. For purposes of this Letter, Investment Property acquired with revenues deposited in the Revenue Fund and the Sinking Fund to be used to pay debt service on the Series 2015 Bonds within 13 months of the date of deposit therein shall be disregarded.

"Nonpurpose Payment" shall, with respect to a Nonpurpose Investment allocated to the Series 2015 Bonds, include the following: (1) the amount actually or constructively paid to acquire the Nonpurpose Investment; (2) the Value of an investment not acquired with Gross Proceeds on the date such investment is allocated to the Series 2015 Bonds, and (3) any payment of Rebatable Arbitrage to the United States Government not later than the date such amount was required to be paid. In addition, the Computation Credit Amount shall be treated as a Nonpurpose Payment with respect to the Series 2015 Bonds on each Computation Credit Date.

"Nonpurpose Receipt" shall mean any receipt or payment with respect to a Nonpurpose Investment allocated to the Series 2015 Bonds. For this purpose the term "receipt" means any amount actually or constructively received with respect to the investment. In the event a Nonpurpose Investment ceases to be allocated to the Series 2015 Bonds other than by reason of a sale or retirement, such Nonpurpose Investment shall be treated as if sold on the date of such cessation for its Value. In addition, the Value of each Nonpurpose Investment at the close of business on each Computation Date shall be taken into account as a Nonpurpose Receipt as of such date, and each refund of Rebatable Arbitrage pursuant to Section 1.148-3(i) of the Regulations shall be treated as a Nonpurpose Receipt.

"Rebatable Arbitrage" shall mean as of any Computation Date the excess of the future value of all Nonpurpose Receipts with respect to the Series 2015 Bonds over the future value of all Nonpurpose Payments with respect to the Series 2015 Bonds. The future value of a Nonpurpose Payment or a Nonpurpose Receipt as of any Computation Date is determined using the Economic Accrual Method and equals the value of that payment or receipt when it is paid or received (or treated as paid or received), plus interest assumed to be earned and compounded over the period at a rate equal to the Issue Yield, using the same compounding interval and financial conventions used in computing that yield.

"Retirement Price" shall mean, with respect to a bond, the amount paid in connection with the retirement or redemption of the bond.

"Value" means value as determined under Section 1.148-5(d) of the Regulations for investments.

### Section 3. Rebate Requirement.

(a) Pursuant to this Letter there shall be established a fund separate from any other fund established and maintained under the Resolution designated the Rebate Fund (the "Rebate Fund"). The Issuer shall administer or cause to be administered the Rebate Fund and invest any amounts held therein in Nonpurpose Investments. Moneys shall not be transferred from the Rebate Fund except as provided in this Section 3.

(b) Unless the Spending Exception to Rebate described in Appendix I to this letter is applicable to all or a portion of the Gross Proceeds of the Series 2015 Bonds, the Issuer specifically covenants that it will pay or cause to be paid to the United States Government the following amounts:

(1) No later than 60 days after each Installment Payment Date, an amount which, when added to the future value of all previous rebate payments made with respect to the Series 2015 Bonds, equals at least 90 percent of the Rebatable Arbitrage calculated as of each such Installment Payment Date; and

(2) No later than 60 days after the Final Computation Date, an amount which, when added to the future value of all previous rebate payments made with respect to the Series 2015 Bonds, equals 100 percent of the Rebatable Arbitrage as of the Final Computation Date.

(c) Any payment of Rebatable Arbitrage made within the 60-day period described in Section 3(b)(1) and (2) above may be treated as paid on the Installment Payment Date or Final computation date to which it relates.

(d) On or before 55 days following each Installment Payment Date and the Final Computation Date, the Issuer shall determine the amount of Rebatable Arbitrage to be paid to the United States Government as required by Section 3(b) of this Letter. Upon making this determination, the Issuer shall take the following actions:

(1) If the amount of Rebatable Arbitrage is calculated to be positive, deposit the required amount of Rebatable Arbitrage to the Rebate Fund;



(2) If the amount of Rebatable Arbitrage is calculated to be negative and money is being held in the Rebate Fund, transfer from the Rebate Fund the amount on deposit in such fund; and

(3) On or before 60 days following the Installment Payment Date or Final Computation Date, pay the amount described in Section 3(b) of this Letter to the United States Government at the Internal Revenue Service Center, Ogden, Utah 84201. Payment shall be accompanied by Form 8038-T. A rebate payment is paid when it is filed with the Internal Revenue Service at the above location.

(e) The Issuer shall keep proper books of record and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the money related to the Series 2015 Bonds, including money derived from, pledged to, or to be used to make payments on the Series 2015 Bonds. Such records shall specify the account or fund to which each investment (or portion thereof) held by the Issuer is to be allocated and shall set forth, in the case of each investment security, (a) its purchase price; (b) nominal rate of interest; (c) the amount of accrued interest purchased (included in the purchase price); (d) the par or face amount; (e) maturity date; (f) the amount of original issue discount or premium (if any); (g) the type of Investment Property; (h) the frequency of periodic payments; (i) the period of compounding; (j) the yield to maturity; (k) date of disposition; (l) amount realized on disposition (including accrued interest); and (m) market price data sufficient to establish the fair market value of any Nonpurpose investment as of any Computation Date, and as of the date such Nonpurpose Investment becomes allocable to, or ceases to be allocable to, Gross Proceeds of the Series 2015 Bonds.

#### Section 4. Prohibited Investments and Dispositions.

(a) No Investment Property shall be acquired with Gross Proceeds for an amount (including transaction costs) in excess of the fair market value of such Investment Property. No Investment Property shall be sold or otherwise disposed of for an amount (including transaction costs) less than the fair market value of the Investment Property.

(b) For purposes of subsection 4(a), the fair market value of any Investment Property for which there is an established market shall be determined as provided in subsection 4(c). Except as otherwise provided in subsections 4(e) and (f), any market especially established to provide Investment Property to a Issuer of governmental obligations shall not be treated as an established market.

(c) The fair market value of any Investment Property for which there is an established market is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's-length transaction. Fair market value is

generally determined on the date on which a contract to purchase or sell the Investment Property becomes binding (i.e., the trade date rather than the settlement date). If a United States Treasury obligation is acquired directly from or disposed of directly to the United States Treasury, such acquisition or disposition shall be treated as establishing a market for the obligation and as establishing the fair market value of the obligation.

(d) Except to the extent provided in subsections (e) and (f), any Investment Property for which there is not an established market shall be rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(e) In the case of a certificate of deposit that has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal, the purchase price of such a certificate of deposit is treated as its fair market value on its purchase date if the yield on the certificate of deposit is not less than (1) the yield on reasonably comparable direct obligations of the United States; and (2) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(f) The purchase price of a Guaranteed Investment Contract is treated as its fair market value on the purchase date if the Issuer complies with the competitive bidding procedures set forth in Section 1.148-5(d)(6)(iii) of the Regulations.

Section 5. Accounting for Gross Proceeds. In order to perform the calculations required by the Code and the Regulations, it is necessary to track the investment and expenditure of all Gross Proceeds. To that end, the Issuer must adopt a reasonable and consistently applied method of accounting for all Gross Proceeds.

Section 6. Administrative Costs of Investments.

(a) Except as otherwise provided in this Section, an allocation of Gross Proceeds of the Series 2015 Bonds to a payment or receipt on a Nonpurpose Investment is not adjusted to take into account any costs or expenses paid, directly or indirectly, to purchase, carry, sell or retire the Nonpurpose Investment (administrative costs). Thus, administrative costs generally do not increase the payments for, or reduce the receipts from, Nonpurpose Investments.

(b) In determining payments and receipts on Nonpurpose Investments, Qualified Administrative Costs are taken into account by increasing payments for, or reducing the receipts from, the Nonpurpose Investments. Qualified Administrative Costs are reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage or selling commissions, but not legal and accounting fees, recordkeeping, custody, and similar costs. General overhead costs and similar indirect

costs of the Issuer such as employee salaries and office expenses and costs associated with computing Rebatale Arbitrage are not Qualified Administrative Costs

(c) Qualified Administrative Costs include all reasonable administrative costs, without regard to the limitation on indirect costs stated in subsection (b) above, incurred by:

(i) A publicly offered regulated investment company (as defined in Section 67(c)(2)(B) of the Code); and

(ii) A commingled fund in which the Issuer and any related parties do not own more than 10 percent of the beneficial interest in the fund.

(d) For a Guaranteed Investment Contract, a broker's commission paid on behalf of either the Issuer or the provider is not a Qualified Administrative Cost to the extent that the commission exceeds the safe harbor amount specified in Section 1.148-5(e)(2)(iii)(B) of the Regulations.

Section 7. Records; Bond Counsel Opinion.

(a) The Issuer shall retain all records with respect to the calculations and instructions required by this Letter for at least 3 years after the date on which the last of the principal of and interest on the Series 2015 Bonds has been paid, whether upon maturity, redemption or acceleration thereof.

(b) Notwithstanding any provisions of this Letter, if the Issuer shall be provided an opinion of Bond Counsel that any specified action required under this Letter is no longer required or that some further or different action is required to maintain or assure the exclusion from federal gross income of interest with respect to the Series 2015 Bonds, the Issuer may conclusively rely on such opinion in complying with the requirements of this Letter.

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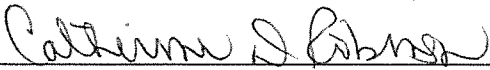
Section 8. Survival of Defeasance. Notwithstanding anything in this Letter to the contrary, the obligation of the Issuer to remit the Rebate Requirement to the United States Department of the Treasury and to comply with all other requirements contained in this Letter must survive the defeasance or payment of the Series 2015 Bonds.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

Received and acknowledged:

City of Bunnell, Florida

By:   
Catherine D. Robinson, Mayor

Dated: May 20, 2015

## Appendix I

### Spending Exception to Rebate

(a) Generally. All, or certain discrete portions, of an issue are treated as meeting the Rebate Requirement of Section 148(f) of the Code if the spending exception set forth in this Appendix is satisfied. Use of the spending exception is not mandatory. An issuer may apply the Rebate Requirement to an issue that otherwise satisfies the spending exception.

(b) Six-Month Exception. An issue is treated as meeting the Rebate Requirement under this exception if (i) the gross proceeds of the issue are allocated to expenditures for the governmental purposes of the issue within the six-month period beginning on the issue date (the "six-month spending period") and (ii) the Rebate Requirement is met for amounts not required to be spent within the six-month spending period (excluding earnings on a bona fide debt service fund). For purposes of the six-month exception, "gross proceeds" means Gross Proceeds other than amounts (i) in a bona fide debt service fund, (ii) in a reasonably required reserve or replacement fund, (iii) that, as of the issue date, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the end of the six-month spending period, (iv) that represent Sale Proceeds or Investment Proceeds derived from payments under any Purpose Investment of the issue and (v) that represent repayments of grants (as defined in Treasury Regulation Section 1.148-6(d)(4)) financed by the issue.

(c) Expenditures for Governmental Purposes of the Issue. For purposes of the spending exception, expenditures for the governmental purposes of an issue include payments for interest, but not principal, on the issue and for principal or interest on another issue of obligations.

**RECEIPT FOR BONDS**

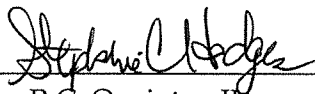
RECEIPT IS HEREBY ACKNOWLEDGED of the following described obligations of the City of Bunnell, Florida:

\$3,362,000 City of Bunnell, Florida Water and Sewer System Revenue Bonds, Series 2015, consisting of one fully registered Bond dated May 20, 2015, bearing interest at the rate of 1.875% and maturing on May 20 in the years and amounts as follows:

<u>Year</u> <u>(May 20)</u>	<u>Amount</u>	<u>Year</u> <u>(May 20)</u>	<u>Amount</u>
2016	\$57,000.00	2036	\$83,000.00
2017	\$58,000.00	2037	\$84,000.00
2018	\$59,000.00	2038	\$86,000.00
2019	\$60,000.00	2039	\$87,000.00
2020	\$61,000.00	2040	\$89,000.00
2021	\$63,000.00	2041	\$91,000.00
2022	\$64,000.00	2042	\$92,000.00
2023	\$65,000.00	2043	\$94,000.00
2024	\$66,000.00	2044	\$96,000.00
2025	\$67,000.00	2045	\$98,000.00
2026	\$69,000.00	2046	\$100,000.00
2027	\$70,000.00	2047	\$101,000.00
2028	\$71,000.00	2048	\$103,000.00
2029	\$73,000.00	2049	\$105,000.00
2030	\$74,000.00	2050	\$107,000.00
2031	\$75,000.00	2051	\$109,000.00
2032	\$77,000.00	2052	\$111,000.00
2033	\$78,000.00	2053	\$113,000.00
2034	\$80,000.00	2054	\$115,000.00
2035	\$81,000.00	2055	\$130,000.00

Dated this 20th day of May, 2015.

UNITED STATES OF AMERICA,  
UNITED STATES DEPARTMENT OF  
AGRICULTURE, RURAL DEVELOPMENT

By:   
Name: R.C. Quainton II  
Title: Area Director

**CERTIFICATE OF DELIVERY AND PAYMENT**

I, the undersigned officer of the City of Bunnell Florida (the "Issuer"), DO HEREBY CERTIFY that on May 20, 2015, I delivered to the United States of America, United States Department of Agriculture, Rural Development (the "Purchaser"), the following described obligations of the Issuer:

\$3,362,000 City of Bunnell, Florida Water and Sewer System Revenue Bonds, Series 2015, consisting of one fully registered Bond dated May 20, 2015, bearing interest at the rate of 1.875% and maturing on May 20 in the years and amounts as follows:

<u>Year</u> <u>(May 20)</u>	<u>Amount</u>	<u>Year</u> <u>(May 20)</u>	<u>Amount</u>
2016	\$57,000.00	2036	\$83,000.00
2017	\$58,000.00	2037	\$84,000.00
2018	\$59,000.00	2038	\$86,000.00
2019	\$60,000.00	2039	\$87,000.00
2020	\$61,000.00	2040	\$89,000.00
2021	\$63,000.00	2041	\$91,000.00
2022	\$64,000.00	2042	\$92,000.00
2023	\$65,000.00	2043	\$94,000.00
2024	\$66,000.00	2044	\$96,000.00
2025	\$67,000.00	2045	\$98,000.00
2026	\$69,000.00	2046	\$100,000.00
2027	\$70,000.00	2047	\$101,000.00
2028	\$71,000.00	2048	\$103,000.00
2029	\$73,000.00	2049	\$105,000.00
2030	\$74,000.00	2050	\$107,000.00
2031	\$75,000.00	2051	\$109,000.00
2032	\$77,000.00	2052	\$111,000.00
2033	\$78,000.00	2053	\$113,000.00
2034	\$80,000.00	2054	\$115,000.00
2035	\$81,000.00	2055	\$130,000.00

We received, on behalf of the Issuer from the Purchaser, \$3,362,000 as payment for the above-described Series 2015 Bonds.

IN WITNESS WHEREOF, we have hereunto set our hands and the seal of the City of Bunnell, Florida, this 20th day of May, 2015



(SEAL)

CITY OF BUNNELL, FLORIDA

By: Catherine D. Robinson  
Catherine Robinson, Mayor

ATTEST:

Sandra Bolser  
Sandra Bolser, City Clerk



IV

The Issuer has complied with all agreements and has satisfied all conditions on its part to be observed or satisfied under the Bond Resolution and all requirements and conditions for the collection of the Net Revenues.

V

The Resolution has been duly adopted and has not been repealed, revoked, rescinded or altered in any manner. Each of the representations and warranties of the Issuer contained in the Resolution remains true and correct as of the date hereof.

VI

The Issuer is not in default, and has not been in default at any time after December 31, 1975, as to principal of and interest on any of its indebtedness.

VII

The Bond is signed with the manual signatures of the undersigned Mayor and City Clerk.

VIII

The following is a correct list of the names of the members of the City Commission of the City of Bunnell, Florida, and of certain other officers, and of the dates of commencement and expiration of their respective terms of office:

<u>OFFICE</u>	<u>OFFICER</u>	<u>EXPIRATION OF TERM</u>
Mayor	Catherine Robinson	April 2016
Vice Mayor	John R. Rogers	April 2017
Commission Member	Bonita Robinson	April 2017
Commission Member	Bill Baxley	April 2016
Commission Member	Elbert Tucker	April 2016
City Manager	Lawrence Williams	At will of City Commission

City Clerk	Sandra Bolser	At will of City Commission
Finance Director	Stella Gurnee	At will of City Commission
City Attorney	Vose Law Firm LLC	At will of City Commission

IX

The making and performing of the Issuer of the agreements in the Bond Resolution and the collection of the Net Revenues will not violate any provision of law, or any bond or note resolution of the Issuer, or any regulation, order or decree of any court and will not result in a breach of any of the terms of any agreement or instrument to which the Issuer is a party or by which the Issuer is bound. The Bond Resolution constitutes a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms (except to the extent that the enforceability may be affected or limited by applicable bankruptcy, insolvency and other similar debtor relief laws affecting the enforcement of creditors' rights or the available equitable remedies).

X

The official seal of the City of Bunnell, Florida, being the only seal used by the Issuer, is the seal an impression of which is affixed opposite my signature on this Certificate.

WITNESS, our hands and seal this 20th of May, 2015.

SIGNATURE

OFFICIAL TITLE

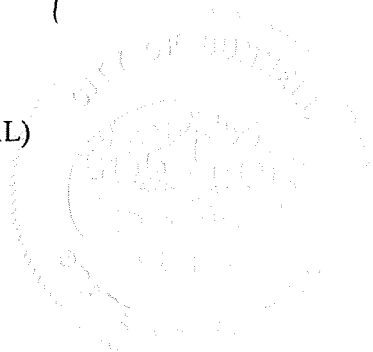
Catherine Robinson

Catherine Robinson, Mayor

Sandra Bolser

Sandra Bolser, Town Clerk

(SEAL)



**CERTIFICATE AS TO PUBLIC MEETINGS  
AND NO CONFLICT OF INTEREST**

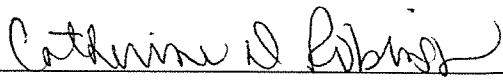
STATE OF FLORIDA           :  
CITY OF BUNNELL           :


Each of the undersigned members of the City Commission (the "City Commission") of the City of Bunnell, Florida (the "Issuer"), recognizing that the purchasers of the not to exceed \$3,362,000 City of Bunnell, Florida Water and Sewer System Revenue Bonds, Series 2015 (the "Series 2015 Bonds"), will have purchased said Series 2015 Bonds in reliance upon this Certificate, DOES HEREBY CERTIFY:

(1) that he or she has no personal knowledge that any two or more members of the City Commission, meeting together, reached any prior conclusion as to whether the actions taken by the City Commission, with respect to said Series 2015 Bonds, the security therefore and the application of the proceeds thereof, should or should not be taken by the City Commission or should or should not be recommended as an action to be taken or not to be taken by the City Commission, except at public meetings of the City Commission held after due notice to the public was given in the ordinary manner required by law and custom of the City Commission;

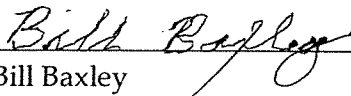
(2) that he or she does not have or hold any employment or contractual relationship with any business entity which is purchasing the Series 2015 Bonds from the Issuer.

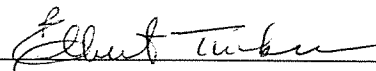
IN WITNESS WHEREOF, we have hereunto affixed our official signatures as of the 18th day of May, 2015.

  
\_\_\_\_\_  
Catherine Robinson, Mayor

  
\_\_\_\_\_  
John R. Rogers, Vice Mayor

  
\_\_\_\_\_  
Bonita Robinson

  
\_\_\_\_\_  
Bill Baxley

  
\_\_\_\_\_  
Elbert Tucker

CERTIFICATE OF RECORDING OFFICER

1. I am the duly appointed, qualified and acting City Clerk of the City of Bunnell, Florida, and keeper of the records thereof, including the minutes of its proceedings;

2. An ordinance was duly enacted by the City of Bunnell, Florida on December 7, 1970 in conformity with applicable requirements; and all other requirements and proceedings incident to the proper enactment of said ordinance have been duly fulfilled, carried out and otherwise observed;

3. I am duly authorized to execute this Certificate; and

4. The copy of the Ordinance enacted on December 7, 1970, is annexed hereto, and it is a true, correct and compared copy of the original instrument as finally enacted at said hearing, is in full force and effect and, to the extent required by law, has been duly signed or approved by the proper officer or officers and is on file and of record.

DATED this 20th day of May, 2015.

CITY OF BUNNELL, FLORIDA

(SEAL)

By: Sandra Bolser  
Sandra Bolser  
City Clerk



1970-12  
1970-12

ORDINANCE PROVIDING FOR THE ACQUISITION, CONSTRUCTION AND ERECTION OF A NEW MUNICIPAL SEWER SYSTEM AND IMPROVEMENTS TO THE MUNICIPAL WATER SYSTEM; AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$780,000 WATER AND SEWER REVENUE BONDS TO FINANCE A PART OF THE COST THEREOF; PLEDGING THE GROSS REVENUES OF THE COMBINED AND CONSOLIDATED WATER AND SEWER SYSTEM AND THE PROCEEDS OF THE MUNICIPAL CIGARETTE TAX TO SECURE THE PAYMENT THEREOF; AND PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SUCH BONDS.

BE IT ENACTED BY THE PEOPLE OF THE CITY OF BUNNELL, FLORIDA, as follows:

ARTICLE I

GENERAL

1.01 Authority for this Ordinance. This Ordinance is adopted pursuant to the provisions of Chapter 28955, Laws of Florida, Special Acts of 1953, Chapter 159, Florida Statutes, and other applicable provisions of law.

1.02 Findings. It is hereby found and determined that:

(A) The City of Bunnell (hereinafter sometimes called the "Issuer"), presently owns a water system, but it does not presently own or operate a sewer system for the benefit of its inhabitants; and it is necessary for the continued preservation of the health, welfare, convenience and safety of the Issuer and its inhabitants to construct municipal sewerage disposal facilities and improvements to its water distribution facilities (hereinafter referred to as the "project") in accordance with certain plans and specifications now on file with the City Clerk and Assessor (hereinafter sometimes called the "Clerk"). All such existing and new water and sewer facilities shall be operated by the Issuer as a single combined utility (hereinafter sometimes referred to as the "system").

(B) The Issuer has been advised by its consulting engineers that the cost of constructing the project in accordance with said plans and specifications is estimated at \$1,080,750, which shall be paid with the proceeds of the sale of the bonds herein authorized and federal grants in the amount of \$300,750, and shall be deemed to include all expenses necessary, appurtenant

or incidental thereto, including the cost of any land or interest therein or of any fixtures or equipment, or property necessary or convenient therefor, the cost of labor and materials to complete such construction, engineering and legal expenses, fiscal expenses, expenses for estimates of costs and revenues, expenses for plans, specifications and surveys, interest during construction, if any, administration expenses and all other necessary miscellaneous expenses.

(C) Pursuant to Chapter 210, Florida Statutes, the Issuer did, on March 18, 1968, enact Ordinance No. 1968-1 levying and imposing a tax upon each and every sale, receipt, purchase, possession, consumption, handling, distribution and use of cigarettes within the corporate limits of the Issuer, hereinafter called the "cigarette tax". The revenues to be derived annually from the rates, rentals, fees and other charges made and collected for the services and facilities of the system are estimated to be \$ 88,600.00 and, together with the proceeds of the cigarette tax, will be sufficient to pay the principal and interest on the bonds herein authorized as the same become due and the annual cost of operating, repairing and maintaining the system, the aggregate annual amount of which is estimated to be \$ 31,400.00. It is estimated that the period of usefulness of the system will exceed forty-one years.

(D) It is deemed necessary and desirable to pledge the gross revenues of the system and the proceeds of the cigarette tax to the payment of the principal of and interest on the bonds herein authorized. No part of such revenues and cigarette taxes will be pledged or hypothecated except with respect to the bonds herein authorized.

(E) This ordinance is declared to be and shall constitute a contract between the Issuer and the holders of all such bonds; and the covenants and agreements herein set forth to be performed by the Issuer are and shall be for the equal benefit, protection and security of the legal holders of any and all such bonds issued under this ordinance, all of which

shall be of equal rank and without preference, priority or distinction of any of the bonds over any other, except as hereinafter provided.

(F) The Issuer is not, under this ordinance, obligated to levy any taxes on any real or personal property to pay the principal of or interest on the bonds hereinafter authorized or to pay the cost of maintaining, repairing and operating the system. Such bonds issued pursuant to this ordinance shall not constitute a lien upon the system or any other property of the Issuer or situated within its corporate limits.

1.03 Definitions. The following terms in this ordinance shall have the following meanings unless the text otherwise expressly requires:

(A) "Gross Revenues" derived from the operation of the system shall mean all moneys received from rates, fees, rentals or other charges or income received by the Issuer or accruing to it in the management and operation of the system, all calculated in accordance with sound accounting practice.

(B) "Operating Expenses" of the system shall mean all current expenses, paid or accrued, for the operation, maintenance and repair of the system and its facilities, as calculated in accordance with sound accounting practice, and shall include, without limiting the generality of the foregoing, insurance premiums, administrative expenses of the Issuer related solely to the system, labor, cost of materials and supplies used for current operation, and charges for the accumulation of appropriate reserves for current expenses not annually recurrent but which are such as may reasonably be expected to be incurred in accordance with sound accounting practice. "Operating Expenses" shall not include any allowance for depreciation or for renewals or replacements of capital assets of the system.

(C) "Net Revenues" of the system shall mean the gross revenues thereof, as defined in subsection (A), after deducting therefrom only the operating expenses of the same,

as defined in subsection (B).

(D) "Fiscal Year" shall mean the period commencing on October 1 of each year and continuing to and including the succeeding September 30.

1.04 Project Authorized. The Issuer is hereby authorized to construct the project as defined in Section 1.02 (A) above.

## ARTICLE II

### AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF REVENUE BONDS

2.01 Authorization of Revenue Bonds. Subject and pursuant to the provisions of this ordinance, obligations of the Issuer to be known as "City of Bunnell Water and Sewer Revenue Bonds" (hereinafter sometimes referred to as the "bonds") are hereby authorized to be issued in an aggregate principal amount not exceeding Seven Hundred Eighty Thousand Dollars (\$780,000) for the purpose of providing funds to pay the cost of such project provided for in Section 1.02 hereof.

2.02 Description of Bonds. The bonds issued hereunder shall be dated as of the date of their delivery; shall be in the denomination of \$1,000.00, or any multiple thereof, not exceeding \$10,000 or the amount maturing in each year; shall be numbered consecutively from 1 upward; shall bear interest at not exceeding the legal rate per annum, payable on the next January 1 following their delivery and annually thereafter on January 1 of each year; and shall mature serially in numerical order on January 1 of each year in the years and amounts as follow:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
1974	\$ 5,000	1987	\$15,000	1999	\$25,000
1975	10,000	1988	15,000	2000	25,000
1976	10,000	1989	15,000	2001	25,000
1977	10,000	1990	15,000	2002	30,000
1978	10,000	1991	15,000	2003	30,000
1979	10,000	1992	15,000	2004	30,000
1980	10,000	1993	20,000	2005	35,000
1981	10,000	1994	20,000	2006	35,000
1982	10,000	1995	20,000	2007	35,000
1983	10,000	1996	20,000	2008	40,000
1984	10,000	1997	20,000	2009	40,000
1985	10,000	1998	25,000	2010	40,000
1986	15,000			2011	45,000



2.03 Places of Payment. Such bonds shall be issued in coupon form; shall be payable as to both principal and interest at such place or places as the Issuer shall hereafter by resolution designate, in lawful money of the United States of America; and shall bear interest from the date of issue, in accordance with and upon surrender of the appurtenant interest coupons as they severally mature, unless registered.

2.04 Provisions for Redemption. Bonds maturing on or before January 1, 1981 are not subject to redemption prior to their respective stated dates of maturity. Bonds maturing January 1, 1982 and thereafter shall, at the option of the Issuer, be redeemable in whole or in part, in inverse numerical and maturity order, on January 1, 1981 or on any interest payment date thereafter at par and accrued interest; provided, however, that at least thirty (30) days prior to the redemption date written notice of such redemption shall be given to the paying agent named in the bonds and to each of the registered owners at their respective addresses as they appear upon the registration books of the Clerk of the Issuer and shall be published at least once in a financial newspaper published in the City of New York, New York.

2.05 Execution of Bonds. The bonds shall be executed in the name of the Issuer by its Mayor and the corporate seal of the Issuer shall be impressed thereon, attested by its Clerk. In case any one or more of the officers who shall have signed or sealed any of the bonds shall cease to be such officer of the Issuer before the bonds so signed and sealed have been actually sold and delivered, such bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such bonds had not ceased to hold such office. The validation certificate endorsed on the bonds shall be executed by the Mayor. Any bond may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such bond shall hold the proper office of the Issuer, although at the date of such bonds

such person may not have held such office or may not have been so authorized. The coupons attached to the bonds shall be authenticated with the facsimile signatures of any present or future Mayor and Clerk of the Issuer. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this ordinance, notwithstanding that either or both shall have ceased to hold such office at the time the bonds shall be actually sold and delivered.

2.06 Negotiability and Registration. The bonds shall be and shall have all the qualities and incidents of negotiable instruments under the law merchant and the Laws of the State of Florida; and each successive holder, in accepting any of the bonds or the coupons appertaining thereto, shall be conclusively deemed to have agreed that the bonds shall be and have all of said qualities and incidents of negotiable instruments.

The bonds may be registered, at the option of the holder, as to both principal and interest upon the books kept for the registration and transfer of bonds by the Clerk of the Issuer, as Bond Registrar, and endorsed upon the bonds by the Bond Registrar in the space provided thereon. After such registration, no transfer of the bonds shall be valid unless made at the office of the Bond Registrar by the registered owner or by his duly authorized agent or representative and similarly noted on the bonds, but at the expense of the holder the bonds may be discharged from registration by being in like manner transferred to bearer, and thereupon transferability by delivery shall be restored. At the option and expense of the holder, the bonds may thereafter again from time to time be registered or transferred to bearer as before. The Bond Registrar shall not be required to make any such transfer of bonds during the fifteen (15) days next preceding an interest payment date on the bonds or, in the case of any proposed redemption of bonds, after such bonds have been selected for

redemption. The person in whose name any bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any bond and the interest on any bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such bond including the interest thereon to the extent of the sum or sums so paid.

2.07 Bonds Mutilated, Destroyed, Stolen or Lost.

In case any bonds shall become mutilated, or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new bond of like tenor as the bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated bond, upon surrender and cancellation of such mutilated bond, or in lieu of and substitution for the bond destroyed, stolen or lost, and upon the owner furnishing the Issuer satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur. All bonds so surrendered shall be cancelled by the Clerk of the Issuer. If any such bonds shall have matured or be about to mature, instead of issuing a substitute bond the Issuer may pay the same, upon being indemnified as aforesaid, and if such bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed bonds be at any time found by anyone, and such duplicate bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the funds, as hereinafter pledged, to the same extent as all other bonds issued hereunder.

2.08 Form of Bonds. The text of the bonds shall be of substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable

and authorized or permitted by this ordinance or any subsequent ordinance adopted prior to the issuance thereof:

No. \_\_\_\_\_ \$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
COUNTY OF FLAGLER  
CITY OF BUNNELL  
WATER AND SEWER REVENUE BOND

KNOW ALL MEN BY THESE PRESENTS, that the City of Bunnell, a public body created and existing under and by virtue of the Laws of the State of Florida (hereinafter sometimes referred to as the "Issuer"), for value received, hereby promises to pay to the bearer, or if this bond be registered to the registered holder as herein provided, on the first day of January, 19\_\_, from the special funds hereinafter mentioned, the principal sum of

\_\_\_\_\_ THOUSAND DOLLARS

and to pay interest thereon, from the date of the delivery of this bond to the purchaser thereof, solely from said special funds, at the rate of \_\_\_\_\_ per centum (\_\_\_\_\_) per annum, payable on January 1, 1971 and annually thereafter on the first day of January of each year upon the presentation and surrender of the annexed coupons as they severally fall due. Both principal of and interest on this bond are payable at \_\_\_\_\_, Florida, in lawful money of the United States of America.

This bond is one of an authorized issue of bonds in the aggregate principal amount of \$780,000 of like date, tenor and effect, except as to number, interest rate (if all bonds do not bear the same rate of interest) and date of maturity, issued to finance the cost of acquiring, erecting and constructing new municipal sewer facilities and improvements to the existing municipal water facilities of the Issuer, all of which existing and new facilities are combined and operated by the Issuer as a single utility, hereinafter referred to as the "system", under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, particularly Chapter 28955, Laws of Florida, Special Acts of 1963, Chapter

159, Florida Statutes, and an Ordinance duly enacted by the Issuer on \_\_\_\_\_, 1970 (herein referred to as the "Ordinance"), and is subject to all the terms and conditions of such Ordinance.

This bond and the interest thereon are payable solely from and secured by a prior lien upon and a pledge of the gross revenues to be derived from the operation of the system and the proceeds of municipal cigarette taxes in the manner described in the Ordinance. It is expressly agreed by the holder of this bond that the full faith and credit of the Issuer are not pledged to the payment of the principal of and interest on this bond and that such holder shall never have the right to require or compel the exercise of any taxing power of the Issuer to the payment of such principal and interest or the cost of maintaining, repairing and operating the system. This bond and the obligation evidenced hereby shall not constitute a lien upon the system or any part thereof or upon any other property of the Issuer or situated within its corporate limits, but shall constitute a lien only on the gross revenues derived from the operation of the system and the proceeds of the cigarette taxes.

In and by the Ordinance, the Issuer has covenanted and agreed with the holders of the bonds of this issue that it will fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use of the product, services and facilities of the system which, together with the proceeds of the cigarette taxes, will always produce cash revenues sufficient to pay, and out of such funds pay, as the same shall become due, the principal of and interest on the bonds, the necessary expenses of operating and maintaining the system and all reserve, Sinking Fund or other payments required by the Ordinance, and that such rates, rentals, fees or other charges will not be reduced so as to be insufficient to provide funds for such purposes, and that it will levy and collect said cigarette taxes at such rates, not exceeding the maximum rates permitted by law, as shall be necessary to provide funds which, together with the gross revenues of the system, will be sufficient to pay, and out of such funds

pay, as the same shall become due, the principal of and interest on the bonds, the necessary expenses of operating and maintaining the system and all reserve, Sinking Fund or other payments required by the Ordinance, and that the rates of such cigarette taxes will not be reduced so as to be insufficient to provide funds for such purposes.

The bonds of this issue maturing in the years 1972 through 1981, both inclusive, are not redeemable prior to their respective stated dates of maturity. Bonds of this issue maturing in the year 1982 and thereafter are redeemable prior to their respective stated dates of maturity at the option of the Issuer, in whole or in part, in inverse numerical and maturity order if less than all, on January 1, 1981, or on any interest payment date thereafter, at the principal amount thereof and accrued interest to the date of redemption, provided notice of such redemption shall be given in the manner required by the Ordinance.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this bond, exist, have happened and have been performed, in regular and due form and time as required by the Laws and Constitution of the State of Florida applicable thereto, and that the issuance of this bond, and of the issue of bonds of which this bond is one, does not violate any constitutional, statutory or charter limitations or provisions.

This bond and the coupons appertaining thereto are and have all the qualities and incidents of negotiable instruments under the law merchant and the Laws of the State of Florida.

This bond may be registered as to both principal and interest in accordance with the provisions endorsed hereon.

IN WITNESS WHEREOF, the City of Bunnell, Florida, has issued this bond and has caused the same to be executed in its name and on its behalf by its Mayor and its corporate seal to be impressed hereon, attested and countersigned by its Clerk

and Assessor, all as of \_\_\_\_\_, 1971.

CITY OF BUNWELL, FLORIDA

(SEAL)

By \_\_\_\_\_  
Mayor

ATTESTED AND COUNTERSIGNED:

\_\_\_\_\_  
Clerk and Assessor

FORM OF COUPON

NO. \_\_\_\_\_ \$ \_\_\_\_\_

On the 1st day of January, 19 \_\_, unless the bond to which this coupon is attached is callable and shall have been previously duly called for prior redemption and payment thereof duly made or provided for, the City of Bunnell, Florida, will pay to the bearer at \_\_\_\_\_, Florida, from the special funds described in the bond to which this coupon is attached, the amount shown hereon in lawful money of the United States of America, upon presentation and surrender of this coupon, being one year's interest then due on its Water and Sewer Revenue Bond, dated \_\_\_\_\_, 1971; No. \_\_\_\_\_.

CITY OF BUNWELL, FLORIDA

(SEAL)

By \_\_\_\_\_  
Mayor

ATTESTED AND COUNTERSIGNED:

\_\_\_\_\_  
Clerk and Assessor

FORM OF VALIDATION CERTIFICATE

This bond is one of a series of bonds which were validated by judgment of the Circuit Court for Flagler County, Florida, rendered on \_\_\_\_\_, 19 \_\_.

\_\_\_\_\_  
Mayor

PROVISIONS FOR REGISTRATION

This bond may be registered as to both principal and interest on books of the Clerk and Assessor, as Bond Registrar, such registration being noted hereon by the Bond Registrar in the registration blank below, the coupons being surrendered and the interest being payable only to the registered holder, re-mitted by mail, after which registration no transfer shall be valid unless made on said books by the registered holder or his legal representative and similarly noted in the registra-tion blank below, but it may be discharged from registration by being transferred to bearer, after which it shall be trans-ferable by delivery, or it may again be registered as before. Upon reconversion of this bond into a coupon bond, coupons representing the interest to accrue upon the bond to date of maturity shall be attached hereto.

<u>Date of</u> <u>Registration</u>	<u>Name and Address of</u> <u>Registered Owner</u>	<u>Signature of</u> <u>Bond Registrar</u>
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ARTICLE III

COVENANTS, SPECIAL FUNDS  
AND APPLICATION THEREOF

3.01 Bonds Not To Be Indebtedness Of Issuer. Neither the bonds nor the coupons attached thereto shall be or consti-tute general obligations or indebtedness of the Issuer as "bonds" within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of said gross revenues and cigarette taxes as herein pro-vided. No owner or holder of any bond or coupon issued hereunder shall ever have the right to compel the exercise of any ad valorem taxing power, or taxation in any form, to pay such bond or coupon or the cost of operating and maintaining the system, or be en-titled to payment of such bond or coupon from any funds of the



Issuer except from the gross revenues derived from the operation of the system and the cigarette taxes in the manner provided herein.

3.02 Bonds Secured by Pledge of Gross Revenues and Cigarette Taxes and Special Funds Created Therefrom. The payment of the debt service of all of the bonds issued hereunder shall be secured forthwith equally and ratably by a pledge of and a prior lien upon the gross revenues derived from the operation of the system, as now or hereafter constituted, and the proceeds of the cigarette taxes. The Issuer does hereby irrevocably pledge such funds to the payment of the principal of and interest on the bonds issued pursuant to this ordinance and to the payment into the Sinking Fund at the times provided of the sums required to secure to the holders of the bonds issued hereunder the payment of the principal of and interest thereon at the respective maturities of the bonds and coupons so held by them.

3.03 Application of Bond Proceeds. The Issuer hereby covenants that it will establish with the Citizens Bank of Bunnell Bank, Bunnell, Florida, a separate account or accounts (herein collectively called the "Construction Account") into which shall be deposited the proceeds from the sale of the bonds herein authorized (except such portion thereof as shall be necessary to pay interest on the bonds during the construction of the project, which shall be deposited to the Sinking Fund), the proceeds of said federal grants and the additional funds, if any, required to assure payment in full of the cost of the project. Withdrawals from the Construction Account shall be made only for such purposes as shall have been previously specified in the project cost estimates and as shall be approved by the Issuer's consulting engineers for the project.

The Issuer's share of any liquidated damages or other moneys paid by defaulting contractors or their sureties, and all proceeds of insurance compensating for damages to the project during the period of construction, shall be deposited in the Construction Account to assure completion of the project.

Moneys in the Construction Account shall be secured by the depository bank in accordance with U. S. Treasury Department Circular 176 and in the manner prescribed by the Laws of the State of Florida relating to the securing of public funds. When the moneys on deposit in the Construction Account exceed the estimated disbursements on account of the project for the next 90 days, the Issuer may direct the depository bank to invest such excess funds in direct obligations of or obligations the principal of and interest on which are guaranteed by the United States of America, which shall be subject to redemption at any time at face value by the holder thereof. The earnings from any such investment shall be deposited in the Construction Account.

When the construction of the project has been completed and all construction costs have been paid in full, all funds remaining in the Construction Account, except grant funds, shall be deposited in the Sinking Fund hereinafter established, and the Construction Account shall be closed.

All moneys deposited in said Construction Account shall be and constitute a trust fund created for the purposes stated, and there is hereby created a lien upon such fund in favor of the holders of the bonds until the moneys thereof shall have been applied in accordance with this ordinance.

3.04 Covenants of the Issuer. So long as any of the principal of or interest on any of the bonds shall be outstanding and unpaid, or until there shall have been set apart in the Sinking Fund herein established, including the Reserve Account therein, a sum sufficient to pay, when due, the entire principal of the bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer covenants with the holders of any and all of the bonds issued pursuant to this ordinance as follows:

(A) Annual Budget of Current Expenses. The Issuer covenants and agrees that on or before the date of completion of construction of the project, or the date of delivery of the bonds to the purchasers thereof if the system shall then be

revenue producing, it will adopt a budget of Current Expenses for the system for the remainder of the then current fiscal year and thereafter, on or before the first day of each fiscal year during which any of the bonds are outstanding, it will adopt an Annual Budget of Current Expenses for the ensuing fiscal year, and will mail a copy of such budget or amendments thereto to any requesting bondholder. Current Expenses shall include all reasonable and necessary costs of operating, repairing, maintaining and insuring the system, but shall exclude depreciation, payments into the Sinking Fund and payments into the Reserve Account. The Issuer covenants that the Current Expenses incurred in any year will not exceed the reasonable and necessary amounts required therefor, and that it will not expend any amount or incur any obligations for operations, maintenance and repair in excess of the amount provided for Current Expenses in the Annual Budget, except upon resolution by its Council that such expenses are necessary to operate and maintain the system.

(B) Revenue Fund. The Issuer covenants and agrees that as soon as the bonds shall be delivered to the purchasers thereof, it will establish with a depository in the State of Florida, which is a member of the Federal Deposit Insurance Corporation and which is eligible under the Laws of the State of Florida to receive municipal funds, and maintain so long as any of the bonds are outstanding, a special fund to be known as the "Bunnell Water and Sewer System Revenue Fund", hereinafter called the "Revenue Fund". Into such Revenue Fund the Issuer shall deposit promptly as received all cash income derived from the ownership and operation of the system. The Revenue Fund shall be held by the Issuer separate and apart from all other funds and shall be expended and used only in the manner and order specified in paragraphs (C), (D) and (E) of this Section.

(C) Bond and Interest Sinking Fund. The Issuer covenants and agrees to establish with a depository in the State of Florida, which is a member of the Federal Deposit

Insurance Corporation, and which is eligible under the Laws of the State of Florida to receive municipal funds a special fund or funds, collectively called "Bunnell Water and Sewer System Bond and Interest Sinking Fund", hereinafter called the "Sinking Fund", to be used exclusively for the purposes hereinafter mentioned. The Issuer shall transfer on or before the 15th day of each month from the Revenue Fund and deposit to the credit of the Sinking Fund the following amounts:

(1) A sum equal to 1/12 of the amount of one year's interest on all the bonds then outstanding, together with the amount of any deficiency in prior deposits for interest; and

(2) A sum equal to 1/12 of the principal of the bonds maturing on the next succeeding anniversary date, together with the amount of any deficiency in prior deposits for principal.

(3) After fulfillment of the requirements of paragraphs (C) (1) and (2), the Issuer shall transfer on or before the 15th day of each month from the Revenue Fund and deposit to the credit of a special account in the Sinking Fund, herein called the "Reserve Account", the sum of Three Hundred Eighty-Five (\$385.00) until such time as the funds and investments therein shall equal Forty-Six Thousand Dollars (\$46,000.00), and monthly thereafter such amount as may be necessary to maintain in the Reserve Account the sum of Forty-Six Thousand Dollars (\$46,000.00) but not exceeding Three Hundred Eighty-Five Dollars (\$385.00) monthly. [Moneys in the Reserve Account shall be used only for (1) paying the cost of repairing or replacing any damage to the system which shall be caused by an unforeseen catastrophe (2) constructing improvements or extensions to the system which shall increase its net revenues and which shall be approved by said consulting engineers, if the Issuer shall not then be in default under any of the provisions of this ordinance, and (3) paying the principal of and interest on the bonds in the event that the moneys in the Sinking Fund shall ever be insufficient to meet such payments.

(D) Operation and Maintenance Fund. The Issuer covenants and agrees to establish with a depository in the

State of Florida, which is a member of the Federal Depository Insurance Corporation, and which is eligible under the Laws of the State of Florida to receive municipal funds, a special fund to be known as the "Bunnell Water and Sewer System Operation and Maintenance Fund", which shall be used exclusively for the purpose of receiving funds to be transferred monthly by the Issuer from the Revenue Fund, and for paying, as they accrue, the Current Expenses of the system pursuant to the Annual Budget. As soon after delivery of the bonds as the system shall be revenue-producing, and after having made the deposits to the Sinking Fund as provided in paragraph (C) above, the Issuer shall transfer on or before the fifteenth day of each month from the Revenue Fund and deposit to the credit of the Operation and Maintenance Fund a sum sufficient to pay the Current Expenses of the system for the current month, all in accordance with the Annual Budget. Any balance remaining in the Operation and Maintenance Fund at the end of the fiscal year and not required to pay costs incurred during said fiscal year shall be deposited promptly into the Revenue Fund.

(E) Transfer of Excess Funds. Subject to the provisions for the disposition of revenues in paragraphs (C) and (D), which are cumulative, the Issuer shall transfer on or before the 15th day of each month the balance of excess funds in the Revenue Fund to the Reserve Account in the Sinking Fund for prompt use in redeeming bonds in inverse numerical and maturity order or acquiring outstanding bonds for retirement at not to exceed the price of par and accrued interest, to the extent funds and investments therein exceed the amount of Forty-Six Thousand Dollars (\$46,000.00).

(F) Cigarette Tax Fund. The Issuer covenants and agrees to establish with a depository in the State of Florida, which is a member of the Federal Depository Insurance Corporation, and which is eligible under the Laws of the State of Florida to receive municipal funds, a special fund to be known as "Bunnell

Cigarette Tax Fund", hereinafter called the "Cigarette Tax Fund", which shall be used exclusively for the purpose of receiving all of the proceeds of the cigarette tax as soon as the same are collected by the Issuer. Whenever by reason of the insufficiency of moneys on deposit in the Revenue Fund, the Issuer is not able to make promptly the current monthly payments required to be made pursuant to the provisions of paragraphs (C) and (D) above, there shall be paid into the Revenue Fund from the moneys on deposit in the Cigarette Tax Fund whatever sums are necessary to cure such existing deficit. After the 15th day of each month, if all of the above-required current payments have been made from the Revenue Fund, and from the Cigarette Tax Fund to the extent necessary, the balance of any moneys on deposit in the Cigarette Tax Fund may be withdrawn and used by the Issuer for any lawful municipal purpose.

(G) Trust Funds. The funds and accounts created and established by this ordinance shall constitute trust funds for the purpose provided herein for such funds. All of such funds, except as hereinafter provided, shall be continuously secured in the same manner as municipal deposits of funds are required to be secured by the Laws of the State of Florida. Moneys on deposit to the credit of the Reserve Account shall be invested by the depository bank, upon request by the Issuer, in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America and which shall be subject to redemption at face value at any time by the holder thereof at the option of such holder; and the moneys on deposit to the credit of the Sinking Fund may be so invested in such obligations which shall mature not later than fifteen (15) days prior to the date on which such moneys shall be needed to pay the principal of and interest on the bonds in the manner herein provided, but moneys on deposit to the credit of the Revenue Fund, the Operation and Maintenance Fund and Cigarette Tax Fund shall not be invested at any time. The securities so purchased as an investment of funds shall be deemed at all times to be a part of the account from which the said investment was withdrawn, and the interest accruing thereon and any

profit realized therefrom shall be credited to such account and any loss resulting from such investment shall likewise be charged to said account.

(H) Rates and Charges. The Issuer covenants and agrees to maintain and collect, so long as any of the bonds are outstanding, such schedule of water and sewer rates and charges which, together with the proceeds of the cigarette taxes, will produce revenues which shall be sufficient to provide for current debt service on the bonds and the debt service reserve and pay the reasonable expenses of operation and maintenance of the system; and the Issuer covenants and agrees that so long as any of the bonds are outstanding and unpaid, at the same time and in like manner that the Issuer prepares its Annual Budget of the Current Expenses, the Issuer shall annually prepare an estimate of gross revenues to be derived from the operation of the system for the ensuing fiscal year, and to the extent that said gross revenues are insufficient to pay debt service requirements on all outstanding bonds during such ensuing year, build up and maintain the required reserve enumerated in paragraph (C) and pay Current Expenses, the Issuer shall revise the fees and rates charged for the use of the services and facilities of the system sufficiently to provide the funds required.

(I) Levy of Cigarette Taxes. The Issuer covenants and agrees that it will not repeal the ordinance now in effect levying the cigarette tax and will not amend or modify said ordinance in any manner so as to impair or adversely affect the power and obligation of the Issuer to levy and collect such cigarette taxes or impair or adversely affect in any manner the pledge of such cigarette taxes made herein or the rights of the holders of the bonds. The Issuer shall be unconditionally and irrevocably obligated, so long as any of the bonds or the interest thereon are outstanding and unpaid, to levy and collect such cigarette taxes at such rates, not exceeding the maximum rates permitted by law, as shall be necessary to provide funds which, together with the gross revenues of the system, shall be sufficient to pay, as the same shall become due, the principal of and interest on the bonds

and to make the other payments provided for herein. This provision shall not be construed to prevent reasonable revisions of the rates of the cigarette taxes as long as the proceeds of the cigarette taxes to be collected by the Issuer in each year thereafter, together with the gross revenues of the system, will be sufficient to pay the principal of and interest on the bonds as the same become due and to make the other payments herein required in such year.

(J) Issuance of other Obligations.

(1) The Issuer covenants and agrees that in the event the cost of construction or completion of the project shall exceed the dollar amount of bonds herein authorized, it shall deposit into the Construction Account the amount of such excesses out of funds available to it for such purpose, and the Issuer may provide such excess, and only such excess, through the issuance of parity bonds conforming to the requirements of paragraph (3) of this subsection; but except to complete the project, it will not issue any other obligations payable from or secured by the revenues of the system, the proceeds of the cigarette tax or any other security pledged to secure payment of the bonds herein authorized, unless the conditions hereinafter set forth shall be met, or unless the lien of such obligations is junior and subordinate in all respects to the lien of these bonds.

(2) The Issuer shall have the right to add new water or sewer facilities and related auxiliary facilities, by the issuance of one or more additional series of bonds to be secured by a parity lien on and rateably payable from the gross revenues of the system, the proceeds of the cigarette tax and any other security pledged to these bonds, provided in each instance that:

(a) The facility or facilities to be built from the proceeds of the additional parity bonds is or are made a part of the system and its or their revenues are pledged as additional security for the additional parity bonds and the outstanding bonds.

(b) The Issuer is in compliance with all covenants



and undertakings in connection with all of its bonds then outstanding and payable from the revenues of the system or any part thereof and has not been in default as to any payments required to be made under this ordinance for a period of at least the next preceding 24 months, or if at such time the bonds shall not have been outstanding for 24 months then for the period that the bonds shall have been outstanding.

(c) The annual net revenues (plus the proceeds of the cigarette tax, if it shall be pledged as security for the outstanding bonds and the additional parity bonds) for the fiscal year next preceding the issuance of additional parity bonds are certified by an independent public accountant employed by the Issuer, to have been equal to at least one and twenty-hundredths (1.20) times the average annual requirements for principal and interest on all the bonds then outstanding and payable from such pledged revenues.

(d) The estimated average annual net revenues of the facility or facilities to be constructed and acquired with the proceeds of such additional bonds (and any other funds pledged as security), when added to the estimated future average annual net revenues of the then existing system (plus the proceeds of the cigarette tax, if it shall be pledged as security for the outstanding bonds and the additional parity bonds) shall be at least one and twenty-hundredths (1.20) times the average annual debt service requirements for principal and interest on all outstanding bonds payable from the revenues of the system and on the additional bonds proposed to be issued. Estimates of future revenues and operating expenses shall be furnished by recognized independent consulting engineers and approved by the Council of the Issuer and by the Mayor thereof, and shall be forecast over a period of not exceeding ten years from the date of the additional bonds proposed to be issued. Provided, however, the conditions provided by this paragraph and by the next preceding paragraph (c) may be waived or modified by the written consent of the holders of seventy-five per centum (75%) of the bonds then outstanding.

(3) The Issuer hereby covenants and agrees that in the event additional series of parity bonds are issued, it will provide that said parity bonds shall mature in such years that they and all other bonds payable from the revenues of the system shall mature according to a schedule which most closely approximates equal annual installments of combined principal and interest payments; it will adjust the required deposits into and the maximum amount to be maintained in the Sinking Fund, including the Reserve Account therein, on the same basis as hereinabove prescribed, to reflect the average annual debt service on the additional bonds; and it will make such additional bonds payable as to principal on January 1 of each year in which principal falls due and the coupons attached thereto payable on January 1 of each year. If in any subsequently issued series of bonds secured by a parity lien on the revenues of the system it is provided that excess revenues shall be used to redeem bonds in advance of scheduled maturity, or if the Issuer at its option undertakes to redeem outstanding bonds in advance of scheduled maturity, the Issuer covenants that calls of bonds will be applied to each series of bonds on an equal pro rata basis (reflecting the proportion of the original amount of each series of bonds outstanding at the time of such call) to the extent that this may be accomplished in accordance with the call provisions of the respective bond series, but the Issuer shall have the right to call any or all outstanding bonds which may be called at par prior to calling any bonds that are callable at a premium.

(K) Disposal of Facilities. The Issuer covenants and agrees that, so long as any of the bonds are outstanding, it will maintain its corporate identity and existence and will not sell or otherwise dispose of any of the system facilities or any part thereof, and, except as provided for above, it will not create or permit to be created any charge or lien on the revenues thereof ranking equal or prior to the charge or lien of these bonds. Notwithstanding the foregoing, the Issuer may at any time permanently abandon the use of, or sell

at fair market value, any of its system facilities, provided that:

(a) It is in compliance with all covenants and undertakings in connection with all of its bonds then outstanding and payable from the revenues of the system, and the debt service reserve for such bonds has been fully established;

(b) It will, in the event of sale, apply the proceeds to either (1) redemption of outstanding bonds in accordance with the provisions governing repayment of bonds in advance of maturity, or (2) replacement of the facility so disposed of by another facility the revenues of which shall be incorporated into the system as hereinbefore provided;

(c) It certified, prior to any abandonment of use, that the facility to be abandoned is no longer economically feasible of producing net revenues; and

(d) It certified that the estimated net revenues of the remaining system facilities for the next succeeding fiscal year, plus the estimated net revenues of the facility, if any, to be added to the system, satisfy the earnings test hereinbefore provided in this subsection governing issuance of additional parity bonds.

(L) Insurance on System. While any of the bonds shall remain outstanding, the Issuer shall carry at least the following insurance coverage:

(1) Fire and extended coverage insurance on the insurable portions of the system, in amounts sufficient to provide for not less than full recovery whenever a loss from perils insured against does not exceed eighty per centum (80%) of the full insurable value of the damaged facility.

In the event of any damage to or destruction of any facility or facilities of the system, the Issuer shall deposit the insurance proceeds in the Reserve Account and promptly arrange for the application thereof to the repair or reconstruction of the damaged or destroyed portion thereof.

(2) Public liability insurance relating to the operation of the system, with limits of not less than \$100,000

for one person and \$300,000 for more than one person involved in one accident, to protect the Issuer from claims for bodily injury and/or death; and not less than \$10,000 from claims for damage to property of others which may arise from the Issuer's operation of the system.

(3) If the Issuer owns or operates a vehicle in the operation of the system, vehicular public liability insurance with limits of not less than \$100,000 for one person and \$300,000 for more than one person involved in one accident to protect the Issuer from claims for bodily injury and death, and not less than \$10,000 against claims for damage to property of others which may arise from the Issuer's operation of vehicles.

(4) All such insurance shall be carried for the benefit of the holders of the bonds. All moneys received for losses under any of such insurance, except public liability, are hereby pledged by the Issuer as security for the bonds herein authorized, until and unless such proceeds are used to remedy the loss or damage for which such proceeds are received, either by repairing the property damaged or replacing the property destroyed within ninety (90) days from the receipt of such proceeds.

(M) Maintenance of System. The Issuer will complete the construction of the project as provided for in this ordinance in an economical and efficient manner with all practicable dispatch, and thereafter will maintain the system in good condition and continuously operate the same in an efficient manner and at a reasonable cost.

(N) No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by its system, nor will any preferential rates be established for users of the same class; and if the Issuer shall avail itself of the facilities or services provided by the system, or any part thereof, then the same rates, fees or charges applicable to other customers receiving like service under similar circumstances shall be charged to the Issuer. Such charges shall be paid as they accrue, and the Issuer shall transfer from its

general funds sufficient sums to pay such charges. The revenues so received shall be deemed to be revenues derived from the operation of the system, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the system.

(O) Failure of User to Pay for Services. Upon failure of any user to pay for services rendered within sixty (60) days, the Issuer shall shut off the connection of such user and shall not furnish him or permit him to receive from the system further service until all obligations owed by him to the Issuer on account of services shall have been paid in full. This covenant shall not, however, prevent the Issuer from causing any system connection to be shut off sooner.

(P) Enforcement of Collections. The Issuer will diligently enforce and collect the rates, fees and other charges for the services and facilities of the system; and will take all steps, actions and proceedings for the enforcement and collection of such rates, charges and fees as shall become delinquent to the full extent permitted or authorized by law; and will maintain accurate records with respect thereof. All such fees, rates, charges and revenues herein pledged shall, as collected, be held in trust to be applied as provided in this ordinance and not otherwise.

(Q) Sufficiency of Rates. The Issuer covenants and agrees that it will fix, establish, revise from time to time whenever necessary and maintain always such fees, rates, rentals and other charges for the use of the product, services and facilities of the system which, together with the proceeds of the cigarette tax, will always produce cash revenues sufficient to pay, and out of such funds pay, as the same shall become due, the principal of and interest on the bonds, the necessary expenses of operating and maintaining the system and all reserve, Sinking Fund or other payments required by this ordinance, and that such rates, fees, rentals or other charges will not be reduced so as to be insufficient to provide funds for such purposes.

(R) Compliance with Laws and Regulations. The Issuer covenants and agrees to perform and comply with, in every respect, the Loan and Grant Agreements which it might have with the United States of America, acting by and through the Farmers Home Administration, U. S. Department of Agriculture (hereinafter called the "Government"), or with any other governmental agency and all applicable State Laws and regulations and to continually operate and maintain the system in good condition.

(S) Remedies. Any holder of the bonds or any coupons appertaining thereto issued under the provisions of this ordinance, or any trustee acting for the holders of such bonds and coupons, may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the Laws of the State of Florida, or granted and contained in this ordinance, and may enforce and compel the performance of all duties required by this ordinance or by any applicable State or Federal statutes to be performed by the Issuer or by any officer thereof.

Nothing herein, however, shall be construed to grant to any holder of such bonds or coupons any lien on any real property of the Issuer.

(T) Records and Audits. The Issuer shall keep books and records of the revenues of the system and of the proceeds of the cigarette tax, which such books and records shall be kept separate and apart from all other books, records and accounts of the Issuer, and any holder of a bond or bonds or the coupons applicable thereto issued pursuant to this ordinance shall have the right to, at all reasonable times, inspect all records, accounts and data of the Issuer relating thereto.

So long as any of the bonds shall be outstanding, the Issuer will furnish on or before ninety (90) days after the close of each fiscal year, to any bondholder who shall

request the same in writing, copies of an annual audit report prepared by an independent public accountant or an auditing official of the State of Florida, covering for the preceding fiscal year, in reasonable detail, the financial condition and record of operation of the system and any other facilities the revenues of which are pledged to the payment of the bonds.

(U) Connection with System. The Issuer will, to the full extent permitted by law, require all lands, buildings, residences and structures within its corporate limits which can use the facilities and services of the system to connect therewith and use the facilities and services thereof, and to cease the use of all other facilities. The Issuer will not grant a franchise for the operation of any competing water or sewer system until all bonds issued hereunder, together with interest thereon, shall have been paid in full.

(V) Fidelity Bond. The Issuer will require each employee who may have possession of money derived from the operation of the system to be covered by a fidelity bond written by a responsible indemnity company in an amount fully adequate to protect the Issuer from loss.

(W) Government Approval of Extensions and Financing. Anything herein to the contrary notwithstanding, if the Government is the purchaser of any of the bonds, the Issuer will not borrow any money from any source or enter into any contract or agreement or incur any other liability in connection with making extensions or improvements other than normal maintenance of the system, or make any extensions or enlargements of the system, or permit others to do so, without obtaining the prior written consent of the Government, while the Government continues to hold any of the bonds.

(X) Reimbursement of Advances and Interest Thereon. While the Government shall be the holder of any of the bonds, the Government shall have the right to make advances for the payment of insurance premiums and/or other advances which, in the opinion of the Government, may be required to protect the Government's security interest. In the event of any such ad-

vances, the Issuer covenants and agrees to repay the same, together with interest thereon at the same rate per annum as specified in the bonds, upon demand made at any time after any such expenditure by the Government. Any such amounts due the Government shall take priority over any other payments from the Reserve Account.

(Y) Release of Cigarette Taxes. At such time as the Issuer may be able to obtain and file in the minutes of its governing body a certificate of an independent certified public accountant stating that for the immediately preceding fiscal year the net revenues derived from the operation of the system equaled at least one hundred forty percentum (140%) of the combined maximum principal and interest maturing in any one ensuing fiscal year on all outstanding obligations payable from the revenues of the system, then upon a declaration by resolution of said governing body the lien hereby impressed upon the cigarette tax as security for the payment of the bonds shall be permanently released, and thereafter the payment of the bonds shall be solely secured by a lien upon and pledge of the gross revenues to be derived from the operation of the system; provided, however, the cigarette taxes shall not be released unless all payments required by this ordinance to have been made to the several funds herein specified shall have been made in full, and the Reserve Account shall have on deposit therein at least the sum of Forty-Six Thousand Dollars (\$46,000.00).

#### ARTICLE IV

#### MISCELLANEOUS PROVISIONS

4.01 Modification or Amendment. No material modification or amendment of this ordinance or of any ordinance amendatory hereof or supplemental hereto, may be made without the consent in writing of the holders of two-thirds or more in principal amount of the bonds then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of such bonds or a reduction in the rate of interest thereon, or in the amount of the principal obligation,



or affect the unconditional promise of the Issuer to charge and collect such rates, fees and charges for the use of the services and facilities of the system, or reduce the number of such bonds the written consent of the holders of which are required by this Section for such modifications or amendments, without the consent of the holders of all such bonds.

4.02 Creation of Superior Liens. The Issuer covenants that it will not issue any other bonds, certificates or obligations of any kind or nature or create or cause or permit to be created any debt, lien, pledge, assignment or encumbrance or charge payable from or enjoying a lien upon the revenues of the system ranking prior and superior to the lien created by this ordinance for the benefit of the bonds herein authorized.

4.03 Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions of this ordinance should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this ordinance or of the bonds issued hereunder.

4.04 Validation Authorized. The Issuer's Attorney is hereby authorized and directed to institute appropriate proceedings in the Circuit Court of the Seventh Judicial Circuit of Florida, in and for Flagler County, Florida, for the validation of said bonds and the proper officers of the Issuer are hereby authorized to verify on behalf of the Issuer any pleadings in such proceedings.

4.05. Sale of Bonds. The bonds shall be sold at public sale in such manner as the Issuer shall hereafter by resolution provide. If the bonds shall be purchased by the Government, they will be delivered to the Government in lots as and according to the amounts of bond proceeds needed by the Issuer to cover expenditures for the cost of the project which will be necessary

within the thirty-day periods following the respective deliveries of such lots. The bonds will be dated (and interest will begin to run) as of the respective dates of delivery. In the event that only a portion of the bonds is purchased by the Government, all of the bonds purchased by private investors shall constitute or shall be among the initial lot delivered to purchasers, and the balance of the bonds shall be delivered to the Government in one or more lots as and according to the amounts of bond proceeds needed by the Issuer to cover expenditures for the cost of the project which will be necessary within the thirty-day periods following the respective deliveries of such lots.

4.06 Conflicts Repealed. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

4.07 Effective Date. This ordinance shall take effect immediately upon its passage.

ADOPTED ON FIRST READING THIS 7TH DAY OF DECEMBER, A. D. 1970.

SECOND READING THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, A. D., 1970.

CITY COMMISSIONERS  
CITY OF BUNNELL, FLORIDA

BY: Carly D. Holland  
MAYOR

(SEAL:)

ATTEST:

Barbara C. McGabe  
CITY CLERK

I DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF THE ORDINANCE PASSED BY THE BUNNELL CITY COMMISSION OF THE CITY OF BUNNELL, FLAGLER COUNTY, FLORIDA, ON DECEMBER 7, 1970, AT A REGULAR MEETING OF THE CITY COMMISSION; AND FURTHER, THAT THE ORDINANCE WAS PASSED PENDING ADDITIONS, CORRECTIONS, OR DELETIONS OF PORTIONS BY THE REGIONAL ATTORNEYS.

Barbara C. McGabe  
(MRS.) BARBARA C. MCGABE, CITY CLERK  
CITY OF BUNNELL, FLAGLER COUNTY, FLORIDA

CERTIFICATE OF RECORDING OFFICER

1. I am the duly appointed, qualified and acting City Clerk of the City of Bunnell, Florida, and keeper of the records thereof, including the minutes of its proceedings;
2. A meeting was duly convened on September 9, 2013 in conformity with all applicable requirements; a proper quorum was present throughout said meeting and the instrument hereinafter mentioned was duly proposed, considered and adopted in conformity with applicable requirements; and all other requirements and proceedings incident to the proper adoption of said instrument have been duly fulfilled, carried out and otherwise observed;
3. I am duly authorized to execute this Certificate; and
4. The copy of Resolution No. 2013-16A annexed hereto is a true, correct and compared copy of the original instrument referred to in said minutes and as finally adopted at said meeting, is in full force and effect and, to the extent required by law, has been duly signed or approved by the proper officer or officers and is on file and of record.

DATED this 20th day of May, 2015.

CITY OF BUNNELL FLORIDA

(SEAL)



By: Sandra Bolser  
Sandra Bolser  
City Clerk

**RESOLUTION 2013-16A**

**A RESOLUTION OF THE CITY OF BUNNELL, FLORIDA AMENDING AND RESTATING RESOLUTION NO. 2013-16; PROVIDING FOR THE ACQUISITION, CONSTRUCTION AND ERECTION OF IMPROVEMENTS TO THE CITY'S WATER UTILITY SYSTEM; AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$3,362,000 WATER AND SEWER SYSTEM REVENUE BONDS TO FINANCE A PORTION OF THE COST THEREOF; PLEDGING A PARITY LIEN ON THE NET REVENUES OF THE WATER AND SEWER SYSTEM TO SECURE THE PAYMENT THEREOF; PROVIDING FOR THE ISSUANCE OF TEMPORARY BOND ANTICIPATION NOTES; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SUCH BONDS; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH AND PROVIDING AN EFFECTIVE DATE.**

**BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF BUNNELL, FLORIDA, as follows:**

**ARTICLE I**

**GENERAL**

1.01. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of the Constitution of Florida; the Charter of the City of Bunnell, Florida; and Chapter 166, Part I and Part II, Florida Statutes; the ordinance enacted by the Issuer on December 7, 1970, as supplemented (the "Original Instrument"), and other applicable provisions of law.

1.02. Findings. It is hereby found and determined that:

(A) For the benefit of its inhabitants, the City of Bunnell, Florida (hereinafter sometimes called the "Issuer") finds, determines and declares that it is necessary for the continued preservation of the health, welfare, convenience and safety of the Issuer and its inhabitants to make improvements to the Project.

(B) The Issuer has been advised by its Consulting Engineers that the cost of constructing the Project in accordance with said plans and specifications is estimated at \$6,044,000 which will be

paid with the proceeds of the sale of the Series 2013 Bonds herein authorized, grants in the amount of \$1,478,000 from the United States Department of Agriculture, Rural Development, a grant in the amount of \$1,000,000 from the Florida Department of Environmental Protection State Revolving Fund, and a loan from the Florida Department of Environmental Protection State Revolving Fund in the amount of \$204,000 and shall be deemed to include all expenses necessary, appurtenant or incidental thereto, including the cost of any land or interest therein or of any fixtures or equipment, or property necessary or convenient therefor, the costs of labor and material to complete such construction, engineering and legal expenses, fiscal expenses, expenses for estimates of costs and revenues, expenses for plans, specifications and surveys, interest during construction, if any, administration expenses and all other necessary miscellaneous expenses.

(C) The Pledged Funds will be sufficient to pay the principal of and interest on the Series 2013 Bonds herein authorized, the Parity Obligations and Subordinate Debt. It is estimated that the period of usefulness of the Project will be at least forty (40) years.

(D) It is deemed necessary and desirable to pledge a lien on the Net Revenues of the Issuer's System to the payment of the principal of, a redemption premium, if any, and the interest on the Series 2013 Bonds herein authorized, which lien shall be equal and ratable to the lien thereon of the Parity Obligations.

(E) This Resolution is declared to be and shall constitute a contract between the Issuer and the holders of all the Series 2013 Bonds; and the covenants and agreements herein set forth to be performed by the Issuer are and shall be for the equal benefit, protection and security of the holders of any and all the Series 2013 Bonds issued under this Resolution, shall be of equal rank and without preference, priority or distinction of any of the Series 2013 Bonds over any other, except as hereinafter provided.

(F) The Issuer is not, under this Resolution, obligated to levy any taxes on any real or personal property to pay the principal of or interest on the Series 2013 Bonds hereinafter authorized, or to pay the cost of maintaining, repairing and operating the System. The Series 2013 Bonds issued pursuant to this Resolution shall not constitute a lien upon the System or any other property of the Issuer or situated within its corporate limits, except the Pledged Funds.

1.03. Definitions. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Original Instrument. The following terms in this Resolution shall have the following meanings unless the text otherwise expressly requires:

- (A) "Annual Budget" shall have the same meaning as set forth in Section 3.05(A) hereof.
- (B) "Bond Registrar" shall mean the Clerk.
- (C) "Bonds" shall mean the Series 2013 Bonds issued pursuant to this Resolution, the Parity Bonds and any additional parity bonds issued pursuant to the Original Instrument.
- (D) "Clerk" shall mean the City Clerk of the Issuer.
- (E) "Construction Account" shall mean the Construction Account created pursuant to Section 3.03 hereof.
- (F) "Consulting Engineers" shall mean qualified and recognized consulting engineers, having a favorable reputation for skill and experience in the management and operation of facilities of comparable size and character as the System, at the time retained by the Issuer to perform the acts and carry out the duties as herein provided for said Consulting Engineers
- (G) "Federal Securities" shall mean direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, none of which are redeemable prior to maturity at the option of the obligor.

(H) "Fiscal Year" shall mean the period commencing on October 1 of each year and continuing to and including the succeeding September 30.

(I) "Government" shall mean The United States of America, acting through the United States Department of Agriculture, Rural Utilities Service.

(J) "Gross Revenues" shall mean all moneys received from rates, fees (excluding Impact Fees), rentals or other charges or income received by the Issuer or accruing to it in the management and operation of the System, all calculated in accordance with accepted accounting methods employed in the operation of public water and sewer systems similar to the System.

(K) "Holder" or "holder of Bonds" or "owner" or "owner of Bonds" or any similar term shall mean any person who shall be the registered owner of any Series 2013 Bonds.

(L) "Impact Fees" shall mean the fees or charges imposed by the Issuer upon new customers of the System to finance all or a portion of the cost of additions, extensions or improvements to the System made necessary by the inclusion or expected inclusion of such new customers.

(M) "Issuer" shall mean the City of Bunnell, Florida.

(N) "Maximum Bond Service Requirement" shall mean the maximum amount of principal and interest coming due on the Bonds in any ensuing Fiscal Year.

(O) "Mayor" shall mean the Mayor of the Issuer.

(P) "Net Revenues" of the System shall mean the Gross Revenues less Operating Expenses.

(Q) "Operating Expenses" shall mean the current expenses, paid or accrued, for the operation, maintenance and repair of all facilities of the System, as calculated in accordance with accepted accounting methods, and shall include, without limiting the generality of the foregoing, insurance premiums, administrative expenses of the Issuer related solely to the System, labor, cost of materials and supplies used for such operation and charges for the accumulation of appropriate reserves for current expenses not annually recurrent but which are such as may reasonably be expected to be incurred in accordance with such accepted accounting methods, but shall exclude

payments into the Sinking Fund or the Reserve Account therein, any allowances for depreciation or for renewals or replacements of capital assets of the System.

(R) "Original Instrument" shall mean the ordinance enacted by the Issuer on December 7, 1970, as amended and supplemented.

(S) "Parity Obligations" shall mean the Issuer's outstanding Water and Sewer Revenue Bonds, Series 1993 issued in the original principal amount of \$936,400, the Issuer's outstanding Water and Sewer Revenue Bonds, Series 1993 issued in the original principal amount of \$1,051,900, the Issuer's outstanding Water and Sewer Revenue Bonds, Series 1997 issued in the original principal amount of \$1,080,000, and any additional parity obligations issued pursuant to the Original Instrument.

(T) "Paying Agent" shall mean the Clerk.

(U) "Pledged Funds" shall mean the Net Revenues.

(V) "Preauthorized Debt" shall mean the payment of principal and interest electronically from the Issuer's bank account.

(W) "Project" shall mean acquisition, construction and erection of extensions, additions and improvements to the System consisting of upgrades and improvements to the Water Treatment Plant, including but not limited to the purchase of ionization equipment, in accordance with certain plans and specifications now on file with the Clerk.

(X) "Redemption Account" shall mean the "City of Bunnell Water and Sewer System Revenue Bonds, Redemption Account" referred to in Section 3.05(D) hereof.

(Y) "Reserve Account" shall mean the Account within the Sinking Fund referred to in Section 3.05 (C) hereof.

(Z) "Resolution" shall mean this Resolution.

(AA) "Sinking Fund" shall mean the "City of Bunnell Water and Sewer System Revenue Bonds, Series \_\_\_\_\_, Bond and Interest Sinking Fund" as referred to in Section 3.05(C) hereof. Such series to be designated as the year of issuance.

(BB) "Subordinate Debt" shall mean debt obligations secured by Pledged Funds on a junior and inferior basis to Bonds and Parity Obligations, including the following:



(1) State Revolving Fund Loan entered into pursuant to the State Revolving Fund Loan Agreement No. WW84306S between the Issuer and the Florida Department of Environmental Protection on July 1, 2005, as amended;

(2) State Revolving Fund Loan entered into pursuant to the State Revolving Fund Loan Agreement No. DW180540 between the Issuer and the Florida Department of Environmental Protection on November 19, 2012, as amended;

(2) Debt obligation to the Florida Department of Transportation pursuant to which the Issuer will make ten (10) annual payments in the amount of \$26,505 commencing October 15, 2020.

(CC) "System" shall mean the combined water and sewer utility system now owned, operated and maintained by the Issuer, together with any and all improvements, extensions and additions thereto hereafter constructed or acquired, including the Project; provided, however, that the term "System" shall not include the Plantation Bay Utility System contemplated by (i) that certain Plantation Bay Utility Interlocal Agreement entered into as of February 6, 2013, between the City of Bunnell and Flagler County, Florida, and (ii) the Drinking Water State Revolving Fund Construction Loan Agreement (Loan No. DW180520) entered into as of August 21, 2013 between the State of Florida Department of Environmental Protection, Flagler County, Florida and the City of Bunnell, Florida.

1.04. Construction of Project Authorized. The Issuer is hereby authorized to construct the Project, as defined in Section 1.03(W) above.

**ARTICLE II**  
**AUTHORIZATION, TERMS, EXECUTION AND**  
**REGISTRATION OF REVENUE BONDS**

2.01. Authorization of the Series 2013 Bonds. Subject and pursuant to the provisions of this Resolution, obligations of the Issuer to be known as "City of Bunnell, Florida, Water and Sewer System Revenue Bonds, Series 2013" (hereinafter sometimes referred to as the "Series 2013 Bonds") are hereby authorized to be issued in an aggregate principal amount not exceeding Three Million

Three Hundred Sixty-Two Thousand Dollars (\$3,362,000) for the purpose of providing funds to pay a part of the cost of the Project provided for in Section 1.02(A) hereof.

2.02. Description of Series 2013 Bonds. The Series 2013 Bonds issued hereunder shall be fully registered Series 2013 Bonds; dated as of the date of their delivery; shall bear interest at a rate or rates to be fixed by resolution or ordinance of the City Commission hereafter adopted, not exceeding the maximum rate permitted by law, with interest payable one year from the date of issuance of the Series 2013 Bonds, and annually thereafter on each anniversary after the date of issuance, all as provided in the Series 2013 Bonds; and at the request of the purchasers thereof may be issued as a single fully registered Series 2013 Bond payable in installments in the amounts and on such dates as provided in the Series 2013 Bond or determined by subsequent resolution or ordinance of the Issuer, or as a series of fully registered Series 2013 Bonds numbered consecutively from R-1 upward in order of maturity, in the denomination of \$1,000 each, or multiples or fractions thereof, and maturing on such dates and in the amounts and years, not exceeding forty (40) years from the date thereof, and subject to redemption, all as provided in the Series 2013 Bond or determined by subsequent resolution or ordinance of the Issuer. Series 2013 Bonds issued pursuant to this Resolution shall bear a Series designation of their year of issuance.

2.03. Method of Payment. Both the principal of and interest on the Series 2013 Bonds shall be payable in lawful money of the United States of America, except that payment of interest on the Series 2013 Bonds on any interest payment date will be made to the person appearing as the registered owner thereof on the registration books of the Issuer maintained by the Registrar on the 15th day of the month preceding such date, such interest to be paid by check or draft mailed to the registered owner at his address as it appears on such registration books; provided, however, that Series 2013 Bonds held by the Government, the interest on which shall be paid on an interest payment date through Preauthorized Debit which will allow for payment to be made electronically. The payment will be debited from the Issuer's bank account the day payment is due. Such payment may be made by other means or at such places as the Government shall from time to time in writing designate to the Issuer. The principal of the Series 2013 Bond is payable upon the presentation and surrender thereof at the principal office of the Paying Agent.

Series 2013 Bonds or principal installments thereof held by the United States of America may be redeemed on any interest due date without the payment of a premium. The Issuer shall have the right to call Series 2013 Bonds or principal installments thereof redeemable at no premium prior to calling Series 2013 Bonds or principal installments thereof redeemable at a premium. At least thirty (30) days prior to the redemption date written notice of any redemption shall be filed with the Paying Agent and mailed, postage prepaid, to all registered owners at their respective addresses as they appear upon the registration books of the Issuer. Provided, however, that failure to mail such notice to one or more owners of the Series 2013 Bonds shall not affect the validity of the proceedings for such redemption with respect to owners of Series 2013 Bonds, to which notice was duly mailed hereunder.

2.04. Execution of Series 2013 Bonds. The Series 2013 Bonds shall be executed in the name of the Issuer by its Mayor by his or her manual or facsimile signature, and the corporate seal of the Issuer shall be impressed thereon, attested by its Clerk by his or her manual or facsimile signature; provided, however, one of said signatures shall be manually subscribed. In case any one or more of the officers who shall have signed or sealed any of the Series 2013 Bonds shall cease to be such officer of the Issuer before the Series 2013 Bonds so signed and sealed have been actually sold and delivered, such Series 2013 Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2013 Bonds had not ceased to hold such office. The validation certificate, if any, endorsed on the Series 2013 Bonds shall be executed by the Mayor by his or her manual or facsimile signature. Any Series 2013 Bond may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Series 2013 Bonds shall hold the proper office of the Issuer, although at the date of such Series 2013 Bonds such person may not have held such office or may not have been so authorized. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of adoption of this Resolution notwithstanding that either or both shall have ceased to hold such office at the time the Series 2013 Bonds shall be actually sold and delivered.

2.05. Negotiability and Registration. The Series 2013 Bonds shall be and shall have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code - Investment

Securities Law of the State of Florida; and each successive holder, in accepting any of said obligations, shall be conclusively deemed to have agreed that such Series 2013 Bonds shall be and have all of the qualities and incidents of negotiable instruments.

The Series 2013 Bonds shall be registered, as to both principal and interest upon the books kept for the registration and transfer of Series 2013 Bonds by the Bond Registrar. No transfer of the Series 2013 Bonds shall be valid unless made at the office of the Bond Registrar by the registered owner or by his duly authorized agent or representative and shall be similarly noted on the Series 2013 Bonds. The Bond Registrar shall not be required to make any such transfer of Series 2013 Bonds during fifteen (15) days next preceding an interest payment date on the Series 2013 Bonds, or in the case of any proposed redemption of Series 2013 Bonds, after such Series 2013 Bonds have been selected for redemption. The person in whose name any Series 2013 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any Series 2013 Bond and the interest on any Series 2013 Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2013 Bond including the interest thereon to the extent of the sum or sums so paid.

The single fully registered bond, if issued, may be exchanged by the owner thereof at any time, not more than ninety (90) days after surrender of such Series 2013 Bond to the Bond Registrar, for an equal aggregate principal amount of a series of Series 2013 Bonds in the denomination of \$1,000 or multiples or fractions thereof, maturing in the years and amounts corresponding to the years and amounts of the unpaid installments of principal of the single fully registered Series 2013 Bond, and in the form prescribed for a series of fully registered Series 2013 Bonds in Section 2.07 of this Resolution; and if all of the series of fully registered Series 2013 Bonds outstanding shall be owned and held by a single holder, such Series 2013 Bonds may, in like manner, be exchanged at the expense of such holder, at any time, not more than ninety (90) days after surrender of such Series 2013 Bonds to the Bond Registrar, for a single fully registered Series 2013 Bond in principal amount equal to the aggregate principal amount of such series of fully registered Series 2013 Bonds surrendered, maturing in installments in years and amounts corresponding to the years and amounts

of the maturities of such series of fully registered Series 2013 Bonds so surrendered and in the form prescribed for the single fully registered Series 2013 Bond in Section 2.07 of this Resolution.

2.06. Series 2013 Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2013 Bond shall be mutilated, or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver a new Series 2013 Bond of like tenor as the Series 2013 Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Series 2013 Bond or in lieu of and substitution for the Series 2013 Bond destroyed, stolen or lost, upon the holder furnishing to the Issuer proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur. All Series 2013 Bonds so surrendered shall be canceled by the Clerk of the Issuer. If any such Series 2013 Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2013 Bond the Issuer may pay the same, upon being indemnified as aforesaid, and if such Series 2013 Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Series 2013 Bonds issued pursuant to this section shall constitute original additional, contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Series 2013 Bonds be at any time found by anyone, and such duplicate Series 2013 Bonds shall be entitled to equal and proportionate benefits and rights as to a lien on and source and security for payment from the funds, as hereinafter pledged, to the same extent as all other Series 2013 Bonds issued hereunder.

2.07. Form of Series 2013 Bonds. The text of the Series 2013 Bonds shall be in substantially the following form, with only such omissions, insertions and variations as may be necessary and desirable and approved by the Mayor prior to the issuance thereof (which approval may be presumed by his execution of the Series 2013 Bonds and the Issuer's delivery of the Series 2013 Bonds to the purchasers thereof):

[FORM OF SERIAL BOND]

No. \_\_\_

\$

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
COUNTY OF FLAGLER  
CITY OF BUNNELL  
WATER AND SEWER SYSTEM  
REVENUE BONDS, SERIES \_\_\_\_

KNOW ALL MEN BY THESE PRESENTS, that the City of Bunnell, Florida, a municipal corporation created and existing under and by virtue of the laws of the State of Florida (hereinafter sometimes referred to as the "Issuer"), for value received, hereby promises to pay to \_\_\_\_\_, or registered assigns, the \_\_\_\_ day of \_\_\_\_\_, from the special funds hereinafter mentioned at \_\_\_\_\_, the principal sum of \_\_\_\_\_ DOLLARS and to pay interest thereon, from the date of the delivery of this Bond to the purchaser thereof solely from said special funds, at the rate of \_\_\_\_ percent (\_\_\_\_%) per annum, payable on \_\_\_\_\_, \_\_\_\_\_ and annually thereafter on the \_\_\_\_ day of \_\_\_\_\_ of each year. Principal shall be payable on \_\_\_\_\_, \_\_\_\_\_ and on each \_\_\_\_\_ thereafter. Both principal and interest of this Bond shall be payable in lawful money of the United States of America. Payment of interest on this Bond on any interest payment date will be made to the person appearing as the registered owner hereof, on the Bond registration books of the Issuer maintained by the Bond Registrar on the \_\_\_\_ day of the month preceding such date, such interest to be paid by check or draft mailed to the registered owner at his address as it appears on such registration books.

This Bond is one of an authorized issue of Bonds in an aggregate principal amount not exceeding \$3,362,000 of like date, tenor and effect, except as to number, denomination, and date of maturity, issued to finance a part of the cost of the acquisition, construction and erection of extensions and improvements (the "Project") to the water and sewer utility system of the Issuer (the "System"), under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, particularly Chapter 166, Part I and Part II, Florida Statutes, Resolution No. \_\_\_ - \_\_\_ adopted by the Issuer on \_\_\_\_\_, \_\_\_\_\_ and a resolution duly adopted by the Issuer on \_\_\_\_\_, \_\_\_\_\_, as supplemented and amended (herein referred to as the "Resolution"), and is subject to all the terms and conditions of such Resolution. All capitalized, undefined terms used herein shall have the meanings set forth in the Resolution. This Bond and the interest hereon are payable solely from and secured by a lien on the Net Revenues of the System of the Issuer (the "Pledged Funds"). The lien on the Pledged Funds shall be equal and ratable to the lien of the Parity Obligations.

It is expressly agreed by the owner of this Bond that the full faith and credit of the Issuer is not pledged to the payment of the principal of and interest on this Bond and that such owner shall never have the right to require or compel the exercise of any ad valorem taxing power of the Issuer to the payment of such principal or interest or the cost of maintaining, repairing and operating the System. The owner of this Bond shall have no lien upon or claim to any revenues except for the Pledged Funds, all in the manner set forth in the Resolution. This Bond and the obligation evidenced hereby shall not constitute a lien upon the System or any part thereof, or upon any other property of the Issuer or situated within its corporate limits, but shall constitute a lien only on the Pledged Funds, all in the manner provided in the Resolution.

In and by the Resolution, the Issuer has covenanted and agreed with the owners of the Bonds of this issue that it will fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use of the product, services and facilities of the System which will always produce cash revenues which will be sufficient to pay, and out of such funds pay the necessary expenses of operating and maintaining the System, and which together with the legally available Pledged Funds will be sufficient to pay, and out of such funds pay as the same shall become due, the principal of and interest on the Bonds and all reserve, sinking fund or other payments required by the Resolution and the resolution authorizing the issuance of the Parity

Obligations, and that such rates, rentals, fees or other charges will not be reduced so as to be insufficient to provide funds for such purposes.

[insert provisions for redemption]

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond, exist, have happened and have been performed, in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, and that the issuance of this Bond, and of the issue of Bonds of which this Bond is one, does not violate any constitutional, statutory or charter limitations or provisions.

This Bond is and has all the qualities and incidents of negotiable instruments under the Uniform Commercial Code - Investment Securities Law of the State of Florida.

This Bond is transferable by the owner hereof in person or by his attorney or legal representative at the office of the Bond Registrar in the manner and subject to the conditions provided in the Resolution.

IN WITNESS WHEREOF, the City of Bunnell, Florida, has issued this Bond and has caused the same to be executed in its name and on its behalf by its Mayor and its corporate seal to be impressed hereon, attested and countersigned by its Clerk, all as of \_\_\_\_\_, \_\_\_\_\_.

CITY OF BUNNELL, FLORIDA

(SEAL)

By: Catherine D. Robinson

Catherine D. Robinson, Mayor

ATTESTED AND COUNTERSIGNED:

Sandra Bolser

Sandra Bolser, City Clerk

Resolution 2013-16A  
City of Bunnell



**FORM OF VALIDATION CERTIFICATE**

This Bond is one of a series of Bonds which were validated by judgment of the Circuit Court for Flagler County, Florida, rendered on \_\_\_\_\_, \_\_\_\_\_.



Catherine D. Robinson, Mayor

**ASSIGNMENT**

For valuable consideration, the \_\_\_\_\_ acting through the \_\_\_\_\_, does hereby assign, transfer and deliver to \_\_\_\_\_ all of its right, title and interest in and to this Bond and all rights belonging or appertaining to the assignor under and by virtue of this Bond.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Witnesses:

\_\_\_\_\_

\_\_\_\_\_

**[FORM OF SINGLE FULLY-REGISTERED BOND  
IF GOVERNMENT IS PURCHASER]**

No. R-1

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
COUNTY OF FLAGLER  
CITY OF BUNNELL  
WATER AND SEWER SYSTEM  
REVENUE BONDS, SERIES \_\_\_\_

KNOW ALL MEN BY THESE PRESENTS, that the City of Bunnell, Florida, a municipal corporation created and existing under and by virtue of the laws of the State of Florida (the "Issuer"), for value received, hereby promises to pay to the United States of America acting through the United States Department of Agriculture, Rural Utilities Service (the "Government"), from the special funds hereinafter mentioned, the principal sum of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) on the \_\_\_\_ day of \_\_\_\_\_ in the years and installments as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
-------------	---------------	-------------	---------------	-------------	---------------

and to pay, solely from such special funds, interest on the principal sum from time to time remaining unpaid, from the date of the delivery of this Bond to the purchaser hereof, at the rate of \_\_\_\_ percent (\_\_\_\_%) per annum, payable on payable on \_\_\_\_\_, \_\_\_\_ and annually thereafter on the \_\_\_\_ day of \_\_\_\_\_ of each year. Principal shall be payable on \_\_\_\_\_, \_\_\_\_ and on each \_\_\_\_\_ thereafter. Both principal of and interest on this Bond are payable to the Government through Preauthorized Debit, or such other means as the Government shall from time to time in writing designate to the Issuer. Payments of principal and interest, including prepayments of installments of principal as hereinafter provided, shall be noted by the owner hereof on the Payment Record made a part of this Bond, and written notice of the making of such notation shall be promptly

*Resolution 2013-16A  
City of Bunnell*

sent to the Issuer. Upon final payment of principal and interest, this Bond shall be surrendered to the Issuer.

This Bond represents an authorized issue of Bonds in the aggregate principal amount of not exceeding \$3,362,000 issued to finance a part of the cost of the acquisition, construction and erection of extensions and improvements (the "Project") to the water and sewer utility system of the Issuer (the "System"), under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, particularly Chapter 166, Part I and Part II, Florida Statutes, Resolution No. \_\_\_\_\_ adopted by the Issuer on \_\_\_\_\_, \_\_\_\_\_ and a resolution duly adopted by the Issuer on \_\_\_\_\_, \_\_\_\_\_ (collectively, the "Resolution"), and is subject to all the terms and conditions of the Resolution. All capitalized, undefined terms used herein shall have the meanings set forth in the Resolution. This Bond and the interest hereon are payable solely from and secured by a lien on and pledge of the Net Revenues to be derived from the operation of the System of the Issuer (the "Pledged Funds"). The lien on the Pledged Funds shall be equal and ratable to the lien of the Parity Obligations.

It is expressly agreed by the owner of this Bond that the full faith and credit of the Issuer are not pledged to the payment of the principal of and interest on this Bond and that such owner shall never have the right to require or compel the exercise of any ad valorem taxing power of the Issuer to the payment of such principal and interest or the cost of maintaining, repairing and operating the System. The owner of this Bond shall have no lien upon or claim to any revenues except for the Pledged Funds, all in the manner set forth in the Resolution. This Bond and the obligation evidenced hereby shall not constitute a lien upon the System or any part thereof, or upon any other property of the Issuer or situated within its corporate limits, but shall constitute a lien only on the Pledged Funds, all in the manner provided in the Resolution.

In and by the Resolution, the Issuer has covenanted and agreed with the owners of the Bonds of this issue that it will fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use of the product, services and facilities of the System which will always produce cash revenues which will be sufficient to pay, and out of such funds pay the necessary expenses of operating and maintaining the System and which together with the legally available Pledged Funds will be sufficient to pay, and out of such funds pay

*Resolution 2013-16A*

*City of Bunnell*

as the same shall become due, the principal of and interest on the Bonds and all reserve, sinking fund or other payments required by the Resolution and the resolution authorizing the Parity Obligations, and that such rates, rentals, fees or other charges will not be reduced so as to be insufficient to provide funds for such purposes.

As provided in the Resolution, this Bond is exchangeable at the expense of the owner hereof at any time, not more than ninety days after surrender of this Bond to the Clerk, as Bond Registrar, for an equal aggregate principal amount of serial Bonds, registered as to both principal and interest, in the denomination of \$1,000 each, or multiples or fractions thereof, and maturing in the amounts and on \_\_\_\_\_, \_\_\_\_\_ of the years corresponding to the years and amounts of the unpaid installments of principal of this Bond, and in the form of such serial Bonds as provided for in the Resolution.

[Insert Applicable Redemption Provisions]

It is hereby certified and recited that all acts, conditions, and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond, exist, have happened and have been performed, in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto; and that the issuance of this Bond does not violate any constitutional or statutory limitations or provisions.

This Bond is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code - Investment Securities Law of the State of Florida.

This Bond is transferable by the registered owner hereof in person or by his attorney or legal representative at the office of the Bond Registrar in the manner and subject to the conditions provided in the Resolution.

IN WITNESS WHEREOF, the City of Bunnell, Florida, has issued this Bond and has caused the same to be executed in its name and on its behalf by its Mayor and its corporate seal to be impressed hereon, attested and countersigned by its Clerk, all as of \_\_\_\_\_, 2013.

**CITY OF BUNNELL, FLORIDA**

(SEAL)

*Resolution 2013-16A  
City of Bunnell*

By: Catherine D. Robinson  
Catherine D. Robinson, Mayor

ATTESTED AND COUNTERSIGNED:

Sandra Bolser  
Sandra Bolser, City Clerk

VALIDATION CERTIFICATE

This Bond is one of a series of bonds which were validated by judgment of the Circuit Court for Flagler County, Florida, rendered on \_\_\_\_\_, 2013

Catherine D. Robinson  
Catherine D. Robinson, Mayor



ASSIGNMENT

For valuable consideration, the UNITED STATES OF AMERICA does hereby assign, transfer and deliver to \_\_\_\_\_ all of its right, title and interest in and to this Bond and all rights belonging or appertaining to the assignor under and by virtue of this Bond.

UNITED STATES OF AMERICA

By: \_\_\_\_\_

Title: \_\_\_\_\_

Witnesses:

\_\_\_\_\_  
\_\_\_\_\_

[END OF FORM OF FULLY REGISTERED SINGLE BOND]

*Resolution 2013-16A  
City of Bunnell*

## ARTICLE III

### COVENANTS, SPECIAL FUNDS AND APPLICATION THEREOF

3.01. Series 2013 Bonds Not to be Indebtedness of Issuer. The Series 2013 Bonds shall not be or constitute general obligations or indebtedness of the Issuer as "bonds" within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien on the Pledged Funds, which lien shall be equal and ratable to the lien thereon of the Parity Obligations. No holder of any Series 2013 Bond issued hereunder shall ever have the right to compel the exercise of any ad valorem taxing power, to pay such Series 2013 Bond, the cost of operating and maintaining the System, or be entitled to payment of such Series 2013 Bond from any funds of the Issuer except from the Pledged Funds in the manner provided herein.

3.02. Series 2013 Bonds Secured by Pledge of Pledged Funds. The payment of the debt service of all of the Series 2013 Bonds issued hereunder shall be secured forthwith equally and ratably by a pledge of and a lien on the Pledged Funds derived from the operation of the System of the Issuer. Such lien shall be equal and ratable to the lien of the Parity Obligations. The Issuer does hereby irrevocably pledge such funds to the payment of the principal of and interest on the Series 2013 Bonds issued pursuant to this Resolution, and to the payment therefrom into the Sinking Fund at the times provided of the sums required to secure to the holders of the Series 2013 Bonds issued hereunder the payment of the principal of and interest thereon at the respective maturities of the Series 2013 Bonds so held by them.

The Pledged Funds shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer.

3.03. Application of Series 2013 Bond Proceeds. The Issuer hereby covenants that it will establish with a depository in the State of Florida, which is a member of the Federal Deposit Insurance Corporation and which is eligible under the laws of the State of Florida to receive municipal funds, a separate account or accounts (herein collectively called the "Construction Account") into which shall be deposited the proceeds from the sale of the Series 2013 Bonds herein



authorized (except such portion thereof as shall be necessary to pay interest on the Series 2013 Bonds during the construction of the Project, which shall be deposited to the Sinking Fund and the payment of the interim financing, if any, authorized pursuant to Section 4.04 herein) required to assure payment in full of the cost of the Project. Withdrawals from the Construction Account shall be made only for such purposes as shall have been previously specified in the Project cost estimates and as shall be approved by the Consulting Engineers for the Project.

The Issuer's share of any liquidated damages or other moneys paid by defaulting contractors or their sureties, and all proceeds of insurance compensating for damages to the Project during the period of construction, shall be deposited in the Construction Account to assure completion of the Project.

Moneys in the Construction Account shall be secured by the depository bank in accordance with U.S. Treasury Department Circular 176 and in the manner prescribed by the Laws of the State of Florida relating to the securing of public funds. When the moneys on deposit in the Construction Account exceed the estimated disbursements on the account of the Project for the next 90 days, the Issuer may direct the depository bank to invest such excess funds in direct obligations of or obligations the principal of and interest on which are guaranteed by the United States of America, which shall be subject to redemption at any time at face value by the holder thereof. The earnings from any such investment shall be deposited in the Construction Account.

When the construction of the Project has been completed and all construction costs have been paid in full, all funds remaining in the Construction Account, except grant funds, shall be deposited in the Sinking Fund hereinafter established, and the Construction Account shall be closed.

All moneys deposited in said Construction Account shall be and constitute a trust fund created for the purposes stated, and there is hereby created a lien upon such fund in favor of the holders of the Series 2013 Bonds until the moneys thereof shall have been applied in accordance with this Resolution.

3.04. Application of Provisions of Original Instrument. The Series 2013 Bonds, herein authorized, shall for all purposes (except as herein expressly provided) be considered to be additional parity obligations issued under the authority of the Original Instrument, and shall be entitled to all

protection and security, provided therein for the Parity Obligations and shall be in all respects entitled to the same security, rights and privileges enjoyed by the Parity Obligations.

The principal of and interest on the Series 2013 Bonds herein authorized shall be payable from the Sinking Fund established by the Original Instrument on parity with the Parity Obligations and payments shall be made into the Sinking Fund by the Issuer on amounts fully sufficient to pay principal and interest on the Parity Obligations and the Series 2013 Bonds herein authorized as such principal and interest becomes due. The Reserve Account established by the Original Instrument shall be applicable prorata to the Series 2013 Bonds in the same manner as applicable to the Parity Obligations.

3.05. Covenants of the Issuer. So long as any of the principal of or interest on any of the Series 2013 Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Sinking Fund established by the Original Instrument, including the Reserve Account therein, a sum sufficient to pay, when due, the entire principal of the Series 2013 Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer covenants with the holders of any and all of the Series 2013 Bonds issued pursuant to this Resolution, as follows:

(A) Annual Budget of Operating Expenses. The Issuer covenants and agrees that on or before the date of completion of construction of the Project, or the date of delivery of the Series 2013 Bonds to the purchasers thereof if the System shall then be revenue producing, it will adopt a budget of Operating Expenses for the System for the remainder of the then current Fiscal Year and thereafter, on or before the first day of each Fiscal Year (the "Annual Budget") during which any of the Series 2013 Bonds are outstanding, it will adopt an Annual Budget of Operating Expenses for the ensuing Fiscal Year, and will mail a copy of such budget or amendments thereto to any requesting holder of a Series 2013 Bond. The Issuer covenants that the Operating Expenses incurred in any year will not exceed the reasonable and necessary amounts required therefor, and that it will not expend any amount or incur any obligations for operations, maintenance and repair in excess of the amount provided for Operating Expenses in the Annual Budget, except upon resolution or ordinance by its City Commission that such expenses are necessary to operate and maintain the System.

(B) Revenue Fund. Pursuant to the Original Instrument, the Issuer has established and hereby covenants and agrees to maintain so long as any of the Series 2013 Bonds or Parity

Obligations are outstanding, a special fund known as the "Bunnell Water and Sewer System Revenue Fund," hereinafter called the "Revenue Fund." Into such Revenue Fund the Issuer shall deposit promptly as received all Net Revenues derived from the operation of the System. The Revenue Fund shall be held by the Issuer separate and apart from all other funds and shall be expended and used only in the manner and order specified in the Original Instrument and paragraphs (C) and (D) of this Section.

The Issuer further covenants and agrees that the Issuer shall deposit into the Revenue Fund, promptly as received, all cash income received from the ownership and operation of the System.

(C) Bond and Interest Sinking Fund. The Issuer has established and hereby covenants and agrees to maintain with a depository in the State of Florida, which is a member of the Federal Deposit Insurance Corporation, and which is eligible under the laws of the State of Florida to receive municipal funds, and shall maintain so long as any of the Series 2013 Bonds are outstanding, a special fund or funds, collectively called the "Bunnell Water and Sewer System Revenue Bonds, Series 2013, Bond and Interest Sinking Fund," hereinafter called the "Sinking Fund," to be used exclusively for the purposes hereinafter mentioned. The Issuer shall transfer, on a pro-rata basis for the Series 2013 Bonds and the Parity Obligations, on or before the 15th day of each month from the Revenue Fund and deposit to the credit of the Sinking Fund the following amounts in the following order:

(1) Beginning on the 15th day of the month following delivery of the Series 2013 Bonds, an equal pro rata sum sufficient to pay interest on the Series 2013 Bonds and the Parity Obligations on the next ensuing interest payment date when taking into consideration the months remaining until such interest payment date, and the funds on deposit in the Sinking Fund for interest, if any. Thereafter, a sum equal to 1/12th of the amount of one year's interest on all the Series 2013 Bonds and Parity Obligations then outstanding, together with the amount of any deficiency in prior deposits for interest; and

(2) Beginning on the 15th day of the month following delivery of the Series 2013 Bonds, an equal pro rata sum sufficient to pay principal due on the next ensuing principal payment date when taking into consideration the months remaining until such principal payment date, and the funds on deposit in the Sinking Fund for principal, if any. Thereafter, a sum equal to 1/12th of the

principal of the Series 2013 Bonds and the Parity Obligations maturing on the next succeeding anniversary date, together with the amount of any deficiency in prior deposits for principal.

(3) After fulfillment of the requirements of paragraphs (C)(1) and (2), the Issuer shall transfer on or before the 15th day of each month from the Revenue Fund and deposit to the credit of a special account in the Sinking Fund created pursuant to this Resolution called the "Reserve Account," the sum of one-twelfth of one-tenth of the Maximum Bond Service Requirement until such time as the funds and investments therein shall equal the Maximum Bond Service Requirement, and monthly thereafter such amount as may be necessary to maintain in the Reserve Account the Maximum Bond Service Requirement, but not exceeding one-twelfth of one-tenth of the Maximum Bond Service Requirement monthly. Moneys in the Reserve Account shall be used only for (1) paying the principal of and interest on the Series 2013 Bonds in the event that the moneys in the Sinking Fund shall ever be insufficient to meet such payments, (2) paying the cost of repairing or replacing any damage to the System which shall be caused by an unforeseen catastrophe, and (3) repaying governmental advances as provided in Section 3.05(T) of this Resolution.

(D) Transfer of Excess Funds. Subject to the provisions for the disposition of revenues in paragraph (C), the Issuer shall either (i) transfer on a prorata basis, on or before the 15<sup>th</sup> day of each month the balance of moneys remaining in the Revenue Fund to the Reserve Account until the funds and investments in the Reserve Account equal the Maximum Bond Service Requirement, (ii) transfer on a pro rata basis, on or before the 15th day of each month the balance of excess funds in the Revenue Fund to a special account which account is hereby created and established, to be known as the "City of Bunnell Water and Sewer System Revenue Bonds, Series 2013, Redemption Account", hereinafter referred to as the "Redemption Account" for prompt use in redeeming Series 2013 Bonds in inverse numerical and maturity order or acquiring Outstanding Bonds for retirement at not to exceed the price of par and accrued interest, subject to such minimum aggregate principal amount of Series 2013 Bonds that may be redeemed as may be specified by subsequent resolution or ordinance of the Issuer or (iii) use such excess funds for any lawful purpose.

(E) Trust Funds. The funds and accounts created and established by this Resolution shall constitute trust funds for the purpose provided herein for such funds. All of such funds, except as hereinafter provided, shall be continuously secured in the same manner as municipal deposits of

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*City of Bunnell*

funds are required to be secured by the laws of the State of Florida. Moneys on deposit to the credit of the Reserve Account shall be invested by the depository bank, upon request by the Issuer, in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America and which shall be subject to redemption at face value at any time by the holder thereof at the option of such holder; and the moneys on deposit to the credit of the Sinking Fund, Revenue Fund, and moneys in the Redemption Account may be so invested in such obligations which shall mature not later than fifteen (15) days prior to the date on which such moneys shall be needed to pay the principal of and interest on the Series 2013 Bonds in the manner herein provided. The securities so purchased as an investment of funds shall be deemed at all times to be a part of the account from which the said investment was withdrawn, and the interest accruing thereon and any profit realized therefrom shall be credited to such account, except as expressly provided in this Resolution, and any loss resulting from such investment shall likewise be charged to said account.

(F) Rates and Charges. The Issuer covenants and agrees to maintain and collect, so long as any of the Series 2013 Bonds are outstanding, such schedule of rates and charges for the services and facilities of the System which will produce revenues which will be sufficient to pay the Operating Expenses of the System and will be sufficient to provide for the payment of the Parity Obligations and the principal and interest, reserve fund and all other funds and all other payments on all requirements for the Series 2013 Bonds herein authorized; and the Issuer covenants and agrees that so long as any of the Series 2013 Bonds are outstanding and unpaid, at the same time and in like manner that the Issuer prepares its Annual Budget, the Issuer shall annually prepare an estimate of the Gross Revenues to be received during the ensuing Fiscal Year, and to the extent that said Gross Revenues are insufficient to pay debt service requirements on the Series 2013 Bonds during such ensuing year, build up and maintain the required reserve enumerated in paragraph (C) and pay Operating Expenses, the Issuer shall from time to time revise the fees and rates charged for the use of the services and facilities of the System. Such rates, rentals, fees and charges will never be reduced so as to be insufficient to provide funds for such purposes.

(G) Issuance of Other Obligations.

(1) The Issuer covenants and agrees that in the event the cost of construction or completion of the Project shall exceed the dollar amount of Series 2013 Bonds herein authorized, it

shall deposit into the Construction Account the amount of such excess out of funds available to it for such purpose, and the Issuer may provide such excess, and only such excess, through the issuance of parity bonds conforming to the requirements of paragraph (3) of this subsection; but except to complete the Project, it will not issue any other obligations payable from or secured by the Pledged Funds or any other security pledged to secure payment of the Series 2013 Bonds herein authorized, unless the conditions hereinafter set forth shall be met, or unless the lien of such obligations is junior and subordinate in all respects to the lien of the Series 2013 Bonds.

(2) The Issuer shall have the right to add new water and sewer facilities and related auxiliary facilities, by the issuance of one or more additional series of bonds to be secured by a parity lien on and ratably payable from the Net Revenues and any other security pledged to the Series 2013 Bonds, provided in each instance that:

(a) The facility or facilities to be built from the proceeds of the additional parity bonds is or are made a part of the System or its or their revenues are pledged as additional security for the additional parity bonds and the outstanding Bonds.

(b) The Issuer is in compliance with all covenants and undertakings in connection with all of its Bonds then outstanding and payable from the Net Revenues or any part thereof and has not been in default as to any payments required to be made under this Resolution for a period of at least the next preceding 24 months, or if at such time the shall have not been outstanding for 24 months then for the period that the Bonds have been outstanding.

(c) The annual Net Revenues for the Fiscal Year next preceding the issuance of additional parity bonds are certified by an independent public accountant employed by the Issuer, to have been equal to at least one and twenty hundredths (1.20) times the average annual requirements for principal and interest on all the Bonds then outstanding and payable from such Net Revenues.

(d) The estimated average annual Net Revenues of the facility or facilities to be constructed and acquired with the proceeds of such additional bonds (and any other funds pledged as security), when added to the estimated future average annual Net Revenues of the then existing System shall be at least one and twenty hundredths (1.20) times the average annual debt service requirements for principal and interest on all outstanding Bonds payable

from the Pledged Funds and on the additional Bonds proposed to be issued. Estimates of future revenues and operating expenses shall be furnished by recognized independent consulting engineers and approved by the City Commission of the Issuer and by the Mayor thereof, and shall be forecast over a period of not less than ten years from the date of the additional bonds proposed to be issued. Provided, however, the conditions provided by this paragraph and by the next preceding paragraph (c) may be waived or modified by the written consent of the holders of seventy-five percent (75%) of the Bonds then outstanding.

(3) The Issuer hereby covenants and agrees that in the event additional series of parity bonds are issued, it will provide that said parity bonds shall mature according to a schedule which most closely approximates equal annual installments of combined principal and interest payments for such parity bonds and all other bonds payable from the Pledged Funds; and it will adjust the required deposits into and the maximum amount to be maintained in the Sinking Fund, including the Reserve Account therein, on the same basis as hereinabove prescribed, to reflect the average annual debt service on the additional bonds; and it will make such additional bonds payable as to principal each year in which principal falls due on dates which correspond with the principal payment dates of the Series 2013 Bonds. If in any subsequently issued series of bonds secured by a parity lien on the Pledged Funds it is provided that excess revenues shall be used to redeem bonds in advance of scheduled maturity, or if the Issuer at its option undertakes to redeem outstanding Bonds in advance of scheduled maturity, the Issuer covenants that calls of Bonds will be applied to each series of Bonds on an equal pro rata basis (reflecting the proportion of the original amount of each series of Bonds outstanding at the time of such call) to the extent that this may be accomplished in accordance with the call provisions of the respective bond series, but the Issuer shall have the right to call any or all outstanding Bonds which may be called at par prior to calling any Bonds that are callable at a premium.

(H) Disposal of the System. The Issuer covenants and agrees that, so long as any of the Series 2013 Bonds are outstanding, it will maintain its corporate identity and existence and will not sell or otherwise dispose of any of the System or any part thereof, and, except as provided for above, it will not create or permit to be created any charge or lien on the revenues thereof ranking equal to or prior to the charge or lien of the Series 2013 Bonds. Notwithstanding the foregoing, the Issuer

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*City of Bunnell*

may at any time permanently abandon the use of, or sell at fair market value, any of its System, provided that:

(1) It is in compliance with all covenants and undertakings in connection with all of its Bonds then outstanding and payable from the Pledged Funds, and the debt service reserve for such bonds has been fully established;

(2) It will, in the event of sale, apply the proceeds to either (a) redemption of outstanding Bonds in accordance with the provisions governing repayment of Bonds in advance of maturity, or (b) replacement of the facility so disposed of by another facility the revenues of which shall be incorporated into the System as hereinbefore provided;

(3) It has certified, prior to any abandonment of use, that the facility to be abandoned is no longer economically feasible or producing Net Revenues; and

(4) It has certified that the estimated Net Revenues of the remaining System for the next succeeding Fiscal Year, plus the estimated Net Revenues of the facility, if any, to be added to the System, satisfy the earnings test hereinbefore provided in this subsection governing issuance of additional parity bonds.

(I) Insurance on the System. While any of the Series 2013 Bonds shall remain outstanding, the Issuer shall carry at least the following insurance coverage:

(1) Property insurance, fire and extended coverage insurance, and flood insurance on the insurable portions of the System in amounts sufficient to provide for not less than full recovery whenever a loss from perils insured against does not exceed eighty percent (80%) of the full insurable value of the damaged facility.

In the event of any damage to or destruction of any facility or facilities of the System, the Issuer shall deposit the insurance proceeds in the Reserve Account and promptly arrange for the application thereof to the repair or reconstruction of the damaged or destroyed portion thereof.

(2) Public liability insurance relating to the operation of the System, to the extent of any statutory waiver of sovereign immunity applicable to the Issuer from claims for bodily injury, death or either of such occurrences; and not less than \$10,000 against claims for damage to property of others which may arise from the Issuer's operation of the System.



(3) If the Issuer owns or operates a vehicle in the operation of the System, vehicular public liability insurance to the extent of any statutory waiver of sovereign immunity applicable to the Issuer to protect the Issuer from claims for bodily injury and death, and not less than \$10,000 against claims for damage to property of others which may arise from the Issuer's operation of vehicles.

(4) All such insurance shall be carried for the benefit of the holders of the Series 2013 Bonds. All moneys received for losses under any of such insurance, except public liability are hereby pledged by the Issuer as security for the Series 2013 Bonds herein authorized, until and unless such proceeds are used to remedy the loss or damage for which such proceeds are received, either by repairing the property damaged or replacing the property destroyed within ninety (90) days from the receipt of such proceeds.

(5) Workmen's Compensation will be maintained as required by State law.

(J) Maintenance of the System. The Issuer will complete the construction of the Project as provided for in this Resolution in an economical and efficient manner with all practicable dispatch, and thereafter will maintain the System in good condition and continuously operate the same in an efficient manner and at a reasonable cost.

(K) No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by its System, nor will any preferential rates be established for users of the same class; and if the Issuer shall avail itself of the facilities or services provided by the System, or any part thereof, then the same rates, fees or charges applicable to other customers receiving like service under similar circumstances shall be charged to the Issuer. Such charges shall be paid as they accrue, and the Issuer shall transfer from its general funds sufficient sums to pay such charges. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

(L) Failure of User to Pay for Services. Upon failure of any user to pay for services rendered within sixty (60) days, the Issuer shall shut off the connection of such user and shall not furnish him or permit him to receive from the System further service until all obligations owed by him to the

Issuer on account of services shall have been paid in full. This covenant shall not, however, prevent the Issuer from causing any System connection to be shut off sooner.

(M) Enforcement of Collections. The Issuer will diligently enforce and collect the Pledged Funds and will do all things necessary to ensure its eligibility to receive the Pledged Funds; and will take all steps, actions and proceedings for the enforcement and collection of such rates, rentals, charges and fees as shall become delinquent to the full extent permitted or authorized by law, and will maintain accurate records with respect thereof. All such fees, rates, rentals, charges and revenues herein pledged shall, as collected, be held in trust to be applied as provided in this Resolution and not otherwise.

(N) Compliance with Laws and Regulations. The Issuer covenants and agrees to perform and comply with, in every respect, any loan and grant agreements which it might have with the Government, or with any other governmental agency and all applicable State laws and regulations and to continually operate and maintain the System in good condition. All provisions of the Letter of Conditions of the Government dated as of February 25, 2013, are incorporated herein by reference as if fully set forth at length.

(O) Defaults and Remedies. The following events shall each constitute an Event of Default under this Resolution:

- (1) Failure to pay the principal of or interest on the Series 2013 Bonds when due;
- (2) The dissolution or liquidation of the Issuer, or the filing by the Issuer of a voluntary petition in bankruptcy, or the commission by the Issuer of any act of bankruptcy, or adjudication of the Issuer as a bankrupt, or assignment by the Issuer for the benefit of its creditors, or appointment of a receiver for the Issuer, or the entry by the Issuer into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Issuer in any proceeding for its reorganization instituted under the provisions of the Federal Bankruptcy Act, as amended, or under any similar act in any jurisdiction which may not be in effect or hereafter adopted.

- (3) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Series 2013 Bond or in this Resolution on the part of the Issuer to be performed.

Any owner of the Series 2013 Bonds issued under the provisions hereof may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the Laws of the State of Florida, or granted and contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution or by any applicable State or Federal statutes to be performed by the Issuer or by any officer thereof.

Nothing herein, however, shall be construed to grant to any holder of such Series 2013 Bonds any lien on any real property of the Issuer.

(P) Records and Audits. The Issuer shall keep books and records of the revenues of the System, which such books and records shall be kept separate and apart from all other books, records and accounts of the Issuer, and any owner of a Series 2013 Bond or Series 2013 Bonds issued pursuant to this Resolution shall have the right to, at all reasonable times, inspect all records, accounts and data of the Issuer relating thereto.

So long as any of the Series 2013 Bonds shall be outstanding, the Issuer will furnish on or before ninety (90) days after the close of each Fiscal Year, to any Series 2013 Bond owner who shall request the same in writing, copies of an annual audit report prepared by an independent public accountant or an auditing official of the State of Florida, covering for the preceding Fiscal Year, in reasonable detail, the financial condition and record of operation of the System and any other facilities the revenues of which are pledged to the payment of the Series 2013 Bonds.

(Q) Connection with System. The Issuer will, to the full extent permitted by law, require all lands, buildings, residences and structures within its corporate limits which can use the facilities and services of the System to connect therewith and use the facilities and services thereof, and to cease the use of all other facilities. The Issuer will not grant a franchise for the operation of any competing water and/or sewer utility system until all Series 2013 Bonds issued hereunder, together with interest thereon, shall have been paid in full.

(R) Fidelity Bond. Coverage may be provided either for all individual positions or persons through "blanket" coverage providing protection for all appropriate employees or officials, in an amount fully adequate to protect the Issuer from loss, all in compliance with the conditions imposed by the Government's Letter of Conditions dated February 25, 2013.

(S) Government Approval of Extensions and Financing. Anything herein to the contrary notwithstanding, if the Government is the purchaser of any of the Series 2013 Bonds, the Issuer will not borrow any money from any source or enter into any contract or agreement or incur any other liability in connection with making extensions or improvements other than normal maintenance of the System, or make any extensions or enlargements of the System, or permit others to do so, without obtaining the prior written consent of the Government, while the Government continues to own any of the Series 2013 Bonds.

(T) Reimbursement of Advances and Interest Thereon. While the Government shall be the owner of any of the Series 2013 Bonds, the Government shall have the right to make advances for the payment of insurance premiums and/or other advances which, in the opinion of the Government, may be required to protect the Government's security interest. In the event of any such advances, the Issuer covenants and agrees to repay the same, together with interest thereon at the same rate per annum as specified in the Series 2013 Bonds, upon demand made at any time after any such expenditure by the Government. Any such amounts due the Government shall be secured by a pledge of and lien upon the Pledged Funds, on parity with the Bonds, and payment thereof shall take priority over any other payments from the Reserve Account.

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**ARTICLE IV**  
**MISCELLANEOUS PROVISIONS**

4.01. Modification or Amendment. No material modification or amendment of this Resolution, or of any ordinance or resolution amendatory or supplemental hereto, may be made without the consent in writing of the owners of two-thirds or more in principal amount of the Series 2013 Bonds then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of such Series 2013 Bonds or a reduction in the rate of interest thereon, or in the amount of the principal obligation, or affect the unconditional promise of the Issuer to charge and collect such rates, fees and charges for the use of the services and facilities of the System and apply the same as herein provided, or reduce the number of such Series 2013 Bonds the written consent of the owners of which are required by this Section for such modifications or amendments, without the consent of the owners of all such Series 2013 Bonds.

4.02. Creation of Superior Liens. The Issuer covenants that it will not issue any other bonds, certificates or obligations of any kind or nature or create or cause or permit to be created any debt, lien, pledge, assignment or encumbrance or charge payable from or enjoying a lien upon the Pledged Funds ranking prior and superior to the lien created by this Resolution, for the benefit of the Series 2013 Bonds herein authorized.

4.03. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution or of the Series 2013 Bonds issued hereunder.

4.04. Notes Authorized for Interim Financing. Pursuant to authority granted by Section 215.431, Florida Statutes, the Issuer is authorized to issue its negotiable notes from time to time for the purposes authorized by this Resolution, and for the purpose of obtaining interim financing. Prior to the sale of the Series 2013 Bonds authorized by this Resolution, the Issuer may issue its notes as hereafter provided and as provided in Section 215.431, Florida Statutes. The notes, if any, shall be issued only with the approval of the Government. Any such notes authorized by the Issuer shall be

issued upon the adoption of a resolution or ordinance by the Issuer specifying the amount of notes to be issued, the maturity of such notes, the denomination, date and the rate of interest which shall be borne by such notes which shall not be at a rate greater than the highest rate authorized by law. Any such notes issued may be sold in the manner provided by Section 215.431, Florida Statutes.

4.05. Validation Authorized. The Issuer's Attorney is hereby authorized and directed to institute appropriate proceedings in the Circuit Court in and for Flagler County, Florida, for the validation of said Series 2013 Bonds and the proper officers of the Issuer are hereby authorized to verify on behalf of the Issuer the pleadings in such proceedings.

4.06. Bonds Authorized to be Sold at Public or Private Sale. The Series 2013 Bonds may be sold at public or private sale at such rate or rates of interest as shall be determined by the Issuer.

4.07. Conflicts Repealed. All resolutions of the City of Bunnell which are in conflict or inconsistent with this Resolution are, to the extent of such conflict or inconsistency, hereby repealed.

4.08. Tax Covenant. No use will be made of the proceeds of the Series 2013 Bonds which, if such use were reasonably expected on the date of issuance of the Series 2013 Bonds, would cause the same to be "arbitrage bonds" within the meaning of the Internal Revenue Code of 1986, as amended. The Issuer at all times while the Series 2013 Bonds and the interest thereon are outstanding will comply with the requirements of the Internal Revenue Code of 1986, as amended, and any valid and applicable rules and regulations promulgated thereunder necessary to maintain the exclusion of the interest on the Series 2013 Bonds from the gross income of the holders thereof for purposes of Federal income taxation, including the creation of any rebate funds or other funds and/or accounts required in that regard.

4.09. Defeasance. If, at any time, the Issuer shall have paid, or shall have made provision for payment of, the principal, interest and redemption premiums, if any, with respect to all the Series 2013 Bonds herein authorized, then, and in that event, the pledge of and lien on the funds pledged in favor of the owners of the Series 2013 Bonds shall be no longer in effect. For purposes of the preceding sentence, deposit of sufficient cash and/or Federal Securities or bank certificates of deposit fully secured as to principal and interest by Federal Securities (or deposit of any other securities or investments which may be authorized by law from time to time and sufficient under such law to effect such a defeasance) in irrevocable trust with a banking institution or trust company, for the sole

benefit of the owners of the Series 2013 Bonds in an aggregate principal amount which, together with interest to accrue thereon, will be sufficient to make timely payment of the principal of and redemption premiums, if any, and interest on the Series 2013 Bonds in accordance with their terms, the paying agents' fees and expenses with respect thereto any other expenses occasioned by escrow arrangements or provision for redemption, shall be considered "provision for payment". Nothing herein shall be deemed to require the Issuer to call any Series 2013 Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Issuer in determining whether to exercise any such option for early redemption, except that if any of the Series 2013 Bonds shall be held by the Government, the Series 2013 Bonds shall be called for redemption as a whole within a period not exceeding six months from the date of such deposit, unless the Government shall agree otherwise in writing. Government held obligations will not be defeased.

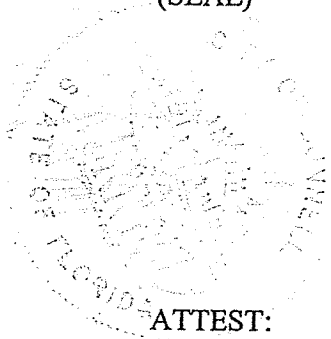
4.10. Effective Date. This Resolution shall take effect immediately upon its passage.

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**PASSED and ADOPTED** by the City Commission of the City of Bunnell, Florida, on the 9<sup>th</sup> day of September, 2013.

**CITY COMMISSION OF BUNNELL, FLORIDA**

(SEAL)



By: Catherine D. Robinson

Catherine D. Robinson, Mayor

9/10/2013

Date

ATTEST:

Approved as to Form:

Sandra Bolser

Sandra Bolser, City Clerk

9/10/2013

Date

Lonnie Groot

Lonnie Groot, City Attorney

9/10/2013

Date



CERTIFICATE OF RECORDING OFFICER

1. I am the duly appointed, qualified and acting City Clerk of the City of Bunnell, Florida, and keeper of the records thereof, including the minutes of its proceedings;

2. A meeting was duly convened on May 18, 2015 in conformity with all applicable requirements; a proper quorum was present throughout said meeting and the instrument hereinafter mentioned was duly proposed, considered and adopted in conformity with applicable requirements; and all other requirements and proceedings incident to the proper adoption of said instrument have been duly fulfilled, carried out and otherwise observed;


3. I am duly authorized to execute this Certificate; and

4. The copy of the resolution annexed hereto is a true, correct and compared copy of the original instrument as finally adopted at said meeting, is in full force and effect and, to the extent required by law, has been duly signed or approved by the proper officer or officers and is on file and of record.

DATED this 20th day of May, 2015.

CITY OF BUNNELL, FLORIDA

(SEAL)

By:   
Sandra Bolser  
City Clerk



RESOLUTION NO. 2015-14

A RESOLUTION AMENDING AND SUPPLEMENTING RESOLUTION NO. 2013-16A ADOPTED BY THE CITY COMMISSION OF THE CITY OF BUNNELL, FLORIDA ON SEPTEMBER 9, 2013; APPROVING THE NEGOTIATED AND PRIVATE SALE OF NOT TO EXCEED \$3,362,000 PRINCIPAL AMOUNT OF THE CITY OF BUNNELL, FLORIDA WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2015; AWARDED SAID SERIES 2015 BONDS TO THE PURCHASER THEREOF; APPROVING THE TERMS OF SAID SERIES 2015 BONDS; PROVIDING FOR THE DELIVERY OF SAID SERIES 2015 BONDS TO THE PURCHASER; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; REPEALING RESOLUTION NO. 2015-09; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF BUNNELL, FLORIDA AS FOLLOWS:

**SECTION 1. AUTHORITY FOR THIS RESOLUTION.** This Resolution (the “Resolution”) is adopted pursuant to the provisions of the Florida Constitution, chapter 166, part II, Florida Statutes, as amended, and other applicable provisions of law (collectively, the “Act”), and Resolution 2013-16A adopted by the City Commission of the City of Bunnell, Florida (the “Issuer”) on September 9, 2013 (the “Master Bond Resolution”), as amended and supplemented, and as particularly amended and supplemented by this Resolution (collectively, the “Bond Resolution”). All capitalized undefined terms used herein shall have the meaning given them in the Bond Resolution.

**SECTION 2. AUTHORIZATION OF SERIES 2015 BONDS.** Subject and pursuant to the provisions hereof, the obligation of the Issuer to be known as “City of Bunnell, Florida Water and Sewer System Revenue Bonds, Series 2015” is authorized to be issued in the aggregate principal amount of not to exceed \$3,362,000 (the “Series 2015 Bonds”).

**SECTION 3. FINDINGS.** It is hereby ascertained, determined and declared that:

A. The Bond Resolution authorized the issuance of the not to exceed \$3,362,000 City of Bunnell, Florida Water and Sewer System Revenue Bonds and Water and Sewer System Revenue Bond Anticipation Note to finance the acquisition, construction and erection of extensions and improvements to the water system of the Issuer in accordance with plans and specifications now on file or to be filed with the Issuer (the "Project").

B. The Water and Sewer System Revenue Bonds and the Water and Sewer System Revenue Bond Anticipation Note were validated pursuant to chapter 75, Florida Statutes, by the Circuit Court in and for Flagler County, Florida on September 23, 2013.

C. The Issuer issued its \$3,362,000 City of Bunnell, Florida Water and Sewer System Revenue Bond Anticipation Note, Series 2014 (the "Bond Anticipation Note") in order to obtain immediately available funds to finance the commencement of the Project. The Bond Anticipation Note is secured by the proceeds of the Series 2015 Bonds. It is the finding and determination of the Issuer that it is necessary and appropriate to repay the Bond Anticipation Note with the proceeds of the Series 2015 Bonds as soon as is practicable.

D. The purposes of the Issuer will be best facilitated and accomplished by selling the Series 2015 Bonds through the means of a negotiated and private sale because the United States of America, United States Department of Agriculture, Rural Development (the "Purchaser"), has offered to purchase the Series 2015 Bonds at an interest rate less than the rates that could be obtained from private investors. The size of the issue and the rate of interest demanded by the current market for municipal bonds are such that if the Issuer must sell the Series 2015 Bonds at a rate of interest in excess of the rate obtainable from said sale to the Purchaser, the Project would not be financially feasible.

E. The Issuer must also establish the terms for the Series 2015 Bonds, including the redemption provisions thereof.

F. The Series 2015 Bonds will be payable from and secured by a lien on the Net Revenues to be derived annually from the rates, rentals, fees and other charges made and collected for the services and facilities of the System.

G. The proceeds of the Series 2015 Bonds will be used to (1) repay the Bond Anticipation Note, presently outstanding in the principal amount of \$3,172,362.28, and thereby provide long term financing for the costs associated with the Project,(2) pay a portion of the costs of acquiring and constructing the Project, and (3) pay costs of issuance associated with the Series 2015 Bonds.

H. The Issuer will be provided all applicable disclosure information from the Purchaser that is required by Section 218.385, Florida Statutes. A form of such required disclosure is attached hereto as Exhibit A.

**SECTION 4. RESOLUTION TO CONSTITUTE CONTRACT.** In consideration of the purchase of the Series 2015 Bonds by the Purchaser, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and the Purchaser. The covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Purchaser of the Series 2015 Bonds, which shall be of equal rank and without preference, priority or distinction of any of the Series 2015 Bonds, except as expressly provided herein. To the extent of any conflict between the Series 2015 Bonds and the Bond Resolution, the terms of the Bond Resolution shall apply.

**SECTION 5. DESCRIPTION OF THE SERIES 2015 BONDS.** The Series 2015 Bonds shall be in substantially the form provided in Section 2.07 of the Master Bond Resolution, shall be  
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Resolution 2015-14

issued as one fully registered bond in the principal amount not to exceed \$3,362,000, shall be dated as of the date of delivery to the Purchaser and shall mature as provided therein. The Series 2015 Bonds shall bear interest at a rate of 1.875% per annum, payable May 20, 2016 and each May 20 thereafter. Principal shall be payable on May 20, 2016 and each May 20 thereafter in the amounts calculated to provide substantially level debt service, with a final payment of all unpaid principal and interest coming due on May 20, 2055. The Series 2015 Bonds shall be secured in the manner described in the Bond Resolution and shall be subject to redemption as provided in Exhibit B attached hereto.

The Series 2015 Bonds shall not be or constitute a general obligation or indebtedness of the Issuer as a “bond” within the meaning of the Florida Constitution, but the payment of the principal of and interest thereon shall be payable solely from and secured by a lien of the Pledged Funds as described in the Bond Resolution. No Holder shall ever have the right to compel the exercise of the ad valorem taxing power of the Issuer or taxation in any form on any real or personal property thereon.

**SECTION 6. MODIFICATION AND AMENDMENT.** No material modification or amendment of this Resolution or of any resolution amendatory hereof or supplemental hereto may be made without the consent in writing of the Purchaser.

**SECTION 7. TAX COVENANTS.** No use will be made of the proceeds of the Series 2015 Bonds which, if such use were reasonably expected on the date of issuance thereof, would cause the same to be “arbitrage bonds” within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”). At all times while the Series 2015 Bonds and the interest thereon are outstanding, the Issuer will comply with the requirements of the Code, including any amendments thereto and any valid and applicable rules and regulations promulgated thereunder, necessary to maintain the

City of Bunnell  
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exclusion of the interest on the Series 2015 Bonds from federal gross income, including the creation of any rebate funds or other funds and/or accounts required in that regard.

**SECTION 8. SALE OF SERIES 2015 BONDS.** The negotiated and private sale of the Series 2015 Bonds in the aggregate principal amount of not to exceed \$3,362,000 are hereby authorized and approved. The Series 2015 Bonds shall be sold to the Purchaser.

**SECTION 9. PAYMENT OF THE BOND ANTICIPATION NOTE.** Simultaneously with the delivery of the Series 2015 Bonds to the Purchaser, the Issuer shall pay the Bond Anticipation Note in full. Such funds shall be accounted for separately from all other funds of the Issuer and the moneys on deposit therein shall be withdrawn, used and applied by the Issuer solely for the purposes set forth herein and in the Bond Resolution. The Finance Director is authorized to transfer moneys of the Issuer, along with other legally available funds of the Issuer, which will be sufficient for the purposes set forth in this Section.

**SECTION 10. NECESSARY ACTIONS.** The appropriate officials of the Issuer are authorized and directed to receive on behalf of the Issuer the proceeds of the sale of the Series 2015 Bonds and to deposit, apply and disburse the proceeds of said Series 2015 Bonds, in the manner and for the purposes provided herein and in the Bond Resolution. The Mayor, the Clerk, the Finance Director and other appropriate officers of the Issuer are authorized to execute such delivery papers, receipts and documents as may be necessary in connection with the delivery of the Series 2015 Bonds and receipt of the proceeds and to take all actions and do all things necessary to deliver the Series 2015 Bonds to the Purchaser and to receive the proceeds of the sale of the Series 2015 Bonds. Such documents, including the Series 2015 Bond, may be executed with such omissions, insertions and variations as may be necessary or desirable and authorized or permitted by the Bond Resolution or this Resolution prior to the delivery thereof, or as may be approved and made by the officers of the City of Bunnell

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Issuer executing the same, such execution to be conclusive evidence of such approval.

**SECTION 11. BANK QUALIFIED.** The Issuer designates the Series 2015 Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. The Issuer and any subordinate entities of the Issuer and any issuer of “tax-exempt” debt that issues “on behalf of” the Issuer do not reasonably expect during calendar year 2015 to issue more than \$10,000,000 of “tax-exempt” obligations, exclusive of any private activity bonds, as defined in Section 141(a) of the Code.

**SECTION 12. REPEALER; SEVERABILITY.** Resolution No. 2015-09 adopted on April 27, 2015 is hereby repealed. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reasons whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions, and in no way affect the validity of all the other provisions of this Resolution or of the Series 2015 Bonds.

**SECTION 13. REDEMPTION.** So long as the Series 2015 Bonds are held by the United States of America, acting through the U.S. Department of Agriculture, Rural Development, Rural Utilities Service, such Series 2015 Bonds may be redeemed on any interest due date without the payment of a premium. See Exhibit B attached hereto.

**SECTION 14. EFFECTIVE DATE.** This Resolution shall take effect immediately upon its adoption.

ADOPTED by the City Commission of the City of Bunnell, Florida on this 18th day of May, 2015.

CITY COMMISSION OF  
THE CITY OF BUNNELL, FLORIDA

By: Catherine D. Robinson  
Catherine D. Robinson, Mayor

Attest: Sandra Bolser  
Sandra Bolser, CMC, City Clerk

Approved as to Form:

Wade Vose  
Wade Vose, City Attorney



EXHIBIT A

DISCLOSURE STATEMENT

City Commission  
City of Bunnell, Florida  
Bunnell, Florida

In connection with the proposed issuance by the City of Bunnell, Florida (the "Issuer") of its \$3,362,000 City of Bunnell, Florida Water and Sewer Revenue Bonds, Series 2015 (the "Series 2015 Bonds"), the United States of America, Department of Agriculture, Rural Development (the "Purchaser"), has agreed to purchase the Series 2015 Bonds.

The purpose of this letter is to furnish, pursuant to the provisions of section 218.385(6) and (2), Florida Statutes, as amended, certain information in respect to the arrangement contemplated for the purchase of the Series 2015 Bonds as follows:

(1) The nature and estimated amount of expenses to be incurred by the Purchaser and paid by the Purchaser in connection with the purchase and reoffering of the Series 2015 Bonds is as follows:

None

(2) No person has entered into an understanding with the Purchaser, or to the knowledge of the Purchaser, with the Issuer for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer and the Purchaser or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Series 2015 Bonds.

(3) The amount of underwriting spread, including the management fee, expected to be realized is as follows:

None

(4) No other fee, bonus or other compensation is estimated to be paid by the Purchaser in connection with the issuance of the Series 2015 Bonds to any person not regularly employed or retained by the Purchaser (including any "finder", as defined in section 218.386(1)(a), Florida Statutes, as amended).

(5) The name and address of the Purchaser are set forth below:

United States of America, Department of Agriculture, Rural Development  
2441 NE 3rd Street, Suite 204-1  
Ocala, Florida 34470

(6) The Issuer is proposing to issue the Series 2015 Bonds for the purpose of providing funds which will be used to refund on a current basis the outstanding principal amount of the Issuer's

Water and Sewer System Revenue Bond Anticipation Note, Series 2014, the proceeds of which were used to finance the cost of the acquisition, construction and erection of extensions and improvements to the Issuer's water system (the "Project"), to pay a portion of the costs of acquiring and constructing the Project, and to pay certain costs of issuance of the Series 2015 Bonds. The Series 2015 Bonds are expected to be repaid over a period of 40 years. At a fixed interest rate of 1.875% total interest paid over the life of the Series 2015 Bonds is expected to equal approximately \$1,450,425.

(7) The source of repayment or security for the Series 2015 Bonds is the Pledged Funds as defined in the Bond Resolution. Authorizing the Series 2015 Bonds will result in a maximum of \$132,437.50 of the Pledged Funds not being available to the Issuer each year for other uses during the term of the Series 2015 Bonds.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

Respectfully submitted,

UNITED STATES OF AMERICA,  
DEPARTMENT OF AGRICULTURE,  
RURAL DEVELOPMENT

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT B

The Series 2015 Bonds or principal installments thereof maturing before September 1, 2025, are not subject to redemption prior to their respective stated dates of maturity. The Series 2015 Bonds or principal installments thereof maturing on September 1, 2025, and thereafter shall, at the option of the Issuer, be redeemable in whole or in part, in inverse numerical and maturity order, on September 1, 2024, or on any interest payment date thereafter at par and accrued interest, plus the following premiums, expressed as a percentage of the principal amount thereof, if redeemed in the following years:

3% if redeemed September 1, 2024, or thereafter,  
but prior to September 31, 2025;

2% if redeemed September 1, 2025 or thereafter,  
but prior to September 31, 2026;

1% if redeemed September 1, 2026, or thereafter,  
but prior to September 31, 2027;

Without premium, if redeemed September 1, 2027,  
or thereafter;

provided, however, that Series 2015 Bonds or principal installments thereof held by the United States of America, Department of Agriculture, Rural Development, may be redeemed on any interest due date, including dates prior to September 1, 2024, without the payment of a premium; that the Issuer shall have the right to call Series 2015 Bonds or principal installments thereof redeemable at no premium prior to calling Series 2015 Bonds or principal installments thereof redeemable at a premium.

ELECTION LETTER

Bryant Miller Olive P.A.  
Tallahassee, Florida

The undersigned Mayor and City Clerk of the City of Bunnell, Florida (the "Issuer") hereby certifies on behalf of the Issuer in connection with the issuance of its \$3,362,000 City of Bunnell, Florida Water and Sewer System Revenue Bonds, Series 2015 (the "Series 2015 Bonds"), as follows:

1. All of the proceeds of the Series 2015 Bonds are being used to (i) refund on a current basis the outstanding principal amount of the Issuer's Water and Sewer System Revenue Bond Anticipation Note, Series 2014, the proceeds of which were used to finance costs of the acquisition, construction and erection of extensions and improvements to the water system of the Issuer (the "Project"), (ii) to pay a portion of the costs of acquiring and constructing the Project, and (iii) to pay costs of issuing the Series 2015 Bonds. None of the proceeds of the Series 2015 Bonds are being used for any private business use. No proceeds of the Series 2015 Bonds are being loaned directly or indirectly to any entity other than the Issuer.

2. We have reviewed financial information of the Issuer and have determined that the aggregate face amount of all currently outstanding "tax-exempt" bonds or other "tax-exempt" obligations (other than private activity bonds as defined in Section 141(a) of the Internal Revenue Code of 1986, as amended), including the Series 2015 Bonds, issued by the Issuer (and any subordinate entities thereof and any issuer of "tax exempt" debt that issues "on behalf of" the Issuer) during calendar year 2015 does not exceed \$10,000,000. The Issuer does not plan during calendar year 2015 to issue in excess of \$10,000,000 of tax-exempt debt.

3. The Issuer hereby designates the Series 2015 Bonds as qualified tax-exempt obligations within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

EXECUTED this 20th day of May, 2015.

(SEAL)



CITY OF BUNNELL, FLORIDA

Handwritten signature of Catherine Robinson in cursive script.

Catherine Robinson, Mayor

Handwritten signature of Sandra Bolser in cursive script.

Sandra Bolser, City Clerk

**THE CITY OF BUNNELL, FLORIDA, a  
municipal corporation and public body  
corporate and politic of the State of  
Florida,**

**Plaintiff,**

vs.

**THE STATE OF FLORIDA, and the  
Taxpayers, Property Owners and Citizens  
thereof and of the City of Bunnell, Florida,  
including non-residents owning property  
or subject to taxation therein, and others  
having or claiming any right, title or  
interest in property to be affected by the  
issuance of the Bonds herein described, or  
to be affected in any way thereby,**

**Defendants.**

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**IN THE CIRCUIT COURT OF THE  
SEVENTH JUDICIAL CIRCUIT, IN  
AND FOR FLAGLER COUNTY,  
FLORIDA**

**CIVIL ACTION NO: 2013-CA-000819**

**FINAL JUDGMENT**

The above and foregoing cause having come on for final hearing on the date and at the time and place set forth in the Order to Show Cause heretofore issued by this Court and in the notice addressed to the State of Florida and the taxpayers, property owners and citizens thereof and of the City of Bunnell, Florida, including non-residents owning property or subject to taxation therein, and all others having or claiming any right, title or interest in property to be affected by the issuance by Plaintiff, City of Bunnell, Florida (the "City" or "Issuer"), of its Water and Sewer System Revenue Bonds and Bond Anticipation Notes in an amount not to exceed \$3,362,000, as hereinafter described, or to be affected in any way thereby, and as heretofore issued against the State of Florida on complaint of the Plaintiff, the State Attorney for this Circuit having filed an Answer herein and said cause having duly come on for final judgment, and the Court having considered the same and heard the evidence and being fully advised in the premises, finds as follows:

FIRST. Plaintiff is a municipal corporation organized and existing under and by virtue of the laws of the State of Florida.

SECOND. Authority is conferred upon Plaintiff, under and by virtue of the laws of said State, particularly the *Constitution of the State of Florida*, Chapter 166, Part I and Part II, *Florida Statutes*, and other applicable provisions of law, the *City Charter of the City of Bunnell*, and City Resolution No. 2013-16 duly adopted by the City Commission on July 22, 2013, as amended and restated by Resolution No. 2013-16A duly adopted by the City Commission on September 9, 2013 (the "Resolution"), to issue its revenue bonds and bond anticipation notes to finance a portion of the cost of the acquisition, construction and erection of extensions, additions and improvements to the City's combined water and sewer utility system consisting of upgrades and improvements to the Water Treatment Plant, including but not limited to the purchase of ionization equipment, in accordance with certain plans and specifications now on file with the City Clerk and as more fully described in the Resolution (the "Project")

THIRD. The City Commission of the Issuer has found and determined that it is necessary for the continued preservation of the health, welfare, convenience and safety of the Issuer and its inhabitants that it make improvements to the Project.

FOURTH. Pursuant to the laws of the State of Florida and other applicable provisions of law and by virtue of the authority thereof, the City Commission of the Issuer did lawfully adopt on the 9th day of September, 2013, at a meeting after proper advertisement, the Resolution entitled:

**A RESOLUTION OF THE CITY OF BUNNELL, FLORIDA  
AMENDING AND RESTATING RESOLUTION NO. 2013-16;  
PROVIDING FOR THE ACQUISITION, CONSTRUCTION  
AND ERECTION OF IMPROVEMENTS TO THE CITY'S  
WATER UTILITY SYSTEM; AUTHORIZING THE  
ISSUANCE OF NOT EXCEEDING \$3,362,000 WATER AND**

**SEWER SYSTEM REVENUE BONDS TO FINANCE A PORTION OF THE COST THEREOF; PLEDGING A PARITY LIEN ON THE NET REVENUES OF THE WATER AND SEWER SYSTEM TO SECURE THE PAYMENT THEREOF; PROVIDING FOR THE ISSUANCE OF TEMPORARY BOND ANTICIPATION NOTES; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SUCH BONDS; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH AND PROVIDING AN EFFECTIVE DATE.**

The Resolution provides for issuance of the City's Water and Sewer System Revenue Bonds (the "Bonds") and Bond Anticipation Notes in an amount not to exceed \$3,362,000 for the purpose of financing the costs of the Project, and that the Bonds shall be payable solely from and secured by a lien upon and a pledge of the Pledged Funds. Said Resolution was properly and lawfully adopted and further provides for the issuance of Bond Anticipation Notes in an amount not to exceed \$3,362,000 pursuant to Section 4.04 thereof. All capitalized undefined terms used herein shall have the meaning set forth in the Resolution.

FIFTH. A true and complete copy of the Resolution authorizing the issuance of said Bonds and Bond Anticipation Notes was received into evidence and duly considered by this Court.

SIXTH. The Bonds shall be issued in fully registered form; dated as of the date of their delivery; shall bear interest at a rate or rates to be fixed by resolution of the Issuer, not exceeding the maximum rate permitted by law, with interest payable one year from the date of issuance of the Bonds, and annually thereafter on each anniversary after the date of issuance; and at the request of the purchasers thereof, may be issued as a single fully registered Bond payable in installments in the amounts and such dates as determined by subsequent resolution of the Issuer, or as a series of fully registered Bonds numbered consecutively from R-1 upward in order of maturity, in the denomination of \$1,000 each or any multiples or fractions thereof and maturing on September 1 in the amounts and

years, not exceeding forty (40) years from the date thereof and subject to redemption, all as determined by subsequent resolution of the Issuer. The Bonds issued pursuant to the Resolution shall bear a Series designation of their year of issuance.

SEVENTH. The Bonds shall not be or constitute general obligations or indebtedness of the Issuer as "bonds" within the meaning of the *Constitution of the State of Florida*, but shall be payable solely from and secured by a lien on the Pledged Funds. No holder of any Bond issued under the Resolution shall ever have the right to compel the exercise of any ad valorem taxing power, to pay such Bond, the cost of operating and maintaining the Project, or be entitled to payment of such Bond from any funds of the Issuer except from the Pledged Funds in the manner provided in the Resolution.

EIGHTH. In order to obtain interim financing for construction of the Project, the Bond Anticipation Notes may be issued upon adoption of a resolution or ordinance by the Issuer in an amount not to exceed \$3,362,000, and such resolution or ordinance shall specify the amount of notes to be issued, the maturity of such notes, the denomination, date and the rate of interest which shall be borne by such notes which shall not be at a rate greater than the highest rate authorized by law. Any such notes issued may be sold in the manner provided by Section 215.431, *Florida Statutes*. The Bond Anticipation Notes shall not be or constitute general obligations or indebtedness of the Issuer as "bonds" within the meaning of the *Constitution of the State of Florida*, but shall be payable solely from and secured by the proceeds from sale of the Bonds and, to the extent any deficiency exists, from a lien on the Pledged Funds. No holder of any Bond Anticipation Notes, issued under the Resolution and the resolution authorizing such Bond Anticipation Notes, shall ever have the right to compel the exercise of any ad valorem taxing power, to pay such Bond Anticipation Notes, the cost



of operating and maintaining the Project, or be entitled to payment of such Bond Anticipation Notes from any funds of the Issuer except from the proceeds from the sale of the Bonds and to the extent any deficiency exists, the Pledged Funds to the extent described above.

NINTH. The Issuer has determined that the Pledged Funds will be sufficient to pay the principal and interest on the Bonds as the same become due, and to make all required deposits or payments required by the Resolution, and that the proceeds from the sale of the Bonds will be sufficient to pay the principal of and interest on the Bond Anticipation Notes.

TENTH. Article III of the Resolution sets forth various covenants of the Issuer applicable to the Bonds, including the Issuer's covenant to maintain and collect, so long as any of the Bonds are outstanding, such schedule of rates and charges for the services and facilities of the System which will produce revenues which will be sufficient to pay the Operating Expenses of the System and will be sufficient to provide for the payment of the principal and interest, reserve fund and all other funds and all other payments on all requirements for the Bonds therein authorized; and the Issuer's covenant that so long as any of the Bonds are outstanding and unpaid, at the same time and in like manner that the Issuer prepares its Annual Budget, the Issuer shall annually prepare an estimate of the Pledged Funds to be received during the ensuing Fiscal Year, and to the extent that said Pledged Funds are insufficient to pay debt service requirements on the Bonds during such ensuing year, build up and maintain the required reserves enumerated in the Resolution and pay Operating Expenses, the Issuer shall from time to time revise the fees and rates charged for the use of the services and facilities of the System. Such rates, rentals, fees and charges will never be reduced so as to be insufficient to provide funds for such purposes. Such covenants are valid and binding obligations of the Issuer.

ELEVENTH. The Bonds shall not constitute a lien upon the System or any other property of the Issuer or situated within its corporate limits, except the Pledged Funds.

TWELFTH. The Bonds and Bond Anticipation Notes are of the character and the proceedings preliminary to the issuance thereof are of the nature as to entitle Plaintiff herein to proceed under the provisions of Chapter 75, *Florida Statutes*, for the purpose of validating the authority of the Plaintiff to issue the Bonds and Bond Anticipation Notes.

THIRTEENTH. The copy of the Order to Show Cause addressed to the State of Florida and the several property owners, taxpayers, and citizens of the City of Bunnell, Florida, including non-residents owning property or subject to taxation therein and all others having or claiming any right, title or interest in property to be affected by the issuance by the Plaintiff of said Bonds and Bond Anticipation Notes was duly published in Flagler County where the Complaint was filed, once each week for two consecutive weeks, the first such publication being not less than twenty (20) days prior to the date of said hearing, as required by law, as more fully appears from the affidavit of the publisher of the newspaper entered in evidence herein.

FOURTEENTH. No taxpayer, citizen or other person has intervened except the State Attorney as herein mentioned, or made application to become a party to said proceedings for the purpose of interposing objections to the granting of the prayers as set forth in said Complaint as provided by law.

FIFTEENTH. The Answer of the State Attorney for and on behalf of the State of Florida shows no cause why the prayers of the Complaint should not be granted and discloses no irregularity or illegality in the proceedings set forth in said Complaint.

SIXTEENTH. This Court has found that all requirements of the *Constitution* and laws of the State of Florida pertaining to the applicable law and proceedings in the above-entitled matter have been strictly followed.

**NOW, THEREFORE, IT IS ORDERED AND ADJUDGED** that the issuance by the City of Bunnell, Florida of such Bonds and Bond Anticipation Notes in the aggregate principal amount of not to exceed \$3,362,000, bearing interest payable in such manner and on such dates, at a rate or rates not exceeding the maximum rate permitted by law, in such denominations, all as provided by resolution of the Plaintiff, is for a proper, legal, and paramount public purpose and is fully authorized by law, and each of them to be issued as aforesaid and all proceedings incident thereto and the revenues pledged for the payment thereof are hereby validated and confirmed. Said Bonds are to be issued to finance a portion of the cost of constructing the Project, and as and when so issued will be payable solely from and secured by a parity lien upon and a pledge of the Pledged Funds, to the extent and as defined in the Resolution and as set forth in Paragraph Seventh hereof.

There shall be stamped or written on the back of each of such Bonds a statement in substantially the following form:

This Bond is one of a series of Bonds which were validated by judgment of the Circuit Court for Flagler County, Florida rendered on September 30, 2013.

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Mayor

provided that such statements or certificates shall not be affixed within thirty (30) days after the date of this judgment and unless no appeal be filed in this cause.

**DONE, ORDERED AND ADJUDGED** at the Courthouse in Bunnell, Flagler County, Florida, this 23rd day of September, 2013.

**/S/ DENNIS CRAIG  
CIRCUIT JUDGE**

**SEP 23 2013**

---

Dennis Craig  
**SIGNED AND DATED**  
Judge of the Circuit Court of the Seventh  
Judicial Circuit of the State of Florida, in and  
for Flagler County, Florida

Copies to:

David R. Smith, Esquire, Assistant State Attorney,  
Chris Roe, Esquire, Bond Counsel To City  
Lonnie N. Groot, Esquire, City Attorney

THE CITY OF BUNNELL, FLORIDA, a municipal corporation and public body corporate and politic of the State of Florida,

Plaintiff,

vs.

THE STATE OF FLORIDA, and the Taxpayers, Property Owners and Citizens thereof and of the City of Bunnell, Florida, including non-residents owning property or subject to taxation therein, and others having or claiming any right, title or interest in property to be affected by the issuance of the Bonds herein described, or to be affected in any way thereby,

Defendants.

IN THE CIRCUIT COURT OF THE SEVENTH JUDICIAL CIRCUIT, IN AND FOR FLAGLER COUNTY, FLORIDA

CIVIL ACTION NO: 2013-CA-000819

FILED IN THE OFFICE OF THE CLERK OF CIRCUIT COURT  
Flagler County, Florida  
OCT 31 2013  
By \_\_\_\_\_ Deputy Clerk  
Paper No \_\_\_\_\_

CERTIFICATE OF NO APPEAL

I, Gale Wadsworth, or her deputy or assistant as set forth below, do hereby certify that I am the duly elected, qualified and acting Clerk of the Circuit Court in and for Flagler County, Florida.

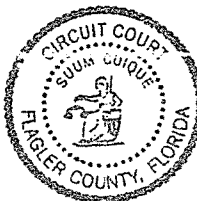
I further certify that a Final Judgment validating the Water and Sewer System Revenue Bonds and Bond Anticipation Notes in an amount not to exceed \$3,362,000 was filed in the above-styled cause on the 23rd day of September, 2013, that more than thirty (30) days has elapsed since the entry of said Final Judgment, that no appeal of said judgment has been filed, and that the validity of said Final Judgment has not been called in question by any proceedings in this Court, as of October 25, 2013.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Court at ~~Sanford, Seminole County, Florida~~, this 25th day of October, 2013.

FLAGLER COUNTY, FLORIDA 31<sup>ST</sup>

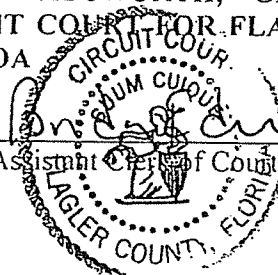
GALE WADSWORTH, CLERK OF THE CIRCUIT COURT FOR FLAGLER COUNTY, FLORIDA

By: \_\_\_\_\_  
Deputy/Assistant Clerk of Courts



I HEREBY CERTIFY this to be a true  
And correct copy of the original  
GAIL WADSWORTH  
CLERK OF COURTS

By: *[Signature]* DC



UNITED STATES OF AMERICA  
 STATE OF FLORIDA  
 COUNTY OF FLAGLER  
 CITY OF BUNNELL  
 WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2015

KNOW ALL MEN BY THESE PRESENTS, that the City of Bunnell, Florida, a municipal corporation created and existing under and by virtue of the laws of the State of Florida (the "Issuer"), for value received, hereby promises to pay to the United States of America, United States Department of Agriculture, Rural Development (the "Government") from the special funds hereinafter mentioned, the principal sum of THREE MILLION THREE HUNDRED SIXTY TWO THOUSAND DOLLARS (\$3,362,000) on the 20th day of May in the years and installments as follows:

<u>Year</u> <u>(May 20)</u>	<u>Amount</u>	<u>Year</u> <u>(May 20)</u>	<u>Amount</u>
2016	\$57,000.00	2036	\$83,000.00
2017	\$58,000.00	2037	\$84,000.00
2018	\$59,000.00	2038	\$86,000.00
2019	\$60,000.00	2039	\$87,000.00
2020	\$61,000.00	2040	\$89,000.00
2021	\$63,000.00	2041	\$91,000.00
2022	\$64,000.00	2042	\$92,000.00
2023	\$65,000.00	2043	\$94,000.00
2024	\$66,000.00	2044	\$96,000.00
2025	\$67,000.00	2045	\$98,000.00
2026	\$69,000.00	2046	\$100,000.00
2027	\$70,000.00	2047	\$101,000.00
2028	\$71,000.00	2048	\$103,000.00
2029	\$73,000.00	2049	\$105,000.00
2030	\$74,000.00	2050	\$107,000.00
2031	\$75,000.00	2051	\$109,000.00
2032	\$77,000.00	2052	\$111,000.00
2033	\$78,000.00	2053	\$113,000.00
2034	\$80,000.00	2054	\$115,000.00
2035	\$81,000.00	2055	\$130,000.00

and to pay, solely from such special funds, interest on the principal sum from time to time remaining unpaid, from the date of the delivery of this Bond to the purchaser hereof, at the rate of 1.875% per annum, payable on May 20, 2016, and annually thereafter on the 20th day of May of each year. Principal shall be payable on May 20, 2016 and on each May 20th thereafter. Both principal of and interest on this Bond are payable to the Government, through Preauthorized Debit, or other means as the Government shall from time to time in writing designate to the Issuer. The payment will be debited from the Issuer's bank account the day payment is due, in lawful money of the United States of America. Payments of principal and interest, including prepayments of installments of principal as hereinafter provided, shall be noted by the owner hereof on the Payment Record made a part of this Bond, and written notice of the making of such notation shall be promptly sent to the Issuer. Upon final payment of principal and interest, this Bond shall be surrendered to the Issuer.

This Bond represents an authorized issue of Bonds in the aggregate principal amount of not exceeding \$3,362,000 issued to finance a part of the cost of the acquisition, construction and erection of extensions and improvements to the water system of the Issuer (hereinafter referred to with the Issuer's water system as the "System") under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, particularly chapter 166, part II, Florida Statutes, and Resolution No. 2013-16A, adopted by the City Commission of the Issuer (the "City Commission") on September 9, 2013, as amended and supplemented by a resolution adopted by the City Commission on May 18, 2015, and is subject to all the terms and conditions of the Resolution. All capitalized, undefined terms used herein shall have the meanings set forth in the Resolution. This Bond and the interest hereon are payable solely from and secured

by a first lien on and pledge of the Net Revenues of the System (the "Pledged Funds").

It is expressly agreed by the owner of this Bond that the full faith and credit of the Issuer are not pledged to the payment of the principal of and interest on this Bond and that such owner shall never have the right to require or compel the exercise of any ad valorem taxing power of the Issuer to the payment of such principal and interest or the cost of maintaining, repairing and operating the System. The owner of this Bond shall have no lien upon or claim to any revenues except for the Pledged Funds, all in the manner set forth in the Resolution. This Bond and the obligation evidenced hereby shall not constitute a lien upon the System or any part thereof, or upon any other property of the Issuer or situated within its corporate limits, but shall constitute a lien only on the Pledged Funds, all in the manner provided in the Resolution.

In and by the Resolution, the Issuer has covenanted and agreed with the owners of the Bonds of this issue that it will fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use of the product, services and facilities of the System which will always produce cash revenues which will be sufficient to pay, and out of such funds pay the necessary expenses of operating and maintaining the System and which together with the legally available Non-Ad Valorem Revenues will be sufficient to pay, and out of such funds pay as the same shall become due, the principal of and interest on the Bonds and all reserve, sinking fund or other payments required by the Resolution and that such rates, rentals, fees or other charges will not be reduced so as to be insufficient to provide funds for such purposes.

As provided in the Resolution, this Bond is exchangeable at the expense of the owner hereof at any time, not more than 90 days after surrender of this Bond to the Clerk, as Registrar,



for an equal aggregate principal amount of serial Bonds, registered as to both principal and interest, in the denomination of \$1,000 each, or multiples or fractions thereof, and maturing in the amounts and on September 1 of the years corresponding to the years and amounts of the unpaid installments of principal of this Bond, and in the form of such serial Bonds as provided for in the Resolution.

The installments of principal payable upon this Bond may, at the option of the Issuer, be prepaid in whole or in part, but only in multiples of \$1,000, in inverse chronological order of the installments, on any interest payment date at par and accrued interest, without premium. Notice of such prepayment shall be given in the manner required by the Bond Resolution.

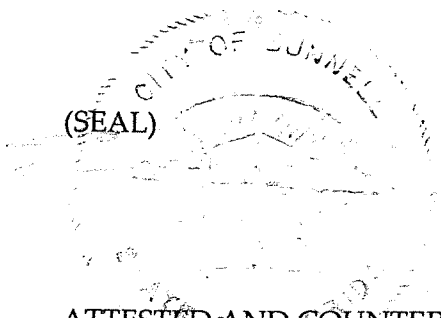
It is hereby certified and recited that all acts, conditions, and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond, exist, have happened and have been performed, in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, and that the issuance of this Bond does not violate any constitutional or statutory limitations or provisions.

This Bond is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code - Investment Securities Law of the State of Florida.

This Bond is transferable by the registered owner hereof in person or by his attorney or legal representative at the office of the Registrar in the manner and subject to the conditions provided in the Resolution.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the City of Bunnell, Florida, has issued this Bond and has caused the same to be executed in its name and on its behalf by its Mayor and its corporate seal to be impressed hereon, attested and countersigned by its Clerk, all as of May 20th, 2015.



CITY OF BUNNELL, FLORIDA

By: Catherine Robinson  
Catherine Robinson, Mayor

ATTESTED AND COUNTERSIGNED:

Sandra Bolser  
Sandra Bolser, City Clerk

VALIDATION CERTIFICATE

This Bond is one of a series of Bonds which were validated by judgment of the Circuit Court for Flagler County, Florida, rendered on September 23, 2013.

By: Catherine Robinson  
Catherine Robinson, Mayor



ASSIGNMENT

For valuable consideration, the UNITED STATES OF AMERICA does hereby assign, transfer and deliver to \_\_\_\_\_ all of its right, title and interest in and to this Bond and all rights belonging or appertaining to the assignor under and by virtue of this Bond.

UNITED STATES OF AMERICA

By: \_\_\_\_\_

Title: \_\_\_\_\_

Witnesses:

\_\_\_\_\_

\_\_\_\_\_

CITY OF BUNNELL RESOLUTION 2013-04  
LOAN RESOLUTION  
(Public Bodies)

A RESOLUTION OF THE Commission  
OF THE BUNNELL, CITY OF  
AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A  
PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS  
WATER  
FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the BUNNELL, CITY OF  
*(Public Body)*  
(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of  
THREE MILLION THREE HUNDRED SIXTY-TWO THOUSDAND AND XX/100 DOLLARS (\$3,362,000.00)

pursuant to the provisions of \_\_\_\_\_; and  
WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture,  
(herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921  
et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event  
that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

*According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.*

- 11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
- 12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
- 13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
- 14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the Government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities and replacement of short lived assets.
- 15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
- 16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
- 17. To accept a grant in an amount not to exceed \$ \$1,478,000

under the terms offered by the Government; that the Mayor

and \_\_\_\_\_ of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

The vote was: Yeas 5 Nays 0 Absent 0

IN WITNESS WHEREOF, the Bunnell City Commission of the

BUNNELL, CITY OF has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this 11th, March day of 2013

(SEAL)

Attest: Dan Davis  
Daniel E. Davis  
Title Mayor

BUNNELL, CITY OF  
By Catherine D. Rhines  
Title Mayor

**CERTIFICATION TO BE EXECUTED AT LOAN CLOSING**

I, the undersigned, as SANDRA BOLSER of the BUNNELL, CITY OF

hereby certify that the Bunnell City Commission of such Association is composed of

5 members, of whom, 3 constituting a quorum, were present at a meeting thereof duly called and

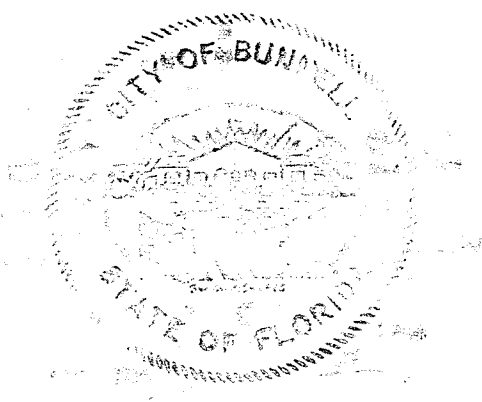
held on the 11 day of March 2013; and that the foregoing resolution was adopted at such meeting

by the vote shown above, I further certify that as of MAY 20, 2015, the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been rescinded or amended in any way.

Dated, this 20<sup>th</sup> day of May, 2015

Sandra Bolser

Title City Clerk



EQUAL OPPORTUNITY AGREEMENT

This agreement, dated 05-20-2015 between  
City Of Bunnell

(herein called "Recipient" whether one or more) and United States Department of Agriculture (USDA), pursuant to the rules and regulations of the Secretary of Labor (herein called the 'Secretary') issued under the authority of Executive Order 11246 as amended, witnesseth:

In consideration of financial assistance (whether by a loan, grant, loan guaranty, or other form of financial assistance) made or to be made by the USDA to Recipient, Recipient hereby agrees, if the cash cost of construction work performed by Recipient or a construction contract financed with such financial assistance exceeds \$10,000 - unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965.

1. To incorporate or cause to be incorporated into any contract for construction work, or modification thereof, subject to the relevant rules, regulations, and orders of the Secretary or of any prior authority that remain in effect, which is paid for in whole or in part with the aid of such financial assistance, the following "Equal Opportunity Clause":

During the performance of this contract, the contractor agrees as follows:

- (a) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited, to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the USDA setting forth the provisions of this nondiscrimination clause.
- (b) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- (c) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the USDA, advising the said labor union or workers' representative of the contractor's commitments under this agreement and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (d) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of all rules, regulations and relevant orders of the Secretary of Labor.
- (e) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, rules, regulations, and orders, or pursuant thereto, and will permit access to his books, records, and accounts by the USDA Civil Rights Office, and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (f) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by Law.
- (g) The contractor will include the provisions of paragraph 1 and paragraph (a) through (g) in every subcontract or purchase order, unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the USDA may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the USDA, the contractor may request the United States to enter into such litigation to protect the interest of the United States.

*According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0018. The time required to complete this information collection is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.*



2. To be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, that if the organization so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.
3. To notify all prospective contractors to file the required 'Compliance Statement', Form RD 400-6, with their bids.
4. Form AD-425, Instructions to Contractors, will accompany the notice of award of the contract. Bid conditions for all nonexempt federal and federally assisted construction contracts require inclusion of the appropriate "Hometown" or "Imposed" plan affirmative action and equal employment opportunity requirements. All bidders must comply with the bid conditions contained in the invitation to be considered responsible bidders and hence eligible for the award.
5. To assist and cooperate actively with USDA and the Secretary in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and rules, regulations, and relevant orders of the Secretary, that will furnish USDA and the Secretary such information such as , but not limited to, Form AD-560, Certification of Nonsegregated Facilities, to submit the Monthly Employment Utilization Report, Form CC-257, as they may require for the supervision of such compliance, and that it will otherwise assist USDA in the discharge of USDA's primary responsibility for securing compliance.
6. To refrain from entering into any contract or contract modification subject to such Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and Federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by USDA or the Secretary of Labor pursuant to Part II, Subpart D, of the Executive Order.
7. That if the recipient fails or refuses to comply with these undertakings, the USDA may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the organization under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such organization; and refer the case to the Department of Justice for appropriate legal proceedings.

Signed by the Recipient on the date first written above.

\_\_\_\_\_  
Recipient

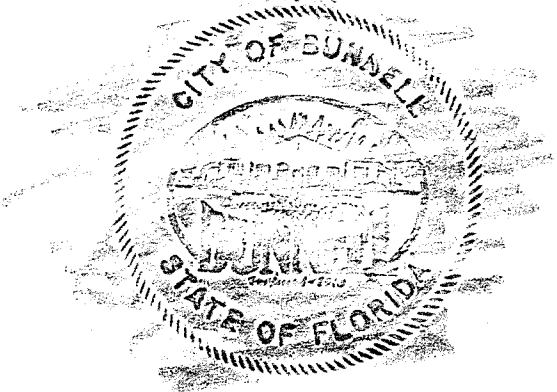
Catherine J. Robinson  
\_\_\_\_\_  
Recipient

(CORPORATE SEAL)

City Of Bunnell  
\_\_\_\_\_  
Name of Corporate Recipient

Attest: Jandra Bales  
City Clerk  
Secretary

By \_\_\_\_\_  
President



USDA  
Form RD 400-4  
(Rev. 06-10)

**ASSURANCE AGREEMENT**  
(Under Title VI, Civil Rights Act of 1964)

FORM APPROVED  
OMB No. 0575-0018  
OMB No. 0570-0062

The City Of Bunnell  
*(name of recipient)*  
Po Box 756 Bunnell, FL 32110-  
*(address)*

("Recipient" herein) hereby assures the U. S. Department of Agriculture that Recipient is in compliance with and will continue to comply with Title VI of the Civil Rights Act of 1964 (42 USC 2000d et. seq.), 7 CFR Part 15, and Rural Housing Service, Rural Business-Cooperative Service, Rural Utilities Service, Risk Management Agency, or the Farm Service Agency, (hereafter known as the "Agency") regulations promulgated thereunder, 7 C.F.R. § 1901.202. In accordance with that Act and the regulations referred to above, Recipient agrees that in connection with any program or activity for which Recipient receives Federal financial assistance (as such term is defined in 7 C.F.R. § 15.2) no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination.

- 1. Recipient agrees that any transfer of any aided facility, other than personal property, by sale, lease or other conveyance of contract, shall be, and shall be made expressly, subject to the obligations of this agreement and transferee's assumption thereof.
- 2. Recipient shall:
  - (a) Keep such records and submit to the Government such timely, complete, and accurate information as the Government may determine to be necessary to ascertain our/my compliance with this agreement and the regulations.
  - (b) Permit access by authorized employees of the Agency or the U.S. Department of Agriculture during normal business hours to such books, records, accounts and other sources of information and its facilities as may be pertinent to ascertaining such compliance.
  - (c) Make available to users, participants, beneficiaries and other interested persons such information regarding the provisions of this agreement and the regulations, and in such manner as the Agency or the U. S. Department of Agriculture finds necessary to inform such persons of the protection assured them against discrimination.
- 3. The obligations of this agreement shall continue:
  - (a) As to any real property, including any structure, acquired or improved with the aid of the Federal financial assistance, so long as such real property is used for the purpose for which the Federal financial assistance is made or for another purpose which affords similar services or benefits, or for as long as the Recipient retains ownership or possession of the property, whichever is longer.
  - (b) As to any personal property acquired or improved with the aid of the Federal financial assistance, so long as Recipient retains ownership or possession of the property.
  - (c) As to any other aided facility or activity, until the last advance of funds under the loan or grant has been made.
- 4. Upon any breach or violation this agreement the Government may, at its option:
  - (a) Terminate or refuse to render or continue financial assistance for the aid of the property, facility, project, service or activity.
  - (b) Enforce this agreement by suit for specific performance or by any other available remedy under the laws of the United States or the State in which the breach or violation occurs.

Rights and remedies provided for under this agreement shall be cumulative.

In witness whereof, City Of Bunnell on this \_\_\_\_\_  
*(name of recipient)*

date has caused this agreement to be executed by its duly authorized officers and its seal affixed hereto, or, if a natural person, has hereunto executed this agreement.

(SEAL)  
Sandra Bolser  
Attest: Sandra Bolser, City Clerk

Catherine D. Robinson Recipient  
May 20, 2015 Date  
Catherine D. Robinson, Mayor Title

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0018 and 0570-0062. The time required to complete this information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

**Water and Waste System Grant Agreement**

**United States Department of Agriculture**

**Rural Utilities Service**

THIS AGREEMENT dated 5/20/2015, between

BUNNELL, CITY OF

a public corporation organized and operating under

Florida State Statutes

(Authorizing Statute)

herein called "Grantee," and the United States of America acting through the Rural Utilities Service, Department of Agriculture, herein called "Grantor," WITNESSETH:

**WHEREAS**

Grantee has determined to undertake a project of acquisition, construction, enlargement, or capital improvement of a (water) (waste) system to serve the area under its jurisdiction at an estimated cost of \$ 6,044,000.00 and has duly authorized the undertaking of such project.

Grantee is able to finance not more than \$ 4,566,000.00 of the development costs through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge.

Said sum of \$ 4,566,000.00 has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed \$ 1,478,000.00 or 24.45 percent of said project development costs, whichever is the lesser, subject to the terms and conditions established by the Grantor. Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the Conditions of the grant.

As a condition of this grant agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the agreement with all applicable laws, regulations, Executive orders and other generally applicable requirements, including those set out in 7 CFR 3015.205(b), which hereby are incorporated into this agreement by reference, and such other statutory provisions as are specifically set forth herein.

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to Section 306(a) of The Consolidated Farm and Rural Development Act for the purpose only of defraying a part not to exceed 24.45 percent of the project development costs, as defined by applicable Rural Utilities Service instructions.

**Grantee Agrees That Grantee Will:**

A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.

B. Permit periodic inspection of the construction by a representative of Grantor during construction.

C. Manage, operate and maintain the system, including this project if less than the whole of said system, continuously in an efficient and economical manner.

D. Make the services of said system available within its capacity to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (possess capacity to enter into legal contract for services) at reasonable charges, including assessments, taxes, or fees in accordance with a schedule of such charges, whether for one or more classes of service, adopted by resolution dated March 11, 2013, as may be modified from time to time by Grantee. The initial rate schedule must be approved by Grantor. Thereafter, Grantee may make such modifications to the rate system as long as the rate schedule remains reasonable and nondiscriminatory.

E. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, emergency repair reserves, obsolescence reserves, debt service and debt service reserves.

F. Expand its system from time to time to meet reasonably anticipated growth or service requirements in the area within its jurisdiction.

G. Provide Grantor with such periodic reports as it may require and permit periodic inspection of its operations by a representative of the Grantor.

H. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, another agreement of the same type need not be executed in connection with this grant.

I. Upon any default under its representations or agreements set forth in this instrument, Grantee, at the option and demand of Grantor, will repay to Grantor forthwith the original principal amount of the grant stated herein above with the interest at the rate of 5 percentum per annum from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.

J. Return immediately to Grantor, as required by the regulations of Grantor, any grant funds actually advanced and not needed by Grantee for approved purposes.

K. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed.

1. Title to real property shall vest in the recipient subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.

2. The Grantee shall obtain approval by the Grantor agency for the use of the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

3. When the real property is no longer needed as provided in 1 and 2 above, the Grantee shall request disposition instructions from the Grantor agency or its successor Federal agency. The Grantor agency shall observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original project to the fair market value of the property.

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor agency. When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

**[Revision 1, 04/17/1998]**

(c) The Grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or project to the current fair market value of the property.

**This Grant Agreement covers the following described real property (use continuation sheets as necessary).**

Tract 1 and that part of Tract 4 lying North of S.R. 11, Block C, of Section 11, Township 12 South, Range 30 East, according to the Map of the Bunnell Development Company's Land of Bunnell recorded in Plat Book 1, Page 1, Public Records of Flagler County, Florida; Less and Except any part lying with Old Moody Blvd.

L. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with grant funds. Equipment means tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.  
**[Revision 1, 04/17/1998]**

1. Use of equipment.

(a) The Grantee shall use the equipment in the project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the equipment in connection with its other Federally sponsored activities, if any, in the following order of priority:

1) Activities sponsored by the Grantor.

(2) Activities sponsored by other Federal agencies.

(b) During the time that equipment is held for use on the property for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the equipment was originally acquired. First preference for such other use shall be given to Grantor sponsored projects. Second preference will be given to other Federally sponsored projects.

2. Disposition of equipment. When the Grantee no longer needs the equipment as provided in paragraph (a) above, the equipment may be used for other activities in accordance with the following standards:

(a) Equipment with a current per unit fair market value of less than \$5,000. The Grantee may use the equipment for other activities without reimbursement to the Federal Government or sell the equipment and retain the proceeds.

(b) Equipment with a current per unit fair market value of \$5,000 or more. The Grantee may retain the equipment for other uses provided that compensation is made to the original Grantor agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value or proceeds from sale of the equipment. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the original Grantor agency.

The Grantor agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Grantor agency to determine whether a requirement for the equipment exists in other Federal agencies. The Grantor agency shall issue instructions to the Grantee no later than 120 days after the Grantee requests and the following procedures shall govern:

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the equipment and reimburse the Grantor agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share ten percent of the proceeds for Grantee's selling and handling expenses.

(2) If the Grantee is instructed to ship the equipment elsewhere the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.

(3) If the Grantee is instructed to otherwise dispose of the equipment, the Grantee shall be reimbursed by the Grantor agency for such costs incurred in its disposition.

3. The Grantee's property management standards for equipment shall also include:

(a) Records which accurately provide for: a description of the equipment; manufacturer's serial number or other identification number; acquisition date and cost; source of the equipment; percentage (at the end of budget year) of Federal participation in the cost of the project for which the equipment was acquired; location, use and condition of the equipment and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.

(b) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years to verify the existence, current utilization, and continued need for the equipment.

(c) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(e) Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return.

**This Grant Agreement covers the following described equipment(use continuation sheets as necessary).**

To be attached and certified as Exhibit A at construction completion.

M. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.
2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.
3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.
4. Accounting records supported by source documentation.

N. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. Microfilm or photo copies or similar methods may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee's government which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts and transcripts.

O. Provide information as requested by the Grantor to determine the need for and complete any necessary Environmental Impact Statements.

P. Provide an audit report prepared in accordance with Grantor regulations to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations and this Agreement.

Q. Agree to account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government. States and agencies or instrumentality's of states shall not be held accountable for interest earned on grant funds pending their disbursement.

R. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in item K above.

S. To include in all contracts for construction or repair a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR, Part 3). The Grantee shall report all suspected or reported violations to the Grantor.

T. To include in all contracts in excess of \$100,000 a provision that the contractor agrees to comply with all the requirements of the Clean Air Act (42 U.S.C. §7414 ) and Section 308 of the Water Pollution Control Act (33 U.S.C. §1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 of the Clean Air Act and Section 308 of the Water Pollution Control Act and all regulations and guidelines issued thereunder after the award of the contract. In so doing the Contractor further agrees:

**[Revision 1, 11/20/1997]**

1. As a condition for the award of contract, to notify the Owner of the receipt of any communication from the Environmental Protection Agency (EPA) indicating that a facility to be utilized in the performance of the contract is under consideration to be listed on the EPA list of Violating Facilities. Prompt notification is required prior to contract award.

2. To certify that any facility to be utilized in the performance of any nonexempt contractor subcontract is not listed on the EPA list of Violating Facilities pursuant to 40 CFR Part 32 as of the date of contract award.

**[Revision 1, 11/20/1997]**

3. To include or cause to be included the above criteria and the requirements in every nonexempt subcontract and that the Contractor will take such action as the Government may direct as a means of enforcing such provisions.

As used in these paragraphs the term "facility" means any building, plan, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a Grantee, cooperator, contractor, or subcontractor, to be utilized in the performance of a grant, agreement, contract, subgrant, or subcontract. Where a location or site of operation contains or includes more than one building, plant, installation, or structure, the entire location shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are co-located in one geographical area.

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed \$ 1,478,000.00 which it will advance to Grantee to meet not to exceed 24.45 percent of the project development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the project and coordinating the plan with local official comprehensive plans for sewer and water and with any State or area plans for the area in which the project is located.

C. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.



Termination of This Agreement

This Agreement may be terminated for cause in the event of default on the part of the Grantee as provided in paragraph I above or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the project will not produce beneficial results commensurate with the further expenditure of funds.

In witness whereof Grantee on the date first above written has caused these presence to be executed by its duly authorized

Mayor

---

attested and its corporate seal affixed by its duly authorized

City Clerk

---

Attest

By

  
Sandra Bolser

(Title) City Clerk

By

  
Catherine D. Robinson

(Title) Mayor

UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By

  
R.C. Quainton, II  
Area Director

Area Specialist  
(Title)

**OPINION OF COUNSEL RELATIVE TO RIGHTS-OF-WAY**Date 5-20-2015

Dear Sir:

I have reviewed the action taken by the City of Bunnell, Florida (hereinafter called the "Corporation") in obtaining a right-of-way for the construction, operation, and maintenance of the facilities to be installed, repaired, or enlarged with the proceeds of a loan made or insured by, and/or a grant from Rural Development to the Corporation. I have examined the right-of-way instruments, permits, or licenses obtained from landowners, public bodies, and public utilities and made such searches of the public records necessary to determine the legal sufficiency of the instruments covered by the "Right-of-way

Certificate," executed by the Corporation on May 20, 20 15. I also have examined the "Right-of-way Map" to determine whether continuous and adequate land and rights-of-way are owned or have been acquired by the instruments covered in the "Right-of-way Certificate".

Based on the foregoing examination, and to the best of my knowledge, information, and belief, I am of the opinion that:

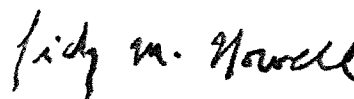
A. The legal instruments by which the Corporation has acquired said rights-of-way (a) are in appropriate and due legal form and adequately confer upon the Corporation the necessary rights-of-way for the construction, operation, and maintenance of its facilities in their present or proposed location, and such omissions or defects as may exist will in no substantial way or manner endanger the value or operation of the facilities, and (b) have each been properly recorded in the appropriate public land records of each County in which any of the land affected thereby is situated. Such consents, releases, or subordinations from lienholders recommended by me or required by Rural Development have been obtained.

B. The legal instruments referred to above give unto the Corporation a continuous and adequate right-of-way to permit the construction, operation, and maintenance of the Corporation's facilities except as below noted.

C. Exceptions:

N/A

Very truly yours,



Sidney M. Nowell, Esq.

Attorney for City of Bunnell, Florida

P.O. Box 819, Bunnell, FL 32110

**PRELIMINARY TITLE OPINION**

Loan Applicant City of Bunnell, Florida	Address of Property 201 W. Moody Blvd. Bunnell, FL 32110	
Applicant for Title Examination City of Bunnell, Florida	County Flagler	State Florida

- I. At the request of the above-named applicant(s) for title examination, I have examined title to the real property described in attached Schedule A and, if the security includes a water right, to the water right described in attached Schedule B (such real property or water right, or both, herein referred to as "the property"), offered as security in connection with a loan to be made or insured by the United States of America, acting through the United States Department of Agriculture (USDA).
- II. My examination covered the period commencing with May 29, 2013 , \*  
 filed for record on \_\_\_\_\_ , \_\_\_\_\_ , at \_\_\_\_\_ M. o'clock, to May 20, 2015 ,  
 \_\_\_\_\_ , at \_\_\_\_\_ M. o'clock.
- III. Based on said examination and any additional information concerning the title which has come to my attention, it is my opinion that title to the property, subject only to the encumbrances, reservations, exceptions, and defects, and the provisions of any security instrument authorizing future advances which would have priority over the proposed USDA security instrument, all of which are set forth at the end of the description, is vested in the following party or parties:  
 City of Bunnell, Florida
- IV. In order to vest good and marketable title in fact to the property in the loan applicant or in the loan applicant and co-applicant as required or permitted by the respective USDA Agency, subject only to the encumbrances, exceptions , and reservations which under written authorization from the respective USDA Agency may remain outstanding, the following satisfactions, releases, payments, quitclaim deeds, warranty deeds, or affidavits or other conveyances or curative instruments, must be obtained and, unless otherwise indicated, recorded:  
 DEED BOOK 13, PAGE 175 AND DEED BOOK 13, PAGE 176, PUBLIC RECORDS OF FLAGLER COUNTY, FLAGLER
- V. The names of the parties, in addition to the loan applicant(s), who must execute the security instrument in order to give the respective USDA Agency a lien free and clear of dower, curtesy and homestead rights, are:  
 Catherine Robinson, Mayor
- VI. I will assist in closing the loan and promptly render a supplemental opinion covering the interval from the terminal date of the search covered by this Opinion to the time when the real estate security instrument and any other necessary instruments executed in connection with the loan are filed for record.
- VII. I have made the title examination, and issue this Opinion. This Opinion is issued expressly for the benefit of the above-named applicant for title examination and the United States of America, acting through the United States Department of Agriculture and I assume liability to each hereunder.

5-20-2015  
(Date)

Sidney M. Nowell  
(Attorney's signature)

Sidney M. Nowell, Esq.  
P.O. Box 819, Bunnell, FL 32110

(Address)

## Ownership and Encumbrances Report

Attorneys' Title Fund Services, LLC.

6545 Corporate Centre Boulevard

Orlando, Florida 32822

800-432-9594

*Fund File Number:* 61-2015-184298

*Provided For:* Bayer Law Offices

*Agent's File Reference:* 2013Bunnell

*Effective Dates: From* August 20, 1927 at 11:00 PM

*To* May 6, 2015 at 11:00 PM

*This title search commences from the date of the last outstanding institutional first mortgage on the property. If there is no outstanding mortgage, the search commences with the date record title vested in the current record owner.*

*Description of Real Property Situated in Flagler County, Florida.*

Tract 1 and that part of Tract 4 lying North of S.R. 11, Block C, of Section 11, Township 12 South, Range 30 East, according to the Map of the Bunnell Development Company's Land of Bunnell recorded in Plat Book 1, Page 1, Public Records of Flagler County, Florida; Less and Except any part lying within Old Moody Blvd.

*Apparent Title Vested in:*

Town of Bunnell *By:* Warranty Deeds

*Recorded in:* Deed Book 13, Page 175, Deed Book 13, Page 176 Public Records of Flagler County, Florida.

*This search does not cover matters other than those recorded in the Official Records Book of the county and does not assure the legality or validity of the referenced instruments.*

*Ad Valorem tax information is not provided.*

*Prepared this:* 15th day of May, 2015

*Prepared by:* Tammy Gillis - Senior Examiner

*Phone Number:* 800-637-0767, Ext. 5208, tgillis@thefund.com

Attorneys' Title Fund Services, LLC



*By: Jimmy R. Jones  
President*

Ownership and Encumbrances Report  
Attorneys' Title Fund Services, LLC.  
6545 Corporate Centre Boulevard  
Orlando, Florida 32822  
800-432-9594

*Fund File Number:* 61-2015-184298

Ownership and Encumbrances Report  
Attorneys' Title Fund Services, LLC.  
6545 Corporate Centre Boulevard  
Orlando, Florida 32822  
800-432-9594

*Fund File Number:* 61-2015-184298

ENCUMBRANCES

1. Southern Bell Telephone and Telegraph Company recorded in O.R. Book 397, Page 347, Public Records of Flagler County, Florida.

*A 20-year name search has been performed on parties acquiring an interest within the time period covered by this search.*

*This Title Search is prepared and furnished for information only. It is not an opinion of title and may not be used as a title base for the issuance of a title insurance commitment and/or policy, nor should it be used for the preparation of foreclosure proceedings or other litigation. Maximum liability for incorrect information is \$1000 under Sec. 627.7843, F.S.*

This indenture, made the 1<sup>th</sup> day of July, in the year of our Lord, One Thousand  
 Nine Hundred and seventy, between A. B. Clifford  
of single estate  
 of the County of Wayne and State of Florida the first part, and  
of Board of Municipal Corporation  
of Wayne County, Florida of the second part.

Witnesseth: That the said part 1<sup>st</sup> of the first part, for and in consideration of the sum of Five Hundred (500.00)  
and other valuable consideration Dollars, lawful money of the United States of America,  
 to him in hand paid by the said part 2<sup>d</sup> of the second part, at or before the executing and delivery of these presents, the receipt whereof  
 is hereby acknowledged, hath granted, bargained, sold, aliened, remised, released, conveyed and confirmed, and by these presents do grant, bargain,  
 sell, alien, remise, release, convey and confirm unto the said part 2<sup>d</sup> of the second part with all appurtenances and assigns forever, all that lot, piece  
 or parcel of land being in the County of Wayne and State of Florida, described as follows:

Section 1 and 2 of Block 9, of Section 16, Township 12 South,  
Range 26 East, Wayne County, Florida, as conveyed by  
Richard W. Dick, Clerk of the Public Schools  
of Wayne County, Florida.

together with all and singular the appurtenances, tenements, hereditaments and appurtenances thereto in anywise appertaining, and  
 the revenues and reverends, rents and proceeds, profits, interest and profits thereof, and also all the estate, right, title, interest, power and right  
 of donor, executor, devisee, property, possession, debts and demands whatsoever, as well in law as in equity, of the said part 1<sup>st</sup> of the first part, of,  
 in and to the same, and every part and parcel thereof, with the appurtenances.

To have and to hold the above granted, bargained and described premises, with the appurtenances, unto the said part 2<sup>d</sup> of the second  
 part to his heirs, assigns and assigns forever. And the said part 1<sup>st</sup> of the first part, for himself  
 and his heirs, assigns and administrators, do covenant, promise and agree in and with the said part 2<sup>d</sup> of the second part to warrant  
 unto and against the said part 2<sup>d</sup> of the first part at the time of the executing and delivery of these presents, with lawfully entered in the records  
 of a good, absolute and indisputable estate of inheritance of and in all and singular the above granted, bargained and described premises, with the  
 appurtenances, and with good right, full power and lawful authority to grant, bargain, sell and convey the same in manner and form aforesaid. And  
 that the said part 2<sup>d</sup> of the second part, with lawfully entered and assigns, shall and may at all times hereafter peaceably and quietly have, hold, use,  
 enjoy, possess and enjoy the above granted premises, and every part and parcel thereof, with the appurtenances, without any let, suit, trouble, distur-  
 bance, vexation or interruption of the said part 1<sup>st</sup> of the first part, his heirs or assigns, or of any other person or persons lawfully claiming  
 or to claim the same. And that the same are now free, clear, discharged and unincumbered of and free of burden and other taxes, titles, charges,  
 debts, judgments, debts, assessments and encumbrances of what nature and kind soever.

And the said part of the first part, her self and her heirs, the above described and hereby granted and released and every part and parcel thereof, with all appurtenances, unto the said part of the second part her heirs and assigns, against the said part of the first part, and her heirs, and against all and every person or persons whatsoever lawfully claiming or to claim the same, shall and will warrant, and by these presents forever defend.

In Witness Whereof, The said part of the first part hereunto set her hand and seal the day and year above written.

Signed, Sealed and Delivered in the Presence of:  
B. C. Slifford \_\_\_\_\_ (L. S.)  
H. A. Yates \_\_\_\_\_ (L. S.)  
\_\_\_\_\_  
\_\_\_\_\_ (L. S.)

STATE OF FLORIDA, COUNTY OF \_\_\_\_\_  
Know all Men by These Presents, That I, \_\_\_\_\_  
wife of the above named \_\_\_\_\_  
do by these presents, made and executed by me separate and apart from my said husband, and in the presence of \_\_\_\_\_  
of the State of Florida, acknowledge and declare that I did make a certain party to and execute the foregoing Deed of Conveyance for the purpose of releasing all my dower and right of dower, and conveying all my title and separate estate, not in the hands in said conveyance therein described and granted, and that I did the same freely and voluntarily and without any compulsion, constraint, apprehension or fear of or from my said husband.  
In Witness Whereof, I hereunto subscribe my name and affix my seal, this \_\_\_\_\_ day of \_\_\_\_\_ A. D. One Thousand Nine Hundred and \_\_\_\_\_ (L. S.)

STATE OF FLORIDA, COUNTY OF \_\_\_\_\_  
To All Whom it May Concern, I do hereby certify that on this \_\_\_\_\_ day of \_\_\_\_\_ A. D. 19 \_\_\_\_\_ personally appeared before me, \_\_\_\_\_ of the State of Florida, the above named \_\_\_\_\_ in me well known as the wife of \_\_\_\_\_ and as one of the persons described in and who executed the foregoing Deed of Conveyance, who, being at the time separate and apart from her said husband, did then and there make and execute the foregoing acknowledgment, her name being with her own hand subscribed and her seal affixed in my presence.  
Witness my hand and seal of \_\_\_\_\_ the day and year first above written. \_\_\_\_\_ (L. S.)  
My commission expires \_\_\_\_\_

OF FLORIDA, COUNTY OF Alachua  
On this day personally appeared before me, B. C. Slifford, a single man \_\_\_\_\_ in me well known as the person \_\_\_\_\_ described in and who executed the foregoing Deed of Conveyance, and acknowledged that \_\_\_\_\_ executed the same for the purposes therein expressed, whereunto it is agreed that the same may be recorded.  
In Witness Whereof, I hereunto affixed my hand and seal, this 20th day of July A. D. 1927  
B. C. Slifford \_\_\_\_\_ (L. S.)  
Treasurer Public State of Florida  
My commission expires March 28 1930

Filed for record 20th day of July 1927 Entered 20th day of July 1927 Record verified.  
J. G. Gignac \_\_\_\_\_ Clerk  
My Mac Jiger \_\_\_\_\_ Deputy Clerk  
County of Alachua, Florida.



This Indenture, Made this 10th day of July, in the year of our Lord, One Thousand  
 Nine Hundred and seventy seven, between P. E. Feltus and his wife, Agnes P. Feltus  
Feltus  
 of the County of Duval and State of Florida of the first part, and  
Trust of Bunnell & Municipal Corporation  
Duval County Florida of the second part,

Witnesseth: That the said part of the first part, for and in consideration of the sum of One (\$10.00) and  
other valuable considerations Dollars, lawful money of the United States of America,  
 to them be had paid by the said part of of the second part, at or before the making and delivery of these presents, the receipt whereof  
 is hereby acknowledged, have granted, bargained, sold, aliened, released, conveyed and confirmed, and by these presents do grant, bargain,  
 sell, alien, release, convey and confirm unto the said part of of the second part persons heirs and assigns forever, all that lot, piece  
 or parcel of land lying and being in the County of Duval and State of Florida, described as follows:

Tracts 1 and 2 of Block C of Section 16, Township 12 South  
Range 10 East Duval County, Florida, as depicted on map  
in Plat Book 1 of page 1 of the Public Land of Duval  
County, Florida.

together with all and singular the improvements, tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining, and  
 the revenues and revenues, rents and royalties, profits, issues and profits thereof, and also all the estate, right, title, interest, power and right  
 of dower, separate estate, property, possession, claim and demand whatsoever, as well in law as in equity, of the said part of of the first part, of  
 in and to the same, and every part and parcel thereof, with the appurtenances.

To Have and to hold the above granted, bargained and described premises, with the appurtenances, unto the said part of of the second  
 part persons heirs and assigns, to their own proper use, benefit and lawful forever. And the said part of of the first part, with  
 and for their heirs, executors and administrators, do covenant, promise and agree to and with the said part of of the second part persons  
 heirs and assigns, that the said part of of the first part at the time of the making and delivery of these presents, are lawfully seized in fee simple  
 of a good, certain and indefeasible estate of inheritance of and in all and singular the above granted, bargained and described premises, with the  
 appurtenances, and have good right, full power and lawful authority to grant, bargain, sell and convey the same in manner and form aforesaid. And  
 that the said part of of the second part persons heirs and assigns, shall and may at all times lawfully peaceably and quietly have, hold, use,  
 occupy, possess and enjoy the above granted premises, and every part and parcel thereof, with the appurtenances, without any let, suit, trouble, molesta-  
 tion, eviction or disturbance of the said part of of the first part, persons heirs or assigns, or of any other person or persons lawfully claiming  
 or to claim the same. And that the same are now free, clear, discharged and unincumbered of and from all annuity and other profits, titles, charges,  
 debts, judgments, taxes, assessments and incumbrances of what nature and kind soever.

And the said part... of the first part, to the above described and hereby granted and released premises, and every part and parcel thereof, with the appurtenances, unto the said part... of the second part... here and assigns, against the said part... of the first part, and... here, and against all and every person or persons whomsoever lawfully claiming or to claim the same, shall and will warrant, and by these presents forever defend.

In Witness Whereof, The said part... of the first part hereunto set their hand and seal the day and year first above written.

Signed, Sealed and Delivered in the Presence of:
B.C. Blufford
W.L. Johnson
C.E. Pellier
Agnes B. Brock Pellier

STATE OF FLORIDA, COUNTY OF Duval

Know all Men by These Presents, That I, Agnes B. Brock Pellier, wife of the above named C.E. Pellier

do by these presents, made and executed by me separate and apart from my said husband, and in the presence of a Notary Public

of the State of Florida, acknowledge and declare that I did make myself a party to and execute the foregoing Deed of Conveyance for the purpose of releasing all my dower and right of dower, and conveying all my sole and separate estate in and to the lands in said conveyance therein described and granted, and that I did the same freely and voluntarily and without any compulsion, constraint, apprehension or fear of or from my said husband.

In Witness Whereof, I have subscribed my name and affix my seal, this 6th day of July, A. D. One Thousand Nine Hundred and Twenty-seven Agnes B. Brock Pellier

STATE OF FLORIDA, COUNTY OF Duval

To All Whom It May Concern, Be it known that on this 6th day of July, A. D. 1927, personally appeared before me, Notary Public of the State of Florida, the above named Agnes B. Brock Pellier, to me well known as the wife of C.E. Pellier

and as one of the persons described in and who executed the foregoing Deed of Conveyance, who, being at the time separate and apart from her said husband, did then and there make and execute the foregoing acknowledgment, her name being with her own hand subscribed and her seal affixed in my presence.

Witness my hand and seal at Duval, the day and year first above written.

(N.P. Seal)

B.C. Blufford
Notary Public for the State of Florida
at Duval
My commission expires Mar 27, 1930

STATE OF FLORIDA, COUNTY OF Duval

On this day personally appeared before me, C.E. Pellier and his wife Agnes B. Brock Pellier to me well known as the person described in and who executed the foregoing Deed of Conveyance, and acknowledged that they executed the same for the purpose therein expressed; whereupon it is prayed that the same may be recorded.

In Witness Whereof, I have hereunto affixed my hand and seal, this 6th day of July, A. D. 1927

(N.P. Seal)

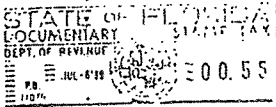
B.C. Blufford
Notary Public for the State of Florida
at Duval
My commission expires Mar 27, 1930

Filed for record Aug 20th 1927 Recorded Aug 20th 1927

J. L. Seiser
Clerk
County Clerk, Duval County, Florida
By: M. C. Sawyer, D. C.

10-50

REC 0397 PAGE 0347



DEED OF EASEMENT

The undersigned owner(s) of the premises herein described ("Grantor"), for and in consideration of Ten Dollars and other good and valuable consideration, the adequacy and receipt of which are acknowledged, hereby grant, sell and convey to Southern Bell Telephone and Telegraph Company, a Georgia corporation, authorized to do business in Florida, whose post office address is 20453 Southern Bell Center, Atlanta, Georgia 30375, its successors, assigns and affiliated and associated companies ("Grantee"), an exclusive easement for the construction, operation and maintenance of:

1. Conduit, wires, markers, underground cables, and other above ground telephone communications equipment. as well as appurtenant facilities reasonably required for the support, use, operation and maintenance of such equipment structures to be installed from time to time with the right to reconstruct, improve, add to, enlarge and remove the same on, in or over the premises described in the attached Exhibit "A".

Grantee shall have the right of ingress, egress and regress to and upon said Premises at all times for the purposes of installing, constructing, operating, inspecting, maintaining and repairing its facilities. The Grantee shall have the right to clear and keep the Premises clear of all trees, undergrowth or other obstructions and to trim, cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside the Premises which might interfere with the lines or systems of communication or electric power serving the Grantee.

The grant of this Easement shall in no way restrict the right and interest of the Grantor in the use, maintenance and quiet enjoyment of the Premises to the extent that such use does not interfere with the rights granted herein. Any ad valorem taxes accruing from Grantee's improvements shall be chargeable to and paid by Grantee when due if separately assessed by the taxing authority as the personal or real property of Grantee. The Grantee shall be liable for personal injuries and damage to real or personal property that may result from its use of the Premises, and shall indemnify the Grantor in the event Grantor is required to pay any claim arising from said use by Grantee.

This Easement shall run with the land in perpetuity and shall be binding on and shall inure to the benefits of the parties hereto, their successors or assigns.

Grantor covenants that it is the fee simple owner of the Premises, has full right, title and capacity to grant this Easement, that the property is free and clear of any encumbrances or liens of whatsoever character, except for N/A and it will defend the same against the claims of all parties.

In Witness Whereof, the undersigned Grantor has executed this Deed of Easement, this 6th day of June, 1967.

Signed, Sealed and Delivered in the presence of:

[Signature]  
WITNESS

[Signature]  
WITNESS

GRANTOR:  
BY: [Signature]  
City of Bennell  
TITLE: Mayor

ACKNOWLEDGMENT

STATE OF Fla.  
COUNTY OF St. Johns

The foregoing instrument was acknowledged before me, this 7th day of June, 1967 by \_\_\_\_\_

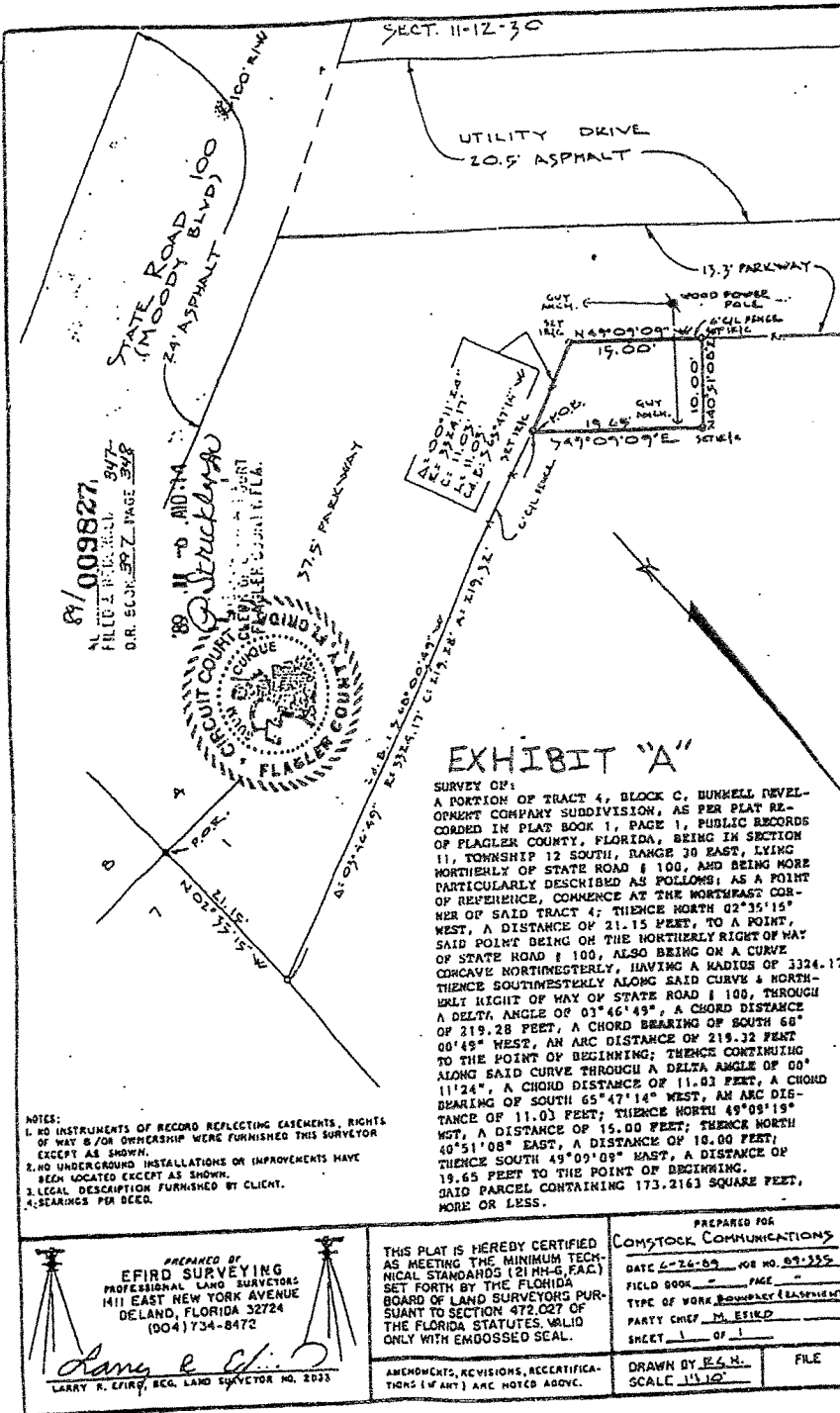
\_\_\_\_\_  
(Official Seal)

[Signature]  
Notary Public

ENGINEERING DEPT.  
P.O. JEROME COMPTON  
900 N. NOVA RD.  
DAYTONA BEACH, FLA. 32017

9065 RW-2

OFF 0397 PAGE 0348



89/009827  
FILED IN PUBLIC RECORDS  
D.R. BOOK 9727 PAGE 348

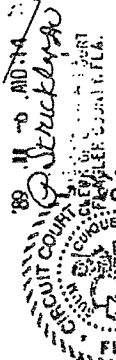


EXHIBIT "A"

SURVEY OF:  
A PORTION OF TRACT 4, BLOCK C, BUNKELL DEVELOPMENT COMPANY SUBDIVISION, AS PER PLAT RECORDED IN PLAT BOOK 1, PAGE 1, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, BEING IN SECTION 11, TOWNSHIP 12 SOUTH, RANGE 30 EAST, LYING NORTHERLY OF STATE ROAD # 100, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: AS A POINT OF REFERENCE, COMMENCE AT THE NORTHEAST CORNER OF SAID TRACT 4; THENCE NORTH 02°35'15" WEST, A DISTANCE OF 21.15 FEET, TO A POINT, SAID POINT BEING ON THE NORTHERLY RIGHT OF WAY OF STATE ROAD # 100, ALSO BEING ON A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 3324.17; THENCE SOUTHWESTERLY ALONG SAID CURVE & NORTHWEST RIGHT OF WAY OF STATE ROAD # 100, THROUGH A DELTA ANGLE OF 03°46'45", A CHORD DISTANCE OF 219.28 FEET, A CHORD BEARING OF SOUTH 68°00'45" WEST, AN ARC DISTANCE OF 219.32 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID CURVE THROUGH A DELTA ANGLE OF 08°11'24", A CHORD DISTANCE OF 11.03 FEET, A CHORD BEARING OF SOUTH 65°47'14" WEST, AN ARC DISTANCE OF 11.03 FEET; THENCE NORTH 49°09'19" WEST, A DISTANCE OF 15.00 FEET; THENCE NORTH 40°51'08" EAST, A DISTANCE OF 18.00 FEET; THENCE SOUTH 49°09'09" EAST, A DISTANCE OF 19.65 FEET TO THE POINT OF BEGINNING. SAID PARCEL CONTAINING 173.2163 SQUARE FEET, MORE OR LESS.

- NOTES:
1. NO INSTRUMENTS OF RECORD REFLECTING EASEMENTS, RIGHTS OF WAY & JOINT OWNERSHIP WERE FURNISHED THIS SURVEYOR EXCEPT AS SHOWN.
  2. NO UNDERGROUND INSTALLATIONS OR IMPROVEMENTS HAVE BEEN LOCATED EXCEPT AS SHOWN.
  3. LEGAL DESCRIPTION FURNISHED BY CLIENT.
  4. SEARCHES FOR DEED.

PREPARED BY  
**EFIROD SURVEYING**  
PROFESSIONAL LAND SURVEYORS  
1411 EAST NEW YORK AVENUE  
DELAND, FLORIDA 32724  
(904) 734-8472

*Larry R. Efirod*  
LARRY R. EFIROD, REG. LAND SURVEYOR NO. 2033

THIS PLAT IS HEREBY CERTIFIED AS MEETING THE MINIMUM TECHNICAL STANDARDS (21 MM-6, FAC) SET FORTH BY THE FLORIDA BOARD OF LAND SURVEYORS PURSUANT TO SECTION 472.027 OF THE FLORIDA STATUTES, VALID ONLY WITH EMBOSSED SEAL.

AMENDMENTS, REVISIONS, RECERTIFICATIONS (IF ANY) ARE NOTED ABOVE.

PREPARED FOR  
**COMSTOCK COMMUNICATIONS**

DATE 4-26-09 JOB NO. 09-339  
FIELD BOOK        PAGE         
TYPE OF WORK BOUNDARY REASSIGNMENT  
PARTY CHIEF DL ESIROD  
SHEET 1 OF 1

DRAWN BY R.C.H. FILE  
SCALE 1"=10'

9065 M/2

**Notice Of Sale**

Printed On: 5/15/2015 2:39:53PM

**Bond Issue name:** \$3,362,000 City of Bunnell, Florida Water and Sewer System Revenue Bonds, Series 2015

**Sale date:** 05/20/2015

**Closing date:** 05/20/2015

**Submitted by:** drose@bmolaw.com

**Submission date:** 5/15/2015 2:39:40PM

# \$3,362,000 City of Bunnell, Florida Water and Sewer System Revenue Bonds, Series 2015

Last Save Date: 5/15/2015 4:59:56PM

Printed On: 5/15/2015 5:00:11PM

## Issuer

**Name of Governmental Unit:**

City of Bunnell, Florida

**Mailing Address of Governmental Unit or its Manager:**

P.O. Box 756

**Address 2:**

[blank]

**City: State: Zip Code:**

Bunnell FL 32110

**Counties in which governmental unit has jurisdiction:**

Flagler

**Type Of Issuer:**

City

**Is the Issuer a Community Development District?**

No

## Bond Information

**Bond Issue Detail(s):**

<u>Name of Bond Issue</u>	<u>Amount Issued</u>	<u>Interest Calculation</u>	<u>Yield</u>
City of Bunnell, Florida Water and Sewer System Revenue Bonds, Series 2015	3,362,000.00	Arbitrage Yield	1.866292

**Amount Authorized:**

3,362,000.00

**Dated Date:**

05/20/2015

**Sale Date:**

05/20/2015

**Delivery Date:**

05/20/2015

**Legal Authority For Issuance:**

Ch. 166, F.S.

**Type Of Issue:**

Revenue

**Is this a Private Activity Bond?**

No

**Specific Revenue(s) Pledged:**

*Primary:* Facility/Revenues/User Fees

*Secondary:* None

**Purpose(s) of the Issue:**

*Primary:* Water

*Secondary:* None

**Is this a Refunding Issue?**

No

**\$3,362,000 City of Bunnell, Florida Water and Sewer System Revenue Bonds, Series 2015**

Last Save Date: 5/15/2015 4:51:05PM

Printed On: 5/15/2015 4:53:15PM

**Bond Refunding Issue Detail(s):**

<b>Name of Refunding Issue</b>	<b>Dated Date</b>	<b>Original Par Value</b>	<b>Par Value Refunded</b>
[blank]			

**Type of sale:**

Negotiated

**Insurance/Enhancements:**

No Credit Enhancement

**Rating(s):**

Moody's: NR

S & P: NR

Fitch: NR

Other: [blank]

**Debt Service schedule provided by:**

Email

**Optional Redemption Provisions provided by:**

Email

**Participants**

Provide the name and address of the Senior Managing Underwriter or Sole Purchaser.

**Underwriter:**

USDA/Rural Development

**Mailing Address of Underwriter:**

2441 NE 3rd Street

**Address 2:**

Suite 204-1

**City:** Ocala                      **State:** FL              **Zip Code:** 34470

**Co-Underwriter:**

None

Provide the names and addresses of any attorneys who advised the unit of local government with respect to the bond issue.

**Bond Counsel:**

Bryant Miller Olive P.A.

**Mailing Address of Bond Counsel:**

101 North Monroe Street

**Address 2:**

Suite 900

**City:** Tallahassee                      **State:** FL              **Postal Code:** 32301

**Co-Bond Counsel:**

None

Provide the names and addresses of any financial consultant who advised the unit of local government with respect to the bond issue.

**Financial Advisor/Consultant:**

None

**\$3,362,000 City of Bunnell, Florida Water and Sewer System Revenue Bonds, Series 2015**

Last Save Date: 5/15/2015 4:51:05PM

Printed On: 5/15/2015 4:53:15PM

**Co-Financial Advisor/Consultant:**

None

**Other Professionals:**

[blank]

**Mailing Address of Other Professionals:**

[blank]

**Address 2:**

[blank]

**City:**

[blank]

**State:**

[blank]

**Zip Code:**

[blank]

**Paying Agent:**

[blank]

**Registrar:**

[blank]

**Fees**

Has any fee, bonus, or gratuity been paid by any underwriter or financial consultant, in connection with the bond issue, to any person not regularly employed or engaged by such underwriter or consultant?

**Fees Paid:**

<b>Company Name</b>	<b>Fee Paid</b>	<b>Service provided or function served</b>
[blank]		

Have any other fees been paid by the unit of local government with respect to the bond issue, including any fee paid to attorneys of financial consultants?

**Total Bond Counsel Fees Paid:**

22,000.00

**Total Financial Advisor Fees Paid:**

0.00

**Other Fees Paid:**

<b>Company Name</b>	<b>Fee Paid</b>	<b>Service Provided or Function Served</b>
Sidney M. Nowell	12,625.00	Issuer's Counsel

Filing of this form has been authorized by the official of the issuer identified below:

**Name:**

Catherine D. Robinson, Mayor

**Title:**

Governmental Officer primarily responsible for coordinating issuance of the bonds

**Fees charged by Underwriter:**

*Management Fee (per thousand par value):*

0.00

**OR**

*Private Placement Fee:*

0.00



**\$3,362,000 City of Bunnell, Florida Water and Sewer System Revenue Bonds, Series 2015**

Last Save Date: 5/15/2015 4:51:05PM

Printed On: 5/15/2015 4:53:15PM

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Underwriter's expected gross spread (per thousand par value):

0.00

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**Respondent**

For additional information, the Division of Bond Finance should contact:

**Name:**

Christopher B. Roe

**Title:**

Attorney

**Phone:**

850-222-8611

**Company:**

Bryant Miller Olive P.A.

**Mailing Address of Respondent:**

101 North Monroe Street

**Address 2:**

Suite 900

**City:**

Tallahassee

**State:**

FL

**Zip Code:**

32301

Information relating to party completing this form (if different from above):

**Name:**

[blank]

**Title:**

[blank]

**Phone:**

[blank]

**Company:**

[blank]

**Mailing Address:**

[blank]

**Address 2:**

[blank]

**City:**

[blank]

**State:**

[blank]

**Zip Code:**

[blank]

---

**Continuing Disclosure**

If the issuer is required to provide continuing disclosure information in accordance with SEC Rule 15C2-12, do you want the Division of Bond Finance to remind you of your filing deadline?

No

**Information Return for Tax-Exempt Governmental Obligations**

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

**Part I Reporting Authority**

If Amended Return, check here

1 Issuer's name City of Bunnell, Florida		2 Issuer's employer identification number (EIN) 59-6000285	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) Robert C. Reid, Esq., Bond Counsel		3b Telephone number of other person shown on 3a 850-222-8611	
4 Number and street (or P.O. box if mail is not delivered to street address) 101 North Monroe Street	Room/suite Ste. 900	5 Report number (For IRS Use Only) 3	
6 City, town, or post office, state, and ZIP code Tallahassee, Florida 32301		7 Date of issue 05/20/2015	
8 Name of issue Water and Sewer System Revenue Bonds, Series 2015		9 CUSIP number N/A	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Stella Gurnee, Finance Director		10b Telephone number of officer or other employee shown on 10a 386-437-7500	

**Part II Type of Issue (enter the issue price). See the instructions and attach schedule.**

11	Education	11		
12	Health and hospital	12		
13	Transportation	13		
14	Public safety	14		
15	Environment (including sewage bonds)	15		
16	Housing	16		
17	Utilities	17	3,362,000	00
18	Other. Describe ►	18		
19	If obligations are TANs or RANs, check only box 19a			<input type="checkbox"/>
	If obligations are BANs, check only box 19b			<input type="checkbox"/>
20	If obligations are in the form of a lease or installment sale, check box			<input type="checkbox"/>

**Part III Description of Obligations. Complete for the entire issue for which this form is being filed.**

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	05/20/2055	\$ 3,362,000.00	\$ 3,362,000.00	23.0089 years	1.8663 %

**Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)**

22	Proceeds used for accrued interest	22		0	00
23	Issue price of entire issue (enter amount from line 21, column (b))	23		3,362,000	00
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	34,625	00	
25	Proceeds used for credit enhancement	25	0	00	
26	Proceeds allocated to reasonably required reserve or replacement fund	26	0	00	
27	Proceeds used to currently refund prior issues	27	3,133,328	36	
28	Proceeds used to advance refund prior issues	28	0	00	
29	Total (add lines 24 through 28)	29		3,167,953	36
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30		194,046	64

**Part V Description of Refunded Bonds. Complete this part only for refunding bonds.**

31	Enter the remaining weighted average maturity of the bonds to be currently refunded	2.10	years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded		years
33	Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	05/20/2015	
34	Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	06/26/2014 (BAN)	

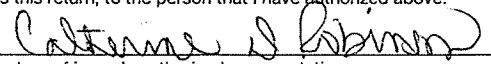
For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 63773S

Form **8038-G** (Rev. 9-2011)

**Part VI Miscellaneous**

<b>35</b>	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) . . . . .	<b>35</b>	0	00
<b>36a</b>	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) . . . . .	<b>36a</b>	0	00
<b>b</b>	Enter the final maturity date of the GIC ▶ _____			
<b>c</b>	Enter the name of the GIC provider ▶ _____			
<b>37</b>	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units . . . . .	<b>37</b>	0	00
<b>38a</b>	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:			
<b>b</b>	Enter the date of the master pool obligation ▶ _____			
<b>c</b>	Enter the EIN of the issuer of the master pool obligation ▶ _____			
<b>d</b>	Enter the name of the issuer of the master pool obligation ▶ _____			
<b>39</b>	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box . . . . .			<input checked="" type="checkbox"/>
<b>40</b>	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box . . . . .			<input type="checkbox"/>
<b>41a</b>	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:			
<b>b</b>	Name of hedge provider ▶ _____			
<b>c</b>	Type of hedge ▶ _____			
<b>d</b>	Term of hedge ▶ _____			
<b>42</b>	If the issuer has superintegrated the hedge, check box . . . . .			<input type="checkbox"/>
<b>43</b>	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box . . . . .			<input type="checkbox"/>
<b>44</b>	If the issuer has established written procedures to monitor the requirements of section 148, check box . . . . .			<input type="checkbox"/>
<b>45a</b>	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement . . . . . ▶ _____			
<b>b</b>	Enter the date the official intent was adopted ▶ _____			

<b>Signature and Consent</b>	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
	 Signature of issuer's authorized representative	5/20/15 Date	Catherine D. Robinson, Mayor Type or print name and title	
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed
	Robert C. Reid, Esq., Bond Counsel			PTIN P01246384
	Firm's name ▶ Bryant Miller Olive P.A.	Firm's EIN ▶ 59-1315801		
Firm's address ▶ 101 North Monroe Street, Suite 900, Tallahassee, Florida 32301	Phone no. 850-222-8611			

DISCLOSURE STATEMENT

City Commission  
City of Bunnell, Florida  
Bunnell, Florida

In connection with the proposed issuance by the City of Bunnell, Florida (the "Issuer") of its \$3,262,000 City of Bunnell, Florida Water and Sewer Revenue Bonds, Series 2015 (the "Series 2015 Bonds"), the United States of America, Department of Agriculture, Rural Development (the "Purchaser"), has agreed to purchase the Series 2015 Bonds.

The purpose of this letter is to furnish, pursuant to the provisions of section 218.385(6) and (2), Florida Statutes, as amended, certain information in respect to the arrangement contemplated for the purchase of the Series 2015 Bonds as follows:

(1) The nature and estimated amount of expenses to be incurred by the Purchaser and paid by the Purchaser in connection with the purchase and reoffering of the Series 2015 Bonds is as follows:

None

(2) No person has entered into an understanding with the Purchaser, or to the knowledge of the Purchaser, with the Issuer for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer and the Purchaser or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Series 2015 Bonds.

(3) The amount of underwriting spread, including the management fee, expected to be realized is as follows:

None

(4) No other fee, bonus or other compensation is estimated to be paid by the Purchaser in connection with the issuance of the Series 2015 Bonds to any person not regularly employed or retained by the Purchaser (including any "finder", as defined in section 218.386(1)(a), Florida Statutes, as amended).

(5) The name and address of the Purchaser are set forth below:

United States of America, Department of Agriculture, Rural Development  
2441 NE 3rd Street, Suite 204-1  
Ocala, Florida 34470

(6) The Issuer is proposing to issue the Series 2015 Bonds for the purpose of providing funds which will be used to refund on a current basis the outstanding principal

amount of the Issuer's Water and Sewer System Revenue Bond Anticipation Note, Series 2014, the proceeds of which were used to finance the cost of the acquisition, construction and erection of extensions and improvements to the Issuer's water system (the "Project"), to pay a portion of the costs of acquiring and constructing the Project, and to pay certain costs of issuance of the Series 2015 Bonds. The Series 2015 Bonds are expected to be repaid over a period of 40 years. At a fixed interest rate of 1.875% total interest paid over the life of the Series 2015 Bonds is expected to equal approximately \$1,450,425.


(7) The source of repayment or security for the Series 2015 Bonds is the Pledged Funds (as defined in the Bond Resolution). Authorizing the Series 2015 Bonds will result in a maximum of \$132,437.50 of the Pledged Funds not being available to the Issuer each year for other uses during the term of the Series 2015 Bonds.

DATED this 20th day of May, 2015.

Respectfully submitted,

UNITED STATES OF AMERICA,  
DEPARTMENT OF AGRICULTURE,  
RURAL DEVELOPMENT



 Name: R.C. Quinton  
Title: Area Director

**FINANCIAL CERTIFICATE**

I, the undersigned officer of the City of Bunnell, Florida (the "Issuer"), of the obligations described as follows:

\$3,362,000 City of Bunnell, Florida Water and Sewer System Revenue Bonds, Series 2015, consisting of one fully registered Bond dated May 20, 2015, bearing interest at the rate of 1.875% and maturing on May 20 in the years and amounts as follows:

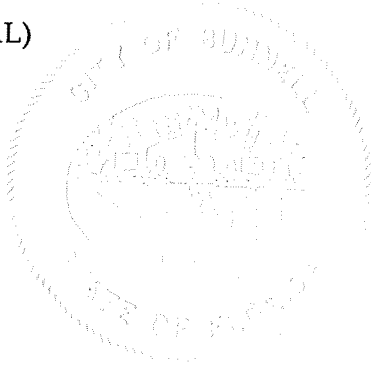
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
(May 20)		(May 20)	
2016	\$57,000.00	2036	\$83,000.00
2017	\$58,000.00	2037	\$84,000.00
2018	\$59,000.00	2038	\$86,000.00
2019	\$60,000.00	2039	\$87,000.00
2020	\$61,000.00	2040	\$89,000.00
2021	\$63,000.00	2041	\$91,000.00
2022	\$64,000.00	2042	\$92,000.00
2023	\$65,000.00	2043	\$94,000.00
2024	\$66,000.00	2044	\$96,000.00
2025	\$67,000.00	2045	\$98,000.00
2026	\$69,000.00	2046	\$100,000.00
2027	\$70,000.00	2047	\$101,000.00
2028	\$71,000.00	2048	\$103,000.00
2029	\$73,000.00	2049	\$105,000.00
2030	\$74,000.00	2050	\$107,000.00
2031	\$75,000.00	2051	\$109,000.00
2032	\$77,000.00	2052	\$111,000.00
2033	\$78,000.00	2053	\$113,000.00
2034	\$80,000.00	2054	\$115,000.00
2035	\$81,000.00	2055	\$130,000.00

DO HEREBY CERTIFY that there have been no changes in the financial condition of said Issuer other than those incidental to the ordinary conduct of its affairs, since the date of the last financial statement submitted to the United States of America, acting through the USDA, Rural Development, Rural Utilities Service, hereinafter referred to as the "Government," as a part of the Issuer's application for a loan.

I FURTHER CERTIFY that the financial condition of said Issuer is at least as favorable as it was on the date of its application for a loan from the Government.

IN WITNESS WHEREOF, I have hereunto set my hand and impressed the official seal of said Issuer, this 20th day of May, 2015.

(SEAL)



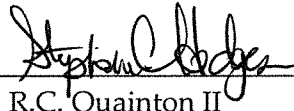
  
\_\_\_\_\_  
Stella Gurnee, Finance Director

CERTIFICATE OF UNITED STATES OF AMERICA

This is to certify that the United States of America, acting through the United States Department of Agriculture, Rural Development, Rural Utilities Service, has conducted its own investigations, to the extent it deems satisfactory or sufficient, into matters relating to the business affairs or conditions (either financial or otherwise), of the City of Bunnell, Florida, in connection with the issuance of its \$3,362,000 City of Bunnell, Florida Water and Sewer System Revenue Bonds, Series 2015 (the "Series 2015 Bonds"), dated May 20, 2015, and no inference should be drawn that the United States of America, acting through the United State Department of Agriculture, Rural Development, Rural Utilities Service, in the acceptance of said Series 2015 Bonds is relying on Bond Counsel as to any such matters other than the legal opinion rendered by Bond Counsel, Bryant Miller Olive P.A.

DATED this 20th day of May, 2015.

UNITED STATES OF AMERICA, UNITED STATES  
DEPARTMENT OF AGRICULTURE, RURAL  
DEVELOPMENT

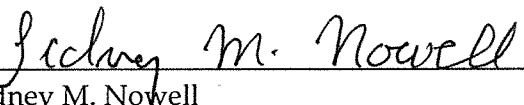
By:   
for R.C. Quainton II  
Area Director



ATTORNEY'S LEGISLATION CERTIFICATE

I, Sidney M. Nowell, Counsel for the City of Bunnell, Florida (the "Issuer"), HEREBY CERTIFY that I have no knowledge of any legislation enacted in the 2015 Regular Session of the Florida Legislature or being considered by the Florida Legislature that in any manner limits, restricts, or otherwise adversely affects the right and power of the Issuer to issue its \$3,362,000 City of Bunnell, Florida Water and Sewer System Revenue Bonds, Series 2015 (the "Series 2015 Bonds"), dated May 20, 2015, or to pledge for the payment of the Series 2015 Bonds the revenues pledged for the payment thereof in the manner provided in Resolution No. 2013-16A, adopted by the City Commission of the Issuer (the "City Commission") on September 9, 2013, as amended and supplemented by a resolution adopted by the City Commission on May 18, 2015.

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

  
\_\_\_\_\_  
Sidney M. Nowell  
City Attorney



1718 Peachtree Rd., Suite 576  
Atlanta, Georgia 30309-2454  
Telephone: (404) 347-1060  
Facsimile: (404) 347-1065

United States  
Department of  
Agriculture

October 18, 2013

Office of the  
General  
Counsel

Michael A. Langston, Director  
Community Programs  
Rural Development, USDA  
Gainesville, Florida

Subject: City of Bunnell  
Water Treatment Plant Upgrade Project  
WWD Loan: \$3,362,000.00  
WWD Grant: \$1,478,000.00  
RUS Closing Instructions

Dear Mr. Langston:

The loan will be repaid over 40 years at an annual interest rate not to exceed 1.875%, through water & sewer revenue bonds. The bonds are to be secured by a first lien on the net revenues of the water and sewer systems, and other revenues pledged. This will be a *parity lien* with USDA's previous bonds: Water & Sewer Revenue Bonds, Series 1993 (\$936,400.00 and \$1,051,900.00) and Water & Sewer Revenue Bonds Series 1997 (\$1,080,000.00)g Water System Junior Lien Revenue Bonds Series 1990A, 1990B, 2005A and 2005B, in favor of USDA-RD.

The Letter of Conditions, dated February 25, 2013, cites the loan and grant, with provisions outlining many aspects of this financing arrangement. Interim financing is provided so long as certain terms and conditions are met. This will be a first lien on PARITY with the previously-issued USDA Revenue Bonds.

The Letter of Intent to Meet Conditions, Form RD 1942-46, dated February 25, 2013, was signed by the City's Mayor.

The Request for Obligation of Funds, Form RD 1940-1, cites the \$3,362,000.00 loan at 1.875% annual interest, repayable over 40 years, and the \$1,478,000.00 grant. On March 11, 2013, the City's Mayor signed the document and, on March 27, 2013, RD approved of same. This form is satisfactory.

The Loan Resolution [Public Bodies], Form RUS Bulletin 1780-27, dated March 11, 2013, cites the loan and grant, with appropriate regulatory terms and conditions. It was duly signed by the City's Mayor and attested to by the City Clerk. When the Certification page is completed at closing, this form will be satisfactory.

The Equal Opportunity Agreement and Assurance Agreement, Forms RD 400-1 and 400-4, respectively, must be discarded with new forms executed at the closing

The Water or Waste System Grant Agreement, RUS Bulletin 1780-12, must be completed. Please ensure that all information therein is accurate and that the document is signed by the City's officials and the RD Area Director. Then, such form will be satisfactory.

The Preliminary Title Opinion, Form RD 1927-9, dated June 14, 2013, cites title to the relevant project property as vested in the City, with no significant exceptions-to-title. Attachments include warranty deeds covering the real estate. At closing, an updated P.T.O. must be prepared, citing title to all project properties as vested in the City, with no significant exceptions-to-title.

Thee Right-of-Way Certificate and Opinion of Counsel Relative to Rights-of-Way, Forms RD 442-21 and 442-22, were duly executed by municipal officials. No exceptions-to-title are noted. At closing, please have Form RD 442-22 updated.

Resolution No. 2013-16A is a multi-page document, detailing the resolution and all of the terms, conditions, and provisions connected therewith. It states and authorizes issuance of the Water and Sewer System Revenue Bonds, not to exceed \$3,362,000.00, to be on parity with USDA's Series 1993 and 1997 Bonds. On September 10, 2013, it was signed by the Mayor and attested to by the City Clerk. Prior to closing, please ensure that all information therein is accurate and representative of the parity lien status of the new USDA Revenue Bonds to those prior Bonds. In all security documents, the Government should be referred to as "*United States of America, United States Department of Agriculture, Rural Development*".

There must be submitted a current *attorney certification letter* by the City's attorney, attesting to the following items regarding the City: (1) Municipal corporation existing under Florida laws; (2) Ability and authority to conduct all transactions with a federal agency as contemplated herein; (3) Lack of pending or threatened litigation which would adversely impact the City's authority to carry out the purposes of the loan and grant; and, (4) First lien parity position of new Revenue Bond with the prior, outstanding 1993 and 1997 USDA Revenue Bonds.

There needs to be submitted a copy of planned rates for service regarding this project. You must ensure that the rates are in compliance with USDA regulations and RD's Letter of Conditions.

There also needs to be submitted a Notice of Permit Issuance and Permit, by the Department of Environmental Protection of Florida, for this project. Please see that such are submitted.

The amounts and terms within the Bond Ordinance must also be administratively reviewed and approved. Upon your administrative approval and with the prior knowledge of RD, bond counsel may proceed with the adoption and commencement of validation proceedings, as is deemed appropriate by bond counsel. Ensure that the parity language therein is administratively correct.

Upon confirmation of validation, bond counsel's certification letter would be satisfactory to show that the City is of proper existence under Florida law; the administratively-approved Bond Resolution has been adopted; and, the Decree of Validation has been issued.

All forms and documents to be executed on behalf of the City must to be signed by the Mayor

and attested to by the City Clerk, with municipal seal affixed. Documents requiring certification, except those which are to be certified by the Clerk of Court or other public official, must be certified with municipal seal affixed. Signatories indicate their respective offices or titles under their signature, with signatures consistent in all documents in naming the proper parties.

All applicable requirements of RD Instructions 1780, the requirements of the National Office and any other conditions as set forth in the Letter of Conditions or otherwise must be complied with at the time of or prior to closing of the loan.

The Certificate below must be executed by the Rural Development closing officer and the attorney for the City, after all requirements herein have been met.

For final approval, there are to be submitted to this Ooffice, after having been reviewed by your State Office, the following:

1. Updated Preliminary Title Opinion, Form RD 1927-9;
2. Executed Water or Waste System Grant Agreement, RUS Bulletin 1780-12;
3. Updated *attorney certification letter*, by local counsel;
4. Validation Letter, by bond counsel;
5. Bond Resolution;
6. Bond Transcript; and,
7. Final Title Opinion [if different from updated P.T.O.].

Should you have any questions regarding this matter, please call me at telephone (404) 347-1081 or contact at my website: [mark.stevens@usda.gov](mailto:mark.stevens@usda.gov).

Sincerely,

ANDREA L. FOSTER  
Regional Attorney



Mark Lee Stevens  
Attorney

Enclosures

MLS/mls

**CERTIFICATION**

We certify that all requirements of these instructions have been met.

Date: 5/20/15

Andy M. Noe  
Attorney for the City of Bunnell, Florida

Date: 5-20-15

Stephen W. Hodge  
Rural Utilities Service  
Rural Development  
United States Dept. of Agriculture  
United States of America



Florida/Virgin Islands  
2441 NE 3<sup>rd</sup> Street  
Suite 204-1  
Ocala, FL 34470

Ocala Area Office  
Telephone: (352) 732-9796  
FAX: (352) 732-9728  
TDD: (352) 338-3499  
[www.rurdev.usda.gov/fl](http://www.rurdev.usda.gov/fl)

## LETTER OF CONDITIONS

February 25, 2013

Honorable Catherine Robinson  
City of Bunnell  
PO Box 756  
Bunnell, FL 32110

Re: Water and Waste Disposal Loan and Grant Program Application  
Water Treatment Plant Upgrade Project

Dear Mayor Robinson:

This letter establishes conditions which must be understood and agreed to by the City of Bunnell (hereinafter referred to as the Applicant) before further consideration may be given to the referenced application. The State and Area staff of USDA, Rural Development (RD) will administer the loan and grant on behalf of the Rural Utilities Service (RUS). Any changes in project cost, source of funds, scope of services or any other significant changes in the project or applicant must be reported to and approved by RD, by written amendment to this letter. If significant changes are made without obtaining such approval, RD may discontinue processing the application.

This letter does not constitute loan/grant approval, nor does it ensure that funds are or will be available for the project.

Please complete and return the attached Form RD 1942-46, "Letter of Intent to Meet Conditions", and Form RD 1940-1, "Request for Obligation of Funds" if the applicant desires that further consideration be given to this application.

Within one (1) year of the date of this letter, the Applicant must meet all of the conditions set forth which can be met prior to calling for construction bids. If the Applicant has not done so, RD reserves the right to discontinue the processing of the application.

The application may be completed on the basis of the following:

**FUNDING** – A Rural Development loan of \$3,362,000.00, a Rural Development grant not to exceed \$1,478,000.00 and a loan and grant in the amount of \$1,204,000.00 from Florida Department of Environmental Protection, State Revolving Fund Program (SRF).

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*USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).*

**Note:** Project funding needs will be re-evaluated after construction bids are received. Obligated loan or grant funds not needed to complete the proposed project will be de-obligated. Any reduction will be applied to grant funds first. An amendment to this Letter of Conditions will be issued for any revised project budget.

The applicant agrees that any RD loan or grant funds remaining more than 180 days after closing or completion of construction will be de-obligated by RD.

**BREAKDOWN OF PROJECT FUNDING:**

Rural Development Loan:	<b>\$3,362,000.00</b>
Rural Development Grant:	<b>1,478,000.00</b>
State Revolving Fund Loan and Grant:	<b><u>1,204,000.00</u></b>
<b>Total Project Cost</b>	<b>\$6,044,000.00</b>

**RD REPAYMENT SCHEDULE** – The loan will be scheduled for repayment over a period not exceeding 40 years from the date of loan closing. The payment due date will be established as the day that the loan closes (the 28<sup>th</sup> is the due date when loans are closed on the 29<sup>th</sup>, 30<sup>th</sup> or 31<sup>st</sup>.) All remaining payments will be equally amortized annual installments. For planning purposes, use an annual installment of **\$120,226.00** per year which is based on the proposed loan of **\$3,362,000.00** with an interest rate of 1.875% and 40-year amortization period. (35.76 amortization factor per thousand).

Prior to construction or loan closing, whichever occurs first, the applicant will execute Form RD 1910-11 "Applicant Certification - Federal Collection Policies for Consumer or Commercial Debts".

A form entitled "Authorization Agreement for Preauthorized Payments", Form SF 5510, will be required to be executed for the loan. Preauthorized Debit (PAD) will allow for the payment to be electronically debited from the Applicant's account on the day the payment is due. The Applicant will receive written notice of the payment date and the withdrawal amount. This agreement will authorize RD to directly access funds from the debt service account established by the Applicant.

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**BREAKDOWN OF PROJECT BUDGET** – Estimated project costs are as follows:

Development	\$4,660,000.00
Contingency	233,830.00
Legal	44,625.00
Engineering	826,045.00
Interim Financing	203,000.00
Planning	66,300.00
Admin	10,200.00
<b>TOTAL</b>	<b>\$6,044,000.00</b>

Any changes in funding sources following obligation of RD funds must be reported to the processing official. You must assure that all project funds are expended only for the eligible items included in the project budget of this letter of conditions or as amended by RD in writing at a later date.

Prior to advertisement for construction bids, you must provide evidence of applicant contributions and approval of any other loans and/or grants. This evidence should include a copy of the loan and/or grant award. An agreement should be reached with all funding sources on how funds are to be disbursed before the start of construction.

**System for Awards Management (SAM)** - The Applicant as the recipient must maintain the currency of its information in the "System for Awards Management" (previously Central Contractor Registration or CCR) until you submit the final financial report required under this award and all funds under this award have been disbursed or de-obligated, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term. Recipients can register on-line at <https://sam.gov>

The Applicant as the recipient may not make a sub-award to an entity unless the entity has provided its Data Universal Numbering System (DUNS) number to you. Sub-recipients with sub-awards of \$25,000 or more must also have and maintain a current CCR registration.

**INTERIM FINANCING** - The Applicant will borrow funds from commercial or other sources in an amount equal to the USDA loan for the construction period only. If credit from other/commercial sources cannot be obtained, letters from these sources are to be obtained stating that credit is not available and submitted to the Area Office. RUS Bulletins 1780-10 and 1780-10a are used to inform lenders of RD's commitment. Copies of these bulletins can be obtained at: <http://www.usda.gov/rus/water/regs-bulletins.htm>.

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*USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).*



RD cannot issue a commitment letter to a lender for interim financing until the following are completed:

1. Plans, specifications, contract documents and permits are accepted and approved.
2. Construction bids are received and **are within the funds available**.
3. RD Regional Attorney's closing instructions can be complied with.

Provided interim financing is used, construction will not begin until construction bids are obtained, and the necessary processing and legal work has been completed to the point where the RD loan could be closed.

The Area Office will approve the "Partial Payment Estimate" on EJCDC documents to insure that funds are used for authorized purposes during the construction period. Forms can be located at the following website:  
<http://www.usda.gov/RUS/Water/wwforms.htm>

When interim financing is used, although a commitment has been made by the Government, only those funds advanced to pay for construction and other authorized and legally eligible expenses incurred by the applicant will be deemed by the Government to be interim Applicant commercial indebtedness and retired by the RD funding. RD must determine that the construction loan is properly administered and that when the RD loan is closed, the Government is fully secured. The following will be required prior to loan closing:

1. An affidavit by the general contractor that the firm has been paid in full (to date) in accordance with the terms of the contract, and that it has paid all subcontractors, material men, and laborers with respect to the construction of the project. (It may be that the general contractor will receive final payment at loan closing from loan proceeds and perhaps make some disbursements at that time to subcontractors and suppliers.)
2. A certificate by the consulting engineer that the system has been constructed in accordance with applicable laws and according to the plans and specifications approved by the Government.
3. A statement from the attorney that he/she has been paid to date in accordance with his agreement.

The applicant's legal counsel will be required to furnish evidence the interim financing has been paid-in-full.

When interim financing funds have been expended, the RD loan will be closed and permanent instruments will be issued to evidence the RD indebtedness.

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**REQUIRED NUMBER OF USERS** – This Letter of Conditions is based upon the Applicant providing evidence or a certification that there will be at least **1,348** users equivalent to **2,046** EDUs (Equivalent Dwelling Units) with an EDU being calculated based on **3,165** gallons per month of water usage connected to the system when construction is complete.

Before RD can agree to the project being advertised for construction bids, the Applicant must provide evidence or certification that the total required number of users will be hooked up to the system. You must provide documentation to show those users will actually be connected to the system when the project is complete and that the monthly water usage is projected for each by the engineer is accurate. In the event any large volume users discontinue the service, the Applicant must obtain enough additional revenue (i.e. increase in user rates, sign up of an adequate number of users, reduction in project scope to reduce debt service and O&M, etc.) to make up the projected income that would be lost by not having those users on the system.

Applicants must provide a positive program to encourage connection by all users as soon as service is available. The program will be available for review and concurrence by the Rural Development processing office before loan closing or commencement of construction, whichever occurs first. Such a program should include:

1. An aggressive information program to be carried out during the construction period. The applicant should send written notification to all signed users in advance of the date service will be available, stating the date users will be expected to have their connections completed, and the date user charges will begin.
2. Positive steps to assure that installation services will be available. These may be provided by the contractor installing the system, local plumbing companies or local contractors.
3. Aggressive action to see that all signed users can finance their connections.

**ORGANIZATION** - The loan/grant docket will include evidence that the applicant is legally organized under State Statutes. Documents concerning the creation and legal existence of your entity are administratively acceptable; however, the documents will be reviewed further by our Office of General Counsel at the time your file is forwarded for closing instructions. Any changes required by our Legal Counsel will be included in the closing instructions. The applicant's attorney is to provide an opinion that the applicant has the authority to carry out the planned method of construction, operation, maintenance, and repayment in connection with the proposed facility.

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**SECURITY REQUIREMENTS** – Security for the loan will consist of water and sewer revenue bonds to be issued by the City that will be secured by a parity first lien on the net revenues of the water and sewer systems and other revenues previously pledged. The parity lien will be with that of the applicant's outstanding Water and Sewer Revenue Bonds, Series 1993 in the original amount of \$936,400; Water and Sewer Revenue Bonds, Series 1993 in the original amount of \$1,051,900; and Water and Sewer Revenue Bonds, Series 1997, in the original amount of \$1,080,000; all held by RD.

The Applicant's attorney will obtain the assistance of recognized bond counsel. All documents necessary to close the RD loan must be prepared by bond counsel. RUS Instruction 1780.83 will be followed by the applicant's attorney and bond counsel. Two bound copies of the complete bond transcript will be furnished to RD by bond counsel at loan closing.

**OTHER FUNDING SOURCES** - Written evidence is to be furnished prior to advertising for construction bids as to the availability of other funds to be used in the project financing. Other funding planned to be received will be in the form of a \$1,000,000 Florida DEP State Revolving Fund Grant and \$204,000 Florida DEP State Revolving Fund loan. Any loan/grant funds remaining more than 180 days after closing or completion of construction will be de-obligated by RD.

**TITLE TO THE PROPERTY**

The Applicant will provide evidence of title satisfactory to RD for all of the real property and assets which will be necessary for the operation of the water system and that will be purchased or improved with the loan and grant funding prior to advertising for construction bids.

**LOAN RESOLUTION** - Prior to advertising the project for construction bids, the applicant's Board will execute RUS Bulletin 1780-28 "Loan Resolution Security Agreement".

**GRANT AGREEMENT** - Attached is a copy of RUS Bulletin 1780-12, "Water and Waste System Grant Agreement", for review. The applicant will be required to execute a completed form at the time of grant closing. All sites being improved and all non-expendable equipment being purchased must be described on the grant agreement.

Any grant funds not disbursed immediately upon receipt must be deposited in an interest bearing account. Interest earned on grant funds in excess of \$250 per year will be remitted to the RUS annually as required in 7CFR 3019.

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For projects receiving grant assistance, current regulations require that the applicant will provide a drug free workplace. Form AD-1049, Certification Regarding Drug Free Work Place Requirements, must be completed prior to receiving the RD Grant.

**LAND RIGHTS** - Prior to advertising for construction bids or requesting closing instructions, whichever is earlier, the Applicant must provide evidence of title satisfactory to RD, for all property necessary for system operation upon project completion. This will include marketable title to the property owned or being purchased for the facility; and adequate continuous and valid rights-of-way and easements, subject only to any exceptions approved in writing by RD.

A third party independent appraisal is to be provided for any real estate or any other types of acquired properties which are purchased for use as part of the proposed project for which RD funds are to be utilized. Funds provided by RD can only be utilized to the extent of the purchase price or appraised value, whichever is the lowest.

**BUSINESS OPERATIONS** –The facility must be operated in accordance with applicable Florida State Statutes and regulations. Prior to commencement of construction, the applicant will furnish a detailed written plan for the financial and functional operation of the system. If any functions or services are to be provided by contract(s) with third parties, prior approval of the contract by the RD is required. A certified plant operator must be employed.

**METERING DEVICES** – Water facilities financed by RD will have metering devices for each connection. Sanitary sewer projects should incorporate water system metering devices whenever practical. Prior to loan closing or start of construction, whichever occurs first, the applicant will provide USDA, Rural Development, a certification that all water users have a metering device.

**RESERVES** – Reserves must be properly budgeted to maintain the financial viability of any operation. Reserves are important to fund unanticipated emergency maintenance and repairs, and assist with debt service should the need arise. Reserves can also be established and maintained for the anticipated and expected expenses including but not limited to operation and maintenance, customer deposits, and asset management for short lived assets.

Provisions for the accumulation of necessary reserves over a reasonable period of time will be included in the loan documents. For planning purposes, the debt reserve will accumulate at the rate of one-tenth of an average loan installment each year which is \$12,023.00.

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**INCOME AVAILABLE** – The Applicant must maintain a rate schedule for the water system that provides adequate income to meet the minimum requirements for operation and maintenance, debt service, and reserves.

**OPERATION AND MAINTENANCE EXPENSES** - O&M expenses must be properly budgeted to assure the financial viability of any operation. For planning purposes, we have utilized O&M expenses based on the information provided in the Preliminary Engineering Report which should be representative of a typical year. This information is utilized to determine loan repayment and is reflected in the operating budget. It is expected that O&M will change over each successive year and user rates will need to be adjusted appropriately.

**PROPOSED OPERATING BUDGET AND USER RATE ANALYSIS** – The Applicant will be required to submit a copy of its proposed annual operating budget and rate analysis to RD, which supports the proposed loan repayment, prior to this Agency giving the Applicant written authorization to proceed with the bidding phase.

The operating budget should be based on a typical year cash flow, subject to completion of this project, in the first full year of operation.

The rate analysis will be required to show the number of users, their average consumption based on a twelve month consecutive average, and rate structure to support the necessary revenue to make the operating budget cash flow. In the event that rates are not adequate for a positive cash flow, funds must be made available from other Applicant revenue sources in an amount sufficient to do so. Form RD 442-7, "Operating Budget" or similar form may be utilized for this purpose.

**INSURANCE REQUIREMENTS** – Prior to loan closing or start of construction, whichever occurs first, you must acquire the types of insurance and bond coverage shown below. The use of deductibles may be allowed providing you have the financial resources to cover potential claims requiring payment of the deductible. RD strongly recommends that you have your engineer, attorney, and insurance provider (s) review proposed types and amounts of coverage, including any exclusions and deductible provisions.

It is the City's responsibility and not that of RD to assure that adequate insurance and fidelity or employee dishonesty bond coverage is maintained.

- a. General Liability Insurance – Include vehicular coverage.
- b. Workers' Compensation – In accordance with appropriate State laws.

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- c. Position Fidelity Bond(s) – All positions occupied by persons entrusted with the receipt and/or disbursement of funds must be bonded. You should have each position bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time. The minimum coverage acceptable to RD will be for each position to be bonded for an amount at least equal to one annual installment on your loan(s). The coverage may be increased during construction of this project based on the anticipated monthly advances. The amount of coverage should be discussed and approved by RD.
- d. National Flood Insurance – If the project involves acquisition or construction in designated special flood or mudslide prone areas, you must purchase a flood insurance policy at the time of loan closing.
- e. Real Property Insurance – Fire and extended coverage will normally be maintained on all structures except reservoirs, pipelines and other structures if such structures are not normally insured and subsurface lift stations except for the value of electrical and pumping equipment. Prior to the acceptance of the facility from the contractor(s) you must obtain real property insurance (fire and extended coverage) on all facilities identified above.

**OBTAINING AND APPROVAL OF PROFESSIONAL SERVICES** - All contracts for services of consultants, attorneys, engineers and auditors are subject to prior review and approval by RD. All such contracts shall contain provisions that they are not effective until approved by RD. Specifically, Bulletin 1780-7, Legal Services Agreement must be approved by RD prior to project implementation.

**ENGINEERING & CONSTRUCTION REQUIREMENTS:** Rural Development Instruction 1780 Subpart C and EJCDC Contract Documents – Funding Agency Edition (2008) and RUS Bulletin 1780-26 will be utilized by the applicant and engineer for all construction. The Applicant's engineer will be responsible for obtaining these documents.

Construction will not begin until construction bids are obtained and the necessary processing and legal work has been completed to the point where the RD loan and grant can be closed.

A preconstruction conference will be held after bid opening at a convenient time to be scheduled by RD. In attendance will be the designated representatives of the Applicant, consulting engineer, resident inspector, contractor's representatives, and RD personnel.

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**DEBARMENT, SUSPENSION:** A certification must be provided to RD on Form AD-1047 "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions". This must be understood and complied with, including compliance with the requirement that "lower tier" transactions must also be supplemented with submittal of Form AD-1048 "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions", by the lower tier party to you.

Lower tier transactions are those you engage in with contractors, sureties, engineers, auditors, insurance companies and attorneys.

**RESIDENT INSPECTION** – Full-time inspection is required unless waived or modified by RD in writing prior to advertisement for bids. This service is to be provided by the consulting engineer or other arrangements as approved by RD. Prior to the pre-construction conference, a resume of qualifications of the resident inspector(s) will be submitted to the owner and RD for review and approval.

The owner will provide a letter of acceptance for all proposed inspectors to the engineer and RD. The resident inspector(s) must attend the pre-construction conference.

**PERMITS** - Copies of all permits needed for the project must be provided for review prior to advertisement for construction bids

**CONTRACT DOCUMENTS, FINAL PLANS AND SPECIFICATIONS –**

- a. The contract documents should consist of the EJCDC Construction Contract Documents as indicated in RUS Bulletin 1780-26 or other approved form of agreement.
- b. The contract documents, final plans, and specifications must comply with RUS Instruction 1780, Subpart C – Planning, Designing, Bidding, Contracting, Construction and Inspections and be submitted to RD for approval prior to advertisement for bids.
- c. The use of any procurement method other than competitive bidding must be requested in writing and approved by RD.
- d. RD requires a pre-construction conference, pre-final, final, and warranty inspection.
- e. RD requires prior Agency concurrence of all Change Orders, Invoices, and Payment Estimates.
- f. RD will monitor construction through routine inspections and review of monthly payment estimates, change orders, and inspector's daily records to protect the interest of the Agency. RD requires prior Agency concurrence of all Change Orders, Invoices, and Payment Estimates.

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**BID AUTHORIZATION** - Once all the conditions outlined in this letter have been met and loan closing instructions obtained, RD may authorize you to advertise the project for construction bids. Such advertisement must be in accordance with appropriate State Statutes. A Notice of Award will not be issued until RD concurs with the engineer's recommendations.

Immediately after bid opening you must provide RD with (a) bid tabulation, and (b) your engineer's evaluation of bids and recommendations for contract awards.

If RD agrees that the construction bids received are acceptable, adequate funds are available to cover the total project costs, and all the administrative conditions of loan approval have been satisfied, loan closing instructions will be issued to you setting forth any further requirements that must be met before the loan can be closed, then a Notice of Award may be issued.

Obligated loan and grant funds not needed to complete the proposed project will be de-obligated prior to construction. Any reductions will be applied to grant funds first.

When all parties agree that the closing requirements can be met, a mutually acceptable date for the loan closing will be scheduled.

**COST OVERRUNS** – Cost overruns must be due to high bids or unexpected construction problems that cannot be reduced by negotiations, redesign, and use of bid alternatives, re-bidding or other means prior to consideration by RD for subsequent funding. Such requests will be contingent on the availability of funds. Cost overruns exceeding 20% of the development cost at time of loan or grant approval or, where the scope of the original purpose has changed, will compete for funds with all other applications on hand as of that date.

**RESTRICTIONS ON LOBBYING** – Florida RUS Bulletin 1780-26 must be completed at the time an application or bid proposal is submitted requesting a loan exceeding \$150,000.00 or a grant exceeding \$100,000.00.

**ENVIRONMENTAL REQUIREMENTS** - The environmental report approved by Rural Development as prepared by Modica & Associates dated May 2012 indicates minimal mitigation is expected. The location of the water treatment plant will affect the floodplain. It has been determined that there is no practicable alternative to avoiding this effect. All proposed work will occur on existing sites and in existing road rights-of-ways.

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**RECORDS AND AUDIT REQUIREMENTS** - The Applicant will be required to keep accounts and records on the operation of the facility separate and apart from other records. We suggest the Applicant and auditing firm develop a set of records for this particular purpose unless adequate records are already in use. The person responsible for maintaining such records of accounts will be selected prior to loan closing.

It is imperative that the Applicant establish and maintain adequate business management practices through a system of records, reports, and audits which will assist the governing body in making effective decisions and thus help to insure a successful operation.

RD will be furnished financial reports as outlined in RUS Staff Instruction 1780.4. A copy of this instruction is attached along with copies of our forms to be used for periodic and annual reports.

Prior to loan closing the applicant will enter into a contract with a qualified auditor to conduct the annual audit in accordance with generally accepted government auditing standards (GAGAS). In addition, the audits are also to be performed in accordance with various Office of Management and Budget (OMB) circulars and RUS requirements.

**DISBURSEMENT OF RD FUNDS** – Any applicant contribution shall be considered as the first funds expended. After providing for all authorized costs, any remaining RD project funds will be considered to be RD grant funds and refunded to RD.

If the amount of unused RD project funds exceeds the RD grant, that part would be RD loan funds and applied as an extra payment.

The RD funds will be advanced as they are needed in the amount(s) necessary to cover the RD proportionate share of any disbursements required of your entity, over 30 day periods. Funds will be disbursed by electronic transfer of funds. Interim financing should be used for the RD loan portion of funding, if it is available at reasonable rates and terms. Interim financing should not increase project costs unless your proposed operating budget supports such additional costs. You must provide RD with a copy of the tentative agreement reached in connection with interim financing for review and approval.

You must establish a separate account, to be known and hereafter referred to as the Construction Account, with a participating 31 CFR Part 202 collateral depositories, federal agency, or Federal Reserve Bank acting as a fiscal agent in the United States. All project funds will be deposited into this account. The account shall be used solely for the purpose of paying authorized costs of the project outlined in the project budget.

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Once the funds are deposited into the Construction Account, they become your responsibility.

Financial institutions or depositaries accepting deposits of public funds and providing other financial agency services to the Federal Government are required to pledge adequate, acceptable securities as collateral. General requirements for designating depositaries and regulations governing the pledging of collateral are identified in 31 CFR Part 202 ("Depositaries and Financial Agents of the Federal Government"). Treasury's current acceptability and valuation requirements are identified in 31 CFR Part 380 ("Collateral Acceptability and Valuation") and specific eligibility and valuation guidance is provided in Treasury's procedural instructions and on Treasury's Bureau of the Public Debt website at [www.publicdebt.treas.gov](http://www.publicdebt.treas.gov).

All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the Construction Account at any one time.

**GRADUATION REQUIREMENTS** - Refinancing of the Rural Development loan, in whole or part, will be required when the Applicant is able to obtain such financing from a commercial source at reasonable rates and terms. The loan account will be reviewed periodically to evaluate the potential for refinancing.

**CLOSING INSTRUCTIONS** – The applicant will not be authorized to advertise for construction bids until the Regional Attorney has been furnished all the documents required and has issued closing instructions. The Applicant's attorney will carry out the Regional Attorney's closing instructions and will certify that the loan has been closed in accordance with the Regional Attorney's closing instructions.

**VULNERABILITY ASSESSMENT (VA) AND EMERGENCY RESPONSE PLAN (ERP)**  
Congress enacted the Public Health Security and Bioterrorism Preparedness Response Act of 2002, Public Law 107-188 (Bioterrorism Act). The Bioterrorism Act amended the Safe Drinking Water (SDWA) to require all medium and large sized community water systems (serving populations greater than 3,300) to assess vulnerability to terrorist attack and develop emergency plans for response to such an attack. Medium and large community water systems are being monitored by the U.S. EPA for completion of VA's and ERP's.

Rural Development requires all financed water and wastewater systems to have a vulnerability assessment (VA) and an emergency response plan (ERP) in place. New water and wastewater systems must provide a certification that an ERP is complete prior to the start of operations. A certification that a VA is complete must be submitted within one year of the start of operations.

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You will also be required to provide a certification that the VA and ERP are complete and are current every three years after the start of operations. RD does not need or want a copy of the VA or ERP. The requested certification will be sufficient to meet our needs. Technical assistance providers are available to provide on-site assistance if desired.

**Civil Rights & Equal Opportunity** - You should be aware of and will be required to comply with other federal statute requirements including but not limited to:

**Section 504 of the Rehabilitation Act of 1973** – Under section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving RD financial assistance

**Civil Rights Act of 1964** – All borrowers are subject to, and facilities must be operated in accordance with, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and subpart E of part 1901 of this title, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by paragraph 1901.202(e) of this title.

**The Americans with Disabilities Act (ADA) of 1990** – This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications. Title II of the Act applies to facilities operated by State and local public entities which provides services, programs and activities. Title III of the Act applies to facilities owned, leased, or operated by private entities which accommodate the public.

**Age Discrimination Act of 1975** – This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

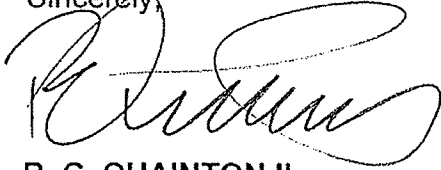
RD financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap. The applicant must agree to comply with the requirement of Form RD 400-1 "Equal Opportunity Agreement" and Form RD 400-4 "Assurance Agreement". These agreements must be approved by the governing body and executed before loan approval.

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City of Bunnell  
Letter of Conditions  
February 25, 2013  
Page 15

Should the Applicant decide to accept the RD financing subject to the above conditions, RD will proceed to take the necessary steps to approve the loan and grant.

Sincerely,



R. C. QUANTON II  
Area Director

Enclosures

cc: Community Programs Director

All Forms and Regulations referenced herein can be obtained at the following web sites:

Regulations: <http://www.usda.gov/rus/water/regs.htm>

Forms: <http://www.usda.gov/rus/water/wwforms.htm>

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*USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).*

WATER OR WASTE SYSTEM GRANT AGREEMENT  
UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

Draft  
COPY

THIS AGREEMENT dated \_\_\_\_\_ between

BUNNELL, CITY OF

a public corporation organized and operating under \_\_\_\_\_

(Authorizing Statute)

herein called "Grantee," and the United States of America acting through the Rural Utilities Service, Department of Agriculture, herein called "Grantor," WITNESSETH:

WHEREAS

Grantee has determined to undertake a project of acquisition, construction, enlargement, or capital improvement of a (water) (waste) system to serve the area under jurisdiction at an estimated cost of \$6,044,000 and has duly authorized the undertaking of such project.

Grantee is able to finance not more than \$4,566,000 of the development cost through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge.

Said sum of \$4,566,000 has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed \$1,478,000 or 24.45% percent of said development costs, whichever is the lesser, subject to the terms and conditions established by the Grantor. Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the conditions of the grant.

As a condition of this grant agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the agreement with all applicable laws, regulations, Executive orders and other generally applicable requirements, including those set out in 7 CFR 3015.205(b), which hereby are incorporated into this agreement by reference, and such other statutory provisions as are specifically set forth herein.

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to

Section 306 (a) of the Consolidated Farm and Rural Development Act the purpose only of defraying a part not to exceed 24.45% percent of the development costs, as defined by applicable Rural Utilities Service Instructions. GRANTEE AGREES THAT GRANTEE WILL:

A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

B. Permit periodic inspection of the construction by a representative of Grantor during construction.

C. Manage, operate and maintain the system, including this project if less than the whole of said system, continuously in an efficient and economical manner.

D. Make the services of said system available within its capacity to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (possess capacity to enter into legal contract for services) at reasonable charges, including assessments, taxes, or fees in accordance with a schedule of such charges, whether for one or more classes of service, adopted by resolution dated \_\_\_\_\_, as may be modified from time to time by Grantee. The initial rate schedule must be approved by Grantor. Thereafter, Grantee may make such modifications to the rate system as long as the rate schedule remains reasonable and nondiscriminatory.

E. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, emergency repair reserves, obsolescence reserves, debt service and debt service reserves.

F. Expand its system from time to time to meet reasonably anticipated growth or service requirements in the area within its jurisdiction.

G. Provide Grantor with such periodic reports as it may require and permit periodic inspection of its operations by a representative of the Grantor.

H. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, another agreement of the same type need not be executed in connection with this grant.

I. Upon any default under its representations or agreements set forth in this instrument, Grantee, at the option and demand of Grantor, will repay to Grantor forthwith the original principal amount of the grant stated herein above with the interest at the rate of 5 percentum per annum from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.

J. Return immediately to Grantor, as required by the regulations of Grantor, any grant funds actually advanced and not needed by Grantee for approved purposes.

K. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed.

1. Title to real property shall vest in the recipient subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.

2. The Grantee shall obtain approval by the Grantor agency for the use of the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

3. When the real property is no longer needed as provided in 1 and 2 above, the Grantee shall request disposition instructions from the Grantor agency or its successor Federal agency. The Grantor agency shall observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original project to the fair market value of the property.

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor agency. When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return. *[Revision 1, 04/17/1998]*

(c) The Grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or project to the current fair market value of the property.

**This Grant Agreement covers the following described real property (use continuation sheets as necessary).**

**To be determined.**

L. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with grant funds. Equipment means tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above. *[Revision 1, 04/17/1998]*

1. Use of equipment.

(a) The Grantee shall use the equipment in the project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the equipment in connection with its other Federally sponsored activities, if any, in the following order of priority:

(1) Activities sponsored by the Grantor.

(2) Activities sponsored by other Federal agencies.

(b) During the time that equipment is held for use on the property for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the equipment was originally acquired. First preference for such other use shall be given to Grantor sponsored projects. Second preference will be given to other Federally sponsored projects.

2. Disposition of equipment. When the Grantee no longer needs the equipment as provided in paragraph (a) above, the equipment may be used for other activities in accordance with the following standards:

(a) Equipment with a current per unit fair market value of less than \$5,000. The Grantee may use the equipment for other activities without reimbursement to the Federal Government or sell the equipment and retain the proceeds.

(b) Equipment with a current per unit fair market value of \$5,000 or more. The Grantee may retain the equipment for other uses provided that compensation is made to the original Grantor agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value or proceeds from sale of the equipment. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the original Grantor agency.

The Grantor agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Grantor agency to determine whether a requirement for the equipment exists in other Federal agencies. The Grantor agency shall issue instructions to the Grantee no later than 120 days after the Grantee requests and the following procedures shall govern:

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the equipment and reimburse the Grantor agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share ten percent of the proceeds for Grantee's selling and handling expenses.

(2) If the Grantee is instructed to ship the equipment elsewhere the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.

(3) If the Grantee is instructed to otherwise dispose of the equipment, the Grantee shall be reimbursed by the Grantor agency for such costs incurred in its disposition.

3. The Grantee's property management standards for equipment shall also include:

(a) Records which accurately provide for: a description of the equipment; manufacturer's serial number or other identification number; acquisition date and cost; source of the equipment; percentage (at the end of budget year) of Federal participation in the cost of the project for which the equipment was acquired; location, use and condition of the equipment and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.

(b) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years to verify the existence, current utilization, and continued need for the equipment.



(c) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(e) Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return.

**This Grant Agreement covers the following described equipment(use continuation sheets as necessary).**

**To be determined.**

M. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.
2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.
3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.
4. Accounting records supported by source documentation.

N. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. Microfilm or photo copies or similar methods may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee's government which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts and transcripts.

O. Provide information as requested by the Grantor to determine the need for and complete any necessary Environmental Impact Statements.

P. Provide an audit report prepared in accordance with Grantor regulations to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations and this Agreement.

Q. Agree to account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government. States and agencies or instrumentality's of states shall not be held accountable for interest earned on grant funds pending their disbursement.

R. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in item K above.

S. To include in all contracts for construction or repair a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR, Part 3). The Grantee shall report all suspected or reported violations to the Grantor.

T. To include in all contracts in excess of \$100,000 a provision that the contractor agrees to comply with all the requirements of the Clean Air Act (42 U.S.C. §7414) and Section 308 of the Water Pollution Control Act (33 U.S.C. §1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 of the Clean Air Act and Section 308 of the Water Pollution Control Act and all regulations and guidelines issued thereunder after the award of the contract. In so doing the Contractor further agrees:

**[Revision 1, 11/20/1997]**

1. As a condition for the award of contract, to notify the Owner of the receipt of any communication from the Environmental Protection Agency (EPA) indicating that a facility to be utilized in the performance of the contract is under consideration to be listed on the EPA list of Violating Facilities. Prompt notification is required prior to contract award.
2. To certify that any facility to be utilized in the performance of any nonexempt contractor subcontract is not listed on the EPA list of Violating Facilities pursuant to 40 CFR Part 32 as of the date of contract award.

**[Revision 1, 11/20/97]**

3. To include or cause to be included the above criteria and the requirements in every nonexempt subcontract and that the Contractor will take such action as the Government may direct as a means of enforcing such provisions.

As used in these paragraphs the term "facility" means any building, plan, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a Grantee, cooperator, contractor, or subcontractor, to be utilized in the performance of a grant, agreement, contract, subgrant, or subcontract. Where a location or site of operation contains or includes more than one building, plant, installation, or structure, the entire location shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are co-located in one geographical area.

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed 1,478,000.00 which it will advance to Grantee to meet not to exceed 24.45% percent of the project development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the project and coordinating the plan with local official comprehensive plans for sewer and water and with any State or area plans for the area in which the project is located.

C. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

Termination of This Agreement

This Agreement may be terminated for cause in the event of default on the part of the Grantee as provided in paragraph I above or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the project will not produce beneficial results commensurate with the further expenditure of funds.

In witness whereof Grantee on the date first above written has caused these presence to be executed by its duly authorized

\_\_\_\_\_ and attested and its corporate seal affixed by its duly authorized

Attest:

\_\_\_\_\_

By: \_\_\_\_\_

(Title) \_\_\_\_\_

By: \_\_\_\_\_

(Title) \_\_\_\_\_

UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By: \_\_\_\_\_

(Title)

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT

LETTER OF INTENT TO MEET CONDITIONS

Date 02/25/2013

TO: Rural Development  
United States Department of Agriculture  
2441 NE 3rd St, Suite 204-1  
Ocala FL 34470  
\_\_\_\_\_  
(Office Address)

We have reviewed and understand the conditions set forth in your letter dated February 25, 2013  
\_\_\_\_\_

It is our intent to meet all of them not later than February 1, 2014  
\_\_\_\_\_

BUNNELL, CITY OF  
\_\_\_\_\_  
(Name of Association)

BY \_\_\_\_\_

*According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a persons is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0570-0062. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data. needed, and completing and reviewing the collection of information.*

REQUEST FOR OBLIGATION OF FUNDS

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED ( ) Complete Items 1 through 29 and applicable Items 30 through 34. See FMI.			
1. CASE NUMBER ST CO BORROWER ID 09-018-*****0285		LOAN NUMBER 08	FISCAL YEAR 2013
2. BORROWER NAME BUNNELL, CITY OF		3. NUMBER NAME FIELDS (1, 2, or 3 from Item 2)	
		4. STATE NAME Florida	
		5. COUNTY NAME Flagler	
GENERAL BORROWER/LOAN INFORMATION			
6. RACE/ETHNIC CLASSIFICATION 1 - WHITE 2 - BLACK 3 - A/AN 4 - HISPANIC 5 - A/PI	7. TYPE OF APPLICANT 1 - INDIVIDUAL 2 - PARTNERSHIP 3 - CORPORATION 4 - PUBLIC BODY 5 - ASSOC. OF FARMERS 6 - ORG. OF FARMERS 7 - NONPROFIT-SECULAR 8 - NONPROFIT-FAITH BASED 9 - INDIAN TRIBE 10 - PUBLIC COLLEGE/UNIVERSITY 11 - OTHER	8. COLLATERAL CODE 1 - REAL ESTATE SECURED 2 - REAL ESTATE AND CHATTEL 3 - NOTE ONLY OR CHATTEL ONLY 4 - MACHINERY ONLY 5 - LIVESTOCK ONLY 6 - CROPS ONLY 7 - SECURED BY BONDS 8 - RLF ACCT	9. EMPLOYEE RELATIONSHIP CODE 1 - EMPLOYEE 2 - MEMBER OF FAMILY 3 - CLOSE RELATIVE 4 - ASSOC.
10. SEX CODE 1 - MALE 2 - FEMALE 3 - FAMILY UNIT 4 - ORGAN. MALE OWNED 5 - ORGAN. FEMALE OWNED 6 - PUBLIC BODY	11. MARITAL STATUS 1 - MARRIED 2 - SEPARATED 3 - UNMARRIED (INCLUDES WIDOWED/DIVORCED)	12. VETERAN CODE 1 - YES 2 - NO	13. CREDIT REPORT 1 - YES 2 - NO
14. DIRECT PAYMENT 3 (See FMI)	15. TYPE OF PAYMENT 1 - MONTHLY 2 - ANNUALLY 3 - SEMI-ANNUALLY 4 - QUARTERLY 2	16. FEE INSPECTION 1 - YES 2 - NO 2	
17. COMMUNITY SIZE 1 - 10,000 OR LESS (FOR SFH AND HPG ONLY) 2 - OVER 10,000		18. USE OF FUNDS CODE (See FMI)	
COMPLETE FOR OBLIGATION OF FUNDS			
19. TYPE OF ASSISTANCE 067 (See FMI)	20. PURPOSE CODE 9	21. SOURCE OF FUNDS	22. TYPE OF ACTION 1 - OBLIGATION ONLY 2 - OBLIGATION/CHECK REQUEST 3 - CORRECTION OF OBLIGATION 1
23. TYPE OF SUBMISSION 1 - INITIAL 2 - SUBSEQUENT 1	24. AMOUNT OF LOAN \$3,362,000.00	25. AMOUNT OF GRANT \$1,478,000.00	
26. AMOUNT OF IMMEDIATE ADVANCE	27. DATE OF APPROVAL MO DAY YR	28. INTEREST RATE 1.8750 %	29. REPAYMENT TERMS 40
COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS			
30. PROFIT TYPE 1 - FULL PROFIT 2 - LIMITED PROFIT 3 - NONPROFIT			
COMPLETE FOR EM LOANS ONLY		COMPLETE FOR CREDIT SALE-ASSUMPTION	
31. DISASTER DESIGNATION NUMBER (See FMI)		32. TYPE OF SALE 1 - CREDIT SALE ONLY 2 - ASSUMPTION ONLY 3 - CREDIT SALE WITH SUBSEQUENT LOAN 4 - ASSUMPTION WITH SUBSEQUENT LOAN	
FINANCE OFFICE USE ONLY		COMPLETE FOR FP LOANS ONLY	
33. OBLIGATION DATE MO DA YR		34. BEGINNING FARMER/RANCHER (See FMI)	

If the decision contained above in this form results in denial, reduction or cancellation of USDA assistance, you may appeal this decision and have a hearing or you may request a review in lieu of a hearing. Please use the form we have included for this purpose.

Position 2

ORIGINAL - Borrower's Case Folder    COPY 1 - Finance Office    COPY 2 - Applicant/Lender    COPY 3 - State Office

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0062. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

CERTIFICATION APPROVAL

For All Farmers Programs

EM, OL, FO, and SW Loans

This loan is approved subject to the availability of funds. If this loan does not close for any reason within 90 days from the date of approval on this document, the approval official will request updated eligibility information. The undersigned loan applicant agrees that the approval official will have 14 working days to review any updated information prior to submitting this document for obligation of funds. If there have been significant changes that may affect eligibility, a decision as to eligibility and feasibility will be made within 30 days from the time the applicant provides the necessary information.

If this is a loan approval for which a lien and/or title search is necessary, the undersigned applicant agrees that the 15-working-day loan closing requirement may be exceeded for the purposes of the applicant's legal representative completing title work and completing loan closing.

35. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL

Subject to the terms and conditions of the Letter of Conditions dated February 25, 2013.

36. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and request payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of loan approval or loan closing. If I check "NO", the interest rate charged on my loan will be the rate specified in Item 28 of this form.  YES  NO

WARNING: Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."

Date \_\_\_\_\_, 20\_\_\_\_\_  
  
*(Signature of Applicant)*

Date \_\_\_\_\_, 20\_\_\_\_\_  
  
*(Signature of Co-Applicant)*

37. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purpose of and subject to the availability prescribed by regulations applicable to this type of assistance.

\_\_\_\_\_  
*(Signature of Approving Official)*

Typed or Printed Name: \_\_\_\_\_

Date Approved: \_\_\_\_\_ Title: \_\_\_\_\_

38. TO THE APPLICANT: As of this date \_\_\_\_\_, this is notice that your application for financial assistance from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the appropriate USDA Servicing Office.

REQUEST FOR OBLIGATION OF FUNDS

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED ( )					
Complete Items 1 through 29 and applicable Items 30 through 34. See FMI.					
1. CASE NUMBER ST CO BORROWER ID 09-018-*****0285		LOAN NUMBER 08		FISCAL YEAR 2013	
2. BORROWER NAME BUNNELL, CITY OF		3. NUMBER NAME FIELDS (1, 2, or 3 from Item 2)		ISSUARD S/O MAR 19 2013 Community Proc	
		4. STATE NAME Florida			
		5. COUNTY NAME Flagler			
GENERAL BORROWER/LOAN INFORMATION					
6. RACE/ETHNIC CLASSIFICATION 1 - WHITE 4 - HISPANIC 2 - BLACK 5 - A/P 3 - AIAN		7. TYPE OF APPLICANT 1 - INDIVIDUAL 5 - ORG. OF FARMERS 2 - PARTNERSHIP 7 - NONPROFIT-SECULAR 3 - CORPORATION 8 - NONPROFIT-FAITH BASED 4 - PUBLIC BODY 9 - INDIAN TRIBE 5 - ASSOC. OF FARMERS 10 - PUBLIC COLLEGE/UNIVERSITY 11 - OTHER		8. COLLATERAL CODE 1 - REAL ESTATE SECURED 4 - MACHINERY ONLY 2 - REAL ESTATE AND CHATTEL 5 - LIVESTOCK ONLY 3 - NOTE ONLY OR CHATTEL ONLY 6 - CROPS ONLY 7 - SECURED BY BONDS 8 - RLF ACCT	
10. SEX CODE 1 - MALE 3 - FAMILY UNIT 2 - FEMALE 4 - ORGAN MALE OWNED 5 - ORGAN FEMALE OWNED 6 - PUBLIC BODY		11. MARITAL STATUS 1 - MARRIED 3 - UNMARRIED (INCLUDES WIDOWED/DIVORCED) 2 - SEPARATED		12. VETERAN CODE 1 - YES 2 - NO	
14. DIRECT PAYMENT 3 (See FMI)		15. TYPE OF PAYMENT 1 - MONTHLY 3 - SEMI-ANNUALLY 2 - ANNUALLY 4 - QUARTERLY		16. FEE INSPECTION 2 1 - YES 2 - NO	
17. COMMUNITY SIZE 1 - 10,000 OR LESS (FOR SFH AND HPG ONLY) 2 - OVER 10,000		18. USE OF FUNDS CODE (See FMI)			
COMPLETE FOR OBLIGATION OF FUNDS					
19. TYPE OF ASSISTANCE 067 (See FMI)		20. PURPOSE CODE 9		21. SOURCE OF FUNDS	
22. TYPE OF ACTION 1 1 - OBLIGATION ONLY 2 - OBLIGATION/CHECK REQUEST 3 - CORRECTION OF OBLIGATION					
23. TYPE OF SUBMISSION 2 1 - INITIAL 2 - SUBSEQUENT		24. AMOUNT OF LOAN \$3,362,000.00		25. AMOUNT OF GRANT \$1,478,000.00	
26. AMOUNT OF IMMEDIATE ADVANCE		27. DATE OF APPROVAL MO DAY YR 03/22/2013		28. INTEREST RATE 1.8750 %	
				29. REPAYMENT TERMS 40	
COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS					
30. PROFIT TYPE 1 - FULL PROFIT 2 - LIMITED PROFIT 3 - NONPROFIT					
COMPLETE FOR EM LOANS ONLY			COMPLETE FOR CREDIT SALE-ASSUMPTION		
31. DISASTER DESIGNATION NUMBER (See FMI)			32. TYPE OF SALE 1 - CREDIT SALE ONLY 2 - ASSUMPTION ONLY 4 - ASSUMPTION WITH SUBSEQUENT LOAN 3 - CREDIT SALE WITH SUBSEQUENT LOAN		
FINANCE OFFICE USE ONLY			COMPLETE FOR FP LOANS ONLY		
33. OBLIGATION DATE MO DA YR			34. BEGINNING FARMER/RANCHER (See FMI)		

If the decision contained above in this form results in denial, reduction or cancellation of USDA assistance, you may appeal this decision and have a hearing or you may request a review in lieu of a hearing. Please use the form we have included for this purpose.

Position 2

ORIGINAL - Borrower's Case Folder      COPY 1 - Finance Office      COPY 2 - Applicant/Lender      COPY 3 - State Office

CERTIFICATION APPROVAL

For All Farmers Programs

EM, OL, FO, and SW Loans

This loan is approved subject to the availability of funds. If this loan does not close for any reason within 90 days from the date of approval on this document, the approval official will request updated eligibility information. The undersigned loan applicant agrees that the approval official will have 14 working days to review any updated information prior to submitting this document for obligation of funds. If there have been significant changes that may affect eligibility, a decision as to eligibility and feasibility will be made within 30 days from the time the applicant provides the necessary information.

If this is a loan approval for which a lien and/or title search is necessary, the undersigned applicant agrees that the 15-working-day loan closing requirement may be exceeded for the purposes of the applicant's legal representative completing title work and completing loan closing.

35. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL

Subject to the terms and conditions of the Letter of Conditions dated February 25, 2013.

36. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and request payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of loan approval or loan closing. If I check "NO", the interest rate charged on my loan will be the rate specified in Item 28 of this form.  YES  NO

WARNING: Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."

Date March 11, 2013 Catherine D. Ehrig, Mayor  
(Signature of Applicant)

Date \_\_\_\_\_, 20\_\_\_\_ n/a  
(Signature of Co-Applicant)

37. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purpose of and subject to the availability prescribed by regulations applicable to this type of assistance.

Obligation Information

Date: March 22, 2013

Initials: DE

Richard A. Machek  
(Signature of Approving Official)

Typed or Printed Name: Richard A. Machek

Date Approved: March 22, 2013

Title: State Director

38. TO THE APPLICANT: As of this date March 27, 2013, this is notice that your application for financial assistance from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the appropriate USDA Servicing Office.



## CERTIFICATE REGARDING DEBT SERVICE COVERAGE

The undersigned Finance Director of the City of Bunnell (the "City"), DOES HEREBY CERTIFY as follows:

1. This Certificate is furnished in connection with the issuance and sale by the City of its not to exceed \$3,362,000 City of Bunnell, Florida Water and Sewer System Revenue Bonds, Series 2015 (the "Bonds") and Water and Sewer System Refunding Revenue Note, Series 2015 (the "Refunding Note").

2. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto Resolution No. 2013-16A adopted by the City Commission of the City on September 9, 2013 (as may be amended and supplemented from time to time, the "Resolution").

3. The City is undertaking efforts to issue the Bonds which will be held by the United States Department of Agriculture, Rural Utilities Service ("USDA"). The proceeds of the Bonds will be used to finance improvements to the System consisting of upgrades and improvements to the Water Treatment Plant, including but not limited to the purchase of ionization equipment.

4. The City is also undertaking refinancing of certain outstanding revenue bonds through issuance of the Refunding Note. Proceeds of the Refunding Note will be used to refund the following debt obligations of the City:

i. Water and Sewer Revenue Bonds, Series 1993 issued in the original principal amount of \$936,400, currently held by USDA.

ii. Water and Sewer Revenue Bonds, Series 1993 issued in the original principal amount of \$1,051,900, currently held by USDA.

iii. Water and Sewer Revenue Bonds, Series 1997 issued in the original principal amount of \$1,080,000, currently held by USDA.

5. Upon issuance of the Bonds and the Refunding Note, the only senior lien debt obligations secured by Pledged Funds will be the Bonds and the Refunding Note.

6. I hereby certify that Pledged Funds are expected to exceed the combined debt service coverage requirements for the Bonds, Refunding Note and Subordinate Debt by no less than 2.305 times.

7. The coverage calculation prepared by my office in support of this Certificate is attached.

Dated this 20th day of May, 2015.

CITY OF BUNNELL, FLORIDA

By: 

Name: Stella Gurnee

Title: Finance Director

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Revenues (A)	2,391,629	2,511,210	2,636,771	2,768,610	2,907,040	3,052,392	3,205,012	3,365,262	3,533,525	3,710,202	3,895,712
Cost of Operation and Maintenance (B)	1,545,130	1,622,386	1,671,058	1,721,189	1,772,825	1,826,010	1,880,790	1,937,214	1,995,330	2,055,190	2,116,846
Actual Coverage (A/B)	1.548	1.548	1.578	1.609	1.640	1.672	1.704	1.737	1.771	1.805	1.840
Net Revenues (C=A-B)	846,499	888,824	965,713	1,047,420	1,134,215	1,226,382	1,324,221	1,428,048	1,538,195	1,655,011	1,778,866
Principal and Interest Requirement (D)	367,228	365,899	364,650	363,372	362,058	360,804	315,500	358,341	357,012	355,713	354,434
Actual Coverage (C/D)	2.305	2.429	2.648	2.883	3.133	3.399	4.197	3.985	4.309	4.653	5.019

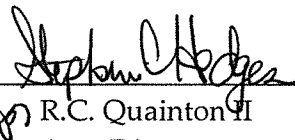
Revenues (A) include 5% annual increase built into City rate resolution  
O&M (B) has a 5% increase in FY2016 (for additional costs associated with new plant) and 3% thereafter.  
Debt Service (D) includes senior lien debt (USDA 2015 Bonds, 1993 Bonds and 1997 bond less anticipated refinancing savings) AND subordinate debt (existing SRF loan and new SRF loan)

WAIVER OF PARITY CERTIFICATE

In connection with the issuance of the not to exceed \$3,362,000 City of Bunnell, Florida Water and Sewer System Revenue Bonds, Series 2015 (the "Series 2015 Bonds") and the not to exceed \$2,050,000 City of Bunnell, Florida Water and Sewer System Refunding Note, Series 2015 (the "Series 2015 Note"), by the signature of the undersigned official, the United States of America, acting through the USDA, Rural Development, Rural Utilities Service, as owner and holder of the Water and Sewer Revenue Bonds, Series 1993 issued in the original principal amount of \$936,400, Water and Sewer Revenue Bonds, Series 1993 issued in the original principal amount of \$1,051,900, and Water and Sewer Revenue Bonds, Series 1997 issued in the original principal amount of \$1,080,000 (collectively, the "Outstanding Parity Bonds"), hereby agrees to waive the provisions of Section 3.04(J) of the Ordinance enacted by the City Commission on December 7, 1970 and Section 3.05(G) of Resolution No. 2013-16A adopted by the City Commission on September 9, 2013, based on the Certificate Regarding Debt Service Coverage executed by the Finance Director showing debt service coverage of at least 1.20 times the annual requirement for principal and interest on the Series 2015 Bonds and the Series 2015 Note (the proceeds of which will be used to refund the Outstanding Parity Bonds).

Executed this 20th day of May, 2015.

UNITED STATES OF AMERICA  
ACTING THROUGH THE USDA,  
RURAL DEVELOPMENT, RURAL  
UTILITIES SERVICE

By:   
for R.C. Quinton II  
Area Director  
RURAL DEVELOPMENT

**\$1,937,333.13**  
**City Of Bunnell, Florida**  
**Water and Sewer System Refunding Revenue Note, Series 2017**

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CLOSING DOCUMENTS

1. (a) Opinion of Bryant Miller Olive P.A., Note Counsel  
(b) Reliance Letter of Bryant Miller Olive P.A.
2. Opinion of Vose Law Firm, LLP, City Attorney
3. Tax Certificate
4. Certificate of Delivery and Application of Proceeds
5. Certificate as to Public Meetings and No Conflict of Interest
6. Certificate of City as to Signatures, No Litigation and Other Matters
7. Certificate of Incumbency
8. Certified copy of Resolution No. 2017-03 adopted on February 27, 2017
9. Specimen Note
10. Receipt for Note
11. (a) Purchaser's Certificate  
(b) Disclosure Statement
12. IRS Form 8038-G
13. (a) Notice of Sale to Division of Bond Finance  
(b) Bond Finance Forms 2003 and 2004-B
14. Certificate re: Interest Rate
15. Certificate Regarding Debt Service Coverage
16. Consent Certificate
17. Payoff Letter

Distribution:

- (1) City of Bunnell, Florida
- (1) Vose Law Firm, LLP
- (1) Bryant Miller Olive P.A.
- (1) CenterState Bank
- (1) Upchurch, Bailey & Upchurch

February 28, 2017

City Commission  
City of Bunnell, Florida

Re: \$1,937,333.13 City of Bunnell, Florida  
Water and Sewer System Refunding Revenue Note, Series 2017

Ladies and Gentlemen:

We have acted as Note Counsel to the City of Bunnell, Florida (the "Issuer") in connection with the issuance by the Issuer of its \$1,937,333.13 Water and Sewer System Refunding Revenue Note, Series 2017 (the "Note") pursuant to Constitution of Florida, the Charter of the City of Bunnell, Florida, and Chapter 166, Part I and Part II, Florida Statutes, the ordinance enacted by the Issuer on December 7, 1970, as amended and supplemented, and other applicable provisions of law, and a resolution adopted by the City Commission of the Issuer on February 27, 2017 (the "Resolution"). In such capacity, we have examined such law and certified proceedings, certifications and other documents as we have deemed necessary to render this opinion. Any capitalized undefined terms used herein shall have the meaning set forth in the Resolution.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Resolution and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

In rendering this opinion, we have examined and relied upon the opinion of even date herewith of Vose Law Firm, LLP, Counsel to the Issuer, as to the due creation and valid existence of the Issuer, the due adoption of the Resolution, the due execution and delivery of the

Note, and the compliance by the Issuer with all conditions contained in ordinances and resolutions of the Issuer precedent to the issuance of the Note.

The Note is payable from the Pledged Funds, which consist primarily of Net Revenues, on parity and equal status with the Series 2015 Bonds issued under Resolution No. 2013-16A of the Issuer, as may be amended from time to time, and any additional Parity Obligations hereafter issued, in the manner and to the extent provided in the Resolution. Pursuant to the terms, conditions and limitations contained in the Resolution, the Issuer has reserved the right to issue additional parity obligations in the future which shall have a lien on the Pledged Funds equal to that of the Note and the Series 2015 Bonds.

The Note does not constitute a general obligation or indebtedness of the Issuer within the meaning of any constitutional, statutory or other limitation of indebtedness and the holders thereof shall never have the right to compel the exercise of any ad valorem taxing power of the Issuer or taxation in any form on any real or personal property for the payment of the principal of or interest on the Note.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based on our examination, we are of the opinion that, under existing law:

1. The Resolution constitutes a valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms.

2. The Note is a valid and binding limited obligation of the Issuer enforceable in accordance with its terms, payable solely from the Pledged Funds in the manner and to the extent provided in the Resolution.

3. The Resolution creates a valid lien upon the Pledged Funds for the security of the Note on a parity with the Series 2015 Bonds, all in the manner and to the extent provided in the Resolution.

4. Interest on the Note is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest on the Note will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. The opinions set forth in the preceding two sentences is subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Note in order that the interest thereon be, and continue to be, excludable from gross income for federal



income tax purposes. The Issuer has covenanted in the Resolution to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Note to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Note.

5. The Note is a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code.

It is to be understood that the rights of the owners of the Note and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

For purposes of this opinion, we have not been engaged or undertaken to review and, therefore, express no opinion herein regarding the accuracy, completeness or adequacy of any offering material relating to the Note. This opinion should not be construed as offering material, an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Note. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the Issuer or the Owner of the Note with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Note or regarding the perfection or priority of the lien, except as provided in paragraph 3 with respect to the parity status of the Series 2015 Bonds, on the Pledged Funds created by the Resolution. Further, we express no opinion regarding federal income or state tax consequences arising with respect to the Note other than as expressly set forth herein.

Our opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.



# Bryant Miller Olive

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**Attorneys at Law**  
101 North Monroe Street  
Suite 900  
Tallahassee, FL 32301  
Tel 850.222.8611  
Fax 850.222.8969  
www.bmolaw.com

February 28, 2017

CenterState Bank  
Palm Coast, Florida

Re: \$1,937,333.13 City of Bunnell, Florida  
Water and Sewer System Refunding Revenue Note, Series 2017

Ladies and Gentlemen:

We have acted as Note Counsel to the City of Bunnell, Florida (the "Issuer") in connection with the issuance of the above-referenced Note. On even date herewith, we rendered our approving opinion to our client, the Issuer, in connection with the Note, which speaks only as of its date. You may rely on such approving opinion to the same extent as if such opinion were addressed to you. Delivery of this letter to you does not create an attorney-client relationship.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

*Bryant Miller Olive P.A.*

 **VOSE LAW FIRM LLP**  
ATTORNEYS & COUNSELORS AT LAW

February 28, 2017

City Commission  
Bunnell, Florida

Bryant Miller Olive P.A.  
Tallahassee, Florida

CenterState Bank  
Palm Coast, Florida

Re: \$1,937,333.13 City of Bunnell, Florida  
Water and Sewer System Refunding Revenue Note, Series 2017

Ladies and Gentlemen:

We have acted as general counsel to the City of Bunnell, Florida (the "City") in connection with the issuance by the City of its \$1,937,333.13 City of Bunnell, Florida Water and Sewer System Refunding Revenue Note, Series 2017 (the "Note") pursuant to Constitution of Florida, the Charter of the City of Bunnell, Florida, and Chapter 166, Part I and Part II, Florida Statutes, the ordinance enacted by the Issuer on December 7, 1970, as amended and supplemented, and other applicable provisions of law (all of the foregoing, collectively, the "Act"), and a resolution adopted by the City Commission of the City on February 27, 2017 (the "Resolution"). In such capacity, we have examined such law and certified proceedings, certifications and other documents as we have deemed necessary to render this opinion. Any capitalized undefined terms used herein shall have the meaning set forth in the Resolution.

In rendering the opinions expressed in this letter, we have examined the originals or copies, certified or otherwise identified to our satisfaction, of such documents or other instruments (including but not limited to the City of Bunnell Charter) as we have deemed necessary or advisable relating to the organization of the City and the authorization, execution and delivery of the Note. Additionally, we have assumed: (i) the authenticity of all documents submitted to us as originals and the due execution of, the genuineness of the signatures on and the legal capacity of all parties signing such documents other than the officers of the City executing such documents; and (ii) the conformity to original documents of all copies of such documents submitted to us. We have relied, as to the factual matters contained therein, on the accuracy of the representations of the City and other documentation normally relied on by counsel in rendering such opinions.

Furthermore, we have made such other investigations of law and fact as we have deemed necessary or appropriate in order to render the opinions contained herein. As used herein, the phrase "to the best of our knowledge" means we have relied solely upon: (i) certifications by City officials; and (ii) the actual knowledge of the undersigned who regularly performed legal services for the City, obtained in the scope of such representation and without any independent inquiry or investigation with respect thereto.

Based upon the foregoing, we are of the opinion that:

COUNSEL TO EXTRAORDINARY FAMILIES, BUSINESSES & LEADERS WORLDWIDE SINCE 1973

324 W. MORSE BOULEVARD • WINTER PARK, FLORIDA 32789  
TELEPHONE: (407) 645-3735 • FACSIMILE: (407) 628-5670 • TOLL FREE: (866) 789-VOSE  
INTERNATIONAL TEL: (LONDON, ENGLAND): +44 (0)20 3355 1473 • INTERNET: WWW.VOSELAW.COM

1. The City is a municipality of the State of Florida, duly organized and validly existing and has full legal right, power and authority to adopt and perform its obligations under the Resolution, and to authorize, execute and deliver and perform its obligations under the Note.

2. The City has duly adopted the Resolution at a duly called public meeting following proper public notice. The Note has been duly executed and delivered.

3. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best of our knowledge after due inquiry, threatened, against the City, affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Note or the pledge of and lien on the Pledged Funds, or contesting or affecting as to the City the validity or enforceability in any respect of the Note or the Resolution, or contesting the exclusion from gross income of interest on the Note, or contesting the powers of the City and City Commission or any authority for the issuance of the Note or the adoption of the Resolution.

4. The adoption of the Resolution and the authorization, execution and delivery of the Note and compliance with the provisions thereof will not conflict with, or constitute a material breach of or default under, any law or administrative regulation, or, to the best of our knowledge, any consent decree, ordinance, resolution or any agreement or other instrument to which the City was or is subject, as the case may be, nor will such enactment, adoption, execution, delivery, authorization or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the City, or under the terms of any law, administrative regulation, ordinance, resolution or instrument, except as expressly provided by the Resolution.

5. All approvals, consents, authorizations and orders of any governmental authority or agency having jurisdiction in any matter which would constitute a condition precedent to the performance by the City of its obligations under the Resolution and the Note have been obtained and are in full force and effect.

6. The City is lawfully empowered to pledge the Pledged Funds in the manner and to the extent provided in the Resolution for payment of the principal of and interest on the Note and all other amounts owing thereunder as the same becomes due and payable.

7. The City is empowered to undertake refunding of the Series 2015 Note through issuance of the Note, and to pay costs related thereto.

8. Neither the corporate existence nor the title of any of the present City Commission members and officials thereof to their respective offices is being contested.

9. The City has complied with all conditions contained in ordinances and resolutions of the City precedent to the issuance of the Note.

The opinions hereinabove expressed are qualified to the extent that the validity or enforceability of any provisions in the Note and the Resolution (i) is subject to and may be affected by applicable state and/or federal bankruptcy, insolvency, fraudulent conveyance, reorganization or moratorium laws, or other laws relating to or affecting the rights of creditors or debtors generally, (ii) the validity or enforceability thereof is subject to and may be limited by the application of general principles of equity and matters of public policy regardless of whether considered in a proceeding in equity or at law, (iii) any provisions requiring payment of attorneys' fees may not be enforceable, and (iv) no opinion is expressed as of the enforceability of (a) self-help provisions, (b) waiver of constitutional rights, (c) provisions relating to warrants or powers of attorney to confess judgment, and (d) provisions related to waiver of remedies (or the delay or omission of enforcement thereof), disclaimers, liability limitations with respect to third parties, liquidated damages or the creation of remedies not available under Florida law.

Moreover, to the extent indicated on our letterhead, we are members of the Bar of the State of Florida and do not purport to be experts on, or to express any opinion herein, concerning any laws other than the laws of the State of Florida, and this opinion is limited to matters arising under and governed by the laws of the State of Florida.

The opinions expressed in this letter speak as of the date hereof and are based upon the applicable laws, regulations and ordinances in effect and facts existing as of the date of this letter. In delivering this letter to you, we are not undertaking to apprise you either of any transactions, events or occurrences taking place after the date of this letter of which we may acquire any knowledge or of any change in applicable laws taking place after the date of this letter which may affect any of our opinions set forth in this letter.

Our opinions are rendered solely for the benefit of the addressees of this letter in connection with the issuance and delivery of the Note and may not be quoted, relied on or used for any other purpose by any other person or entity without our prior written consent.

City Attorney

Vose Law Firm, LLP

By: 

Wade Vose, Esq.

**TAX CERTIFICATE AS TO ARBITRAGE AND  
THE PROVISIONS OF SECTIONS 141-150 OF  
THE INTERNAL REVENUE CODE OF 1986, AS AMENDED**

\$1,937,333.13

City of Bunnell, Florida  
Water and Sewer System Refunding Revenue Note  
Series 2017

In connection with the issuance by City of Bunnell, Florida (the "Issuer") of its \$1,937,333.13 Water and Sewer System Refunding Revenue Note, Series 2017 (the "Series 2017 Note"), the Issuer makes and enters into the following Tax Certificate as to Arbitrage and the Provisions of Section 141-150 of the Internal Revenue Code of 1986, as amended (the "Code").

The Issuer acknowledges that the opinion of Bond Counsel regarding the exclusion of interest on the Series 2017 Note from gross income under Section 103(a) and Sections 141-150 of the Code is rendered in reliance upon the representations and statements of fact and expectations contained herein and assumes the Issuer's continued compliance with the provisions of this Certificate.

1. The Series 2017 Note is being issued pursuant to the Constitution and laws of the State of Florida, including particularly Chapter 166, Part I and II, Florida Statutes, the municipal charter of the Issuer, and other applicable provisions of law, and pursuant to the terms of a resolution adopted by the City Commission of the Issuer on February 27, 2017 (collectively, the "Resolution"). The Series 2017 Note is being issued to currently refund the Issuer's Water and Sewer System Refunding Revenue Note, Series 2015 (the "Series 2015 Note").

Unless otherwise specifically defined, all capitalized terms used in this Certificate shall have the same meanings as those set forth in the Resolution or in Section 1.148-1 through 1.148-10 and Section 1.150-1 of the Income Tax Regulations (the "Regulations").

2. The refunding of the Series 2015 Note with proceeds of the Series 2017 Note is being undertaken by the Issuer in order to realize a significant present value interest cost savings. The Series 2015 Note will be redeemed on the date hereof. The Series 2015 Note was issued for the purposes of (a) currently refunding the Issuer's Water and Sewer Revenue Bonds, Series 1993 (the "Series 1993 Bonds") and (b) currently refunding the Issuer's Water and Sewer Revenue Bonds, Series 1997 (the "Series 1997 Bonds"). The Series 1993 Bonds were issued for the purpose of refinancing the Issuer's Bond Anticipation Notes, Series 1992 (the "Series 1992 Notes"), the proceeds of which were used to finance a portion of the cost of the acquisition, construction and equipping of certain additions, extensions and improvements to the Issuer's water and sewer system (the "1992 Project"). The Series 1997 Bonds were issued for the purpose of refinancing the Issuer's Bond Anticipation Note, Series 1996 (the "Series 1996

Note”), the proceeds of which were used to finance a part of the cost of the acquisition, construction and equipping of certain additions, extensions and improvements to the Issuer’s water and sewer system (the “1996 Project”). The 1992 Project and the 1996 Project shall be hereinafter collectively referred to as the “Refinanced Projects.” On the date of issuance of the Series 2015 Note, there are no remaining proceeds of the Series 1992 Notes, Series 1993 Bonds, Series 1996 Note or the Series 1997 Bonds. On the date of issuance of the Series 2017 Note, there are no remaining proceeds of the Series 1992 Notes, Series 1993 Bonds, Series 1996 Note, Series 1997 Bonds or Series 2015 Note other than amounts on deposit in the Reserve Account which are described in Paragraph 6 hereof.

3. On the basis of the facts, estimates and circumstances in existence on the date hereof, we reasonably expect the following with respect to the Series 2017 Note being issued this day and as to the use of the proceeds thereof:

(a) Proceeds in the amount of \$1,937,333.13 (the "Sale Proceeds") derived from the sale of the Series 2017 Note to CenterState Bank (the “Purchaser”) are expected to be used on the date hereof to redeem the Series 2015 Note.

(b) The total Sale Proceeds to be received from the sale of the Series 2017 Note to the Purchaser do not exceed the total amount necessary for the purposes described above.

(c) The Issuer does not expect to sell or otherwise dispose of any property comprising a part of the Refinanced Projects prior to the final maturity date of the Series 2017 Note, except such minor parts or portions thereof as may be disposed of due to normal wear, obsolescence, or depreciation in the ordinary course of business.

4. On the date of issuance of the Series 1992 Notes, it was reasonably expected that not less than 85% of the spendable proceeds of the Series 1992 Notes would be used to carry out the governmental purposes of such issue within three years of the date of issuance thereof. In addition, not more than 50% of the proceeds of the Series 1992 Notes were invested in obligations that had a guaranteed yield of 4 years or more. On the date of issuance of the Series 1996 Note, it was reasonably expected that not less than 85% of the spendable proceeds of the Series 1996 Note would be used to carry out the governmental purposes of such issue within three years of the date of issuance thereof. In addition, not more than 50% of the proceeds of the Series 1996 Note were invested in obligations that had a guaranteed yield of 4 years or more.

5. On a monthly basis the Issuer will transfer Net Revenues from the Revenue Fund to the Sinking Fund to pay debt service on the Series 2017 Note. The portion of the Revenue Fund and the Sinking Fund allocable to the payment of debt service on the Series 2017 Note will be used primarily to achieve a proper matching of the Net Revenues and debt service on the Series 2017 Note within each bond year and amounts deposited thereto will be depleted at least

once a year except for any carryover amount which will not in the aggregate exceed the greater of (A) the earnings on such fund for the immediately preceding Bond Year, or (B) one-twelfth of the debt service on the Series 2017 Note for the immediately preceding Bond Year.

6. The Resolution establishes the Reserve Account to secure the Series 2017 Note. The Reserve Account shall be funded at closing from amounts previously on deposit in the Reserve Account for the Series 2015 Note. The funding of the Reserve Account in the amount of the Maximum Bond Service Requirement was a condition to the purchase of the Series 2017 Note by the Purchaser on parity with the Parity Obligations.

7. Other than the portions of the Revenue Fund and Sinking Fund allocated to pay debt service on the Series 2017 Note, there are no funds or accounts established pursuant to the Resolution or otherwise which are reasonably expected to be used to pay debt service on the Series 2017 Note, or which are pledged as collateral for the Series 2017 Note (or subject to a negative pledge) and for which there is a reasonable assurance on the part of the Purchaser that amounts therein will be available to pay debt service on the Series 2017 Note if the Issuer encounters financial difficulties.

8. The following represents the expectations of the Issuer with respect to the investment of such proceeds of the Series 2017 Note:

(a) Amounts on deposit in the Reserve Account may be invested at an unrestricted yield throughout the term of the Series 2017 Note to the extent such amounts do not exceed the lesser of (i) maximum annual debt service on the Bonds (as defined in the Resolution), (ii) 125% of average annual debt service on the Bonds, or (iii) 10% of the original principal amount of the Bonds.

(b) All amounts deposited in the Revenue Fund and the Sinking Fund allocated to the payment of debt service on the Series 2017 Note may be invested at an unrestricted yield for a period of thirteen months from the date of deposit of such amounts to such Fund. Investment earnings with respect to amounts on deposit in the Sinking Fund which are retained therein may be reinvested at an unrestricted yield for a period of thirteen months from the date of receipt of the amount earned. It is expected that all such investment earnings will be used within thirteen months of their receipt to pay principal or interest on the Series 2017 Note.

(c) Amounts described in subparagraphs (a) and (b) that may not be invested at an unrestricted yield pursuant to such subparagraph, may be invested at an unrestricted yield to the extent such amounts do not exceed \$96,866.65 (the "Minor Portion").

(d) Amounts described in subparagraph (c), not invested at an unrestricted yield pursuant to such subparagraph, shall be invested at a yield not in excess of the



yield on the Series 2017 Note or shall be invested in tax-exempt obligations under Section 103(a) of the Code the interest on which is not an item of preference within the meaning of Section 57(a)(5) of the Code.

9. For purposes of this Certificate, "yield" means that yield which when used in computing the present worth of all payments of principal and interest to be paid on an obligation produces an amount equal to the purchase price of such obligation. The yield on obligations acquired with amounts described in Paragraph 8 above and which are subject to the rebate requirement described in Paragraph 11 below and the yield on the Series 2017 Note shall be calculated by the use of the same frequency interval of compounding interest. In the case of the Series 2017 Note, the purchase price is \$1,937,333.13. The purchase price of the Series 2017 Note and the interest rate thereon were arrived at as a result of an arms length negotiation between the Issuer and the Purchaser. The Purchaser has represented to the Issuer that it is acquiring the Series 2017 Note for its own account, and is not acting as a broker or other intermediary for the purpose of reselling the Series 2017 Note to other investors. Any investments acquired with amounts that may not be invested at an unrestricted yield pursuant to Paragraph 8 above or which are subject to the rebate requirement described in Paragraph 12 hereof shall be purchased at prevailing market prices and shall be limited to securities for which there is an established market, shall be United States Treasury Obligations - State and Local Government Series, or shall be tax-exempt obligations under 103(a) of the Code the interest on which is not an item of tax preference within the meaning of Section 57(a)(5) of the Code. In accordance with such meaning of the term yield, the yield of the Series 2017 Note has been determined to be not less than 2.376522%.

10. No portion of the proceeds of the Series 2017 Note will be used as a substitute for other moneys of the Issuer which were otherwise to be used to pay debt service on the Series 2015 Note and which have been or will be used to acquire directly or indirectly, obligations producing a yield in excess of the yield on the Series 2017 Note.

11. There are no other obligations of the Issuer that (i) are being sold at substantially the same time as the Series 2017 Note (within 15 days); (ii) are being sold pursuant to a common plan of financing together with the Series 2017 Note, and (iii) will be paid out of substantially the same source of funds as the Series 2017 Note.

12. The Issuer has covenanted in the Resolution that so long as the Series 2017 Note remains outstanding, the moneys on deposit in any fund or account maintained in connection with the Series 2017 Note will not be used in any manner that would cause the Series 2017 Note to be an "arbitrage bond" within the meaning of Section 148 of the Code or bonds not described under Section 103(a) of the Code and the applicable regulations promulgated from time to time thereunder. Accordingly, the City shall comply with the guidelines and instructions in the Arbitrage Letter of Instructions from Bond Counsel, dated the date hereof, by which the City shall, except as otherwise provided in such Letter of Instructions, pay or cause to be paid to the United States an amount equal to the sum of (i) the excess of the aggregate amount earned from

the investment of "Gross Proceeds" of the Series 2017 Note from the date of issue over the amount that would have been earned if such amounts had been invested at a yield equal to the yield of the Series 2017 Note, plus (ii) the income or earnings attributable to the excess amount described in (i). See Exhibit A attached hereto.

13. Neither the Issuer nor any person related to the Issuer has entered or is expected to enter into any hedging transaction (such as an interest rate swap, cap or collar transaction) with respect to the Series 2017 Note.

14. The weighted average maturity of the Series 2017 Note does not exceed 120 percent of the reasonably expected remaining economic life of the Refinanced Projects (within the meaning of Section 147(b) of the Code).

15. None of the proceeds of the Series 2017 Note will be used (directly or indirectly) to acquire any property which prior to its acquisition was used (or held for use) by a person other than a state or local governmental unit in connection with an output facility. For purposes of this Certificate, the term "output facility" means electric and gas generation, transmission, and related facilities.

16. None of the proceeds of the Series 2017 Note will be used (directly or indirectly) to make or finance a loan to any person.

17. The Issuer will not take any action which would cause the Series 2017 Note to be a "private activity bond" within the meaning of Section 141 of the Code. The Issuer will not permit any person other than a state or local governmental unit or as a member of the general public (a "Nonexempt Person") to use, through sale, lease, management contract, output contract or similar agreement, portions of the Refinanced Projects, which in the aggregate exceed 10 percent of the Refinanced Projects (based upon the cost of such portions of the project). The percentage limitation described in the preceding sentence shall be reduced to 5 percent if the private use of the Refinanced Projects is not related to any governmental use or is disproportionate to governmental use, all as described in Section 141(b)(3) of the Code.

18. The Issuer acknowledges that in determining whether all or any portion of the Refinanced Projects is used, directly or indirectly, in the trade or business of a Nonexempt Person for purposes of Paragraph 17 above, use of any portion of the Refinanced Projects by a Nonexempt Person pursuant to a lease, management contract, service contract, output contract or other arrangement must be examined. The Issuer represents that all management and service contracts with persons who are not employees of the Issuer for use of any portion of the Refinanced Projects will comply with the guidelines set forth in IRS Revenue Procedure 2017-13 or Revenue Procedure 97-13, as applicable, unless the Issuer receives an opinion from Bond Counsel that such contract will not adversely impact the exclusion of interest on the Series 2017 Note from gross income for purposes of federal income taxation. The Issuer agrees to maintain copies of all leases, management contracts, service contracts, output contracts, and other

preferential use arrangements with Nonexempt Persons with respect to the use of the Refinanced Projects throughout the term of the Series 2017 Note and for a period of three years thereafter.

19. The Issuer represents that the Refinanced Projects have been owned and operated in a manner which complies with the requirements set forth in Paragraph 17 above from the placed in service dates of the Refinanced Projects until the date of issuance of the Series 2017 Note. The Issuer reasonably expects that the Refinanced Projects will be owned and operated throughout the term of the Series 2017 Note in a manner which complies with the requirements set forth in Paragraph 17 above. The Issuer will not change the ownership or use of all or any portion of the Refinanced Projects in a manner that fails to comply with Paragraph 17 above, unless it receives an opinion of Bond Counsel that such change of ownership or use will not adversely affect the exclusion of interest on the Series 2017 Note from gross income for federal income tax purposes.

20. The payment of the principal of and interest on the Series 2017 Note is not and will not be guaranteed directly or indirectly by the federal government within the meaning of Section 149(b) of the Code.

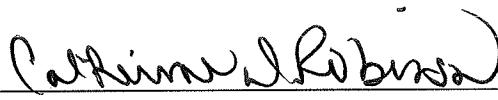
21. The Issuer is not aware of any facts or circumstances that would cause it to question the accuracy of the representations made by the Purchaser described in Paragraph 8 hereof.

22. This Certificate is, in part, to serve as a guideline in implementing the requirements of Sections 141 to 150 of the Code. If regulations, rulings, announcements and notices validly promulgated under the Code contain requirements which differ from those outlined here which must be satisfied for the Series 2017 Note to be tax-exempt or in order to avoid the imposition of penalties under Section 148 of the Code, pursuant to the covenants contained in the Resolution, the Issuer is obligated to take such steps as are necessary to comply with such requirements. If under those pronouncements, compliance with any of the requirements of this Certificate is not necessary to maintain the exclusion of interest on the Series 2017 Note from gross income and alternative minimum taxable income (except to the extent of certain adjustments applicable to corporations) or to avoid the imposition of penalties on the Issuer under Section 148 of the Code, the Issuer shall not be obligated to comply with that requirement. The Issuer has been advised to seek the advice of competent counsel with a nationally recognized expertise in matters affecting exclusion of interest on municipal bonds from gross income in fulfilling its obligations under the Code to take all steps as are necessary to maintain the tax-exempt status of the Series 2017 Note.

23. To the best of our knowledge, information and belief, the above expectations are reasonable.

IN WITNESS WHEREOF, we have hereunto set our hands on this 28<sup>th</sup> day of February, 2017.

CITY OF BUNNELL, FLORIDA

By:   
Name: Catherine D. Robinson  
Title: Mayor

[Signature page – Tax Certificate]

EXHIBIT A

February 28, 2017

City Commission  
City of Bunnell, Florida

Re: \$1,937,333.13 City of Bunnell, Florida  
Water and Sewer System Refunding Revenue Note, Series 2017

Ladies and Gentlemen:

This letter instructs you as to certain requirements of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to the \$1,937,333.13 City of Bunnell, Florida Water and Sewer System Refunding Revenue Note, Series 2017 (the "Series 2017 Note"). Capitalized terms used in this letter, not otherwise defined herein, shall have the same meanings as set forth in the Issuer's Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code of 1986, As Amended (the "Tax Certificate") executed on the date hereof.

This letter is intended to provide you with general guidance regarding compliance with Section 148(f) of the Code. Because the requirements of the Code are subject to amplification and clarification, you should seek supplements to this letter from time to time to reflect any additional or different requirements of the Code. In particular, you should be aware that regulations implementing the rebate requirements of Section 148(f) (the "Regulations") have been issued by the United States Treasury Department. These regulations will, by necessity, be subject to continuing interpretation and clarification through future rulings or other announcements of the United States Treasury Department. You should seek further advice of Bond Counsel as to the effect of any such future interpretations before the computation and payment of any arbitrage rebate.

For the purposes of this Letter, (i) any instructions relating to a fund or account shall be deemed to apply only to the portion of such fund or account allocable to the Series 2017 Note and (ii) any reference to "the date hereof" shall be deemed to mean February 28, 2017.

Section 1. Tax Covenants. Pursuant to the Resolution (as defined in the Tax Certificate), the Issuer has made certain covenants designed to assure that interest with respect to the Series 2017 Note is and shall remain excluded from gross income for federal income tax purposes. The Issuer has agreed, and by this Letter does hereby covenant, that it will not directly or indirectly use or permit the use of any proceeds of the Series 2017 Note or any other funds or take or omit to take any action that would cause the Series 2017 Note to be an issue of "arbitrage bonds" within the meaning of Section 148 of the Code and that would cause interest on the Series 2017

Note to be included in gross income for federal income tax purposes under the provisions of the Code. You have further agreed by this letter to comply with all other requirements as shall be determined by Bond Counsel (as hereinafter defined) to be necessary or appropriate to assure that interest on the Series 2017 Note will be excluded from gross income for federal income tax purposes. To that end, the Issuer will comply with all requirements of Section 148 of the Code to the extent applicable to the Series 2017 Note. In particular, the Issuer agrees to cause the proceeds of the Series 2017 Note and certain other amounts described in Paragraph 8 of the Tax Certificate to be invested in a manner that is consistent with the expectations set forth in such Certificate. In the event that at any time the Issuer is of the opinion that for purposes of this Section 1 it is necessary to restrict or to limit the yield on the investment of any moneys held by the Issuer, the Issuer shall take such action as may be necessary.

Section 2. Definitions. Unless the context otherwise requires, in addition to the use of the terms defined in the Tax Certificate, the following capitalized terms have the following meanings:

"Bond Counsel" shall mean Bryant Miller Olive PA., or other nationally recognized bond counsel.

"Bond Year" shall mean the one year period that ends at the close of business on the day in the calendar year that is selected by the Issuer. The first and last bond years may be short periods.

"Bond Yield" shall mean that discount rate that, when used in computing the present value on the Delivery Date of all unconditionally payable payments of principal, interest, and retirement price paid and to be paid on the Series 2017 Note, produces an amount equal to the present value on the Delivery Date, using the same discount rate, of the aggregate Issue Price of the Series 2017 Note. Yield is computed under the Economic Accrual Method using any consistently applied compounding interval of not more than one year. Short first and last compounding intervals may be used. Other reasonable, standard financial conventions, such as the 30 days per month/360 days per year convention, may be used in computing yield but must be consistently applied. The yield on the Series 2017 Note computed in this manner is 2.376522%.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations promulgated thereunder.

"Computation Date" shall mean any date selected by the Issuer as a computation date pursuant to Section 1.148-3(e) of the Regulations, and the Final Computation Date.

"Computation Credit Amount" means the amount, as of each Computation Credit Date, specified in Section 1.148-3(d)(1)(iv) of the Regulations.

"Computation Credit Date" means the last day of each Bond Year during which there are amounts allocated to Gross Proceeds of the Series 2011 Bonds that are subject to the rebate requirement of Section 148(f) of the Code, and the Final Computation Date.

"Delivery Date" shall mean February 28, 2017.

"Economic Accrual Method" shall mean the method of computing yield that is based on the compounding of interest at the end of each compounding period (also known as the constant interest method or the actuarial method).

"Final Computation Date" shall mean the date that the last bond that is part of the Series 2017 Note is discharged.

"Gross Proceeds" shall mean with respect to the Series 2017 Note, any proceeds of the Series 2017 Note and any funds (other than the proceeds of the Series 2017 Note) that are a part of a reserve or replacement fund for the issue, which amounts include amounts which are (A) actually or constructively received by the Issuer from the sale of the Series 2017 Note (other than amounts used to pay Accrued Interest on the Series 2017 Note as set forth in the Tax Certificate); (B) treated as transferred proceeds (as defined in Section 1.148-9(b) of the Regulations); (C) treated as Replacement Proceeds under Section 1.148-1(c) of the Regulations; (D) invested in a reasonably required reserve or replacement fund (as defined in Section 1.148-2(f) of the Regulations); (E) pledged by the Issuer as security for payment of debt service on the Series 2017 Note; (F) received with respect to obligations acquired with proceeds of the Series 2017 Note; (G) used to pay debt service on the Series 2017 Note; and (H) otherwise received as a result of investing any proceeds of the Series 2017 Note. The determination of whether an amount is included within this definition shall be made without regard to whether the amount is credited to any fund or account established under the Resolution or (except in the case of an amount described in (E) above) whether the amount is subject to the pledge of such instrument.

"Guaranteed Investment Contract" means any Nonpurpose Investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, and also includes any agreement to supply investments on two or more future dates (e.g., a forward supply contract).

"Installment Payment Date" shall mean a Computation Date that is not later than 5 years after the Delivery Date and subsequent Computation Dates which occur no later than 5 years after the immediately preceding Installment Payment Date.

"Investment Property" shall mean any security or obligation, any annuity contract or other investment-type property within the meaning of Section 148(b)(2) of the Code. The term Investment Property shall not include any obligation the interest on which is excluded from gross income (other than a Specified Private Activity Bond within the meaning of Section 57(a)(5)(C) of the Code) and shall not include an obligation that is a one-day certificate of

indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series Program described in 31 CFR, part 344.

"Issue Price" shall mean with respect to the Series 2017 Note an amount equal to \$1,937,333.13.

"Issue Yield" shall mean the Bond Yield unless the Series 2017 Note is described in Section 1.148-4(b)(3) or (4) of the Regulations, in which case, the Issue Yield shall be the Bond Yield as recomputed in accordance with such provisions of the Regulations.

"Nonpurpose Investment" shall mean any Investment Property in which Gross Proceeds are invested, other than any Purpose Investment as defined in Section 1.148-1(b) of the Regulations. For purposes of this Letter, Investment Property acquired with revenues deposited in the Revenue Fund and the Sinking Fund to be used to pay debt service on the Series 2017 Note within 13 months of the date of deposit therein shall be disregarded.

"Nonpurpose Payment" shall, with respect to a Nonpurpose Investment allocated to the Series 2017 Note, include the following: (1) the amount actually or constructively paid to acquire the Nonpurpose Investment; (2) the Value of an investment not acquired with Gross Proceeds on the date such investment is allocated to the Series 2017 Note, and (3) any payment of Rebatable Arbitrage to the United States Government not later than the date such amount was required to be paid. In addition, the Computation Credit Amount shall be treated as a Nonpurpose Payment with respect to the Series 2017 Note on each Computation Credit Date.

"Nonpurpose Receipt" shall mean any receipt or payment with respect to a Nonpurpose Investment allocated to the Series 2017 Note. For this purpose the term "receipt" means any amount actually or constructively received with respect to the investment. In the event a Nonpurpose Investment ceases to be allocated to the Series 2017 Note other than by reason of a sale or retirement, such Nonpurpose Investment shall be treated as if sold on the date of such cessation for its Value. In addition, the Value of each Nonpurpose Investment at the close of business on each Computation Date shall be taken into account as a Nonpurpose Receipt as of such date, and each refund of Rebatable Arbitrage pursuant to Section 1.148-3(i) of the Regulations shall be treated as a Nonpurpose Receipt.

"Rebatable Arbitrage" shall mean as of any Computation Date the excess of the future value of all Nonpurpose Receipts with respect to the Series 2017 Note over the future value of all Nonpurpose Payments with respect to the Series 2017 Note. The future value of a Nonpurpose Payment or a Nonpurpose Receipt as of any Computation Date is determined using the Economic Accrual Method and equals the value of that payment or receipt when it is paid or received (or treated as paid or received), plus interest assumed to be earned and compounded over the period at a rate equal to the Issue Yield, using the same compounding interval and financial conventions used in computing that yield.



"Retirement Price" shall mean, with respect to a bond, the amount paid in connection with the retirement or redemption of the bond.

"Value" means value as determined under Section 1.148-5(d) of the Regulations for investments.

### Section 3. Rebate Requirement.

(a) Pursuant to this Letter there shall be established a fund separate from any other fund established and maintained under the Resolution designated the Rebate Fund (the "Rebate Fund"). The Issuer shall administer or cause to be administered the Rebate Fund and invest any amounts held therein in Nonpurpose Investments. Moneys shall not be transferred from the Rebate Fund except as provided in this Section 3.

(b) Unless the Spending Exception to Rebate described in Appendix I to this letter is applicable to all or a portion of the Gross Proceeds of the Series 2017 Note, the Issuer specifically covenants that it will pay or cause to be paid to the United States Government the following amounts:

(1) No later than 60 days after each Installment Payment Date, an amount which, when added to the future value of all previous rebate payments made with respect to the Series 2017 Note, equals at least 90 percent of the Rebatable Arbitrage calculated as of each such Installment Payment Date; and

(2) No later than 60 days after the Final Computation Date, an amount which, when added to the future value of all previous rebate payments made with respect to the Series 2017 Note, equals 100 percent of the Rebatable Arbitrage as of the Final Computation Date.

(c) Any payment of Rebatable Arbitrage made within the 60-day period described in Section 3(b)(1) and (2) above may be treated as paid on the Installment Payment Date or Final computation date to which it relates.

(d) On or before 55 days following each Installment Payment Date and the Final Computation Date, the Issuer shall determine the amount of Rebatable Arbitrage to be paid to the United States Government as required by Section 3(b) of this Letter. Upon making this determination, the Issuer shall take the following actions:

(1) If the amount of Rebatable Arbitrage is calculated to be positive, deposit the required amount of Rebatable Arbitrage to the Rebate Fund;

(2) If the amount of Rebatable Arbitrage is calculated to be negative and money is being held in the Rebate Fund, transfer from the Rebate Fund the amount on deposit in such fund; and

(3) On or before 60 days following the Installment Payment Date or Final Computation Date, pay the amount described in Section 3(b) of this Letter to the United States Government at the Internal Revenue Service Center, Ogden, Utah 84201. Payment shall be accompanied by Form 8038-T. A rebate payment is paid when it is filed with the Internal Revenue Service at the above location.

(e) The Issuer shall keep proper books of record and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the money related to the Series 2017 Note, including money derived from, pledged to, or to be used to make payments on the Series 2017 Note. Such records shall specify the account or fund to which each investment (or portion thereof) held by the Issuer is to be allocated and shall set forth, in the case of each investment security, (a) its purchase price; (b) nominal rate of interest; (c) the amount of accrued interest purchased (included in the purchase price); (d) the par or face amount; (e) maturity date; (f) the amount of original issue discount or premium (if any); (g) the type of Investment Property; (h) the frequency of periodic payments; (i) the period of compounding; (j) the yield to maturity; (k) date of disposition; (l) amount realized on disposition (including accrued interest); and (m) market price data sufficient to establish the fair market value of any Nonpurpose investment as of any Computation Date, and as of the date such Nonpurpose Investment becomes allocable to, or ceases to be allocable to, Gross Proceeds of the Series 2017 Note.

#### Section 4. Prohibited Investments and Dispositions.

(a) No Investment Property shall be acquired with Gross Proceeds for an amount (including transaction costs) in excess of the fair market value of such Investment Property. No Investment Property shall be sold or otherwise disposed of for an amount (including transaction costs) less than the fair market value of the Investment Property.

(b) For purposes of subsection 4(a), the fair market value of any Investment Property for which there is an established market shall be determined as provided in subsection 4(c). Except as otherwise provided in subsections 4(e) and (f), any market especially established to provide Investment Property to a Issuer of governmental obligations shall not be treated as an established market.

(c) The fair market value of any Investment Property for which there is an established market is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's-length transaction. Fair market value is

generally determined on the date on which a contract to purchase or sell the Investment Property becomes binding (i.e., the trade date rather than the settlement date). If a United States Treasury obligation is acquired directly from or disposed of directly to the United States Treasury, such acquisition or disposition shall be treated as establishing a market for the obligation and as establishing the fair market value of the obligation.

(d) Except to the extent provided in subsections (e) and (f), any Investment Property for which there is not an established market shall be rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(e) In the case of a certificate of deposit that has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal, the purchase price of such a certificate of deposit is treated as its fair market value on its purchase date if the yield on the certificate of deposit is not less than (1) the yield on reasonably comparable direct obligations of the United States; and (2) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(f) The purchase price of a Guaranteed Investment Contract is treated as its fair market value on the purchase date if the Issuer complies with the competitive bidding procedures set forth in Section 1.148-5(d)(6)(iii) of the Regulations.

Section 5. Accounting for Gross Proceeds. In order to perform the calculations required by the Code and the Regulations, it is necessary to track the investment and expenditure of all Gross Proceeds. To that end, the Issuer must adopt a reasonable and consistently applied method of accounting for all Gross Proceeds.

Section 6. Administrative Costs of Investments.

(a) Except as otherwise provided in this Section, an allocation of Gross Proceeds of the Series 2017 Note to a payment or receipt on a Nonpurpose Investment is not adjusted to take into account any costs or expenses paid, directly or indirectly, to purchase, carry, sell or retire the Nonpurpose Investment (administrative costs). Thus, administrative costs generally do not increase the payments for, or reduce the receipts from, Nonpurpose Investments.

(b) In determining payments and receipts on Nonpurpose Investments, Qualified Administrative Costs are taken into account by increasing payments for, or reducing the receipts from, the Nonpurpose Investments. Qualified Administrative Costs are reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage or selling commissions, but not legal and accounting fees, recordkeeping, custody, and similar costs. General overhead costs and similar indirect

costs of the Issuer such as employee salaries and office expenses and costs associated with computing Rebatale Arbitrage are not Qualified Administrative Costs

(c) Qualified Administrative Costs include all reasonable administrative costs, without regard to the limitation on indirect costs stated in subsection (b) above, incurred by:

(i) A publicly offered regulated investment company (as defined in Section 67(c)(2)(B) of the Code); and

(ii) A commingled fund in which the Issuer and any related parties do not own more than 10 percent of the beneficial interest in the fund.

(d) For a Guaranteed Investment Contract, a broker's commission paid on behalf of either the Issuer or the provider is not a Qualified Administrative Cost to the extent that the commission exceeds the safe harbor amount specified in Section 1.148-5(e)(2)(iii)(B) of the Regulations.

Section 7. Records; Bond Counsel Opinion.

(a) The Issuer shall retain all records with respect to the calculations and instructions required by this Letter for at least 3 years after the date on which the last of the principal of and interest on the Series 2017 Note has been paid, whether upon maturity, redemption or acceleration thereof.

(b) Notwithstanding any provisions of this Letter, if the Issuer shall be provided an opinion of Bond Counsel that any specified action required under this Letter is no longer required or that some further or different action is required to maintain or assure the exclusion from federal gross income of interest with respect to the Series 2017 Note, the Issuer may conclusively rely on such opinion in complying with the requirements of this Letter.

[Remainder of page intentionally left blank]

Section 8. Survival of Defeasance. Notwithstanding anything in this Letter to the contrary, the obligation of the Issuer to remit the Rebate Requirement to the United States Department of the Treasury and to comply with all other requirements contained in this Letter must survive the defeasance or payment of the Series 2017 Note.

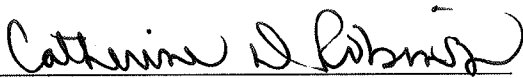
Respectfully submitted,



BRYANT MILLER OLIVE P.A.

Received and acknowledged:

City of Bunnell, Florida

By:   
Catherine D. Robinson, Mayor

Dated: February 28, 2017

## Appendix I

### Spending Exception to Rebate

(a) Generally. All, or certain discrete portions, of an issue are treated as meeting the Rebate Requirement of Section 148(f) of the Code if the spending exception set forth in this Appendix is satisfied. Use of the spending exception is not mandatory. An issuer may apply the Rebate Requirement to an issue that otherwise satisfies the spending exception.

(b) Six-Month Exception. An issue is treated as meeting the Rebate Requirement under this exception if (i) the gross proceeds of the issue are allocated to expenditures for the governmental purposes of the issue within the six-month period beginning on the issue date (the "six-month spending period") and (ii) the Rebate Requirement is met for amounts not required to be spent within the six-month spending period (excluding earnings on a bona fide debt service fund). For purposes of the six-month exception, "gross proceeds" means Gross Proceeds other than amounts (i) in a bona fide debt service fund, (ii) in a reasonably required reserve or replacement fund, (iii) that, as of the issue date, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the end of the six-month spending period, (iv) that represent Sale Proceeds or Investment Proceeds derived from payments under any Purpose Investment of the issue and (v) that represent repayments of grants (as defined in Treasury Regulation Section 1.148-6(d)(4)) financed by the issue.

(c) Expenditures for Governmental Purposes of the Issue. For purposes of the spending exception, expenditures for the governmental purposes of an issue include payments for interest, but not principal, on the issue and for principal or interest on another issue of obligations.

**CERTIFICATE OF DELIVERY AND APPLICATION OF PROCEEDS**

We, the undersigned Mayor and Finance Director of the City of Bunnell, Florida (the "City"), DO HEREBY CERTIFY that, on the 28<sup>th</sup> day of February, 2017, the City delivered to, or at the direction of, CenterState Bank (the "Purchaser"), the following described obligation of the City:

\$1,937,333.13 City of Bunnell, Florida Water and Sewer System Refunding Revenue Note, Series 2017, consisting of one fully-registered Note dated February 28 2017, bearing interest at a fixed rate of 2.39% and maturing on May 21, 2030 (the "Note").

\$1,937,333.13 of the proceeds of the Note shall be used, together with other legally available funds of the City, to currently refund the City's Water and Sewer System Refunding Revenue Note, Series 2015 issued in the original principal amount of \$2,050,000, which is held by Ameris Bank. The Purchaser will pay the costs of issuing the Note, including legal fees and expenses.

IN WITNESS WHEREOF, we have hereunto set our hands and seal this 28<sup>th</sup> day of February, 2017.

CITY OF BUNNELL, FLORIDA

By: Catherine D. Robinson

Name: Catherine D. Robinson

Title: Mayor

By: Stella S. Seunee

Name: Stella Gurnee

Title: Finance Director

**CERTIFICATE AS TO PUBLIC MEETINGS  
AND NO CONFLICT OF INTEREST**

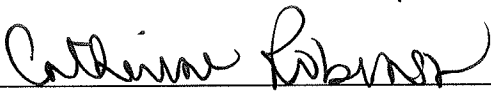
STATE OF FLORIDA :  
CITY OF BUNNELL :

Each of the undersigned members of the City Commission (the "City Commission") of the City of Bunnell, Florida (the "Issuer"), recognizing that the purchaser of the not to exceed \$1,937,333.13 City of Bunnell, Florida Water and Sewer System Refunding Revenue Note, Series 2017 (the "Note"), will have purchased said Note in reliance upon this Certificate, DO HEREBY CERTIFY:


(1) that he or she has no personal knowledge that any two or more members of the City Commission, meeting together, reached any prior conclusion as to whether the actions taken by the City Commission, with respect to said Note, the security therefor and the application of the proceeds thereof, should or should not be taken by the City Commission or should or should not be recommended as an action to be taken or not to be taken by the City Commission, except at public meetings of the City Commission held after due notice to the public was given in the ordinary manner required by law and custom of the City Commission; and

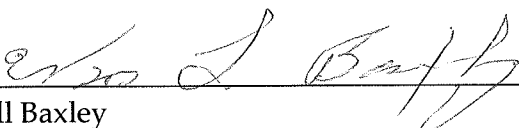
(2) that he or she does not have or hold any employment or contractual relationship with CenterState Bank which is purchasing the Note from the Issuer.

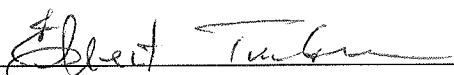
IN WITNESS WHEREOF, we have hereunto affixed our official signatures as of the 27<sup>th</sup> day of February, 2017.

  
\_\_\_\_\_  
Catherine Robinson, Mayor

  
\_\_\_\_\_  
John R. Rogers, Vice Mayor

  
\_\_\_\_\_  
Bonita Robinson

  
\_\_\_\_\_  
Bill Baxley

  
\_\_\_\_\_  
Elbert Tucker



**CERTIFICATE OF CITY AS TO  
SIGNATURES, NO LITIGATION AND OTHER MATTERS**

The undersigned, Catherine Robinson, Mayor, Stella Gurnee, Finance Director, and Sandi Bolser, City Clerk (but only with respect to paragraphs VII and VIII) of the City of Bunnell, Florida (the "City"), in connection with the issuance this day by the City of the following described Note:

\$1,937,333.13 City of Bunnell, Florida Water and Sewer System Refunding Revenue Note, Series 2017, consisting of one fully-registered Note dated February 28, 2017, bearing interest at a fixed rate of 2.39% and maturing on May 21, 2030.

DO HEREBY CERTIFY that:

I

The following terms in this Certificate shall have the following meanings (terms not defined herein shall have the meanings set forth in the Resolution):

"Bank" means CenterState Bank.

"Note" mean the obligation described above.

"Resolution" means a resolution duly adopted by the City Commission of the City on February 27, 2017.

II

The City is a duly created and validly existing municipality under the Constitution and laws of the State of Florida.

III

No litigation or other proceedings are pending or, to the best of our knowledge, threatened against the City in any court or other tribunal of competent jurisdiction, State or federal, in any way (i) restraining or enjoining the issuance, sale, execution or delivery of or performance under the Note, (ii) questioning or affecting the validity of the Note, the Resolution or the source of security for the Note in the manner and to the extent described in the Resolution, or the tax-exempt status of the Note, or which could materially and adversely affect the financial position of the City, (iii) questioning or affecting the validity of any of the proceedings for the authorization, sale, execution, issuance or delivery of the Note, or (iv) questioning or affecting the organization or existence of the City or the title to office of the

officers thereof.

#### IV

The City has complied with all agreements and has satisfied all conditions on its part to be observed or satisfied under the Resolution.

#### V

The Resolution has been duly adopted and has not been repealed, revoked, rescinded or altered in any manner.

#### VI

The City is not and has not been in default on any bond issued since December 31, 1975 that would be considered material by a reasonable investor. The City has not undertaken an independent review or investigation of securities for which it has served as conduit issuer. The City does not believe that any information about any default on such securities is appropriate and would be considered material by the owner of the Note because the City would not have been obligated to pay the debt service on any such securities except from payments made to it by the private companies on whose behalf such securities were issued and no funds of the City would have been pledged or used to pay such securities or the interest thereon.

#### VII

Catherine Robinson, Mayor of the City, has executed the Note by her manual signature, and said Mayor of the City was on the date she signed the Note, and is now, the duly chosen, qualified and acting Mayor of the City and the signature appearing on the Note and the signature at the end of this Certificate are the true and lawful signature of the Mayor of the City.

Stella Gurnee is the duly appointed Finance Director of the City and the signature appearing at the end of this Certificate constitutes the true and lawful signature of the Finance Director.

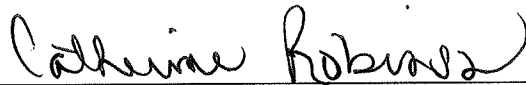
Sandi Bolser is the duly appointed City Clerk of the City and the official seal of the City was duly impressed on the Note and attested by the manual signature of the City Clerk. Such seal and signature impressed on or otherwise reproduced on the Note and the signature of the City Clerk appearing at the end of this Certificate constitute the true and lawful seal of the City and signature of the City Clerk, respectively.

VIII

The seal which has been impressed upon this Certificate is the legally adopted, proper and only official seal of the City and such seal has been imprinted upon said Note.


IN WITNESS WHEREOF, we have hereunto set our hands and affixed the official seal of the City this 28<sup>th</sup> day of February, 2017.

CITY OF BUNNELL, FLORIDA



---

Catherine Robinson, Mayor



---

Stella Gurnee, Finance Director



---

Sandi Bolser, City Clerk



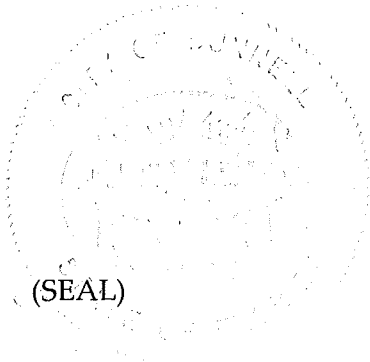
(SEAL)

CERTIFICATE OF INCUMBENCY


I, Sandi Bolser, City Clerk of the City of Bunnell, Florida (the "Issuer"), in connection with the issuance by the Issuer of its \$1,937,333.13 City of Bunnell, Florida Water and Sewer System Refunding Revenue Note, Series 2017, DO HEREBY CERTIFY, that the following is a correct list of the names of the members of the City Commission of the Issuer, and of certain other officers, and of the dates of commencement and expiration of their respective terms of office:

<u>OFFICE</u>	<u>OFFICER</u>	<u>EXPIRATION OF TERM</u>
Mayor	Catherine Robinson	April 2020
Vice Mayor	John R. Rogers	April 2017
Commission Member	Bonita Robinson	April 2017
Commission Member	Bill Baxley	April 2020
Commission Member	Elbert Tucker	April 2020
City Manager	Dan Davis	At will of City Commission
City Clerk	Sandra Bolser	At will of City Manager
Finance Director	Stella Gurnee	At will of City Manager
City Attorney	Vose Law Firm LLP	At will of City Commission

IN WITNESS WHEREOF, I have hereunto set my hand and impressed the official seal of the Issuer this 28<sup>th</sup> day of February, 2017.



CITY OF BUNNELL, FLORIDA

By:   
Name: Sandi Bolser  
Title: City Clerk

CERTIFICATE OF RECORDING OFFICER

I am the duly appointed, qualified and acting City Clerk of the City of Bunnell, Florida (the "City"), and keeper of the records thereof, including the minutes of its proceedings;


I am duly authorized to execute this Certificate; and

The copy of the Resolution attached hereto is a true, correct and compared copy of the original instrument, duly adopted by the City Commission of the City on February 27, 2017, is in full force and effect and has not been amended and, to the extent required by law, has been duly signed or approved by the proper officer or officers and is on file and of record.

The annexed copy of the excerpted minutes of said meeting is a true, correct and compared copy of the relevant part of the original minutes of said meeting on file and of record.

DATED this 28<sup>th</sup> day of February, 2017.

CITY OF BUNNELL, FLORIDA

By: 

Name: Sandi Bolser

Title: City Clerk

(SEAL)



RESOLUTION NO. 2017-03

A RESOLUTION OF THE CITY OF BUNNELL, FLORIDA AUTHORIZING ISSUANCE OF THE CITY'S NOT TO EXCEED \$1,938,255.63 WATER AND SEWER SYSTEM REFUNDING REVENUE NOTE, SERIES 2017, TO REFUND THE CITY'S OUTSTANDING WATER AND SEWER SYSTEM REFUNDING REVENUE NOTE, SERIES 2015; PLEDGING THE NET REVENUES OF THE CITY'S WATER AND SEWER UTILITY SYSTEM FOR THE PAYMENT OF SUCH NOTE; DESIGNATING THE NOTE AS A QUALIFIED TAX-EXEMPT OBLIGATION WITHIN THE MEANING OF THE INTERNAL REVENUE CODE; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SUCH NOTE; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF BUNNELL, FLORIDA:

ARTICLE I  
GENERAL

**Section 1.01. Authority for this Resolution.** This Resolution is adopted pursuant to the provisions of the Constitution of Florida, the Charter of the City of Bunnell, Florida, and Chapter 166, Part I and Part II, Florida Statutes, the ordinance enacted by the Issuer on December 7, 1970, as amended and supplemented (the "Original Instrument"), and other applicable provisions of law.

**Section 1.02. Definitions.** As used in this Resolution, the following terms, unless the context otherwise requires, shall have the meanings specified in this section. Words importing the singular number shall include the plural number in each case and vice versa.

"Bonds" shall mean the Series 2017 Note issued pursuant to this Resolution, the Parity Obligations and any additional parity bonds issued pursuant to the Original Instrument.

"City" or "Issuer" shall mean the City of Bunnell, Florida.

"City Clerk" shall mean the City Clerk of the Issuer.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the applicable rules and regulations promulgated thereunder.

"Fiscal Year" shall mean the period commencing on October 1 of each year and continuing to and including the succeeding September 30.

"Government" shall mean The United States of America, acting through the United States

Department of Agriculture, Rural Utilities Service.

"Gross Revenues" shall mean all moneys received from rates, fees (excluding Impact Fees), rentals or other charges or income received by the Issuer or accruing to it in the management and operation of the System, all calculated in accordance with accepted accounting methods employed in the operation of public water and sewer systems similar to the System.

"Holder" or "Owner" or any similar term shall mean any person who shall be the registered owner of any Series 2017 Note.

"Impact Fees" shall mean the fees or charges imposed by the Issuer upon new customers of the System to finance all or a portion of the cost of additions, extensions or improvements to the System made necessary by the inclusion or expected inclusion of such new customers.

"Maturity Date" shall mean May 21, 2030, the maturity date of the Series 2017 Note.

"Maximum Bond Service Requirement" shall mean the maximum amount of principal and interest coming due on the Bonds in any ensuing Fiscal Year.

"Mayor" shall mean the Mayor of the Issuer.

"Net Revenues" of the System shall mean the Gross Revenues less Operating Expenses.

"Operating Expenses" shall mean the current expenses, paid or accrued, for the operation, maintenance and repair of all facilities of the System, as calculated in accordance with accepted accounting methods, and shall include, without limiting the generality of the foregoing, insurance premiums, administrative expenses of the Issuer related solely to the System, labor, cost of materials and supplies used for such operation and charges for the accumulation of appropriate reserves for current expenses not annually recurrent but which are such as may reasonably be expected to be incurred in accordance with such accepted accounting methods, but shall exclude payments into the Sinking Fund or the Reserve Account therein, any allowances for depreciation or for renewals or replacements of capital assets of the System.

"Original Instrument" shall mean the ordinance enacted by the Issuer on December 7, 1970, as amended and supplemented.

"Original Purchaser" means CenterState Bank, the purchaser of the Series 2017 Note.

"Parity Obligations" shall mean the Series 2015 Bonds, any debt obligations issued to refund such Series 2015 Bonds, and any additional parity obligations issued pursuant to the Original Instrument.

"Pledged Funds" shall mean the Net Revenues.

"Refunding Bonds" shall mean any series of Bonds the proceeds of which will be applied to the refunding of any previously issued Bonds.

"Reserve Account" shall mean the Account within the Sinking Fund referred to in Section 3.02(C) hereof.

"Resolution" shall mean this Resolution.

"Series 1993 Bonds" shall mean, collectively, the Issuer's Water and Sewer Revenue Bonds, Series 1993 issued in the original principal amount of \$936,400 and the Issuer's Water and Sewer Revenue Bonds, Series 1993 issued in the original principal amount of \$1,051,900, which were currently refunded with proceeds of the Series 2015 Note.

"Series 1997 Bonds" shall mean the Issuer's Water and Sewer Revenue Bonds, Series 1997 issued in the original principal amount of \$1,080,000, which were currently refunded with proceeds of the Series 2015 Note.

"Series 2015 Note" shall mean, the Water and Sewer System Refunding Revenue Note, Series 2015 issued in the original principal amount of \$2,050,000, which is currently held by Ameris Bank.

"Series 2015 Bonds" Water and Sewer Revenue Bonds, Series 2015, issued pursuant to City Resolution No. 2013-16A in a principal amount not to exceed \$3,362,000, currently held by the Government.

"Series 2017 Note" or "Note" shall mean the Issuer's Water and Sewer System Refunding Revenue Note, Series 2017, issued hereunder.

"Sinking Fund" shall mean the "City of Bunnell, Florida Water and Sewer System Refunding Revenue Note, Series 2017, Bond and Interest Sinking Fund," as referred to in Section 3.02(C) hereof.

"Subordinate Debt" shall mean debt obligations secured by Pledged Funds on a junior and inferior basis to the Series 2017 Note and the Parity Obligations, including the following:

(1) State Revolving Fund Loan entered into pursuant to the State Revolving Fund Loan Agreement No. WW84306S between the Issuer and the Florida Department of Environmental Protection on July 1, 2005, as amended;

(2) State Revolving Fund Loan entered into pursuant to the State Revolving Fund Loan Agreement No. DW180540 between the Issuer and the Florida Department of Environmental Protection on November 19, 2012, as amended;

(3) Debt obligation to the Florida Department of Transportation pursuant to which the Issuer will make ten (10) annual payments in the amount of \$26,505 commencing October 15, 2020;

"System" shall mean the combined water and sewer utility system now owned, operated and maintained by the Issuer, together with any and all improvements, extensions and additions thereto hereafter constructed or acquired; provided, however, that the term "System" shall not include the Plantation Bay Utility System contemplated by (i) that certain Plantation Bay Utility Interlocal Agreement entered into as of February 6, 2013, between the City of Bunnell and Flagler County,



Florida, and (ii) the Drinking Water State Revolving Fund Construction Loan Agreement (Loan No. DW180520) entered into as of August 21, 2013 between the State of Florida Department of Environmental Protection, Flagler County, Florida and the City of Bunnell, Florida.

**Section 1.03. Findings.** It is hereby ascertained, determined and declared as follows:

(A) For the benefit of its inhabitants, the City presently owns, operates and maintains the System.

(B) Pursuant to the Original Instrument, the City issued the Series 1993 Bonds and the Series 1997 Bonds to finance the cost of acquiring, constructing and erecting extensions and improvements to the System.

(C) The Series 2015 Note was issued to currently refund the Series 1993 Bonds and the Series 1997 Bonds.

(D) It is in the best interests of the City and the residents thereof that the City authorize the issuance of the Series 2017 Note for the purpose of currently refunding the Series 2015 Note for significant net present value debt service savings.

(E) The estimated Pledged Funds to be derived in each year hereafter from the operation of the System will be sufficient to pay the principal of and interest on the Series 2017 Note, the Parity Obligations and the Subordinate Debt.

(F) The principal of and interest on the Series 2017 Note shall be payable solely from the Pledged Funds, and no ad valorem taxing power of the City will ever be exercised nor will the holder of the Series 2017 Note have the right to compel the exercise of such ad valorem taxing power or the use of ad valorem tax revenues to pay the principal of or interest on the Series 2017 Note, and the Series 2017 Note shall not constitute a lien upon the System or upon any other property of the City or situated within its corporate territorial limits, except the Pledged Funds.

(G) It is necessary and appropriate that the City Commission adopt this Resolution at this time in order to authorize the issuance of the Series 2017 Note based on the terms and conditions as herein authorized and provided, and to pledge a lien on the Net Revenues of the System to the payment of the principal of and the interest on the Series 2017 Note herein authorized, which lien shall be equal and ratable to the lien thereon of the Parity Obligations.

(H) The City has received a commitment from the Original Purchaser to purchase the Note (the "Commitment"), a copy of which is attached hereto as Exhibit D.

(I) In consideration of the purchase and acceptance of the Note authorized to be issued hereunder by those who shall be the Owner thereof from time to time, this Resolution shall constitute a contract between the City and the Original Purchaser or any subsequent Owner.

**ARTICLE II**  
**AUTHORIZATION, TERMS, EXECUTION AND**  
**REGISTRATION OF SERIES 2017 NOTE**

**Section 2.01. Authorization of Note and the Refunding.** Subject and pursuant to the provisions of this Resolution, an obligation of the City to be known as the "City of Bunnell, Florida, Water and Sewer System Refunding Revenue Note, Series 2017" is hereby authorized to be issued in an aggregate principal amount of not to exceed One Million Nine Hundred Thirty-Eight Thousand Two Hundred Fifty-Five Dollars and Sixty-Three Cents (\$1,938,255.63) for the purpose of currently refunding the Series 2015 Note. Costs of issuance associated with the Series 2017 Note shall be paid by the Original Purchaser. The refunding of the Series 2015 Note is hereby authorized.

Because of the characteristics of the Note, prevailing market conditions, and additional savings to be realized from an expeditious sale of the Note, it is in the best interest of the City to accept the offer of the Original Purchaser to purchase the Note at a negotiated sale pursuant to the terms of the Commitment. The City Manager is hereby authorized to accept and execute the Commitment on behalf of the City.

Prior to the issuance of the Note, the City shall receive from the Original Purchaser a Purchaser's Certificate, in substantially the form attached hereto as Exhibit B and a Disclosure Statement containing the information required by Section 218.385, Florida Statutes, in substantially the form attached hereto as Exhibit C.

**Section 2.02. Description of Series 2017 Note.** The Series 2017 Note shall be dated the date of its delivery, which shall be a date agreed upon by the City and the Original Purchaser, subject to the following terms:

(A) Interest Rate. The Interest Rate on the Note shall be a fixed rate of interest equal to 2.39% per annum (the "Interest Rate"), subject to adjustment as provided herein and in the Note. Interest on the Note shall be calculated using a 360-day year consisting of twelve 30-day months.

(B) Principal and Interest Payment Dates. Principal of and interest on the Series 2017 Note shall be paid annually, commencing May 21, 2017, and on each subsequent May 21 thereafter until maturity. Principal of the Series 2017 Note shall be paid in accordance with the terms thereof; provided however the final maturity of the Series 2017 Note shall be May 21, 2030.

(C) Prepayment. The Series 2017 Note shall be subject to prepayment prior to the Maturity Date at the option of the City, without premium or penalty, in whole or in part, at any time.

(D) Form of the Note. The Series 2017 Note is to be in substantially the form set forth in Exhibit A attached hereto, together with such non-material changes as shall be approved by the Mayor and the City Manager, such approval to be conclusively evidenced by the execution thereof by the Mayor and the City Manager.

(E) Original Denomination. The Series 2017 Note shall originally be issued in a single denomination equal to the original principal amount authorized hereunder, which denomination shall decrease commensurate with the reduction of principal as it is paid.

(F) Government Approval. As of the effective date hereof, the City has requested approval from the Government for issuance of the Series 2017 Note in parity with the Series 2015 Bonds, and the Government's consideration of such request is pending. Notwithstanding anything herein to the contrary, issuance of the Series 2017 Note in parity with the Series 2015 Bonds is subject to approval by the Government. City staff is hereby authorized and directed to facilitate closing upon and issuance of the Series 2017 Note upon receipt of approval from the Government.

**Section 2.03. Method of Payment.** Principal of and interest on the Note are payable in immediately available funds constituting lawful money of the United States of America at such place as the Holder may designate to the Issuer, and shall be paid on the date when due by wire transfer or in such other manner as agreed upon by the Holder and the Issuer. If any payment of principal or interest on this Note is received by the Holder more than ten (10) days after the same becomes due and payable, the Issuer will pay the Holder on demand a late fee determined by the Holder but not greater than five percent (5%) of the amount of the delinquent payment.

**Section 2.04. Application of Proceeds of Series 2017 Note.** Upon issuance of the Note, the City will apply the proceeds of the Note to currently refund the full principal balance of the Series 2015 Note, and shall apply other legally available funds of the City (which may include moneys on deposit in the funds and accounts created for the benefit of the Series 2015 Note) toward payment in full of any accrued interest then due on the Series 2015 Note.

**Section 2.05. Execution and Authentication of Note.** The Note shall be executed in the name of the City by the Mayor, attested by the City Clerk, approved as to form and correctness by the City Attorney, and its corporate seal or a facsimile thereof shall be affixed thereto or reproduced thereon. The Note may be signed and sealed on behalf of the City by any person who at the actual time of the execution of such Note shall hold the appropriate office in the City, although at the date thereof the person may not have been so authorized.

**Section 2.06. Registration and Exchange of the Note; Persons Treated as Owner.** The Note is initially registered to the Original Purchaser. So long as the Note shall remain unpaid, the City will keep books for the registration and transfer of the Note. The Note shall be transferable in whole and not in part and only upon such registration books.

The Person in whose name the Note shall be registered shall be deemed and regarded as the absolute Owner thereof for all purposes, and payment of principal and interest on such Note shall be made only to or upon the written order of the Owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

**Section 2.07. Payment of Principal and Interest; Limited Obligation.** The City promises that it will promptly pay the principal of and interest on the Note at the place, on the dates and in

the manner provided therein according to the true intent and meaning hereof and thereof. The Note is secured by a pledge of and lien upon the Pledged Funds in the manner and to the extent described herein. The Note shall not be or constitute a general obligation or indebtedness of the City as a "bond" within the meaning of Article VII, Section 12 of the Constitution of Florida, but shall be payable solely from the Pledged Funds in accordance with the terms hereof. No Owner of the Note issued hereunder shall ever have the right to compel the exercise of any ad valorem taxing power or the use of ad valorem revenues to pay such Note, or be entitled to payment of such Note from any funds of the City except from the Pledged Funds as described herein.

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**ARTICLE III  
SECURITY AND COVENANTS**

**Section 3.01. Series 2017 Note Secured by Pledge of Pledged Funds.** Subject to Section 2.02(F) hereof, the payment of the debt service of the Series 2017 Note issued hereunder shall be secured forthwith equally and ratably by a pledge of and a lien on the Pledged Funds derived from the operation of the System of the Issuer. Such lien shall be equal and ratable to the lien of the Parity Obligations. The Issuer does hereby irrevocably pledge such funds to the payment of the principal of and interest on the Series 2017 Note issued pursuant to this Resolution, and to the payment therefrom into the Sinking Fund at the times provided of the sums required to secure to the holders of the Series 2017 Note issued hereunder the payment of the principal of and interest thereon at the respective maturities of the Series 2017 Note so held by them.

The Pledged Funds shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer.

**Section 3.02. Covenants of the Issuer.** So long as any of the principal of or interest on the Series 2017 Note shall be outstanding and unpaid, or until there shall have been set apart in the Sinking Fund established by the Original Instrument, including the Reserve Account therein, a sum sufficient to pay, when due, the entire principal of the Series 2017 Note remaining unpaid, together with interest accrued and to accrue thereon, the Issuer covenants with the holders of the Series 2017 Note issued pursuant to this Resolution, as follows:

(A) Annual Budget of Operating Expenses. The Issuer covenants and agrees that it will adopt a budget of Operating Expenses for the System on or before the first day of each Fiscal Year during which the Series 2017 Note is outstanding, for the ensuing Fiscal Year, and will mail a copy of such budget (and any amendments thereto) to any requesting Holder of the Series 2017 Note. The Issuer covenants that the Operating Expenses incurred in any year will not exceed the reasonable and necessary amounts required therefor, and that it will not expend any amount or incur any obligations for operations, maintenance and repair in excess of the amount provided for Operating Expenses in the annual budget, except upon resolution or ordinance by its City Commission that such expenses are necessary to operate and maintain the System.

(B) Revenue Fund. Pursuant to the Original Instrument, the Issuer has established and hereby covenants and agrees to maintain so long as the Series 2017 Note or any Parity Obligations are outstanding, a special fund known as the "Bunnell Water and Sewer System Revenue Fund," hereinafter called the "Revenue Fund." Into such Revenue Fund the Issuer shall deposit promptly as received all Net Revenues derived from the operation of the System. The Revenue Fund shall be held by the Issuer separate and apart from all other funds and shall be expended and used only in the manner and order specified in the Original Instrument and paragraphs (C) and (D) of this Section.

The Issuer further covenants and agrees that the Issuer shall deposit into the Revenue Fund,

promptly as received, all cash income received from the ownership and operation of the System.

(C) Bond and Interest Sinking Fund. The Issuer has established and hereby covenants and agrees to maintain with a depository in the State of Florida, which is a member of the Federal Deposit Insurance Corporation, and which is eligible under the laws of the State of Florida to receive municipal funds, and shall maintain so long as the Series 2017 Note is outstanding, a special fund or funds, collectively called the "Bunnell Water and Sewer System Refunding Revenue Note, Series 2017, Bond and Interest Sinking Fund," hereinafter called the "Sinking Fund," to be used exclusively for the purposes hereinafter mentioned. The Issuer shall transfer, on a pro-rata basis for the Series 2017 Note and the Parity Obligations, on or before the 15th day of each month from the Revenue Fund and deposit to the credit of the Sinking Fund the following amounts in the following order:

(1) Beginning on the 15th day of the month following delivery of the Series 2017 Note, an equal pro rata sum sufficient to pay interest on the Series 2017 Note and the Parity Obligations on the next ensuing interest payment date when taking into consideration the months remaining until such interest payment date, and the funds on deposit in the Sinking Fund for interest, if any. Thereafter, a sum equal to 1/12th of the amount of one year's interest on all the Series 2017 Note and Parity Obligations then outstanding, together with the amount of any deficiency in prior deposits for interest; and

(2) Beginning on the 15th day of the month following delivery of the Series 2017 Note, an equal pro rata sum sufficient to pay principal due on the next ensuing principal payment date when taking into consideration the months remaining until such principal payment date, and the funds on deposit in the Sinking Fund for principal, if any. Thereafter, a sum equal to 1/12th of the principal of the Series 2017 Note and the Parity Obligations maturing on the next succeeding anniversary date, together with the amount of any deficiency in prior deposits for principal.

(3) After fulfillment of the requirements of paragraphs (C)(1) and (2), the Issuer shall transfer on or before the 15th day of each month from the Revenue Fund and deposit to the credit of a special account in the Sinking Fund created pursuant to this Resolution called the "Reserve Account," the sum of one-twelfth of one-tenth of the Maximum Bond Service Requirement until such time as the funds and investments therein shall equal the Maximum Bond Service Requirement, and monthly thereafter such amount as may be necessary to maintain in the Reserve Account the Maximum Bond Service Requirement, but not exceeding one-twelfth of one-tenth of the Maximum Bond Service Requirement monthly. Moneys in the Reserve Account shall be used only for (1) paying the principal of and interest on the Bonds in the event that the moneys in the Sinking Fund shall ever be insufficient to meet such payments, (2) paying the cost of repairing or replacing any damage to the System which shall be caused by an unforeseen catastrophe, and (3) repaying governmental advances as provided in Section 3.02(T) of this Resolution.

(D) Transfer of Excess Funds. Subject to the provisions for the disposition of revenues in paragraph (C), the Issuer shall either (i) transfer on a prorata basis, on or before the 15<sup>th</sup> day of each month the balance of moneys remaining in the Revenue Fund to the Reserve Account until the

funds and investments in the Reserve Account equal the Maximum Bond Service Requirement, (ii) transfer on a pro rata basis, on or before the 15th day of each month the balance of excess funds in the Revenue Fund to a special account which account is hereby created and established, to be known as the "City of Bunnell Water and Sewer System Refunding Revenue Note, Series 2017, Redemption Account", hereinafter referred to as the "Redemption Account" for prompt use in redeeming Series 2017 Note in inverse numerical and maturity order or acquiring Outstanding Bonds for retirement at not to exceed the price of par and accrued interest, subject to such minimum aggregate principal amount of Series 2017 Note that may be redeemed as may be specified by subsequent resolution or ordinance of the Issuer or (iii) use such excess funds for any lawful purpose.

(E) Trust Funds. The funds and accounts created and established by this Resolution shall constitute trust funds for the purpose provided herein for such funds. All of such funds, except as hereinafter provided, shall be continuously secured in the same manner as municipal deposits of funds are required to be secured by the laws of the State of Florida. Moneys on deposit to the credit of the Reserve Account shall be invested by the depository bank, upon request by the Issuer, in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America and which shall be subject to redemption at face value at any time by the holder thereof at the option of such holder; and the moneys on deposit to the credit of the Sinking Fund, Revenue Fund, and moneys in the Redemption Account may be so invested in such obligations which shall mature not later than fifteen (15) days prior to the date on which such moneys shall be needed to pay the principal of and interest on the Series 2017 Note in the manner herein provided. The securities so purchased as an investment of funds shall be deemed at all times to be a part of the account from which the said investment was withdrawn, and the interest accruing thereon and any profit realized therefrom shall be credited to such account, except as expressly provided in this Resolution, and any loss resulting from such investment shall likewise be charged to said account.

(F) Rates and Charges. The Issuer covenants and agrees to maintain and collect, so long as the Series 2017 Note is outstanding, such schedule of rates and charges for the services and facilities of the System which will produce revenues which will be sufficient to pay the Operating Expenses of the System and will be sufficient to provide for the payment of the Parity Obligations and the principal and interest, reserve fund and all other funds and all other payments on all requirements for the Series 2017 Note herein authorized; and the Issuer covenants and agrees that so long as the Series 2017 Note is outstanding and unpaid, at the same time and in like manner that the Issuer prepares its Annual Budget, the Issuer shall annually prepare an estimate of the Gross Revenues to be received during the ensuing Fiscal Year, and to the extent that said Gross Revenues are insufficient to pay debt service requirements on the Series 2017 Note during such ensuing year, build up and maintain the required reserve enumerated in paragraph (C) and pay Operating Expenses, the Issuer shall from time to time revise the fees and rates charged for the use of the services and facilities of the System. Such rates, rentals, fees and charges will never be reduced so as to be insufficient to provide funds for such purposes.

(G) Issuance of Other Obligations.

(1) The Issuer covenants and agrees it will not issue any debt obligations payable from or secured by the Pledged Funds unless the conditions hereinafter set forth shall be met, or unless the lien of such obligations is junior and subordinate in all respects to the lien of the Series 2017 Note.

(2) The Issuer shall have the right to add new water and sewer facilities and related auxiliary facilities, by the issuance of one or more Parity Obligations secured by a parity lien on and ratably payable from the Net Revenues and any other security pledged to the Series 2017 Note, provided in each instance that:

(a) The facility or facilities to be built from the proceeds of the additional parity obligations is or are made a part of the System or its or their revenues are pledged as additional security for the additional parity bonds and the outstanding Bonds.

(b) The Issuer is in compliance with all covenants and undertakings in connection with all of its Bonds then outstanding and payable from the Net Revenues or any part thereof and has not been in default as to any payments required to be made under this Resolution for a period of at least the next preceding 24 months, or if at such time the shall have not been outstanding for 24 months then for the period that the Bonds have been outstanding.

(c) The annual Net Revenues for the Fiscal Year next preceding the issuance of additional parity bonds are certified by an independent public accountant employed by the Issuer, to have been equal to at least one and twenty hundredths (1.20) times the average annual requirements for principal and interest on all the Bonds then outstanding and payable from such Net Revenues.

(d) The estimated average annual Net Revenues of the facility or facilities to be constructed and acquired with the proceeds of such additional bonds (and any other funds pledged as security), when added to the estimated future average annual Net Revenues of the then existing System shall be at least one and twenty hundredths (1.20) times the average annual debt service requirements for principal and interest on all outstanding Bonds payable from the Pledged Funds and on the additional Bonds proposed to be issued. Estimates of future revenues and operating expenses shall be furnished by recognized independent consulting engineers and approved by the City Commission of the Issuer and by the Mayor thereof, and shall be forecast over a period of not less than ten years from the date of the additional bonds proposed to be issued. Provided, however, the conditions provided by this paragraph and by the next preceding paragraph (c) may be waived or modified by the written consent of the holders of seventy-five percent (75%) of the Bonds then outstanding.

(3) The Issuer hereby covenants and agrees that in the event additional series of parity bonds are issued, it will provide that said parity bonds shall mature according to a schedule which most closely approximates equal annual installments of combined principal and interest payments for such parity bonds and all other bonds payable from the Pledged Funds; and it will



adjust the required deposits into and the maximum amount to be maintained in the Sinking Fund, including the Reserve Account therein, on the same basis as hereinabove prescribed, to reflect the average annual debt service on the additional bonds; and it will make such additional bonds payable as to principal each year in which principal falls due on dates which correspond with the principal payment dates of the Series 2017 Note. If in any subsequently issued series of bonds secured by a parity lien on the Pledged Funds it is provided that excess revenues shall be used to redeem bonds in advance of scheduled maturity, or if the Issuer at its option undertakes to redeem outstanding Bonds in advance of scheduled maturity, the Issuer covenants that calls of Bonds will be applied to each series of Bonds on an equal pro rata basis (reflecting the proportion of the original amount of each series of Bonds outstanding at the time of such call) to the extent that this may be accomplished in accordance with the call provisions of the respective bond series, but the Issuer shall have the right to call any or all outstanding Bonds which may be called at par prior to calling any Bonds that are callable at a premium.

(4) Anything herein to the contrary notwithstanding, if the Government is no longer the Owner of the Series 2015 Bonds, the Issuer need not comply with the provisions of this Section 3.02(G) if and to the extent the Bonds to be issued are Refunding Bonds, if the Issuer shall cause to be delivered a certificate of the City Finance Director setting forth the average annual debt service requirement (i) for the Bonds then outstanding and (ii) for all Bonds to be immediately outstanding thereafter including the Refunding Bonds, and stating that the average annual debt service requirement pursuant to (ii) above is not greater than that set forth pursuant to (i) above.

(H) Disposal of the System. The Issuer covenants and agrees that, so long as the Series 2017 Note is outstanding, it will maintain its corporate identity and existence and will not sell or otherwise dispose of any of the System or any part thereof, and, except as provided for above, it will not create or permit to be created any charge or lien on the revenues thereof ranking equal to or prior to the charge or lien of the Series 2017 Note. Notwithstanding the foregoing, the Issuer may at any time permanently abandon the use of, or sell at fair market value, any of its System, provided that:

(1) It is in compliance with all covenants and undertakings in connection with all of its Bonds then outstanding and payable from the Pledged Funds, and the debt service reserve for such bonds has been fully established;

(2) It will, in the event of sale, apply the proceeds to either (a) redemption of outstanding Bonds in accordance with the provisions governing repayment of Bonds in advance of maturity, or (b) replacement of the facility so disposed of by another facility the revenues of which shall be incorporated into the System as hereinbefore provided;

(3) It has certified, prior to any abandonment of use, that the facility to be abandoned is no longer economically feasible or producing Net Revenues; and

(4) It has certified that the estimated Net Revenues of the remaining System for the next succeeding Fiscal Year, plus the estimated Net Revenues of the facility, if any, to be added to the System, satisfy the earnings test hereinbefore provided in this subsection governing issuance

of additional parity bonds.

(I) Insurance on the System. While the Series 2017 Note shall remain outstanding, the Issuer shall carry at least the following insurance coverage:

(1) Property insurance, fire and extended coverage insurance, and flood insurance on the insurable portions of the System in amounts sufficient to provide for not less than full recovery whenever a loss from perils insured against does not exceed eighty percent (80%) of the full insurable value of the damaged facility.

In the event of any damage to or destruction of any facility or facilities of the System, the Issuer shall deposit the insurance proceeds in the Reserve Account and promptly arrange for the application thereof to the repair or reconstruction of the damaged or destroyed portion thereof.

(2) Public liability insurance relating to the operation of the System, to the extent of any statutory waiver of sovereign immunity applicable to the Issuer from claims for bodily injury, death or either of such occurrences; and not less than \$10,000 against claims for damage to property of others which may arise from the Issuer's operation of the System.

(3) If the Issuer owns or operates a vehicle in the operation of the System, vehicular public liability insurance to the extent of any statutory waiver of sovereign immunity applicable to the Issuer to protect the Issuer from claims for bodily injury and death, and not less than \$10,000 against claims for damage to property of others which may arise from the Issuer's operation of vehicles.

(4) All such insurance shall be carried for the benefit of the holders of the Series 2017 Note. All moneys received for losses under any of such insurance, except public liability are hereby pledged by the Issuer as security for the Series 2017 Note herein authorized, until and unless such proceeds are used to remedy the loss or damage for which such proceeds are received, either by repairing the property damaged or replacing the property destroyed within ninety (90) days from the receipt of such proceeds.

(5) Workmen's Compensation will be maintained as required by State law.

(J) Maintenance of the System. The Issuer will maintain the System in good condition and continuously operate the same in an efficient manner and at a reasonable cost.

(K) No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by its System, nor will any preferential rates be established for users of the same class; and if the Issuer shall avail itself of the facilities or services provided by the System, or any part thereof, then the same rates, fees or charges applicable to other customers receiving like service under similar circumstances shall be charged to the Issuer. Such charges shall be paid as they accrue, and the Issuer shall transfer from its general funds sufficient sums to pay such charges. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such

operation of the System.

(L) Failure of User to Pay for Services. Upon failure of any user to pay for services rendered within sixty (60) days, the Issuer shall shut off the connection of such user and shall not furnish him or permit him to receive from the System further service until all obligations owed by him to the Issuer on account of services shall have been paid in full. This covenant shall not, however, prevent the Issuer from causing any System connection to be shut off sooner.

(M) Enforcement of Collections. The Issuer will diligently enforce and collect the Pledged Funds and will do all things necessary to ensure its eligibility to receive the Pledged Funds; and will take all steps, actions and proceedings for the enforcement and collection of such rates, rentals, charges and fees as shall become delinquent to the full extent permitted or authorized by law, and will maintain accurate records with respect thereof. All such fees, rates, rentals, charges and revenues herein pledged shall, as collected, be held in trust to be applied as provided in this Resolution and not otherwise.

(N) Compliance with Laws and Regulations. The Issuer covenants and agrees to perform and comply with, in every respect, any loan and grant agreements which it might have with the Government, or with any other governmental agency and all applicable State laws and regulations and to continually operate and maintain the System in good condition.

(O) Defaults and Remedies.

(1) The following shall constitute "Events of Default": (i) if the Issuer fails to pay any payment of principal or interest on the Note as the same becomes due and payable and is not cured within ten days (a "Payment Default"); (ii) if the Issuer defaults in the performance or observance of any covenant or agreement contained in this Resolution or the Note (other than set forth in (i) above) and fails to cure the same within thirty (30) days following notice thereof; or (iii) filing of a petition by or against the Issuer relating to bankruptcy, reorganization, arrangement or readjustment of debt of the Issuer or for any other relief relating to the Issuer under the United States Bankruptcy Code, as amended, or any other insolvency act or law now or hereafter existing, or the involuntary appointment of a receiver or trustee for the Issuer, and the continuance of any such event for 90 days un-dismissed or undischarged.

(2) In the event of a Payment Default, the Owner may, at its option, collect a late charge equal to five percent (5%) of the amount owing if any payment due on the Note is not received by the Owner within ten (10) days after the payment is due.

(3) Upon the occurrence and during the continuation of any Event of Default, the Owner may, in addition to any other remedies set forth in this Resolution or the Note, 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, or granted or contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution, or by any applicable statutes to be performed by the Issuer. In case of an Event of Default described in (i) above, the Issuer shall also be obligated to pay as part of the indebtedness evidenced by the

Note, all costs of collection and enforcement thereof, including such reasonable attorneys' fees as may be incurred at all levels of the proceedings, including on appeal or incurred in any proceeding under any bankruptcy laws as they now or hereafter exist.

(5) In the event the Owner exercises any of the remedies set forth in this Resolution or the Note to protect and enforce its rights hereunder, the Owner may recover from the Issuer all expenses incurred including without limitation reasonable attorney's fees, at all levels of the proceedings, whether incurred in connection with collection, bankruptcy, proceedings, trial, appeal or otherwise.

(6) Nothing herein, however, shall be construed to grant to any Holder of the Note any lien on any real property of the Issuer.

(P) Records and Audits. The Issuer shall keep books and records of the revenues of the System, which such books and records shall be kept separate and apart from all other books, records and accounts of the Issuer, and any owner of the Series 2017 Note issued pursuant to this Resolution shall have the right to, at all reasonable times, inspect all records, accounts and data of the Issuer relating thereto.

(Q) Connection with System. The Issuer will, to the full extent permitted by law, require all lands, buildings, residences and structures within its corporate limits which can use the facilities and services of the System to connect therewith and use the facilities and services thereof, and to cease the use of all other facilities. The Issuer will not grant a franchise for the operation of any competing water and/or sewer utility system until the Series 2017 Note issued hereunder, together with interest thereon, shall have been paid in full.

(R) Fidelity Bond. Coverage may be provided either for all individual positions or persons through "blanket" coverage providing protection for all appropriate employees or officials, in an amount fully adequate to protect the Issuer from loss.

(S) Government Approval of Extensions and Financing. Anything herein to the contrary notwithstanding, if the Government is the Owner of the Series 2015 Bonds, the Issuer will not borrow any money from any source or enter into any contract or agreement or incur any other liability in connection with making extensions or improvements other than normal maintenance of the System, or make any extensions or enlargements of the System, or permit others to do so, without obtaining the prior written consent of the Government, while the Government continues to own the Series 2015 Bonds.

(T) Reimbursement of Advances and Interest Thereon. If the Government shall be the owner of the Series 2017 Note, the Government shall have the right to make advances for the payment of insurance premiums and/or other advances which, in the opinion of the Government, may be required to protect the Government's security interest. In the event of any such advances, the Issuer covenants and agrees to repay the same, together with interest thereon at the same rate per annum as specified in the Series 2017 Note, upon demand made at any time after any such expenditure by the Government. Any such amounts due the Government shall be secured by a

pledge of and lien upon the Pledged Funds, on parity with the Bonds, and payment thereof shall take priority over any other payments from the Reserve Account.

(U) Creation of Superior Liens. The Issuer covenants that it will not issue any other bonds, certificates or obligations of any kind or nature or create or cause or permit to be created any debt, lien, pledge, assignment or encumbrance or charge payable from or enjoying a lien upon the Pledged Funds ranking prior and superior to the lien created by this Resolution for the benefit of the Series 2017 Note herein authorized.

(V) Tax Covenant. The Issuer covenants to the Owner of the Series 2017 Note provided for in this Resolution that the Issuer will not make any use of the proceeds of the Series 2017 Note at any time during the term of the Series 2017 Note which, if such use had been reasonably expected on the date the Note was issued, would have caused such Series 2017 Note to be an "arbitrage bond" within the meaning of the Code. The Issuer will comply with the requirements of the Code and any valid and applicable rules and regulations promulgated thereunder necessary to ensure the exclusion of interest on the Series 2017 Note from the gross income of the Owner thereof for purposes of federal income taxation.

(W) Compliance Certificate. The Issuer shall provide the Original Purchaser an annual covenant compliance certificate, executed by the City Finance Director, certifying that for the City's most recent fiscal year, the City was in compliance with the debt service coverage requirements set forth herein and in the Original Instrument.

**Section 3.04. Application of Provisions of Original Instrument.** The Series 2017 Note, herein authorized, shall for all purposes (except as herein expressly provided) be considered to be an additional parity obligation issued under the authority of the Original Instrument, and shall be entitled to all protection and security, provided therein for the Parity Obligations and shall be in all respects entitled to the same security, rights and privileges enjoyed by the Parity Obligations.

The principal of and interest on the Series 2017 Note herein authorized shall be payable from the Sinking Fund established by the Original Instrument on parity with the Parity Obligations and payments shall be made into the Sinking Fund by the Issuer on amounts fully sufficient to pay principal and interest on the Parity Obligations and the Series 2017 Note herein authorized as such principal and interest becomes due. The Reserve Account established by the Original Instrument shall be applicable prorata to the Series 2017 Note in the same manner as applicable to the Parity Obligations.

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**ARTICLE IV  
MISCELLANEOUS PROVISIONS**

**Section 4.01. Amendment.** This Resolution shall not be modified or amended in any respect subsequent to the issuance of the Note, except with the written consent of the Owner of the Note.

**Section 4.02. Limitation of Rights.** With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Note is intended or shall be construed to give to any person other than the City and the Owner any legal or equitable right, remedy or claim under or with respect to this Resolution or any covenants, conditions and provisions herein contained; this Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the City and the Owner.

**Section 4.03. Note Mutilated, Destroyed, Stolen or Lost.** In case the Note shall become mutilated, or be destroyed, stolen or lost, the City shall issue and deliver a new Note of like tenor as the Note so mutilated, destroyed, stolen or lost, in exchange and in substitution for such mutilated Note, or in lieu of and in substitution for the Note destroyed, stolen or lost and upon the Owner furnishing the City proof of ownership thereof and indemnity reasonably satisfactory to the City and complying with such other reasonable regulations and conditions as the City may prescribe and paying such expenses as the City may incur. The Note so surrendered shall be canceled.

**Section 4.04. Impairment of Contract.** The City covenants with the Owner of the Note that it will not, without the written consent of the Owner of the Note, enact any ordinance or adopt any resolution which repeals, impairs or amends in any manner adverse to the Owner the rights granted to the Owner of the Note hereunder.

**Section 4.05. Annual Audit; Budget.** The City shall, immediately after the close of each Fiscal Year, cause the financial statements of the City to be properly audited by a recognized independent certified public accountant or recognized independent firm of certified public accountants, and shall require such accountants to complete their report on the annual financial statements in accordance with applicable law. The annual financial statements shall be prepared in conformity with generally accepted accounting principles. The City shall annually provide to the Original Purchaser a copy of its audited financial statements within 270 days of the Fiscal Year end, and a copy of its annual budget within 30 days of adoption.

The City shall provide such other financial information relating to the ability of the City to pay the Note that is not otherwise exempt from disclosure under Section 119.071, Florida Statutes, as may be reasonably requested by the Original Purchaser.

**Section 4.06. Business Days.** In any case where the due date of interest on or principal of a Note is not a Business Day, then payment of such principal or interest need not be made on such date but may be made on the next succeeding Business Day, provided that credit for payments made shall not be given until the payment is actually received by the Owner.

**Section 4.07. Applicable Provisions of Law.** This Resolution shall be governed by and construed in accordance with the laws of the State of Florida.

**Section 4.08. Rules of Interpretation.** Unless expressly indicated otherwise, references to sections or articles are to be construed as references to sections or articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Resolution and not solely to the particular portion in which any such word is used.

**Section 4.09. Captions.** The captions and headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

**Section 4.10. Authorization of Other Action.** The Mayor, City Manager, City Attorney and City Clerk are each designated agents of the Issuer in connection with the execution and delivery of the Series 2017 Note and are authorized and empowered, collectively or individually, to take all action and steps to execute and deliver any and all instruments, documents or contracts on behalf of the Issuer which are necessary or desirable in connection with the execution and delivery of the Series 2017 Note to the Original Purchaser.

**Section 4.11. Bank Qualified.** The City has previously designated the Series 2015 Note as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code. The City did not issue more than \$10,000,000 of "tax-exempt" obligations during calendar year 2015. The principal amount of the Note does not exceed the outstanding principal amount of the Series 2015 Note, and the weighted average maturity of the Note does not exceed the remaining weighted average maturity of the Series 2015 Note (within the meaning of Section 147(b) of the Code). As a result of the foregoing, the Note will be deemed designated as a "qualified tax-exempt obligation" as provided in Section 265(b)(3)(D)(ii) of the Code.

**Section 4.12. Repeal of Inconsistent Provisions.** All resolutions or parts thereof in conflict with this Resolution are hereby repealed to the extent of such conflict.

**Section 4.13. Severability.** If any one or more of the covenants, agreements, or provisions of this resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions, and in no way affect the validity of all other provisions of this Resolution or of the Note delivered hereunder.

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**Section 4.14. Effective Date.** This Resolution shall take effect immediately upon its adoption.

PASSED and ADOPTED by the City Commission of the City of Bunnell, Florida, on the 27 day of February, 2017.

**CITY COMMISSION OF BUNNELL, FLORIDA**

(SEAL)

By: Catherine D. Robinson  
Catherine D. Robinson, Mayor

ATTEST:

Sandi Bolser  
Sandi Bolser, City Clerk

Approved as to Form:

Wade Vose  
Wade Vose, City Attorney



**EXHIBIT A**  
**FORM OF NOTE**

Dated Date: February \_\_\_\_\_, 2017

\$ \_\_\_\_\_

Interest Rate 2.39%

**CITY OF BUNNELL**  
**WATER AND SEWER SYSTEM**  
**REFUNDING REVENUE NOTE, SERIES 2017**

KNOW ALL MEN BY THESE PRESENTS, that the City of Bunnell, Florida, a municipal corporation created and existing under and by virtue of the laws of the State of Florida (the "Issuer"), for value received, hereby promises to pay to CenterState Bank, its successors and assigns (the Owner"), from the special funds hereinafter mentioned, the principal sum of \_\_\_\_\_ DOLLARS AND \_\_\_\_\_ CENTS (\$ \_\_\_\_\_) on the 21st day of May in the years and installments as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2017	\$	2024	\$
2018	\$	2025	\$
2019	\$	2026	\$
2020	\$	2027	\$
2021	\$	2028	\$
2022	\$	2029	\$
2023	\$	2030	\$

and to pay, solely from such special funds, interest on the principal sum from time to time remaining unpaid, from the date of the delivery of this Note to the Owner hereof, at the rate of 2.39% per annum subject to adjustment as provided herein, payable on May 21, 2017 and annually thereafter on the 21 day of May of each year. Principal shall be payable annually on May 21, 2017 and on each May 21<sup>st</sup> thereafter. Principal of and interest on this Note are payable in immediately available funds constituting lawful money of the United States of America at such place as the Owner may designate to the Issuer, and shall be paid on the date when due by wire transfer or in such other manner as agreed upon by the Owner and the Issuer. Upon final payment of principal and interest, this Note shall be surrendered to the Issuer.

A final payment in the amount of the remaining principal balance, together with all accrued and unpaid interest hereon, shall be due and payable in full on May 21, 2030 (the "Maturity Date").

The Owner may, at its option, collect a late charge equal to five percent (5%) of the amount owing if any payment due hereunder is not received by the Owner within ten (10) days after the payment is due.

If (i) after a Determination of Taxability (as defined below) the interest on this Note becomes includable in the gross income of the Owner for Federal income tax purposes, then the Owner shall have the right to adjust the Interest Rate in order to maintain the same after-tax yield as if the Determination of Taxability had not occurred. This adjustment shall survive payment of this Note until such time as the federal statute of limitations under which the interest on this Note could be declared taxable under the Code shall have expired.

"Determination of Taxability" shall mean, with respect to this Note, the circumstance that shall be deemed to have occurred if interest paid or payable on this Note becomes includable for federal income tax purposes in the gross income of the Owner as a consequence of any action or inaction by the City. A Determination of Taxability will be deemed to have occurred upon (a) the receipt by the City or the Owner of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency which holds that any interest payable on this Note is includable in the gross income of the Owner; (b) the issuance of any public or private ruling of the Internal Revenue Service that any interest payable on this Note is includable in the gross income of the Owner; or (c) receipt by the City or the Owner of an opinion of an attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions to the effect that any interest on this Note has become includable in the gross income of the Owner for federal income tax purposes. For all purposes of this definition, a Determination of Taxability will be deemed to occur on the date as of which the interest on this Note is deemed includable in the gross income of the Owner. A Determination of Taxability shall not occur in the event such interest is taken into account in determining adjusted current earnings for the purpose of the alternative minimum tax imposed on corporations.

In the case of (a) and (b) above, upon the Determination of Taxability and timely written notice thereof, the City shall have an opportunity to participate in and seek, at its own expense, a final administrative determination or determination by a court of competent jurisdiction (from which no further right of appeal exists) as to the existence of such event of taxability; provided that the City, at its own expense, delivers to the Owner an opinion of an attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions acceptable to the Owner to the effect that such appeal or action for judicial or administrative review is not without merit and there is a reasonable possibility that the judgment, order, ruling or decision from which such appeal or action for judicial or administrative review is taken will be reversed, vacated or otherwise set aside.

This Note is issued under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, particularly Chapter 166, Part I and Part II, Florida Statutes, Resolution No. 2017-\_\_\_ adopted by the Issuer on February \_\_\_, 2017, as may be amended and supplemented from time to time (collectively, the "Resolution"), to refund the Issuer's Water and Sewer System Refunding Revenue Note, Series 2015 issued in the original principal amount of \$2,050,000, which was issued to finance improvements to the water and sewer utility system of the Issuer (the "System"). All capitalized, undefined terms used herein shall have the meanings set forth in the Resolution. This Note and the interest hereon are payable solely from and secured by a

lien on and pledge of the Net Revenues to be derived from the operation of the System of the Issuer (the "Pledged Funds"). The lien on the Pledged Funds shall be equal and ratable to the lien of the Parity Obligations.

It is expressly agreed by the owner of this Note that the full faith and credit of the Issuer are not pledged to the payment of the principal of and interest on this Note and that such owner shall never have the right to require or compel the exercise of any ad valorem taxing power of the Issuer to the payment of such principal and interest or the cost of maintaining, repairing and operating the System. The owner of this Note shall have no lien upon or claim to any revenues except for the Pledged Funds, all in the manner set forth in the Resolution. This Note and the obligation evidenced hereby shall not constitute a lien upon the System or any part thereof, or upon any other property of the Issuer or situated within its corporate limits, but shall constitute a lien only on the Pledged Funds, all in the manner provided in the Resolution.

In and by the Resolution, the Issuer has covenanted and agreed with the owners of the Notes of this issue that it will fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use of the product, services and facilities of the System which will always produce cash revenues which will be sufficient to pay, and out of such funds pay the necessary expenses of operating and maintaining the System and which together with the legally available Pledged Funds will be sufficient to pay, and out of such funds pay as the same shall become due, the principal of and interest on the Note and all other payments required by the Resolution and the resolution authorizing the Parity Obligations, and that such rates, rentals, fees or other charges will not be reduced so as to be insufficient to provide funds for such purposes.

This Note may be prepaid prior to maturity at the option of the Issuer, without premium or penalty, in whole or in part, at any time.

All terms, conditions and provisions of the Resolution including, without limitation, remedies in the Event of Default are by this reference thereto incorporated herein as a part of this Note.

It is hereby certified and recited that all acts, conditions, and things required to exist, to happen and to be performed precedent to and in the issuance of this Note exist, have happened and have been performed, in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto; and that the issuance of this Note does not violate any constitutional or statutory limitations or provisions.

This Note may be exchanged or transferred by the Owner hereof but only upon the registration books maintained by the Issuer and in the manner provided in the Resolution.

IN WITNESS WHEREOF, the City of Bunnell, Florida, has issued this Bond and has caused the same to be executed in its name and on its behalf by its Mayor and its corporate seal to be

impressed hereon, attested and countersigned by its Clerk, all as of February 22, 2017.

CITY OF BUNNELL, FLORIDA

(SEAL)

By: Catherine D. Robinson  
Catherine D. Robinson, Mayor

ATTESTED AND COUNTERSIGNED:

Sandi Bolser  
Sandi Bolser, CMC, City Clerk

ASSIGNMENT

For valuable consideration, CENTERSTATE BANK does hereby assign, transfer and deliver to \_\_\_\_\_ all of its right, title and interest in and to this Bond and all rights belonging or appertaining to the assignor under and by virtue of this Bond.

CENTERSTATE BANK

By: \_\_\_\_\_  
Garry R. Lubi, Senior Vice President

**EXHIBIT B**  
**FORM OF PURCHASER'S CERTIFICATE**

This is to certify that CenterState Bank (the "Purchaser") has conducted its own investigation, to the extent it deems satisfactory or sufficient, into matters relating to business affairs or conditions (either financial or otherwise) of the City of Bunnell, Florida (the "Issuer") in connection with the Issuer's \$\_\_\_\_\_ Water and Sewer System Refunding Revenue Note, Series 2017 (the "Note"), dated February \_\_, 2017, and no inference should be drawn that the Purchaser in the acceptance of said Note is relying on Bond Counsel or the Issuer's Attorney as to any such matters other than the legal opinions rendered on the date of issuance of the Note. Any capitalized undefined terms used herein not otherwise defined shall have the meaning set forth in a resolution adopted on February \_\_, 2017 (the "Note Resolution").

We are aware that investment in the Note involves various risks, that the Note is not a general obligation of the Issuer, and that the payment of the Note is secured solely from the sources described in the Note Resolution (the "Pledged Funds").

We have made such independent investigation of the Pledged Funds as we, in the exercise of sound business judgment, considered to be appropriate under the circumstances.

We have knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of our investment in the Note and can bear the economic risk of our investment in the Note.

We acknowledge and understand that the Note and the Note Resolution are not being qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"), and are not being registered in reliance upon the exemption from registration under Section 3(a)(2) of the Securities Act of 1933, Section 517.051(1), Florida Statutes, as amended, and/or Section 517.061(7), Florida Statutes, as amended, and that neither the Issuer, Bond Counsel nor the Issuer's Attorney shall have any obligation to effect any such registration or qualification.

DATED this \_\_\_\_\_ day of February, 2017.

CENTERSTATE BANK

By: \_\_\_\_\_

Garry R. Lubi  
Senior Vice President

**EXHIBIT C**  
**FORM OF DISCLOSURE STATEMENT**

The undersigned, as Purchaser, proposes to negotiate with the City of Bunnell, Florida (the "Issuer") for the private purchase of its \$\_\_\_\_\_ Water and Sewer System Refunding Revenue Note, Series 2017 (the "Note"), dated February \_\_, 2017. Prior to the award of the Note, the following information is hereby furnished to the Issuer:

1. Set forth is an itemized list of the nature and estimated amounts of expenses to be incurred for services rendered to us (the "Purchaser") in connection with the issuance of the Note (such fees and expenses to be paid by the Purchaser):

Upchurch Bailey & Upchurch, PA  
Purchaser's Counsel: \_\_\_\_\_

2. (a) No other fee, bonus or other compensation is estimated to be paid by the Purchaser in connection with the issuance of the Note to any person not regularly employed or retained by the Purchaser (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Purchaser, as set forth in paragraph (1) above.

(b) No person has entered into an understanding with the Purchaser, or to the knowledge of the Purchaser, with the Issuer, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer and the Purchaser or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Note.

3. The amount of the underwriting spread expected to be realized by the Purchaser is \$0.

4. The management fee to be charged by the Purchaser is \$0.

5. Truth-in-Bonding Statement:

The Note is being issued primarily to currently refund the Issuer's Water and Sewer System Refunding Revenue Note, Series 2015 issued in the original principal amount of \$2,050,000, (the "Series 2015 Note"). The Series 2015 Note was issued to finance capital improvements to the Issuer's water and sewer utility system (the "System").

Unless earlier prepaid, the Note is expected to be repaid on May 21, 2030. At an interest rate of 2.39%, total interest paid over the life of the Note is estimated to be \$\_\_\_\_\_.

The Note will be payable solely Pledged Funds which consist of Net Revenues of the System, as described in a resolution of the Issuer adopted on February \_\_, 2017 (the "Resolution"). See the Resolution for a definition of Net Revenues. Issuance of the Note is estimated to result in an

annual maximum of approximately \$\_\_\_\_\_ of revenues of the Issuer not being available to finance the services of the Issuer during the life of the Note. This paragraph is provided pursuant to Section 218.385, Florida Statutes.

6. The name and address of the Purchaser is as follows:

CenterState Bank  
175 Cypress Point Parkway  
Palm Coast, Florida 32115

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Statement on behalf of the Purchaser this \_\_\_\_ day of February, 2017.

CENTERSTATE BANK

By: \_\_\_\_\_  
Garry R. Lubi  
Senior Vice President



EXHIBIT D  
CENTERSTATE BANK COMMITMENT LETTER

Dated Date: February 28, 2017

\$1,937,333.13

Interest Rate 2.39%

**CITY OF BUNNELL  
WATER AND SEWER SYSTEM  
REFUNDING REVENUE NOTE, SERIES 2017**

KNOW ALL MEN BY THESE PRESENTS, that the City of Bunnell, Florida, a municipal corporation created and existing under and by virtue of the laws of the State of Florida (the "Issuer"), for value received, hereby promises to pay to CenterState Bank, its successors and assigns (the Owner"), from the special funds hereinafter mentioned, the principal sum of ONE MILLION NINE HUNDRED THIRTY-SEVEN THOUSAND THREE HUNDRED THIRTY-THREE DOLLARS AND THIRTEEN CENTS (\$1,937,333.13) on the 21st day of May in the years and installments as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2017	\$115,708.88	2024	\$139,431.14
2018	\$118,833.02	2025	\$143,195.78
2019	\$122,041.51	2026	\$147,062.07
2020	\$125,336.63	2027	\$151,032.74
2021	\$128,720.72	2028	\$155,110.63
2022	\$132,196.18	2029	\$159,298.61
2023	\$135,765.47	2030	\$164,522.25

and to pay, solely from such special funds, interest on the principal sum from time to time remaining unpaid, from the date of the delivery of this Note to the Owner hereof, at the rate of 2.39% per annum subject to adjustment as provided herein, payable on May 21, 2017 and annually thereafter on the 21 day of May of each year. Principal shall be payable annually on May 21, 2017 and on each May 21<sup>st</sup> thereafter. Principal of and interest on this Note are payable in immediately available funds constituting lawful money of the United States of America at such place as the Owner may designate to the Issuer, and shall be paid on the date when due by wire transfer or in such other manner as agreed upon by the Owner and the Issuer. Upon final payment of principal and interest, this Note shall be surrendered to the Issuer.

A final payment in the amount of the remaining principal balance, together with all accrued and unpaid interest hereon, shall be due and payable in full on May 21, 2030 (the "Maturity Date").

The Owner may, at its option, collect a late charge equal to five percent (5%) of the amount owing if any payment due hereunder is not received by the Owner within ten (10) days after the payment is due.

If (i) after a Determination of Taxability (as defined below) the interest on this Note becomes includable in the gross income of the Owner for Federal income tax purposes, then the Owner shall have the right to adjust the Interest Rate in order to maintain the same after-tax yield as if the Determination of Taxability had not occurred. This adjustment shall survive payment of this Note until such time as the federal statute of limitations under which the interest on this Note could be declared taxable under the Code shall have expired.

"Determination of Taxability" shall mean, with respect to this Note, the circumstance that shall be deemed to have occurred if interest paid or payable on this Note becomes includable for federal income tax purposes in the gross income of the Owner as a consequence of any action or inaction by the City. A Determination of Taxability will be deemed to have occurred upon (a) the receipt by the City or the Owner of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency which holds that any interest payable on this Note is includable in the gross income of the Owner; (b) the issuance of any public or private ruling of the Internal Revenue Service that any interest payable on this Note is includable in the gross income of the Owner; or (c) receipt by the City or the Owner of an opinion of an attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions to the effect that any interest on this Note has become includable in the gross income of the Owner for federal income tax purposes. For all purposes of this definition, a Determination of Taxability will be deemed to occur on the date as of which the interest on this Note is deemed includable in the gross income of the Owner. A Determination of Taxability shall not occur in the event such interest is taken into account in determining adjusted current earnings for the purpose of the alternative minimum tax imposed on corporations.

In the case of (a) and (b) above, upon the Determination of Taxability and timely written notice thereof, the City shall have an opportunity to participate in and seek, at its own expense, a final administrative determination or determination by a court of competent jurisdiction (from which no further right of appeal exists) as to the existence of such event of taxability; provided that the City, at its own expense, delivers to the Owner an opinion of an attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions acceptable to the Owner to the effect that such appeal or action for judicial or administrative review is not without merit and there is a reasonable possibility that the judgment, order, ruling or decision from which such appeal or action for judicial or administrative review is taken will be reversed, vacated or otherwise set aside.

This Note is issued under the authority of and in full compliance with the Constitution of the State of Florida, the Charter of the City of Bunnell, Florida, and Chapter 166, Part I and Part II, Florida Statutes, the ordinance enacted by the Issuer on December 7, 1970, as amended and supplemented, a resolution adopted by the Issuer on February 27, 2017, as may be amended and supplemented from time to time (collectively, the "Resolution"), to refund the Issuer's Water and Sewer System Refunding Revenue Note, Series 2015 issued in the original

principal amount of \$2,050,000, which was issued to finance improvements to the water and sewer utility system of the Issuer (the "System"). All capitalized, undefined terms used herein shall have the meanings set forth in the Resolution. This Note and the interest hereon are payable solely from and secured by a lien on and pledge of the Net Revenues to be derived from the operation of the System of the Issuer (the "Pledged Funds"). The lien on the Pledged Funds shall be equal and ratable to the lien of the Parity Obligations.

It is expressly agreed by the owner of this Note that the full faith and credit of the Issuer are not pledged to the payment of the principal of and interest on this Note and that such owner shall never have the right to require or compel the exercise of any ad valorem taxing power of the Issuer to the payment of such principal and interest or the cost of maintaining, repairing and operating the System. The owner of this Note shall have no lien upon or claim to any revenues except for the Pledged Funds, all in the manner set forth in the Resolution. This Note and the obligation evidenced hereby shall not constitute a lien upon the System or any part thereof, or upon any other property of the Issuer or situated within its corporate limits, but shall constitute a lien only on the Pledged Funds, all in the manner provided in the Resolution.

In and by the Resolution, the Issuer has covenanted and agreed with the owners of the Notes of this issue that it will fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use of the product, services and facilities of the System which will always produce cash revenues which will be sufficient to pay, and out of such funds pay the necessary expenses of operating and maintaining the System and which together with the legally available Pledged Funds will be sufficient to pay, and out of such funds pay as the same shall become due, the principal of and interest on the Note and all other payments required by the Resolution and the resolution authorizing the Parity Obligations, and that such rates, rentals, fees or other charges will not be reduced so as to be insufficient to provide funds for such purposes.

This Note may be prepaid prior to maturity at the option of the Issuer, without premium or penalty, in whole or in part, at any time.

All terms, conditions and provisions of the Resolution including, without limitation, remedies in the Event of Default are by this reference thereto incorporated herein as a part of this Note.

It is hereby certified and recited that all acts, conditions, and things required to exist, to happen and to be performed precedent to and in the issuance of this Note exist, have happened and have been performed, in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto; and that the issuance of this Note does not violate any constitutional or statutory limitations or provisions.

This Note may be exchanged or transferred by the Owner hereof but only upon the registration books maintained by the Issuer and in the manner provided in the Resolution.

IN WITNESS WHEREOF, the City of Bunnell, Florida, has issued this Bond and has caused the same to be executed in its name and on its behalf by its Mayor and its corporate seal to be impressed hereon, attested and countersigned by its Clerk, all as of February 28, 2017.

CITY OF BUNNELL, FLORIDA

By: Catherine D. Robinson  
Catherine D. Robinson, Mayor

ATTESTED AND COUNTERSIGNED:

Sandi Bolser  
Sandi Bolser, CMC, City Clerk

(SEAL)

ASSIGNMENT

For valuable consideration, CENTERSTATE BANK does hereby assign, transfer and deliver to \_\_\_\_\_ all of its right, title and interest in and to this Bond and all rights belonging or appertaining to the assignor under and by virtue of this Bond.

CENTERSTATE BANK

By: \_\_\_\_\_  
Garry R. Lubi, Senior Vice President

**RECEIPT FOR NOTE**

RECEIPT IS HEREBY ACKNOWLEDGED of the following described obligation of the City of Bunnell, Florida:

\$1,937,333.13 City of Bunnell, Florida Water and Sewer System Refunding Revenue Note, Series 2017, consisting of one fully-registered Note dated February 28, 2017, bearing interest at a fixed rate of 2.39% and maturing on May 21, 2030.

Dated this 28<sup>th</sup> day of February, 2017.

CENTERSTATE BANK

By: \_\_\_\_\_

Name: Garry R. Lubi

Title: Senior Vice President

## PURCHASER'S CERTIFICATE

This is to certify that CenterState Bank (the "Purchaser") has conducted its own investigation, to the extent it deems satisfactory or sufficient, into matters relating to business affairs or conditions (either financial or otherwise) of the City of Bunnell, Florida (the "Issuer") in connection with the Issuer's \$1,937,333.13 Water and Sewer System Refunding Revenue Note, Series 2017 (the "Note"), dated February 28, 2017, and no inference should be drawn that the Purchaser in the acceptance of said Note is relying on Bond Counsel or the Issuer's Attorney as to any such matters other than the legal opinions rendered on the date of issuance of the Note. Any capitalized undefined terms used herein not otherwise defined shall have the meaning set forth in a resolution adopted on February 27, 2017 (the "Note Resolution").

We are aware that investment in the Note involves various risks, that the Note is not a general obligation of the Issuer, and that the payment of the Note is secured solely from the sources described in the Note Resolution (the "Pledged Funds").

We have made such independent investigation of the Pledged Funds as we, in the exercise of sound business judgment, considered to be appropriate under the circumstances.


We have knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of our investment in the Note and can bear the economic risk of our investment in the Note.

We acknowledge and understand that the Note and the Note Resolution are not being qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"), and are not being registered in reliance upon the exemption from registration under Section 3(a)(2) of the Securities Act of 1933, Section 517.051(1), Florida Statutes, as amended, and/or Section 517.061(7), Florida Statutes, as amended, and that neither the Issuer, Bond Counsel nor the Issuer's Attorney shall have any obligation to effect any such registration or qualification.

DATED this 28<sup>th</sup> day of February, 2017.

CENTERSTATE BANK

By: \_\_\_\_\_

  
Garry R. Lubi  
Senior Vice President



## DISCLOSURE STATEMENT

The undersigned, as Purchaser, proposes to negotiate with the City of Bunnell, Florida (the "Issuer") for the private purchase of its \$1,937,333.13 Water and Sewer System Refunding Revenue Note, Series 2017 (the "Note"), dated February 28, 2017. Prior to the award of the Note, the following information is hereby furnished to the Issuer:

1. Set forth is an itemized list of the nature and estimated amounts of expenses to be incurred for services rendered to us (the "Purchaser") in connection with the issuance of the Note (such fees and expenses to be paid by the Purchaser):

Upchurch Bailey & Upchurch, PA  
Purchaser's Counsel: \$1,500

2. (a) No other fee, bonus or other compensation is estimated to be paid by the Purchaser in connection with the issuance of the Note to any person not regularly employed or retained by the Purchaser (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Purchaser, as set forth in paragraph (1) above.

(b) No person has entered into an understanding with the Purchaser, or to the knowledge of the Purchaser, with the Issuer, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer and the Purchaser or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Note.

3. The amount of the underwriting spread expected to be realized by the Purchaser is \$0.

4. The management fee to be charged by the Purchaser is \$0.

5. Truth-in-Bonding Statement:

The Note is being issued primarily to currently refund the Issuer's Water and Sewer System Refunding Revenue Note, Series 2015 issued in the original principal amount of \$2,050,000, (the "Series 2015 Note"). The Series 2015 Note was issued to finance capital improvements to the Issuer's water and sewer utility system (the "System").

Unless earlier prepaid, the Note is expected to be repaid on May 21, 2030. At an interest rate of 2.39%, total interest paid over the life of the Note is estimated to be \$331,365.99.

The Note will be payable solely Pledged Funds which consist of Net Revenues of the System, as described in a resolution of the Issuer adopted on February 13, 2017 (the "Resolution"). See the Resolution for a definition of Net Revenues. Issuance of the Note is estimated to result in an annual maximum of approximately \$167,509.78 of revenues of the

Issuer not being available to finance the services of the Issuer during the life of the Note. This paragraph is provided pursuant to Section 218.385, Florida Statutes.

6. The name and address of the Purchaser is as follows:

CenterState Bank  
175 Cypress Point Parkway  
Palm Coast, Florida 32115

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Statement on behalf of the Purchaser this 28<sup>th</sup> day of February, 2017.

CENTERSTATE BANK

By: 

Garry R. Lubi  
Senior Vice President

**Information Return for Tax-Exempt Governmental Obligations**

Under Internal Revenue Code section 149(e)  
 See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

<b>Part I Reporting Authority</b>		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name City of Bunnell, Florida		2 Issuer's employer identification number (EIN) 59-6000285	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) Christopher B. Roe, Esquire, Bond Counsel		3b Telephone number of other person shown on 3a 850-222-8611	
4 Number and street (or P.O. box if mail is not delivered to street address) 101 North Monroe Street	Room/suite Ste. 900	5 Report number (For IRS Use Only) 3	
6 City, town, or post office, state, and ZIP code Tallahassee, Florida 32301		7 Date of issue 02/28/2017	
8 Name of issue Water and Sewer System Refunding Revenue Note, Series 2017		9 CUSIP number N/A	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Stella Gurnee, Finance Director		10b Telephone number of officer or other employee shown on 10a 386-437-7500	

**Part II Type of Issue (enter the issue price).** See the instructions and attach schedule.

11 Education		
12 Health and hospital		
13 Transportation		
14 Public safety		
15 Environment (including sewage bonds)		
16 Housing		
17 Utilities	1,937,333	13
18 Other. Describe		
19 If obligations are TANs or RANs, check only box 19a		<input type="checkbox"/>
If obligations are BANs, check only box 19b		<input type="checkbox"/>
20 If obligations are in the form of a lease or installment sale, check box		<input type="checkbox"/>

**Part III Description of Obligations.** Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	5/21/2030	\$ 1,937,333.13	\$ 1,937,333.13	7.1569 years	2.3765 %

**Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)**

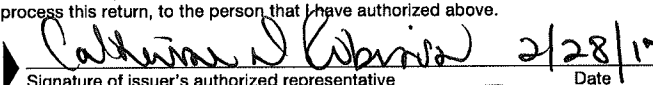
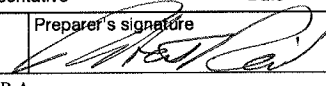
22 Proceeds used for accrued interest		22	0	00
23 Issue price of entire issue (enter amount from line 21, column (b))		23	1,937,333	13
24 Proceeds used for bond issuance costs (including underwriters' discount)		24		00
25 Proceeds used for credit enhancement		25	0	00
26 Proceeds allocated to reasonably required reserve or replacement fund		26	0	00
27 Proceeds used to currently refund prior issues		27	1,937,333	13
28 Proceeds used to advance refund prior issues		28	0	00
29 Total (add lines 24 through 28)		29	1,937,333	13
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)		30	0	00

**Part V Description of Refunded Bonds.** Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	7.1569	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded		years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	02/28/2017	
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	05/21/2015	

**Part VI Miscellaneous**

<b>35</b>	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) . . . . .	<b>35</b>	0	00
<b>36a</b>	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) . . . . .	<b>36a</b>	0	00
<b>b</b>	Enter the final maturity date of the GIC ▶ _____			
<b>c</b>	Enter the name of the GIC provider ▶ _____			
<b>37</b>	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units . . . . .	<b>37</b>	0	00
<b>38a</b>	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:			
<b>b</b>	Enter the date of the master pool obligation ▶ _____			
<b>c</b>	Enter the EIN of the issuer of the master pool obligation ▶ _____			
<b>d</b>	Enter the name of the issuer of the master pool obligation ▶ _____			
<b>39</b>	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box . . . . .			<input checked="" type="checkbox"/>
<b>40</b>	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box . . . . .			<input type="checkbox"/>
<b>41a</b>	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:			
<b>b</b>	Name of hedge provider ▶ _____			
<b>c</b>	Type of hedge ▶ _____			
<b>d</b>	Term of hedge ▶ _____			
<b>42</b>	If the issuer has superintegrated the hedge, check box . . . . .			<input type="checkbox"/>
<b>43</b>	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box . . . . .			<input type="checkbox"/>
<b>44</b>	If the issuer has established written procedures to monitor the requirements of section 148, check box . . . . .			<input type="checkbox"/>
<b>45a</b>	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement . . . . . ▶ _____			
<b>b</b>	Enter the date the official intent was adopted ▶ _____			

<b>Signature and Consent</b>	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.				
	 Signature of issuer's authorized representative		2/28/17 Date		Catherine D. Robinson, Mayor Type or print name and title
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Robert C. Reid, Esq., Bond Counsel		2/28/17		P01246384
	Firm's name ▶ Bryant Miller Olive P.A.	Firm's EIN ▶ 59-1315801		Phone no. 850-222-8611	
Firm's address ▶ 101 North Monroe Street, Suite 900, Tallahassee, Florida 32301					

**Notice Of Sale**

Printed On: 2/24/2017 10:48:34AM

**Bond issue name:** \$1,937,333.13 City of Bunnell, Florida Water and Sewer System Refunding Revenue Note, Series 2017

**Sale date:** 02/27/2017

**Closing date:** 02/27/2017

**Submitted by:** ghirigoyen@bmolaw.com

**Submission date:** 02/24/2017

CERTIFICATE RE INTEREST RATE

In accordance with the provisions of Section 215.84(3), Florida Statutes, the undersigned officer of the City of Bunnell, Florida DOES HEREBY CERTIFY that as of the date hereof, the rate of interest on the Note described below does not exceed an average net interest cost rate, computed by adding 300 basis points to The Bond Buyer "20 Bond Index" published immediately preceding the first day of the calendar month in which the Note is sold.

\$1,937,333.13 City of Bunnell, Florida Water and Sewer System Refunding Revenue Note, Series 2017, consisting of one fully-registered Note dated February ~~14~~<sup>28</sup>, 2017, bearing interest at a fixed rate of 2.39% and maturing on May 21, 2030.

Executed this 28<sup>th</sup> day of February, 2017.

CITY OF BUNNELL, FLORIDA

By: \_\_\_\_\_

Name: Stella Gurnee

Title: Finance Director

**CERTIFICATE REGARDING DEBT SERVICE COVERAGE**

The undersigned Finance Director of the City of Bunnell (the "City"), DOES HEREBY CERTIFY as follows:

1. This Certificate is furnished in connection with the issuance of the City's not to exceed \$1,937,333.13 Water and Sewer System Refunding Revenue Note, Series 2017 (the "Refunding Note").

2. The Refunding Note will be used to refund the following debt obligations of the City:

Water and Sewer System Refunding Revenue Note, Series 2015 issued in the original principal amount of \$2,050,000, currently held by Ameris Bank.

3. I hereby certify that Pledged Funds are expected to exceed the combined debt service requirements for the Series 2015 Bonds, the Refunding Note and the Subordinate Debt by no less than 3.208 times. Capitalized terms not defined herein shall have the meanings set forth in City Resolution No. 2013-16A adopted by the City Commission on September 9, 2013.

4. The coverage calculation prepared by my office in support of this Certificate is attached.

Dated this 28<sup>th</sup> day of February, 2017

CITY OF BUNNELL, FLORIDA

By: 

Name: Stella L. Gurnee

Title: Finance Director

**Water Sewer Fund Debt Coverage Estimates**

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Revenues (A)	2,753,762	2,891,450	3,036,023	3,187,824	3,347,215
Cost of Operation and Maintenance (B) <sup>(3)</sup>	1,592,174	1,671,783	1,721,936	1,773,594	1,826,802
Actual Coverage (A/B)	1.730	1.730	1.763	1.797	1.832
Net Revenues (C=A-B)	1,161,588	1,219,667	1,314,086	1,414,229	1,520,413
Principal and Interest Requirement (D)	362,078	360,272	360,272	360,272	360,272
Actual Coverage (C/D) <sup>(4)</sup>	3.208	3.385	3.647	3.925	4.220

Revenues (A) include 5% annual increase built into City rate resolution.

O&M (B) has a 3% annual increase anticipated.

Debt Service (D) includes senior lien debt (USDA 2015 and 2017 Refunding note) AND subordinate debt (existing SRF and bank loans)



CONSENT CERTIFICATE

In connection with the issuance of the not to exceed \$1,938,255.63 City of Bunnell, Florida Water and Sewer System Refunding Note, Series 2017 (the "Series 2017 Note"), the proceeds of which will be used to refund the \$2,050,000 City of Bunnell, Florida Water and Sewer System Refunding Revenue Note, Series 2015 (the "Series 2015 Note"), we have reviewed the Term Sheet provided by CenterState Bank, Resolution No. 2013-16A adopted by the City Commission on September 9, 2013, the final draft of the resolution authorizing the Series 2017 Note, the Certificate Regarding Debt Service Coverage attached hereto as Exhibit "A" and other documents we deemed necessary.

Based on such review, by the signature of the undersigned official, the United States of America, acting through the USDA, Rural Development, Rural Utilities Service, as owner and holder of the \$3,362,000 Water and Sewer System Revenue Bonds, Series 2015 Bonds (the "Series 2015 Bonds"), hereby consents to the Series 2017 Note being issued on parity with the Series 2015 Bonds and hereby waives any requirement of Section 3.05(S) which may be construed as a condition precedent to issuance of the Series 2017 Note. The Series 2015 Bonds and the Series 2017 Note are equally and ratably secured by a first lien on Net Revenues (as such term is defined in Resolution No. 2013-16A).

Executed this 23<sup>rd</sup> day of February, 2017.

UNITED STATES OF AMERICA  
ACTING THROUGH THE USDA,  
RURAL DEVELOPMENT, RURAL  
UTILITIES SERVICE

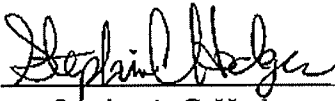
By:   
\_\_\_\_\_  
Stephanie C. Hodges  
Area Director

Exhibit "A"

Certificate Regarding Debt Service Coverage

CERTIFICATE REGARDING DEBT SERVICE COVERAGE

The undersigned Finance Director of the City of Bunnell (the "City"), DOES HEREBY CERTIFY as follows:

1. This Certificate is furnished in connection with the issuance of the City's not to exceed \$1,938,255.63 Water and Sewer System Refunding Revenue Note, Series 2017 (the "Refunding Note").

2. The Refunding Note will be used to refund the following debt obligations of the City:


Water and Sewer System Refunding Revenue Note, Series 2015 issued in the original principal amount of \$2,050,000, currently held by Ameris Bank.

3. I hereby certify that Pledged Funds are expected to exceed the combined debt service requirements for the Series 2015 Bonds, the Refunding Note and the Subordinate Debt by no less than 3.208 times. Capitalized terms not defined herein shall have the meanings set forth in City Resolution No. 2013-16A adopted by the City Commission on September 9, 2013.

4. The coverage calculation prepared by my office in support of this Certificate is attached.

Dated this 22nd Day of February, 2017

CITY OF BUNNELL, FLORIDA

BY: 

Name: Stella L. Gurnee

Title: Finance Director

Water Sewer Fund Debt Coverage Estimates

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Revenues (A)	2,753,762	2,891,450	3,036,023	3,187,824	3,347,215
Cost of Operation and Maintenance (B) <sup>(3)</sup>	1,592,174	1,671,783	1,721,936	1,773,594	1,826,802
Actual Coverage (A/B)	1.730	1.730	1.763	1.797	1.832
Net Revenues (C=A-B)	1,161,588	1,219,667	1,314,086	1,414,229	1,520,413
Principal and Interest Requirement (D)	362,078	360,272	360,272	360,272	360,272
Actual Coverage (C/D) <sup>(4)</sup>	3.208	3.385	3.647	3.925	4.220

Revenues (A) include 5% annual increase built into City rate resolution.

O&M (B) has a 3% annual increase anticipated.

Debt Service (D) includes senior lien debt (USDA 2015 and 2017 Refunding note) AND subordinate debt (existing SRF and bank loans)



In response to your request for a payoff on the referenced account below, the following information is being provided:

**Date** February 23, 2017  
**Loan Number** 7691000535-101  
**Borrower's Name** City Of Bunnell  
**Collateral** Water And Sewer Bond

**Payoff:**

<b>Current principal</b>	<b>\$1,937,333.13</b>	
<b>Interest</b>	<b>40,248.10</b>	<b>Daily accrual of 145.2999847</b>
<b>Late charges</b>	<b>0.00</b>	
<b>Unapplied funds balance</b>	<b>-39,020.50</b>	
	<b>-----</b>	
<b>Total payoff</b>	<b>\$1,938,560.73</b>	

This payoff quote is good until February 28, 2017 at which time the per diem above will be charged per day until the payoff is received.

**Note:** *If this is a payoff quote on a line of credit, this payoff statement reflects the balance on advances made through today's date and any additional advances made on this Line of Credit after today's date will alter the payoff amount given in this statement.*

**Mailing Instructions**

**Ameris Bank**  
ATTN: Loan Operations  
3299 Ross Clark Cr NW  
DOTHAN, AL 36303  
Contact: 334-671-4015

Prepared By: Wanda Ellis  
334-671-4027

**Wire Instructions**

**Bank Information**  
Beneficiary Bank: Ameris Bank  
225 South Main Street  
Moultrie, GA 31768

Routing Number: 061201754  
Account Number: 999152000

**Beneficiary (Customer) Information Required:**

Account Name *City of Bunnell*

Account Number *7691000535-101*

## AMORTIZATION SCHEDULE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,455,413.09	12-15-2020	05-21-2030	402050220	/		***	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

**Borrower:** City of Bunnell  
201 W. Moody Blvd  
Bunnell, FL 32110-6045

**Lender:** CenterState Bank, N.A.  
Palm Coast Office  
175 Cypress Point Parkway  
Palm Coast, FL 32164  
(386) 597-8145

Disbursement Date: December 15, 2020  
Interest Rate: 1.950

Repayment Schedule: Irregular  
Calculation Method: 30 /360 U.S. Rule

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	05-21-2021	12,207.53	12,207.53	0.00	1,455,413.09
2	05-21-2021	128,720.72	0.00	128,720.72	1,326,692.37
<b>2021 TOTALS:</b>		<b>140,928.25</b>	<b>12,207.53</b>	<b>128,720.72</b>	
3	05-21-2022	25,870.50	25,870.50	0.00	1,326,692.37
4	05-21-2022	132,196.18	0.00	132,196.18	1,194,496.19
<b>2022 TOTALS:</b>		<b>158,066.68</b>	<b>25,870.50</b>	<b>132,196.18</b>	
5	05-21-2023	23,292.68	23,292.68	0.00	1,194,496.19
6	05-21-2023	135,765.47	0.00	135,765.47	1,058,730.72
<b>2023 TOTALS:</b>		<b>159,058.15</b>	<b>23,292.68</b>	<b>135,765.47</b>	
7	05-21-2024	20,645.25	20,645.25	0.00	1,058,730.72
8	05-21-2024	139,431.14	0.00	139,431.14	919,299.58
<b>2024 TOTALS:</b>		<b>160,076.39</b>	<b>20,645.25</b>	<b>139,431.14</b>	
9	05-21-2025	17,926.34	17,926.34	0.00	919,299.58
10	05-21-2025	143,195.78	0.00	143,195.78	776,103.80
<b>2025 TOTALS:</b>		<b>161,122.12</b>	<b>17,926.34</b>	<b>143,195.78</b>	
11	05-21-2026	15,134.02	15,134.02	0.00	776,103.80
12	05-21-2026	147,062.07	0.00	147,062.07	629,041.73
<b>2026 TOTALS:</b>		<b>162,196.09</b>	<b>15,134.02</b>	<b>147,062.07</b>	
13	05-21-2027	12,266.31	12,266.31	0.00	629,041.73
14	05-21-2027	151,032.74	0.00	151,032.74	478,008.99
<b>2027 TOTALS:</b>		<b>163,299.05</b>	<b>12,266.31</b>	<b>151,032.74</b>	
15	05-21-2028	9,321.18	9,321.18	0.00	478,008.99
16	05-21-2028	155,110.63	0.00	155,110.63	322,898.36
<b>2028 TOTALS:</b>		<b>164,431.81</b>	<b>9,321.18</b>	<b>155,110.63</b>	
17	05-21-2029	6,296.52	6,296.52	0.00	322,898.36
18	05-21-2029	159,298.61	0.00	159,298.61	163,599.75
<b>2029 TOTALS:</b>		<b>165,595.13</b>	<b>6,296.52</b>	<b>159,298.61</b>	
19	05-21-2030	166,789.95	3,190.20	163,599.75	0.00
<b>2030 TOTALS:</b>		<b>166,789.95</b>	<b>3,190.20</b>	<b>163,599.75</b>	
<b>TOTALS:</b>		<b>1,601,563.62</b>	<b>146,150.53</b>	<b>1,455,413.09</b>	

**NOTICE:** This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.



Florida Department of Transportation

RICK SCOTT  
GOVERNOR

605 Suwannee Street  
Tallahassee, FL 32399-0450

ANANTH PRASAD, P.E.  
SECRETARY

September 30, 2014

CITY OF BUNNELL  
ATTN: CITY MANAGER  
1769 E. MOODY BLVD.  
BUNNELL, FLORIDA 32110

*Stella,  
F/Y/I →  
please handle  
this*  
*M*

FLORIDA DEPARTMENT OF TRANSPORTATION  
ATTN: BONNIE KIRCHGESSNER-MS 42-B  
605 SUWANNEE STREET  
TALLAHASSEE, FLORIDA 32399-0450

SUBJECT: Financial Project 237965-1-56-02, Promissory Note Statement.

Annually the Department of Transportation will provide a current statement for the City of Bunnell. We will also include a copy of the Cities Promissory Note and a detailed payment history for you convince. If additional information is required please contact Bonnie Kirchgessner @ (850) 414-4889 or Email [bonnie.mccoymkirchgessner@dot.state.fl.us](mailto:bonnie.mccoymkirchgessner@dot.state.fl.us).

Project history life to date as of 09/30/2014

<b>Original Note Amount:</b>	<b>\$529,693.75</b>
<b>Total payments received to date:</b>	<b>\$264,646.40</b>
<b>Remaining balance due on Promissory Note for FPN 237965-1-56-02:</b>	<b>\$265,047.35</b>

IMPORTANT NOTE: To ensure proper credit please include account number 9833 on your remittance.



CATHERINE D. ROBINSON  
MAYOR

JENNY CRAIN-BRADY  
VICE MAYOR



*Crossroads of Flagler Count*

**COMMISSIONERS:**

JAMES E. FLYNT, SR.

DAISY M. HENRY

ELBERT TUCKER

April 13, 2010

Secretary Kopelousos  
Department of Transportation  
605 Suwannee Street, MS 59  
Tallahassee, Florida 32399-0405

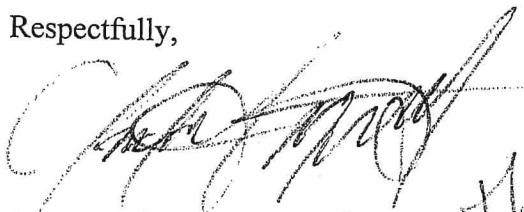
Dear Secretary Kopelousos,

*Stephanie*

Enclosed are two Promissory Note FPN 237965-1-56-02 contracts that have been authorized by the City of Bunnell Commission. The City greatly appreciates the time and cooperation of FDOT and its professional staff to find an amiable solution to a long term debt.

Thank you for your continued support to our community and we look forward to working with you on future projects such as the Bunnell Railroad Depot.

Respectfully,

  
Armando Martinez, City Manager

*Thank you*

*4/12/2010  
NEW NOTE*



**PROMISSORY NOTE**  
**FPN 237965-1-56-02**

**THIS PROMISSORY NOTE**, hereinafter called "Note", is made and entered into this 12<sup>th</sup> day of April, 2010, by and between the **CITY OF BUNNELL** a utility, hereinafter called "City", and the **STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION**, a state agency, hereinafter called the "Department".-

**WHEREAS**, the Department is authorized to enter into contracts and agreements, to advance monies, and accept installment reimbursements from utilities for costs associated with the relocation of those utilities located in Department rights-of way.

*Received 7/1/10*  
For one dollar (\$1) and other good and valuable consideration received from the undersigned, City of Bunnell, having an address at PO Box 756, 1769 E. Moody Blvd. Building 2 Suite 104, Bunnell, Florida 32110, County of Flagler, State of Florida, the City promises to pay without set off, deduction, or counterclaim of any kind or nature to the Department, its successors and assigns, the sum of five hundred twenty-nine thousand, six hundred ninety-three dollars and seventy-five cents (\$529,693.75) payable by one lump sum payment of two hundred sixty-four thousand, six hundred forty-six dollars and forty cents (\$264,646.40) for the total sum of the first ten years of installments on or before October 15, 2010, and in nine (9) equal successive annual installments of Twenty-six thousand five hundred four dollars and seventy four cents (\$26,504.74) and one (1) final payment of Twenty-six thousand five hundred four dollars and sixty-nine cents (\$26,504.69) beginning in the eleventh year in lawful money of the United States of America, commencing on October 15, 2020, and continuing on the same day of each and every year thereafter until paid. If the City finds the means to repay the principal or begin installment payments earlier it will endeavor to do so.

**DEFAULT:** In the event that any payment is not received by the Department within 90 days after the due date, the entire remaining unpaid principal shall become immediately due and payable at the option of the Department.

Sums larger than the aforesaid payment may be paid at any time if there is not a default under this Note, but the payment of any larger sums in addition to the payments required in this Note shall not relieve the City of the obligation of payment of the periodic installments provided for in this Note, unless it is specifically stipulated by and between the City and the Department at the time of payment that the larger sums are to be applied to the advance payment of the periodic installments next maturing in the order of their due dates.

In the event that reimbursable utility work related to this project, FPN 237965-156-02, is properly invoiced to the Department by the City during the term of the note, payment will be made on that invoice through applying the amount owed to the outstanding balance of the promissory note as a prepayment, with the prepayment reducing the number, but not

the amount, of the payments to be made thereafter, except as to the last payment, which will be limited to the amount remaining due.

The City waives presentment and demand for payment, notice of dishonor, protest, and notice of protest of this Note.

In the event that this Note is not paid when due, the City shall pay all costs, expenses, and attorneys' and other fees paid or incurred by the Department, or adjudged by a court, as a consequence of such nonpayment.

No delay by the Department in enforcing any covenant or right under this Note shall be deemed a waiver of any covenant or right and no waiver by the Department of any particular provision of this Note shall be deemed a waiver of any other provision or a continuing waiver of the particular provision, and except as so expressly waived, all provisions of this Note shall continue in full force and effect.

This Note may be prepaid at any time in whole or in part without penalty. This Note shall be governed by and construed and enforced in accordance with the laws of the State of Florida and the City expressly submits to its jurisdiction and to the jurisdiction and venue of the Circuit Court in Leon County, Florida, by process served by mail on the City at its address set forth herein.

City notification shall be made to:

City Manager  
City of Bunnell  
PO Box 756

1769 E. Moody Blvd.  
Building 2 Suite 104  
Bunnell, Florida 32110

Department notification shall be made to:

FDOT Office of Comptroller  
Attn: Locally Funded Agreements Section  
605 Suwannee Street, MS 42B  
Tallahassee, Florida 32399-0450

In the event that, for any reason, one or more of the provisions of this Note or their application to any person or circumstances shall be held to be invalid, illegal, or unenforceable in any respect or to any extent, such provision(s) shall, to such extent, be held for naught as though not contained in this Note, but the Note shall nevertheless

remain valid, legal, and enforceable in all other respects and to such an extent as may be permissible. In addition, any such invalidity, illegality or unenforceability shall not *affect* any other provisions of this Note, but this Note shall be construed as if the invalid, illegal or unenforceable provisions had never been contained in this Note.

This Note may not be changed or terminated orally. Any amendment to or modification of this Note or any alteration, extension, assignment, supplement, or change of time or scope of services shall be made in writing and duly authorized by both parties.

STATE OF FLORIDA  
DEPARTMENT OF TRANSPORTATION

BY: SKopel  
Stephanie C. Kopelousos  
SECRETARY

ATTEST: Jennifer L Parfitt  
EXECUTIVE SECRETARY

SEAL

CITY OF BUNNELL, FLORIDA

BY: William J. Davis  
CITY MANAGER ~~Mayor~~

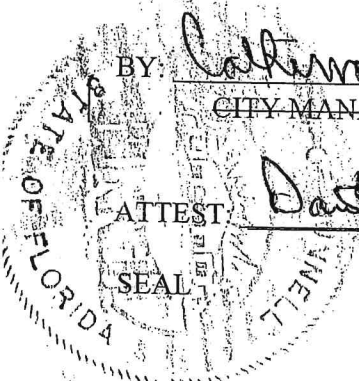
ATTEST: Dave Davis Daniel E. Davis, CMC  
City Clerk

Office of Comptroller Review:

BY: Joseph S. Kahlert

FDOT Legal Review

BY: BRC



**DRINKING WATER STATE REVOLVING FUND  
AMENDMENT 1 TO LOAN AGREEMENT DW180540  
CITY OF BUNNELL**

This amendment is executed by the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (Department) and the CITY OF BUNNELL, FLORIDA, (Project Sponsor) existing as a local government agency under the laws of the State of Florida.

WITNESSETH:

WHEREAS, the Department and the Project Sponsor entered into a Drinking Water State Revolving Fund Agreement, Number DW180540, authorizing a Loan amount of \$204,000, of which \$204,000 is Principal Forgiveness; and

WHEREAS, the Project Sponsor is entitled to additional financing for Construction Related Costs, consisting of a Loan amount of \$1,000,300, excluding Capitalized Interest, of which \$796,000 is Principal Forgiveness; and

WHEREAS, the Project schedule, certain definitions, and other provisions need revision, and several revisions need to be added to reflect financing of Construction Related Costs; and

WHEREAS, an interest rate, a Loan Service Fee, and other terms for the funding awarded in this amendment need to be established; and

WHEREAS, revised provisions for audit and monitoring are needed.

N OW, THEREFORE, the parties hereto agree as follows:

1. Subsection 1.01(9) of the Agreement is deleted and replaced as follows:

(9) "Project" shall mean the works financed by this amendment consisting of furnishing all labor, materials, and equipment to construct the treatment facilities in accordance with the plans and specifications accepted by the Department for the "Water Treatment Plan Ion Exchange Project" contract.

The Project is in agreement with the planning documentation dated effective January 17, 2013. A Finding of No Significant Impact was published under the National Environmental Policy Act (NEPA) process for United States Department of Agriculture (USDA). The project is an Equivalency Project as defined in Chapter 62-552, Florida Administrative Code.

2. Section 1.01 of the Agreement is revised to include the following definitions:

"Gross Revenues" shall mean all income or earnings received by the Project Sponsor from the ownership or operation of its Water and Sewer Systems, including investment income, all as calculated in accordance with generally accepted accounting principles. Gross

Revenues shall not include proceeds from the sale or other disposition of any part of the Water or Sewer System, condemnation awards or proceeds of insurance, except use and occupancy or business interruption insurance, received with respect to the Water or Sewer System.

“Loan Debt Service Account” shall mean an account, or a separately identified component of a pooled cash or liquid account, with a Depository established by the Project Sponsor for the purpose of accumulating Monthly Loan Deposits and making Semiannual Loan Payments.

“Loan Service Fee” shall mean an origination fee which shall be paid to the Department by the Project Sponsor.

“Monthly Loan Deposit” shall mean the monthly deposit to be made by the Project Sponsor to the Loan Debt Service Account.

“Operation and Maintenance Expense” shall mean the costs of operating and maintaining the Water and Sewer Systems determined pursuant to generally accepted accounting principles, exclusive of interest on any debt payable from Gross Revenues, depreciation, and any other items not requiring the expenditure of cash.

“Pledged Revenues” shall mean the specific revenues pledged as security for repayment of the Loan and shall be the Gross Revenues derived yearly from the operation of the Water and Sewer Systems after payment of the Operation and Maintenance Expense and the satisfaction of all yearly payment obligations on account of the Senior Revenue Obligations and any senior obligations issued pursuant to Section 7.02 of this Agreement.

“Semiannual Loan Payment” shall mean the payment due from the Project Sponsor to the Department at six-month intervals.

“Senior Revenue Obligations” shall mean the following debt obligations:

(a) City of Bunnell, Florida, Water and Sewer Revenue Bonds, Series 1993, issued in the amount of \$1,988,300, pursuant to Ordinance No. 91-11, as amended and supplemented; and

(b) City of Bunnell, Florida, Water and Sewer Revenue Bonds, Series 1997, issued in the amount of \$1,080,000, pursuant to Ordinance No. 95-14, as amended and supplemented; and

(c) Any refunding bonds issued to refund the obligations identified above provided such bonds shall not increase annual debt service during the repayment period of this Loan.

“Sewer System” shall mean all facilities owned by the Project Sponsor for collection, transmission, treatment and reuse of wastewater and its residuals.

3. Subsections 2.01(4), (12), and (13) of the Agreement are deleted and replaced as follows:

(4) All permits, real property interests, and approvals required as of the date of this Agreement have been obtained for construction and use of the Project. The Project Sponsor knows of no reason why any future required permits or approvals are not obtainable.

(12) The Project Sponsor agrees to complete the Project in accordance with the Project schedule set forth in Section 10.07. Delays incident to strikes, riots, acts of God, and other events beyond the reasonable control of the Project Sponsor are excepted. However, there shall be no resulting diminution or delay in the Semiannual Loan Payment or the Monthly Loan Deposit.

(13) The Project Sponsor covenants that this Agreement is entered into for the purpose of constructing, refunding, or refinancing the Project which will in all events service a public purpose. The Project Sponsor covenants that it will, under all conditions, complete and operate the Project to fulfill the public need.

4. Section 2.01 is amended by adding the following provisions:

(9) In the event the anticipated Pledged Revenues are shown by the Project Sponsor's annual budget to be insufficient to make the Semiannual Loan Payments for such Fiscal Year when due, the Project Sponsor shall include in such budget other legally available non-ad valorem funds which will be sufficient, together with the Pledged Revenues, to make the Semiannual Loan Payments. Such other legally available non-ad valorem funds shall be budgeted in the regular annual governmental budget and designated for the purpose provided by this Subsection, and the Project Sponsor shall collect such funds for application as provided herein. The Project Sponsor shall notify the Department immediately in writing of any such budgeting of other legally available non-ad valorem funds. Nothing in this covenant shall be construed as creating a pledge, lien, or charge upon any such other legally available non-ad valorem funds; requiring the Project Sponsor to levy or appropriate ad valorem tax revenues; or preventing the Project Sponsor from pledging to the payment of any bonds or other obligations all or any part of such other legally available non-ad valorem funds.

(10) Each year, beginning three months before the first Semiannual Loan Payment and ending with the year during which the final Loan repayment is made, the Project Sponsor's Authorized Representative or its chief financial officer shall submit, pursuant to the schedule established in Section 10.07, a certification that: (a) Pledged Revenue collections satisfy the rate coverage requirement; (b) the Loan Debt Service Account contains the funds required; and (c) insurance in effect for the facilities generating the Pledged Revenues adequately covers the customary risks to the extent that such insurance is available.

5. The following section is added to Article II:

#### 2.02. LEGAL AUTHORIZATION.

Upon signing this Amendment, the Project Sponsor's legal counsel hereby expresses the opinion, subject to laws affecting the rights of creditors generally, that:

(1) This amendment has been duly authorized by the Project Sponsor and shall constitute a valid and legal obligation of the Project Sponsor enforceable in accordance with its terms upon execution by both parties; and

(2) This amendment specifies the revenues pledged for repayment of the Loan, and the pledge is valid and enforceable.

6. Subsection 2.03(1) of the Agreement is deleted and replaced as follows:

The Project Sponsor agrees to the following audit and monitoring requirements.

(1) The financial assistance authorized pursuant to this Loan Agreement consists of the following:

Federal Resources, Including State Match, Awarded to the Recipient Pursuant to this Agreement Consist of the Following:					
Federal Program Number	Federal Agency	CFDA Number	CFDA Title	Funding Amount	State Appropriation Category
FS984522-013	EPA	66.468	Capitalization Grants for Drinking Water State Revolving Fund	\$1,204,300	140129

7. The following Article III is added to the Agreement:

ARTICLE III - LOAN REPAYMENT ACCOUNTS

3.01. LOAN DEBT SERVICE ACCOUNT.

The Project Sponsor shall establish a Loan Debt Service Account with a Depository and begin making Monthly Loan Deposits no later than the date set forth for such action in Section 10.07.

Beginning six months prior to each Semiannual Loan Payment, the Project Sponsor shall make six Monthly Loan Deposits. The first five deposits each shall be at least equal to one-sixth of the Semiannual Loan Payment. The sixth Monthly Loan Deposit shall be at least equal to the amount required to make the total on deposit in the Loan Debt Service Account equal to the Semiannual Loan Payment amount, taking into consideration investment earnings credited to the account pursuant to Section 3.02.

Any month in which the Project Sponsor fails to make a required Monthly Loan Deposit, the Project Sponsor's chief financial officer shall notify the Department of such failure. In addition, the Project Sponsor agrees to budget, by amendment if necessary, payment to the Department from other legally available funds all sums becoming due before the same become delinquent. This requirement shall not be construed to give superiority to the Department's claim on any revenues over prior claims of general creditors of the Project Sponsor, nor shall it be construed to give the Department the power to require the Project Sponsor to levy and collect any revenues other than Pledged Revenues.

3.02. INVESTMENT OF LOAN DEBT SERVICE ACCOUNT MONEYS.

Moneys on deposit in the Loan Debt Service Account shall be invested pursuant to the laws of the State of Florida. Such moneys may be pooled for investment purposes. The maturity or redemption date of investments shall be not later than the date upon which such moneys may be needed to make Semiannual Loan Payments. The investment earnings shall be credited to the Loan Debt Service Account and applied toward the Monthly Loan Deposit requirements.

### 3.03. LOAN DEBT SERVICE ACCOUNT WITHDRAWALS.

The withdrawal of moneys from the Loan Debt Service Account shall be for the sole purpose of making the Semiannual Loan Payment or for discharging the Project Sponsor's obligations pursuant to Section 8.01.

### 3.04. ASSETS HELD IN TRUST.

The assets in all accounts created under this Agreement shall be held in trust for the purposes provided herein and used only for the purposes and in the manner prescribed in this Agreement; and, pending such use, said assets shall be subject to a lien and charge in favor of the Department.

8. The following three sections are added to Article IV:

#### 4.03. PERMITS AND APPROVALS.

The Project Sponsor shall have obtained, prior to the Department's authorization to award construction contracts, all permits and approvals required for construction of the Project or portion of the Project funded under this Agreement.

#### 4.04. ENGINEERING SERVICES.

A professional engineer, registered in the State of Florida, shall be employed by, or under contract with, the Project Sponsor to oversee construction.

#### 4.05. PROHIBITION AGAINST ENCUMBRANCES.

The Project Sponsor is prohibited from selling, leasing, or disposing of any part of the Water or Sewer System which would materially reduce operational integrity or Gross Revenues so long as this Agreement, including any amendments thereto, is in effect unless the written consent of the Department is first secured. In addition, the Project Sponsor is prohibited from selling, leasing, or disposing of any part of the Project during the useful life of that part unless the written consent of the Department is first secured. The Project Sponsor may be required to reimburse the Department for the grant-funded cost of any such part, taking into consideration any increase or decrease in value.

9. Subsections 4.01, 4.06, 4.08 of the Agreement are deleted and replaced as follows:

#### 4.01 PROJECT CHANGES.

Project changes prior to bid opening shall be made by addendum to plans and specifications. Changes after bid opening shall be made by change order. The Project Sponsor shall submit all addenda and all change orders to the Department for an eligibility determination. After execution of all construction, equipment and materials contracts, the Project contingency may be reduced.

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#### 4.06. COMPLETION MONEYS.

In addition to the proceeds of this Loan, the Project Sponsor covenants that it has obtained, or will obtain, sufficient moneys from other sources to complete construction and place the Project in operation on, or prior to, the date specified in Article X. Failure of the Department to approve additional financing shall not constitute a waiver of the Project Sponsor's covenants to complete and place the Project in operation.

#### 4.08. DISBURSEMENTS.

Disbursements shall be made only by the State Chief Financial Officer and only when the requests for such disbursements are accompanied by a Department certification that such withdrawals are proper expenditures. Disbursements shall be made directly to the Project Sponsor for engineering and administrative allowances, and reimbursement of the incurred construction costs and related services. The Principal Forgiveness on each disbursement from Amendment 1 funds will be 79.58 percent of the requested amount after subtracting costs that are ineligible for Principal Forgiveness. Disbursements for materials, labor, or services shall be made upon receipt of the following:

- (1) A completed disbursement request form signed by the Authorized Representative. Such requests must be accompanied by sufficiently itemized summaries of the materials, labor, or services to identify the nature of the work performed; the cost or charges for such work; and the person providing the service or performing the work.
- (2) A certification signed by the Authorized Representative as to the current estimated costs of the Project; that the materials, labor, or services represented by the invoice have been satisfactorily purchased, performed, or received and applied to the project; that all funds received to date have been applied toward completing the Project; and that under the terms and provisions of the contracts, the Project Sponsor is required to make such payments.
- (3) A certification by the engineer responsible for overseeing construction stating that equipment, materials, labor and services represented by the construction invoices have been satisfactorily purchased, or received, and applied to the Project in accordance with construction contract documents; stating that payment is in accordance with construction contract provisions; stating that construction, up to the point of the requisition, is in compliance with the contract documents; and identifying all additions or deletions to the Project which have altered the Project's performance standards, scope, or purpose since the issue of the Department construction permit.
- (4) Such other certificates or documents by engineers, attorneys, accountants, contractors, or suppliers as may reasonably be required by the Department.

10. The following Article is added to the Agreement:

#### ARTICLE V - RATES AND USE OF THE WATER AND SEWER SYSTEMS

##### 5.01. RATE COVERAGE.

The Project Sponsor shall maintain rates and charges for the services furnished by the Water and Sewer Systems which will be sufficient to provide, in each Fiscal Year, Pledged Revenues equal to or exceeding 1.15 times the sum of the Semiannual Loan Payments due in such Fiscal Year. In addition, the Project Sponsor shall satisfy the coverage requirements of all senior and parity debt obligations.

5.02. NO FREE SERVICE.

The Project Sponsor shall not permit connections to, or furnish any services afforded by, the Water or Sewer System without making a charge therefor based on the Project Sponsor's uniform schedule of rates, fees, and charges.

5.03. MANDATORY CONNECTIONS.

The Project Sponsor shall adopt, as necessary, and enforce requirements, consistent with applicable laws, for the owner, tenant or occupant of each building located on a lot or parcel of land which is served, or may reasonably be served, by the Sewer System to connect such building to the Sewer System.

5.04. NO COMPETING SERVICE.

The Project Sponsor shall not allow any person to provide any services which would compete with the Water or Sewer System so as to adversely affect Gross Revenues.

5.05. MAINTENANCE OF THE WATER AND SEWER SYSTEMS.

The Project Sponsor shall operate and maintain the Water and Sewer Systems in a proper, sound and economical manner and shall make all necessary repairs, renewals and replacements.

5.06. ADDITIONS AND MODIFICATIONS.

The Project Sponsor may make any additions, modifications or improvements to the Water and Sewer Systems which it deems desirable and which do not materially reduce the operational integrity of any part of the Water or Sewer System. All such renewals, replacements, additions, modifications and improvements shall become part of the Water and Sewer Systems.

5.07. COLLECTION OF REVENUES.

The Project Sponsor shall use its best efforts to collect all rates, fees and other charges due to it. The Project Sponsor shall establish liens on premises served by the Water or Sewer System for the amount of all delinquent rates, fees and other charges where such action is permitted by law. The Project Sponsor shall, to the full extent permitted by law, cause to discontinue the services of the Water and Sewer Systems and use its best efforts to shut off water service furnished to persons who are delinquent beyond customary grace periods in the payment of Water and Sewer System rates, fees and other charges.

11. Section 6.01 is amended to include the following:

6.01. EVENTS OF DEFAULT.

Each of the following events is hereby declared an event of default:

(1) Failure to make any Monthly Loan Deposit or to make any installment of the Semiannual Loan Payment when it is due and such failure shall continue for a period of 30 days.

(4) An order or decree entered, with the acquiescence of the Project Sponsor, appointing a receiver of any part of the Water or Sewer System or Gross Revenues thereof; or if such order or decree, having been entered without the consent or acquiescence of the Project Sponsor, shall not be vacated or discharged or stayed on appeal within 60 days after the entry thereof.

(5) Any proceeding instituted, with the acquiescence of the Project Sponsor, for the purpose of effecting a composition between the Project Sponsor and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are payable from Gross Revenues of the Water or Sewer System.

12. Section 6.02. is deleted and replaced as follows:

#### 6.02. REMEDIES.

Upon any event of default and subject to the rights of others having prior liens on the Pledged Revenues, the Department may enforce its rights by any of the following remedies:

(1) By mandamus or other proceeding at law or in equity, cause to establish rates and collect fees and charges for use of the Water and Sewer Systems, and to require the Project Sponsor to fulfill this Agreement.

(2) By action or suit in equity, require the Project Sponsor to account for all moneys received from the Department or from the ownership of the Water and Sewer Systems and to account for the receipt, use, application, or disposition of the Pledged Revenues.

(3) By action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Department.

(4) By applying to a court of competent jurisdiction, cause to appoint a receiver to manage the Water and Sewer Systems, establish and collect fees and charges, and apply the revenues to the reduction of the obligations under this Agreement.

(5) By certifying to the Auditor General and the Chief Financial Officer delinquency on loan repayments, the Department may intercept the delinquent amount plus six percent, expressed as an annual interest rate, penalty of the amount due to the Department from any unobligated funds due to the Project Sponsor under any revenue or tax sharing fund established by the State, except as otherwise provided by the State Constitution. Penalty interest shall accrue on any amount due and payable beginning on the 30th day following the date upon which payment is due.

(6) By notifying financial market credit rating agencies and potential creditors.

(7) By suing for payment of amounts due, or becoming due, with interest on overdue payments together with all costs of collection, including attorneys' fees.

(8) By accelerating the repayment schedule or increasing the interest rate on the unpaid principal of the Loan to as much as 1.667 times the Loan interest rate for a default under Subsection 6.01(1).

13. The following article is added to the Agreement:

ARTICLE VII - THE PLEDGED REVENUES

7.01. SUPERIORITY OF THE PLEDGE TO THE DEPARTMENT.

From and after the effective date of this Agreement, the Department shall have a lien on the Pledged Revenues prior and superior to any other lien, pledge or assignment with the following exception. All obligations of the Project Sponsor under this Agreement shall be junior, inferior, and subordinate in all respects in right of payment and security to the Senior Revenue Obligations defined in Section 1.01 of this Agreement and to any additional senior obligations issued with the Department's consent pursuant to Section 7.02. Any of the Pledged Revenues may be released from the lien on such Pledged Revenues in favor of the Department if the Department makes a determination, based upon facts deemed sufficient by the Department, that the remaining Pledged Revenues will, in each Fiscal Year, equal or exceed 1.15 times the debt service coming due in each Fiscal Year under the terms of this Agreement.

7.02. ADDITIONAL DEBT OBLIGATIONS.

The Project Sponsor may issue additional debt obligations on a parity with, or senior to, the lien of the Department on the Pledged Revenues provided the Department's written consent is obtained. Such consent shall be granted if the Project Sponsor demonstrates at the time of such issuance that the Pledged Revenues, which may take into account reasonable projections of growth of the Water and Sewer Systems and revenue increases, plus revenues to be pledged to the additional proposed debt obligations will, during the period of time Semiannual Loan Payments are to be made under this Agreement, equal or exceed 1.15 times the annual combined debt service requirements of this Agreement and the obligations proposed to be issued by the Project Sponsor and will satisfy the coverage requirements of all other debt obligations secured by the Pledged Revenues.

14. The following section is added to Article VIII:

8.01. DISCHARGE OF OBLIGATIONS.

All payments required to be made under this Agreement shall be cumulative and any deficiencies in any Fiscal Year shall be added to the payments due in the succeeding year and all years thereafter until fully paid. Payments shall continue to be secured by this Agreement until all of the payments required shall be fully paid to the Department. If at any time the Project Sponsor shall have paid, or shall have made provision for the timely payment of, the entire principal amount of the Loan and interest, the pledge of, and lien on, the Pledged Revenues to the Department shall be no longer in effect. Deposit of sufficient cash, securities, or investments, authorized by law from time to time, may be made to effect defeasance of this Loan. However, the deposit shall be made in irrevocable trust with a banking institution or trust company for the sole benefit of the Department. There shall be no penalty imposed by the Department for early retirement of this Loan.

15. Sections 8.03 and 8.08 of the Agreement are deleted and replaced as follows:

8.03 ACCESS TO PROJECT SITE.

The Project Sponsor shall provide access to Project sites and administrative offices to authorized representatives of the Department at any reasonable time. The Project Sponsor shall cause its engineers and contractors to cooperate during Project inspections, including making available working copies of plans and specifications and supplementary materials.

8.08. COMPLIANCE VERIFICATION.

(1) The Project Sponsor shall periodically interview 10% of the work force entitled to Davis-Bacon prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(5), all interviews must be conducted in confidence. The Project Sponsor must use Standard Form 1445 or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(2) The Project Sponsor shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The Project Sponsor shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with Davis-Bacon posed by contractors or subcontractors and the duration of the contract or subcontract. Project Sponsors must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with Davis-Bacon. In addition, during the examinations the Project Sponsor shall verify evidence of fringe benefit plans and payments thereunder by contractors and subcontractors who claim credit for fringe benefit contributions.

(3) The Project Sponsor shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor (DOL) or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of laborers, trainees, and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in items (1) and (2) above.

(4) Project Sponsors must immediately report potential violations of the Davis-Bacon prevailing wage requirements to the EPA Davis-Bacon contact Sheryl Parsons at [Parsons.Sheryl@epamail.epa.gov](mailto:Parsons.Sheryl@epamail.epa.gov) and to the appropriate DOL Wage and Hour District Office listed at <http://www.dol.gov/esa/contacts/whd/america2.htm>.

16. The following Article is added to the Agreement:

ARTICLE IX - CONSTRUCTION CONTRACTS AND INSURANCE

9.01. AUTHORIZATION TO AWARD CONSTRUCTION CONTRACTS.

The following documentation is required to receive the Department's authorization to award construction contracts:

- (1) Proof of advertising.

- (2) Award recommendation, bid proposal, and bid tabulation (certified by the responsible engineer).
- (3) Certification of compliance with the conditions of the Department's approval of competitively or non-competitively negotiated procurement, if applicable.
- (4) Certification Regarding Disbarment, Suspension, Ineligibility and Voluntary Exclusion.
- (5) Certification by the Authorized Representative that affirmative steps were taken to encourage Minority and Women's Business Enterprises participation in Project construction.
- (6) Current certifications for Minority and Women's Business Enterprises participating in the contract. If the goals as stated in the plans and specifications are not met, documentation of actions taken shall be submitted.

#### 9.02. SUBMITTAL OF CONSTRUCTION CONTRACT DOCUMENTS.

After the Department's authorization to award construction contracts has been received, the Project Sponsor shall submit:

- (1) Contractor insurance certifications.
- (2) Executed Contract(s).
- (3) Notices to proceed with construction.

#### 9.03. INSURANCE REQUIRED.

The Project Sponsor shall cause the Project, as each part thereof is certified by the engineer responsible for overseeing construction as completed, and the Water and Sewer Systems (hereafter referred to as "Revenue Producing Facilities") to be insured by an insurance company or companies licensed to do business in the State of Florida against such damage and destruction risks as are customary for the operation of Revenue Producing Facilities of like size, type and location to the extent such insurance is obtainable from time to time against any one or more of such risks.

The proceeds of insurance policies received as a result of damage to, or destruction of, the Project or the other Revenue Producing Facilities, shall be used to restore or replace damaged portions of the facilities. If such proceeds are insufficient, the Project Sponsor shall provide additional funds to restore or replace the damaged portions of the facilities. Repair, construction or replacement shall be promptly completed.

17. Loan financing in the amount of \$204,300, excluding Capitalized Interest, is hereby awarded to the Project Sponsor.
18. Section 10.01 and 10.06 of the Agreement are deleted and replaced as follows:

#### 10.01. PRINCIPAL AMOUNT OF LOAN.

The total amount awarded is \$1,000,300. Of that, the estimated amount of Principal Forgiveness is \$796,000. The estimated principal amount of the Loan to be repaid is \$207,100, which consists of \$204,300 to be disbursed to the Project Sponsor and \$2,800 of Capitalized Interest.

Capitalized interest is not disbursed to the Project Sponsor, but is amortized via periodic loan repayments to the Department as if it were actually disbursed. Capitalized interest is computed at the interest rate, or rates, set for the Loan. It accrues and is compounded annually from the time when disbursements are made until six months before the first Semiannual Loan Payment is due. Capitalized Interest is estimated prior to establishing the schedule of actual disbursements.

10.06. PROJECT COSTS.

The Project Sponsor and the Department acknowledge that the actual Project costs have not been determined as of the effective date of this Agreement. Project cost adjustments may be made as a result of construction bidding or mutually agreed upon Project changes. Capitalized Interest will be recalculated based on actual dates and amounts of Loan disbursements. If the Project Sponsor receives other governmental financial assistance for the Project, the costs funded by such governmental assistance will not be funded by this Grant or Loan. The Department shall establish the final costs after its final inspection of the Project records. Changes in Project costs may also occur as a result of the Project Sponsor's Project audit or a Department audit.

**PROJECT COSTS**

CATEGORY	COST(\$)
Administrative Allowance	12,000
Planning Allowance	66,300
Engineering Allowance	85,000
Construction and Demolition	910,000
Contingencies	91,000
Technical Services After Bid Opening	40,000
SUBTOTAL (Disbursable Amount)	1,204,300
Less Principal Forgiveness	(1,000,000)
SUBTOTAL (Loan Amount)	204,300
Capitalized Interest	2,800
TOTAL (Loan Principal Amount)	207,100

19. The following sections are added to Article X.

10.02. LOAN SERVICE FEE.

The Loan Service Fee is \$4,086 for the Loan amount authorized to date. The fee represents two percent of the Loan amount excluding Capitalized Interest amounts; that is, two percent of \$204,300. An additional Loan Service Fee amount will be assessed for any additional funding provided by amendment to this Agreement. The fee shall be adjusted downward if adjustment of Project costs results in a Loan decrease, provided that the decrease amendment is executed before the first Semiannual Loan Payment due date.

Interest shall accrue on the Loan Service Fee at the rate, or rates, set for the Loan until the fee is paid. Loan Service Fee interest shall be compounded annually from the effective date of the Loan until six months before the first Semiannual Loan Payment is due at which time it is capitalized. (If additional funding is provided, interest on the associated service fee shall accrue from the effective date of the amendment providing such funds.) The estimated Loan Service Fee capitalized interest for the fee amount assessed to date is \$110.

#### 10.03. INTEREST RATE.

The rate of interest on the unpaid principal of the Loan amount specified in Section 10.02 is 2.12 percent per annum; however, if this Agreement is not executed by the Project Sponsor and returned to the Department before October 1, 2013, the interest rate may be adjusted. A separate interest rate shall be established for any additional funds provided by amendment to this Agreement.

#### 10.04. LOAN TERM.

The Loan shall be repaid in 60 Semiannual Loan Payments.

#### 10.05. REPAYMENT SCHEDULE.

The Semiannual Loan Payment shall be computed based upon the principal amount of the Loan plus the Loan Service fee and Loan Service Fee capitalized interest and the principle of level debt service. The Department will deduct the Loan Service Fee and all associated interest from the first two payments. The Semiannual Loan Payment amount may be adjusted, by amendment of this Agreement, based upon revised information. After the final disbursement of Loan proceeds, the Semiannual Loan Payment shall be based upon the actual Project costs and actual dates and amounts of disbursements, taking into consideration any previous payments. Actual Project costs shall be established after the Department's inspection of the completed Project and associated records.

Each Semiannual Loan Payment shall be in the amount of \$4,777 until the payment amount is adjusted by amendment. The interest portion of each Semiannual Loan Payment shall be computed on the unpaid balance of the principal amount of the Loan, including Capitalized Interest. Interest also shall be computed on the unpaid balance of the Loan Service Fee and Loan Service Fee capitalized interest. Interest shall be computed as of the due date of each Semiannual Loan Payment. Until the Agreement is further amended, each Semiannual Loan Payment will be proportionally applied, after deduction of the Loan Service Fee is complete, toward repayment of the amounts owed on each incremental Loan amount at the date such payment is due.

Semiannual Loan Payments shall be received by the Department beginning on June 15, 2015 and semiannually thereafter on December 15 and June 15 of each year until all amounts due hereunder have been fully paid. Funds transfer shall be made by electronic means.

The Semiannual Loan Payment amount is based on the total amount owed of \$211,296, which consists of the Loan principal plus the Loan Service Fee with its capitalized interest.

20. Section 10.07 SCHEDULE is deleted and replaced as follows:

(1) Completion of Project construction is scheduled for December 15, 2014.



- (2) The Loan Debt Service Account shall be established and Monthly Loan Deposits shall begin no later than December 15, 2014.
  - (3) The initial annual certification required under Subsection 2.01(10) shall be due March 15, 2015. Thereafter the certification shall be submitted no later than September 30 of each year until the final Semiannual Loan Payment is made.
  - (4) The first Semiannual Loan Payment in the amount of \$4,777 shall be due June 15, 2015.
21. All other terms and provisions of the Financial Assistance Agreement shall remain in effect.


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This Amendment 1 to Financial Assistance Agreement DW180540 shall be executed in three or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument.

IN WITNESS WHEREOF, the Department has caused this amendment to the Financial Assistance Agreement to be executed on its behalf by the Program Administrator of State Revolving Fund Management and the Project Sponsor has caused this amendment to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this amendment shall be as set forth below by the Program Administrator.

for

**CITY OF BUNNELL**

  
\_\_\_\_\_  
Mayor

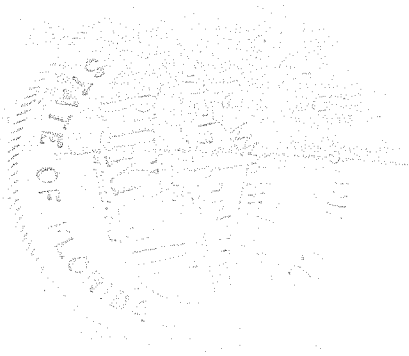
I attest to the opinion expressed in Section 2.02 of the Agreement, entitled Legal Authorization.

Attest

  
\_\_\_\_\_  
City Clerk

  
\_\_\_\_\_  
City Attorney

SEAL



for

**STATE OF FLORIDA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

\_\_\_\_\_  
Program Administrator  
State Revolving Fund Management

\_\_\_\_\_  
Date



**FLORIDA DEPARTMENT OF  
ENVIRONMENTAL PROTECTION**

BOB MARTINEZ CENTER  
2600 BLAIR STONE ROAD  
TALLAHASSEE, FLORIDA 32399-2400

RICK SCOTT  
GOVERNOR

JENNIFER CARROLL  
LT. GOVERNOR

HERSCHEL T. VINYARD JR.  
SECRETARY

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

NOV 21 2012

Ms. Judi Stetson  
Director of Grants, Special Projects & CRA  
City of Bunnell  
Post Office Box 756  
Bunnell, Florida 32110

Re: DW180540 – Bunnell  
Treatment

Dear Ms. Stetson:

We are pleased to provide State Revolving Fund financial assistance for planning and designing the City of Bunnell's drinking water project. One original of the fully executed loan agreement is enclosed. To draw money under the agreement, please call Carleen Pruyn at 850/245-8395 for assistance in completing a disbursement request.

We congratulate you and your staff on your efforts and are pleased that we can work with you on this project.

Sincerely,

Christine M. Klena, Deputy Director  
Division of Water Resource Management

CK/ph

Enclosure

cc: Honorable Catherine Robinson – City of Bunnell  
Alena Dvornikova – City of Bunnell

STATE OF FLORIDA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION

AND

CITY OF BUNNELL, FLORIDA

DRINKING WATER STATE REVOLVING FUND  
LOAN AGREEMENT  
DW180540

Florida Department of Environmental Protection  
Bureau of Water Facilities Funding  
Bob Martinez Center  
2600 Blair Stone Road, MS 3505  
Tallahassee, Florida 32399-2400

DRINKING WATER STATE REVOLVING FUND CONSTRUCTION LOAN AGREEMENT

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**DRINKING WATER STATE REVOLVING FUND**

**LOAN AGREEMENT**

**DW180540**

THIS AGREEMENT is executed by the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (Department) and the CITY OF BUNNELL, FLORIDA, (Project Sponsor) existing as a local governmental agency under the laws of the State of Florida.

**WITNESSETH:**

WHEREAS, pursuant to Section 403.8532, Florida Statutes, the Department is authorized to make loans to finance the planning, design and finance or refinance the construction of public water systems; and

WHEREAS, pursuant to the Capitalization Grant Award, the Department is authorized to allow Principal Forgiveness on Loans funded by the Federal Drinking Water Act; and

WHEREAS, the Project Sponsor has made application for the financing of Preconstruction Activities, and the Department has determined that all requirements for a Loan and Principal Forgiveness have been met.

NOW, THEREFORE, in consideration of the Department loaning money to the Project Sponsor, in the principal amount and pursuant to the covenants hereinafter set forth, it is agreed as follows:

**ARTICLE I - DEFINITIONS**

**1.01. WORDS AND TERMS.**

Words and terms used herein shall have the meanings set forth below:

- (1) "Agreement" or "Loan Agreement" shall mean this agreement.
- (2) "Authorized Representative" shall mean the official of the Project Sponsor authorized by ordinance or resolution to sign documents associated with the Loan.
- (3) "Capitalized Interest" shall mean the interest accruing on Loan proceeds from the time of disbursement until six months before the first Semiannual Loan Payment is due. Capitalized Interest is financed as part of the Loan principal.
- (4) "Construction Related Costs" shall mean costs for allowable construction, equipment, materials, demolition, land, contingency, and technical services after construction bid opening, and Capitalized Interest associated with the foregoing costs.

(5) "Depository" shall mean a bank or trust company, having a combined capital and unimpaired surplus of not less than \$50 million, authorized to transact commercial banking or savings and loan business in the State of Florida and insured by the Federal Deposit Insurance Corporation.

(6) "Financial Assistance" shall mean Principal Forgiveness funds or Loan funds.

(7) "Loan" shall mean the amount of money to be loaned pursuant to this Agreement and subsequent amendments.

(8) "Loan Application" shall mean the completed form which provides all information required to support obtaining loan financial assistance.

(9) "Preconstruction Activities" shall mean the planning, administrative, and engineering work necessary for the Project Sponsor to qualify for a Drinking Water State Revolving Fund loan to finance construction of drinking water facilities. Preconstruction milestones are listed in Section 10.07.

(10) "Principal Forgiveness" shall mean the amount of money awarded pursuant to this Agreement and subsequent amendments that is not to be repaid.

(11) "Project" shall mean the construction of facilities planned and designed through the Preconstruction Activities and financed by an amendment to this Agreement. The Project shall be defined more specifically when the Agreement is amended. The Project is an Equivalency Project as defined in Chapter 62-552, Florida Administrative Code.

(12) "Water System" shall mean all facilities owned by the Project Sponsor for supplying and distributing water for residential, commercial, industrial, and governmental use.

## 1.02. CORRELATIVE WORDS.

Words of the masculine gender shall be understood to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the singular shall include the plural and the word "person" shall include corporations and associations, including public bodies, as well as natural persons.

## ARTICLE II - WARRANTIES, REPRESENTATIONS AND COVENANTS

### 2.01. WARRANTIES, REPRESENTATIONS AND COVENANTS.

The Project Sponsor warrants, represents and covenants that:



(1) The Project Sponsor has full power and authority to enter into this Agreement and to comply with the provisions hereof.

(2) The Project Sponsor currently is not the subject of bankruptcy, insolvency, or reorganization proceedings and is not in default of, or otherwise subject to, any agreement or any law, administrative regulation, judgment, decree, note, resolution, charter or ordinance which would currently restrain or enjoin it from entering into, or complying with, this Agreement.

(3) There is no material action, suit, proceeding, inquiry or investigation, at law or in equity, before any court or public body, pending or, to the best of the Project Sponsor's knowledge, threatened, which seeks to restrain or enjoin the Project Sponsor from entering into or complying with this Agreement.

(4) The Project Sponsor knows of no reason why any future required permits or approvals associated with the Project are not obtainable.

(5) The Project Sponsor shall undertake the Project on its own responsibility, to the extent permitted by law.

(6) To the extent permitted by law, the Project Sponsor shall release and hold harmless the State, its officers, members, and employees from any claim arising in connection with the Project Sponsor's actions or omissions in its planning, engineering, administrative, and construction activities financed by this Loan or its operation of the Project.

(7) All Project Sponsor representations to the Department, pursuant to the Loan Application and Agreement, were true and accurate as of the date such representations were made. The financial information delivered by the Project Sponsor to the Department was current and correct as of the date such information was delivered. The Project Sponsor shall comply with Chapter 62-552, Florida Administrative Code, and all applicable State and Federal laws, rules, and regulations which are identified in the Loan Application or Agreement. Minority and Women's Business Enterprise goals apply to this Project. To the extent that any assurance, representation, or covenant requires a future action, the Project Sponsor shall take such action as is necessary for compliance.

(8) The Project Sponsor shall maintain records using Generally Accepted Governmental Accounting Standards established by the Governmental Accounting Standards Board. As part of its bookkeeping system, the Project Sponsor shall keep accounts of the Water System separate from all other accounts and it shall keep accurate records of all expenses and expenditures relating to the Water System and Loan disbursement receipts.

(9) RESERVED.

(10) RESERVED.

(11) Pursuant to Section 216.347 of the Florida Statutes, the Project Sponsor shall not use the Loan proceeds for the purpose of lobbying the Florida Legislature, the Judicial Branch, or a State agency.

(12) The Project Sponsor agrees to complete the Preconstruction Activities and, upon inclusion by an amendment to this Agreement, the Project, in accordance with the Preconstruction Activities schedule set forth in Section 10.07 and a Project schedule added by amendment to this Agreement. Delays incident to strikes, riots, acts of God, and other events beyond the reasonable control of the Project Sponsor are excepted. However, there shall be no resulting diminution or delay in the Semiannual Loan Payment or the Monthly Loan Deposit.

(13) The Project Sponsor covenants that this Agreement is entered into for the purpose of completing planning, engineering, and administrative activities in order to construct facilities which will, in all events serve a public purpose. The Project Sponsor covenants that it will, under all conditions, complete and operate the Project to fulfill the public need.

2.02. RESERVED.

2.03. AUDIT AND MONITORING REQUIREMENTS.

The Project Sponsor agrees to the following audit and monitoring requirements.

(1) The financial assistance authorized pursuant to this Loan Agreement consists of the following:

Federal Resources, Including State Match, Awarded to the Recipient Pursuant to this Agreement Consist of the Following:					
Federal Program Number	Federal Agency	CFDA Number	CFDA Title	Funding Amount	State Appropriation Category
FS984522-012	EPA	66.468	Capitalization Grants for Drinking Water State Revolving Fund	\$204,000	140129

(2) Audits.

(a) In the event that the Project Sponsor expends \$500,000 or more in Federal awards in its fiscal year, the Project Sponsor must have a single or program-specific audit conducted in accordance with the provisions of OMB Circular A-133, as revised. Subsection 2.03(1) of this Agreement indicates that Federal funds are awarded through the Department by this Agreement. In determining the Federal awards expended in its

fiscal year, the Project Sponsor shall consider all sources of Federal awards, including Federal resources received from the Department of Environmental Protection. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by OMB Circular A-133, as revised. An audit of the Project Sponsor conducted by the Auditor General in accordance with the provisions of OMB Circular A-133, as revised, will meet the requirements of this part.

(b) In connection with the audit requirements addressed in the preceding paragraph (a), the Project Sponsor shall fulfill the requirements relative to auditee responsibilities as provided in Subpart C of OMB Circular A-133, as revised.

(c) If the Project Sponsor expends less than \$500,000 in Federal awards in its fiscal year, an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, is not required. The Project Sponsor shall inform the Department of findings and recommendations pertaining to the State Revolving Fund in audits conducted by the Project Sponsor in which the \$500,000 threshold has not been met. In the event that the Project Sponsor expends less than \$500,000 in Federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, the cost of the audit must be paid from non-Federal resources (i.e., the cost of such an audit must be paid from Project Sponsor resources obtained from other than Federal entities).

(d) The Project Sponsor may access information regarding the Catalog of Federal Domestic Assistance (CFDA) via the internet at [www.cfda.gov/index?cck=1&au=&ck=](http://www.cfda.gov/index?cck=1&au=&ck=).

### (3) Report Submission.

(a) Copies of reporting packages for audits conducted in accordance with OMB Circular A-133, as revised, and required by Subsection 2.03(2) of this Agreement shall be submitted, when required by Section .320 (d), OMB Circular A-133, as revised, by or on behalf of the Project Sponsor directly to each of the following:

(i) The Department at the following address:

Valerie Peacock, Audit Director  
Office of the Inspector General  
Florida Department of Environmental Protection  
3900 Commonwealth Boulevard, MS 41  
Tallahassee, Florida 32399-3123

(ii) The Federal Audit Clearinghouse designated in OMB Circular A-133, as revised (the number of copies required by Sections .320 (d)(1) and (2), OMB Circular A-133, as revised, should be submitted to the Federal Audit Clearinghouse), at the following address:

Federal Audit Clearinghouse  
Bureau of the Census  
1201 East 10<sup>th</sup> Street  
Jeffersonville, IN 47132

Submissions of the Single Audit reporting package for fiscal periods ending on or after January 1, 2008, **must be** submitted using the Federal Clearinghouse's Internet Data Entry System which can be found at <http://harvester.census.gov/fac/>

(iii) Other Federal agencies and pass-through entities in accordance with Sections .320(e) and (f), OMB Circular A-133, as revised.

(b) Pursuant to Section .320(f), OMB Circular A-133, as revised, the Project Sponsor shall submit a copy of the reporting package described in Section .320(c), OMB Circular A-133, as revised, and any management letters issued by the auditor, to the Department at the address listed under Subsection 2.03(3)(a) of this Agreement.

(c) Any reports, management letters, or other information required to be submitted to the Department pursuant to this Agreement shall be submitted timely in accordance with OMB Circular A-133, Florida Statutes, or Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.

(d) Project Sponsors, when submitting financial reporting packages to the Department for audits done in accordance with OMB Circular A-133, or Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, should indicate the date that the reporting package was delivered to the Project Sponsor in correspondence accompanying the reporting package.

#### (4) Project-Specific Audit.

Within 12 months after the amendment establishing final Project costs, the Project Sponsor shall submit to the Department a Project-specific audit report for the Loan related revenues and expenditures. The audit shall address Loan disbursements received, Project expenditures, and compliance with Loan Agreement covenants. The Project Sponsor shall cause the auditor to notify the Department immediately if anything comes to the auditor's attention during the examination of records that would constitute a default under the Loan Agreement. The audit findings shall set aside or question any costs that are unallowable under Chapter 62-552, Florida Administrative Code. A final determination of whether such costs are allowed shall be made by the Department.

(5) Record Retention.

The Project Sponsor shall retain sufficient records demonstrating its compliance with the terms of this Agreement for a period of five years from the date the audit report is issued, and shall allow the Department, or its designee, Chief Financial Officer, or Auditor General access to such records upon request. The Project Sponsor shall ensure that audit working papers are made available to the Department, or its designee, Chief Financial Officer, or Auditor General upon request for a period of five years from the date the audit report is issued, unless extended in writing by the Department.

The Project Sponsor is hereby advised that the Federal and/or Florida Single Audit Act Requirements may further apply to lower tier transactions that may be a result of this Agreement. For federal financial assistance, the Project Sponsor shall utilize the guidance provided under OMB Circular A-133, Subpart B, Section \_\_.210 for determining whether the relationship represents that of a subrecipient or vendor.

The Project Sponsor should confer with its chief financial officer, audit director or contact the Department for assistance with questions pertaining to the applicability of these requirements.

In addition, the Project Sponsor agrees to complete and submit the Certification of Applicability to Single Audit Act Reporting, Attachment A, attached hereto and made a part hereof, within four (4) months following the end of the Project Sponsor's fiscal year. Attachment A should be submitted to the Department's Grants Development and Review Manager at 3900 Commonwealth Boulevard, Mail Station 93, Tallahassee, Florida 32399-3000. The Grants Development and Review Manager is available to answer any questions at (850) 245-2361.

(6) Monitoring.

In addition to reviews of audits conducted in accordance with OMB Circular A-133, as revised (see audit requirements above), monitoring procedures may include, but not be limited to, on-site visits by Department staff, limited scope audits as defined by OMB Circular A-133, as revised, and/or other procedures. By entering into this Agreement, the Project Sponsor agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the Department. In the event the Department determines that a limited scope audit of the Project Sponsor is appropriate, the Project Sponsor agrees to comply with any additional instructions provided by the Department to the Project Sponsor regarding such audit. The Project Sponsor further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Chief Financial Officer or Auditor General.

## ARTICLE III - RESERVED

## ARTICLE IV - PROJECT INFORMATION

### 4.01. PROJECT CHANGES.

After the Department's environmental review has been completed, the Project Sponsor shall promptly notify the Department, in writing, of any Project change that would require a modification to the environmental information document.

### 4.02. TITLE TO PROJECT SITE.

No later than the date established by Section 10.07, the Project Sponsor shall have an interest in real property sufficient for the construction and location of any facility planned and designed through Preconstruction Activities free and clear of liens and encumbrances which would impair the usefulness of such sites for the intended use. If a limited site title certification is accepted at that date, the Department shall establish a date for submittal of a clear site title certification by amendment.

### 4.03. RESERVED.

### 4.04. RESERVED.

### 4.05. RESERVED.

### 4.06. COMPLETION MONEYS.

The Department covenants that loan funds to finance Construction Related Costs will be made available to the Project Sponsor at no greater than the interest rate set forth in Section 10.03 provided the Project Sponsor complies with the schedule in Section 10.07, requests and obtains a ranking of the Construction Related Costs on the fundable portion of the Department's construction loan priority list, and submits a complete Loan Application. If the Project Sponsor does not complete the Preconstruction Activities by the date specified in Section 10.07, the commitment to finance Construction Related Costs at no greater than the interest rate specified in Section 10.03 shall be terminated.

In addition to the proceeds of this or subsequent Financial Assistance, the Project Sponsor covenants that it has obtained, or will obtain, sufficient moneys from other sources to complete the Preconstruction Activities. The Project Sponsor also covenants that if additional Financial Assistance financing is provided for Construction Related Costs by amendment of this Agreement, it will obtain, sufficient moneys from other sources as necessary to complete the Project.

#### 4.07. CLOSE-OUT.

The Department shall conduct a final inspection of the Project records, or the Preconstruction Activities records if this Agreement is not amended to fund Construction Related Costs. Following the inspection, deadlines for submitting additional disbursement requests, if any, shall be established, along with deadlines for uncompleted Loan or Principal Forgiveness requirements, if any. Deadlines shall be incorporated into the Loan Agreement by amendment. After the Department establishes the final costs to be financed by the Loan, the itemized costs will be adjusted by amendment. The Financial Assistance shall be reduced by any excess over the amount required to pay all approved costs. As a result of such adjustment, the Semiannual Loan Payment shall be reduced accordingly, as addressed in Section 10.05.

#### 4.08. DISBURSEMENTS.

Disbursements shall be made only by the State Chief Financial Officer and only when the requests for such disbursements are accompanied by a Department certification that such withdrawals are proper expenditures. Disbursements shall be made directly to the Project Sponsor for planning, engineering, and administration allowances. The Principal Forgiveness on each disbursement will be 100 percent of the requested amount after subtracting costs that are ineligible for Principal Forgiveness.

Requests by the Project Sponsor for disbursements of the preconstruction funds shall be made using the Department's disbursement request form but shall not require documentation of actual costs incurred. One-half of the administrative and planning allowances shall be disbursed on request of the Project Sponsor after the Loan Agreement is executed. The remaining one-half of the administrative and planning allowances and the initial one-half of the engineering allowance shall be disbursed on request of the Project Sponsor after the Department has completed the environmental review. The remaining one-half of the engineering allowance shall be disbursed on request of the Project Sponsor after the completed plans and specifications have been accepted by the Department. Disbursements for administration and engineering shall be adjusted to an amount that is based on as-bid costs once all contracts have been bid. Disbursements for Construction Related Costs shall occur only as a result of an amendment to this Agreement. The following allowance amounts will be disbursed at the specified milestone events unless the allowances are reduced pursuant to Section 10.06:

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Milestone Event	Amount
Loan Agreement executed	\$ 38,250
Department completion of environmental review (requires completion of facilities planning)	\$ 102,000
Department acceptance of plans and specifications	\$ 63,750
Total	\$ 204,000

#### ARTICLE V - RESERVED

#### ARTICLE VI - DEFAULTS AND REMEDIES

##### 6.01. EVENTS OF DEFAULT.

Each of the following events is hereby declared an event of default:

(1) RESERVED.

(2) Except as provided in Subsection 6.01(7), failure to comply with the provisions of this Agreement or failure in the performance or observance of any of the covenants or actions required by this Agreement and such failure shall continue for a period of 60 days after written notice thereof to the Project Sponsor by the Department.

(3) Any warranty, representation or other statement by, or on behalf of, the Project Sponsor contained in this Agreement or in any information furnished in compliance with, or in reference to, this Agreement, which is false or misleading.

(4) RESERVED.

(5) RESERVED.

(6) Any bankruptcy, insolvency or other similar proceeding instituted by, or against, the Project Sponsor under federal or state bankruptcy or insolvency law now or hereafter in effect and, if instituted against the Project Sponsor, is not dismissed within 60 days after filing.

(7) Failure of the Project Sponsor to give immediate written notice of default to the Department and such failure shall continue for a period of 30 days.

##### 6.02. REMEDIES.

Upon any event of default and subject to the rights of others, the Department may enforce its rights by any of the following remedies:

(1) By mandamus or other proceeding at law or in equity require the Project Sponsor to fulfill this Agreement.



(2) By action or suit in equity, require the Project Sponsor to account for all moneys received from the Department.

(3) By action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Department.

#### 6.03. DELAY AND WAIVER.

No delay or omission by the Department to exercise any right or power accruing upon an event of default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised as often as may be deemed expedient. No waiver or any default under this Agreement shall extend to or affect any subsequent event of default, whether of the same or different provision of this Agreement, or shall impair consequent rights or remedies.

### ARTICLE VII - RESERVED

### ARTICLE VIII - GENERAL PROVISIONS

#### 8.01. RESERVED.

#### 8.02. PROJECT RECORDS AND STATEMENTS.

Books, records, reports, engineering documents, contract documents, and papers shall be available to the authorized representatives of the Department and the U.S. Environmental Protection Agency's Inspector General for inspection at any reasonable time after the Project Sponsor has received a disbursement and until five years after the date that the Project-specific audit report, required under Subsection 2.03(4), is issued.

#### 8.03. ACCESS TO PROJECT SITE.

The Project Sponsor shall provide access to offices and other sites where Preconstruction Activities or Project work is ongoing, or has been performed, to authorized representatives of the Department at any reasonable time. The Project Sponsor shall cause its engineers and contractors to provide copies of relevant records and statements for inspection.

#### 8.04. ASSIGNMENT OF RIGHTS UNDER AGREEMENT.

The Department may assign any part of its rights under this Agreement after notification to the Project Sponsor. The Project Sponsor shall not assign rights created by this Agreement without the written consent of the Department.

#### 8.05. AMENDMENT OF AGREEMENT.

This Agreement may be amended in writing, except that no amendment shall be permitted which is inconsistent with statutes, rules, regulations, executive orders, or written agreements between the Department and the U.S. Environmental Protection Agency. A final amendment establishing the final Project costs shall be completed after the Department's final inspection of the Project records.

#### 8.06. ANNULMENT OF AGREEMENT.

The Department may unilaterally annul this Agreement if the Project Sponsor has not drawn any of the Loan proceeds within eighteen months after the effective date of this Agreement. If the Department unilaterally annuls this Agreement, the Department will provide written notification to the Project Sponsor.

#### 8.07. SEVERABILITY CLAUSE.

If any provision of this Agreement shall be held invalid or unenforceable, the remaining provisions shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

#### 8.08. RESERVED.

### ARTICLE IX - RESERVED

### ARTICLE X - DETAILS OF FINANCING

#### 10.01. PRINCIPAL AMOUNT OF LOAN.

The total amount awarded is \$204,000. Of that, the estimated amount of Principal Forgiveness is \$204,000.

#### 10.02. RESERVED.

#### 10.03. RESERVED.

#### 10.04. RESERVED.

#### 10.05. RESERVED.

#### 10.06. PROJECT COSTS.

The Project Sponsor and the Department acknowledge that actual Project costs or Preconstruction Activities allowances have not been determined as of the effective date of this Agreement. An adjustment to Preconstruction Activities allowances may be made due to a reduction in the scope of work proposed for Loan funding as a result of

the facilities planning process. Failure to achieve Department acceptance of plans and specifications for all facilities proposed for funding prior to the date specified in Section 10.07 may cause adjustment of the Preconstruction Activities allowances. Capitalized Interest will be recalculated based on actual dates and amounts of Loan disbursements. The final Project costs and all allowances shall be established in the final amendment. Changes in Project costs or Preconstruction Activities allowances may also occur as a result of the Project Sponsor's audit or the Department's audit.

Preconstruction Activities costs by category are as follows:

Administrative Allowance	\$	10,200
Planning Allowance	\$	66,300
Engineering Allowance	\$	127,500
SUBTOTAL (Disbursable Amount)	\$	<u>204,000</u>
Less Principal Forgiveness	\$	<u>(204,000)</u>
TOTAL (Loan Principal Amount)	\$	0

10.07. SCHEDULE.

The Preconstruction Activities listed under (1) through (4) below shall be completed no later than March 15, 2014.

- (1) Completion of the facilities plan, including any specialized studies and responding to comments, and acceptance by the Department.
- (2) Completion of plans and specifications for all Project facilities proposed for Financial Assistance funding and acceptance by the Department.
- (3) Certification of availability of all sites for the proposed facilities.
- (4) Department permit for construction of the proposed facilities or publication of notice of intent to issue construction permit.

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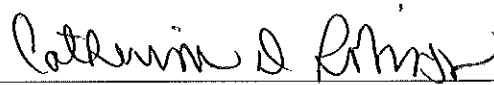
ARTICLE XI - EXECUTION OF AGREEMENT

This Loan Agreement DW180540 shall be executed in three or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument.

IN WITNESS WHEREOF, the Department has caused this Agreement to be executed on its behalf by the Deputy Division Director and the Project Sponsor has caused this Agreement to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this Agreement shall be as set forth below by the Deputy Director.

for

CITY OF BUNNELL



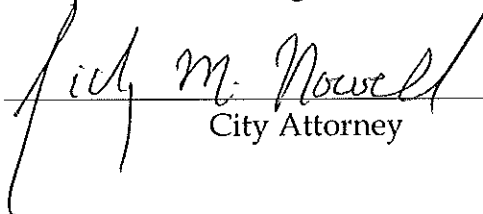
Mayor

Attest:

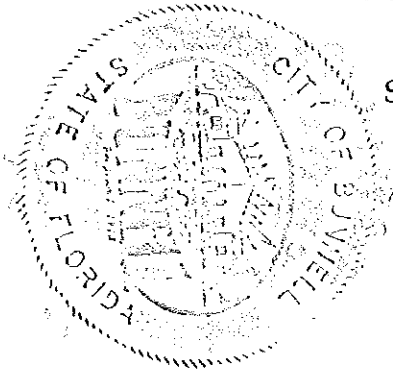


City Clerk

I attest to the opinion expressed in Section 2.02, entitled Legal Authorization.



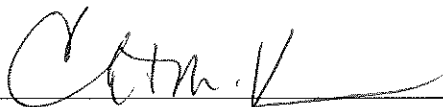
City Attorney



SEAL

for

STATE OF FLORIDA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Deputy Director

Division of Water Resource Management

NOV 19 2012

Date

Attachment included as part of this Agreement:

Attachment A - Certification of Applicability to Single Audit Act Reporting

**ATTACHMENT A**

**CERTIFICATION OF APPLICABILITY TO SINGLE AUDIT ACT REPORTING**

Grantee's Name: \_\_\_\_\_

Grantee Fiscal Year Period: FROM: \_\_\_\_\_ TO: \_\_\_\_\_

Total State Financial Assistance Expended during Grantee's most recently completed Fiscal Year:  
\$ \_\_\_\_\_

Total Federal Financial Assistance Expended during Grantee's most recently completed Fiscal Year:  
\$ \_\_\_\_\_

**CERTIFICATION STATEMENT:**

I hereby certify that the above information is correct.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name and Position Title

**INSTRUCTIONS FOR COMPLETING THE ATTACHMENT**

Grantee Fiscal Year Period: FROM: Month/Year TO: Month/Year

**NOTE: THIS SHOULD BE THE GRANTEE'S FISCAL YEAR FROM (MONTH/YEAR) TO (MONTH/YEAR).**

Total State Financial Assistance Expended during Grantee's most recently completed Fiscal Year:

**NOTE: THIS AMOUNT SHOULD BE THE TOTAL STATE FINANCIAL ASSISTANCE EXPENDED FROM ALL STATE AGENCIES, NOT JUST DEP.**

\$ \_\_\_\_\_

Total Federal Financial Assistance Expended during Grantee's most recently completed Fiscal Year:

**NOTE: THIS AMOUNT SHOULD BE THE TOTAL FEDERAL FINANCIAL ASSISTANCE EXPENDED FROM ALL FEDERAL AGENCIES, NOT JUST THROUGH DEP.**

\$ \_\_\_\_\_

The Certification should be signed by your Chief Financial Officer.

Please print the name and include the title and date of the signature.

## CERTIFICATION OF APPLICABILITY TO SINGLE AUDIT ACT REPORTING

### FREQUENTLY ASKED QUESTIONS

1. **Question:** Do I complete and return this form when I return my signed Agreement/Amendment?

**Answer:** No, this form is to be completed and signed by your Chief Financial Officer and returned 4 months after the end of your fiscal year.

2. **Question:** Can I fax the form to you?

**Answer:** Yes, you can fax the Certification form, the fax number is 850/245-2411.

3. **Question:** How can I submit the form if our audit is not completed by the due date of this letter?

**Answer:** You should be able to complete the form from the information in your accounting system. This is just to let our Office of the Inspector General know which entities they should be getting an audit from. If you are under the threshold you do not have to submit a copy of your audit, only the Certification form.

4. **Question:** Do you only want what we received from DEP?

**Answer:** No, the Single Audit is the TOTAL AMOUNT of funds that you expended towards all state or federal grants that you receive. You should list those that are specific to DEP on the form.

5. **Question:** Do I have to submit the completed form and a copy of my audit?

**Answer:** No, you do not have to submit your audit unless you are over the threshold of \$500,000. If you would prefer to submit your audit (CAFR) instead of the form, that is fine.

6. **Question:** Our CAFR will not be ready before your due date and we don't have the information necessary to complete the certification. Can we get an extension?

**Answer:** Yes, just send us an Email letting us know when you will have your CAFR completed and we will place the Email with your letter in our file so that you don't get a 2<sup>nd</sup> notice.

7. **Question:** Can I submit my Certification Form or CAFR electronically?

**Answer:** Yes, you can submit them by Email to [Debbie.skelton@dep.state.fl.us](mailto:Debbie.skelton@dep.state.fl.us)

**STATE REVOLVING FUND  
AMENDMENT 1 TO LOAN AGREEMENT WW84306S  
CITY OF BUNNELL**

This amendment is executed by the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (Department) and the CITY OF BUNNELL, FLORIDA, (Local Government) existing as a local government agency under the laws of the State of Florida.

WITNESSETH:

WHEREAS, the Department and the Local Government entered into a State Revolving Fund Loan Agreement, Number WW84306S, authorizing a Loan amount of \$1,069,200, excluding Capitalized Interest; and

WHEREAS, the Project costs need adjustment to reflect actual costs; and

WHEREAS, the semiannual Loan Payment amount needs revision to reflect adjustment of Project costs and the two semiannual Loan Payments received by the Department from the Local Government.

NOW, THEREFORE, the parties hereto agree as follows:

1. The total service fee for this loan is \$21,384. The fee represents two percent of the Loan amount excluding Capitalized Interest; that is, two percent of \$1,069,200. The Loan Service Fee was assessed as of the effective date of February 15, 2007.

2. The total amount to repay by the Local Government is \$1,090,584, which consists of \$1,069,200 disbursed to the Local Government and \$21,384 of service fee charges.

3. The total amount remaining to repay which amount accounts for the Department's receipt of two semiannual Loan Payments is \$1,029,322.20, consisting of unpaid principal of the Loan of \$1,007,938.20 and an unpaid service fee charge of \$21,384.00 both at a Financing Rate of 2.6 percent per annum (the interest rate is 1.3 percent per annum, and the Grant Allocation Assessment rate is 1.3 percent per annum).

4. The semiannual Loan Payment amount, adjusted to account for repayments received to date, is hereby revised and shall be in the amount of \$34,495.68. Such payments shall be received by the Department on June 15, 2007 and semiannually thereafter on December 15 and June 15 of each year until all amounts due hereunder have been fully paid.

5. Subsection 2.03(1) and (3)(a)(i) are hereby deleted and replaced as follows:

(1) The financial assistance authorized pursuant to this Loan Agreement consists of the following:

Federal Resources, Including State Match, Awarded to the Recipient Pursuant to this Agreement Consist of the Following:					
Federal Program Number	Federal Agency	CFDA Number	CFDA Title	Funding Amount	State Appropriation Category
CS120001-050	EPA	66.458	Capitalization Grants for State Revolving Funds	\$1,069,200	140131



(3) Report Submission.

(a) Copies of reporting packages for audits conducted in accordance with OMB Circular A-133, as revised, and required by Subsection 2.03(2) of this Agreement shall be submitted, when required by Section .320 (d), OMB Circular A-133, as revised, by or on behalf of the Local Government directly to each of the following:

(i) The Department at each of the following addresses:

Don W. Berryhill, P.E., Chief  
Bureau of Water Facilities Funding  
Florida Department of Environmental Protection  
2600 Blair Stone Road, MS 3505  
Tallahassee, Florida 32399-2400

Joe Aita, Audit Director  
Office of the Inspector General  
Florida Department of Environmental Protection  
3900 Commonwealth Boulevard, MS 41  
Tallahassee, Florida 32399-3123

6. Project Costs are revised as follows:

The Local Government and the Department acknowledge that changes in Project costs may occur as a result of the Local Government's Project audit or a Department audit pursuant to Chapter 62-503 of the Florida Administrative Code. Unless this Agreement is amended subsequent to an audit, the following Project disbursements shall be final.

<u>CATEGORY</u>	<u>DISBURSED (\$)</u>
Construction and Demolition	1,176,059.00
Less Local Funds	<u>(106,859.00)</u>
TOTAL (Loan Principal Amount)	1,069,200.00

7. The Project-specific audit required under Subsection 2.03(4) of the Agreement shall be submitted within twelve months after the effective date of this amendment.

8. All other terms and provisions of the Loan Agreement shall remain in effect.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

This Amendment 1 to Loan Agreement WW84306S shall be executed in three or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument.

IN WITNESS WHEREOF, the Department has caused this amendment to the Loan Agreement to be executed on its behalf by the Director, and the Local Government has caused this amendment to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this amendment shall be as set forth below by the Director.

for  
**CITY OF BUNNELL**

  
\_\_\_\_\_  
Mayor


Attest

  
\_\_\_\_\_  
City Clerk

SEAL



for  
**STATE OF FLORIDA**  
**DEPARTMENT OF ENVIRONMENTAL PROTECTION**

  
\_\_\_\_\_  
Director  
Division of Water Resource Management

**JUN 07 2007**  
\_\_\_\_\_  
Date



# Florida Department of Environmental Protection

Bob Martinez Center  
2600 Blair Stone Road  
Tallahassee, Florida 32399-2400

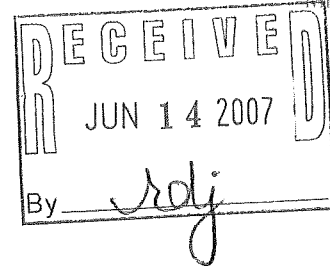
Charlie Crist  
Governor

Jeff Kottkamp  
Lt. Governor

Michael W. Sole  
Secretary

JUN 11 2007

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED



Mr. Lyndon L. Bonner, City Manager  
City of Bunnell  
Post Office Box 756  
Bunnell, Florida 32110 - 0756

Re: WW84306S - Bunnell  
Reclaimed Water Reuse Facilities  
(Land Application)

Dear Mr. Bonner:

Enclosed is one copy of Amendment 1 to the City's loan agreement under the State Revolving Fund program. The amendment is now in effect. No further amendments are anticipated. Please note that this amendment requires a separate project-specific audit to be submitted to the Department within one year of the amendment's effective date.

We congratulate you and your staff on the completion of your project and are pleased that we could work with you.

Sincerely,

Phil Coram, P.E.  
Deputy Director  
Division of Water Resource Management

PC/es/s

Enclosure

cc: Honorable Joann B. King - City of Bunnell  
Kathleen Gerard - Department of Environmental Protection

**STATE REVOLVING FUND  
AMENDMENT 1 TO LOAN AGREEMENT WW84306S  
CITY OF BUNNELL**

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Bureau of Water Facilities Funding  
Florida Department of Environmental Protection  
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Tallahassee, Florida 32399-2400

Joe Aita, Audit Director  
Office of the Inspector General  
Florida Department of Environmental Protection  
3900 Commonwealth Boulevard, MS 41  
Tallahassee, Florida 32399-3123

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<u>CATEGORY</u>	<u>DISBURSED (\$)</u>
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Less Local Funds	<u>(106,859.00)</u>
TOTAL (Loan Principal Amount)	1,069,200.00

7. The Project-specific audit required under Subsection 2.03(4) of the Agreement shall be submitted within twelve months after the effective date of this amendment.

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IN WITNESS WHEREOF, the Department has caused this amendment to the Loan Agreement to be executed on its behalf by the Director, and the Local Government has caused this amendment to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this amendment shall be as set forth below by the Director.

for  
**CITY OF BUNNELL**

  
\_\_\_\_\_  
Mayor

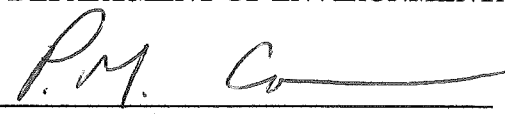
Attest

  
\_\_\_\_\_  
City Clerk

SEAL



for  
**STATE OF FLORIDA**  
**DEPARTMENT OF ENVIRONMENTAL PROTECTION**

  
\_\_\_\_\_  
Director  
Division of Water Resource Management

**JUN 07 2007**  
\_\_\_\_\_  
Date



# Florida Department of Environmental Protection

Bob Martinez Center  
2600 Blair Stone Road  
Tallahassee, Florida 32399-2400

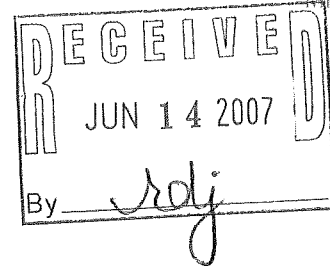
Charlie Crist  
Governor

Jeff Kottkamp  
Lt. Governor

Michael W. Sole  
Secretary

JUN 11 2007

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED



Mr. Lyndon L. Bonner, City Manager  
City of Bunnell  
Post Office Box 756  
Bunnell, Florida 32110 - 0756

Re: WW84306S - Bunnell  
Reclaimed Water Reuse Facilities  
(Land Application)

Dear Mr. Bonner:

Enclosed is one copy of Amendment 1 to the City's loan agreement under the State Revolving Fund program. The amendment is now in effect. No further amendments are anticipated. Please note that this amendment requires a separate project-specific audit to be submitted to the Department within one year of the amendment's effective date.

We congratulate you and your staff on the completion of your project and are pleased that we could work with you.

Sincerely,

Phil Coram, P.E.  
Deputy Director  
Division of Water Resource Management

PC/es/s

Enclosure

cc: Honorable Joann B. King - City of Bunnell  
Kathleen Gerard - Department of Environmental Protection

Attachment 4

Remaining Balance  
on Outstanding Capital Lease

Fiscal Year	Scheduled Payment
2021	\$ 26,070
2022	22,604
Total	\$ 48,674



CATHERINE D. ROBINSON  
MAYOR

JOHN ROGERS  
VICE-MAYOR

DR. ALVIN B. JACKSON, JR.  
CITY MANAGER



COMMISSIONERS:

TONYA GORDON

BOB BARNES

TINA-MARIE SCHULTZ

November 22, 2021

Ms. Angela Knecht  
Program Administrator  
State Revolving Fund Management  
3900 Commonwealth Blvd., Mail Station 3505  
Tallahassee, Florida 32399-3000

Re: FDEP SRF Loan No. WW180510 (Construction)  
City of Bunnell – Wastewater Treatment Facility Improvements – Construction Services

Dear Ms. Knecht:

I am the duly appointed City Attorney for the City of Bunnell, Florida. The City proposes to borrow \$12,000,000 from the State Revolving Fund for construction of the subject Wastewater Treatment Facility, with a loan forgiveness of \$4,000,000. The loan will be secured by the net revenues of the City's water and sewer system and the pledged revenues are legally available to pledge. The City of Bunnell has the legal authority to increase rates to ensure repayment of the loan.

The pledge on revenues is subject to a prior lien with the following issues:

- (1) City of Bunnell, Florida, Water and Sewer System Revenue Bonds, Series 2015.
- (2) City of Bunnell, Florida, Water and Sewer System Refunding Revenue Bonds, Series 2017.
- (3) City of Bunnell, SRF Loan #WW84306S.
- (4) City of Bunnell, SRF Loan #DW180540.
- (5) City of Bunnell, SRF Loan #WW180510.
- (6) City of Bunnell, FDOT Promissory Note Statement, Financial Project 327965-1-56-02.

Thank you for your attention to this matter, please feel free to contact me if I can provide any further information in support of the application or be assistance in anyway. I can be reached by email [jcary@voselaw.com](mailto:jcary@voselaw.com).

Sincerely,

Vose Law Firm, LLP  
City Attorney, City of Bunnell, Florida

By: \_\_\_\_\_  
John Cary, Esq.

## RESOLUTION 2021-18

“A RESOLUTION OF CITY OF BUNNELL, FLORIDA, RELATING TO THE STATE REVOLVING FUND LOAN PROGRAM; MAKING FINDINGS; AUTHORIZING THE LOAN APPLICATION; AUTHORIZING THE LOAN AGREEMENT; ESTABLISHING PLEDGED REVENUES; DESIGNATING AUTHORIZED REPRESENTATIVES; PROVIDING ASSURANCES; PROVIDING FOR CONFLICTS, SEVERABILITY, AND EFFECTIVE DATE.”

WHEREAS, Florida Statutes provide for loans to local government agencies to finance the construction of wastewater treatment facilities; and

WHEREAS, Florida Administrative Code rules require authorization to apply for loans, to establish pledged revenues, to designate an authorized representative; to provide assurances of compliance with loan program requirements; and to enter into a loan agreement; and

WHEREAS, the State Revolving Fund loan priority list designates Project No. WW18051 as eligible for available funding; and

WHEREAS; the City of Bunnell, Florida, intends to enter into a loan agreement with the Department of Environmental Protection under the State Revolving Fund for project financing.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF BUNNELL, FLORIDA, AS FOLLOWS:

SECTION I. The City of Bunnell, Florida, is authorized to apply for a loan to finance the construction of the wastewater treatment facility (WWTF) Improvements. The City commission of the City of Bunnell hereby agrees to the terms and conditions of the loan application with the Florida Department of Environmental Protection under the State Revolving Fund for Project WW18051.

SECTION II. The revenues pledged for the repayment of the loan are net water and sewer system revenues after payment and is subject to a prior lien with the following issues:

- (1) City of Bunnell, Florida, Water and Sewer System Revenue Bonds, Series 2015.
- (2) City of Bunnell, Florida, Water and Sewer System Refunding Revenue Note, Series 2017.
- (3) City of Bunnell, SRF Loan # WW84306S.
- (4) City of Bunnell, SRF Loan # DW180540.
- (5) City of Bunnell, SRF Loan # WW180510.

(6) City of Bunnell, FDOT Promissory Note Statement, Financial Project 237965-1-56-02.

SECTION III. The City Manager is hereby designated as the authorized representative to provide the assurances and commitments required by the loan application and the other necessary documents related to Project WW18051.

SECTION IV. The City Manager is hereby designated as the authorized representative to take any and all actions otherwise necessary and desirable pertaining to obtaining of funding from the State Revolving Fund. The City Manager is authorized to represent the City in carrying out the City's responsibilities under the loan agreement. The City Manager is authorized to delegate responsibility to appropriate City staff to carry out technical, financial, and administrative activities associated with the loan agreement.

SECTION V. All Resolutions or part of Resolutions in conflict with any of the provisions of this Resolution are hereby repealed.

SECTION VI. If any section or portion of a section of this Resolution proves to be invalid, unlawful, or unconstitutional, it shall not be held to invalidate or impair the validity, force, or effect of any other section or part of this Resolution.

SECTION VII. This Resolution shall become effective immediately upon adoption by the City Commission.

DULY PASSED and ADOPTED by the City Council of the City of Bunnell, Florida, on this 22 Day of November 2021.

City of Bunnell, Florida

\_\_\_\_\_  
Catherine D. Robinson, Mayor

Approved as to Form:

\_\_\_\_\_  
Vose Law Firm, City Attorney

SEAL:

Attest:

\_\_\_\_\_  
Kristen Bates, CMC, City Clerk

**CITY OF BUNNELL, FLORIDA  
FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**CITY COMMISSION**

*Catherine D. Robinson, Mayor  
John R. Rogers, Vice Mayor  
Bill Baxley  
Donnie Nobles  
Jan Reeger*

**CITY MANAGER**

*Dr. Alvin B. Jackson, Jr.*

**FINANCE DIRECTOR**

*Shanea Stankiewicz*

Prepared by:  
City of Bunnell Finance Department

**CITY OF BUNNELL, FLORIDA  
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SEPTEMBER 30, 2019**

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Commission, and City Manager,  
City of Bunnell, Florida:

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Bunnell, Florida, (the City), as of and for the year ended September 30, 2019, 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***

The City's 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.

### ***Auditors' Responsibility***

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows, thereof and the respective budgetary comparison for the general and community redevelopment agency funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

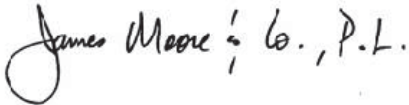
## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Daytona Beach, Florida  
June 5, 2020



**MANAGEMENT'S DISCUSSION  
AND ANALYSIS**

City of Bunnell, Florida  
Management's Discussion and Analysis  
For the Year Ended September 30, 2019

---

As management of the City of Bunnell, we offer readers of the City of Bunnell's financial statements this narrative overview and analysis of the financial activities of the City of Bunnell for the fiscal year ended September 30, 2019.

**Financial Highlights**

- The assets and deferred outflows of the City of Bunnell exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$19,992,473 (net position). Of this amount, \$4,105,020 may be used to meet the City's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Bunnell's governmental funds reported combined ending fund balances of \$2,122,038, an increase of \$200,301. The unassigned General Fund balance available for spending at the City's discretion is \$1,900,675.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Bunnell's basic financial statements. The City of Bunnell's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements** – The government-wide financial statements are designed to provide readers with a broad overview of the City of Bunnell's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. 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 result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes, licenses and permits, 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). The governmental activities of the City include general government, public safety, public works, parks and recreation and community development. The business-type activities of the City include water, sewer and solid waste services.

**Fund Financial Statements** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Bunnell, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

City of Bunnell, Florida  
Management's Discussion and Analysis  
For the Year Ended September 30, 2019

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**Governmental Funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a City's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Bunnell maintains four major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Projects Funds, the CRA Fund, and the Debt Service Fund.

The City of Bunnell adopts annual appropriated budgets for the General Fund and CRA fund. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

**Proprietary Funds** – The City of Bunnell maintains three proprietary funds. The enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Bunnell uses an enterprise fund to account for its water, sewer, and solid waste activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information of the water, sewer, and solid waste activities, all of which are considered to be major funds of the City of Bunnell.

**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.

**Other Information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Bunnell's schedule of proportionate share of net pension liability for the Florida Retirement System (FRS), the schedule of contributions to FRS, and the schedule of changes in total other post-employment benefits (OPEB) liability and related ratios.

**Government-Wide Financial Analysis** – As noted earlier, net position may serve over time as a useful indicator of a City's financial position. In the case of the City of Bunnell, net position at the close of the most recent fiscal year is \$19,992,473.

The largest portion of the City of Bunnell's net position \$13,794,211 (69%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, equipment); less any related debt used to acquire those assets that is still outstanding. The City of Bunnell uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Bunnell's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this

City of Bunnell, Florida  
Management's Discussion and Analysis  
For the Year Ended September 30, 2019

debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position, \$2,093,242 (10.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$4,105,020 (20.5%) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City can report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities, except in the governmental activities unrestricted net position. The (\$68,429) of unrestricted net position is primarily due to the \$1,140,877 increase in net pension liability.

Business-type activities long-term liabilities increased \$224,902 primarily due to the financing of a new garbage truck for solid waste. Business-type activities capital assets increased \$1,006,604 primarily due to the acquisition of capital equipment and competition of capital improvements.

**CITY OF BUNNELL'S NET POSITION**  
September 30,

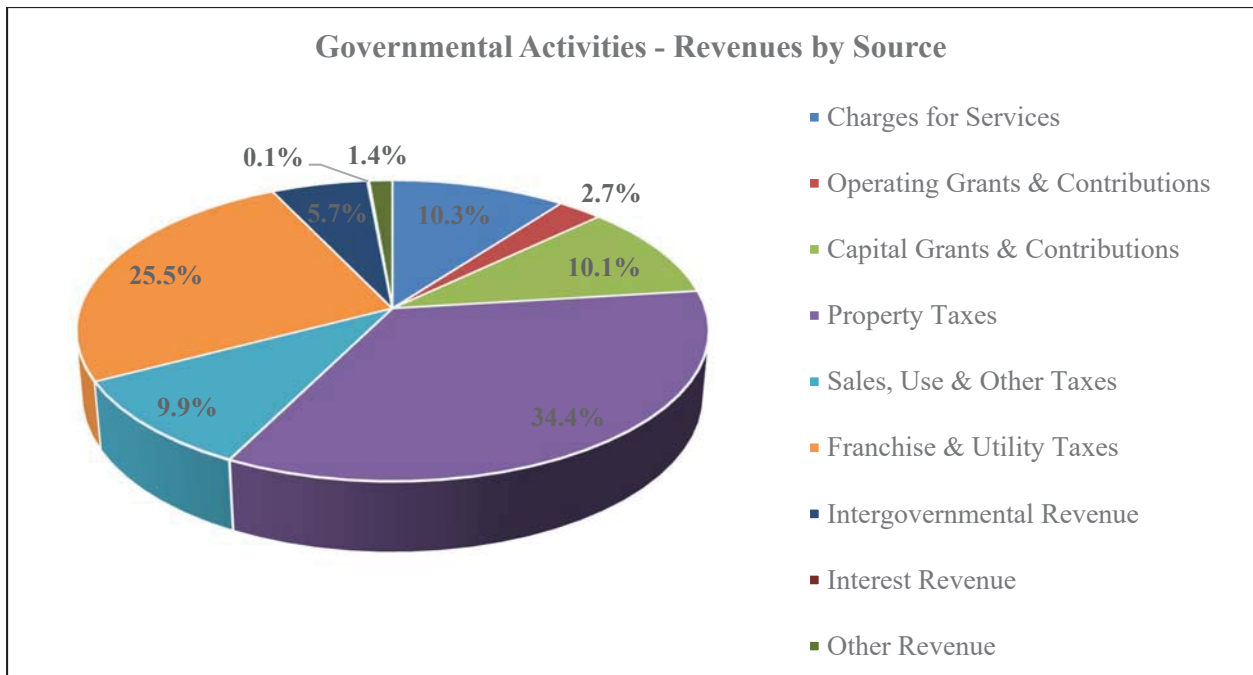
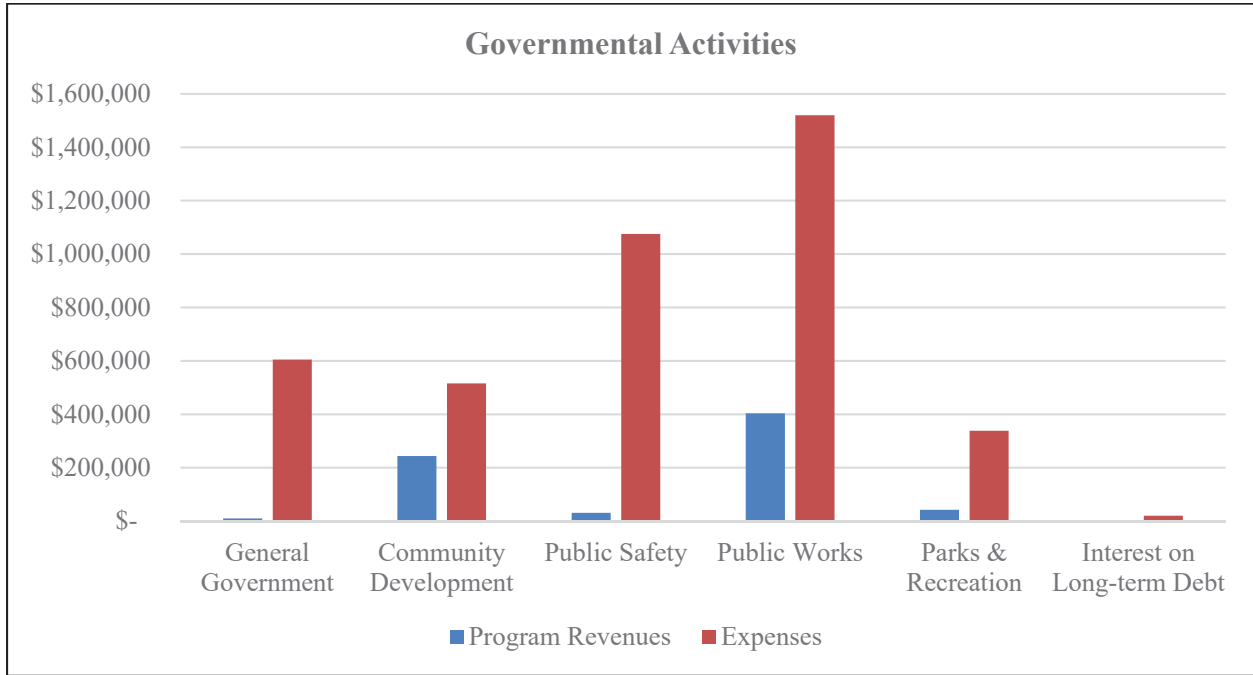
	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 2,449,737	\$ 2,179,649	\$ 7,298,271	\$ 6,886,130	\$ 9,748,008	\$ 9,065,779
Capital Assets	3,619,828	4,221,089	16,731,610	15,725,006	20,351,438	19,946,095
Total Assets	6,069,565	6,400,738	24,029,881	22,611,136	30,099,446	29,011,874
Deferred Outflows	1,373,002	699,575	351,553	200,919	1,724,555	900,494
Total Deferred Outflows	1,373,002	699,575	351,553	200,919	1,724,555	900,494
Long-term Liabilities	3,712,003	2,645,537	6,418,330	6,193,428	10,130,333	8,838,785
Other Liabilities	394,397	336,805	831,967	777,393	1,226,364	1,114,198
Total Liabilities	4,106,400	2,982,162	7,250,297	6,970,821	11,356,697	9,952,983
Deferred Inflows	377,410	413,910	97,421	118,876	474,831	532,786
Total Deferred Inflows	377,410	413,910	97,421	118,876	474,831	532,786
Net Investment in Capital Assets	3,023,555	3,575,437	10,770,656	9,932,192	13,794,211	13,507,629
Restricted	3,631	102,443	2,089,611	1,827,695	2,093,242	1,930,138
Unrestricted	(68,429)	26,361	4,173,449	3,962,471	4,105,020	3,988,832
Total Net Position	\$ 2,958,757	\$ 3,704,241	\$ 17,033,716	\$ 15,722,358	\$ 19,992,473	\$ 19,426,599

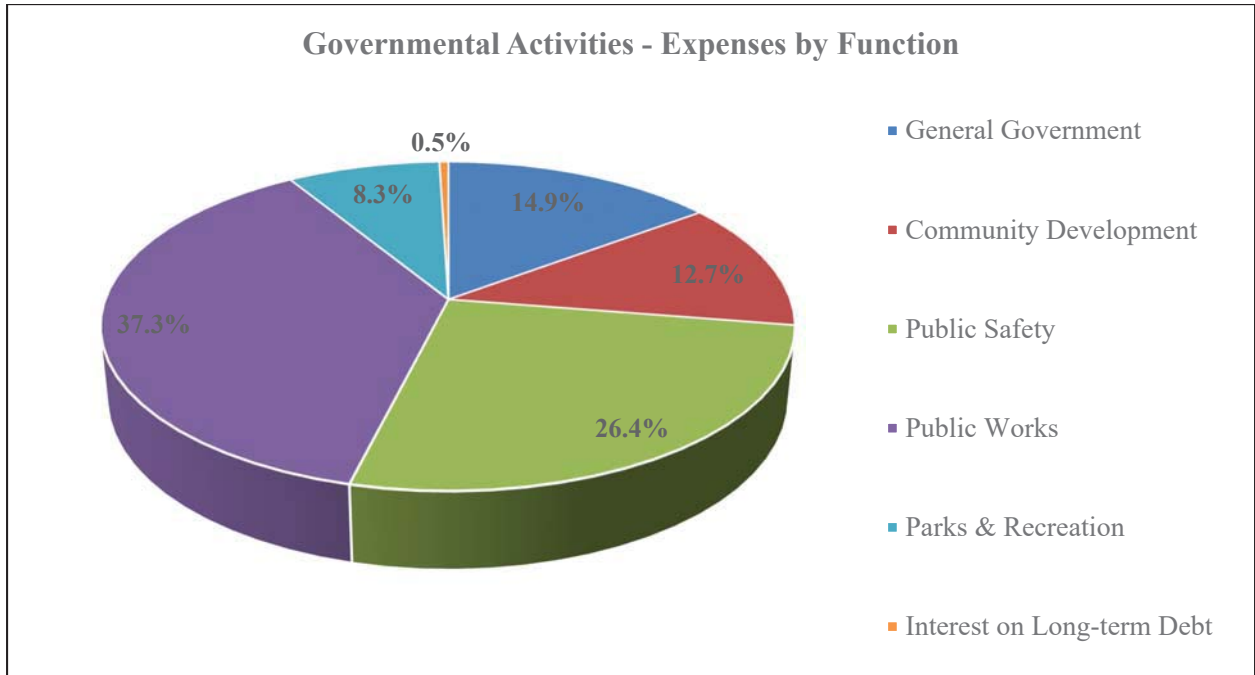
City of Bunnell, Florida  
Management's Discussion and Analysis  
For the Year Ended September 30, 2019

**CITY OF BUNNELL'S CHANGE IN NET POSITION**  
**September 30, 2019**

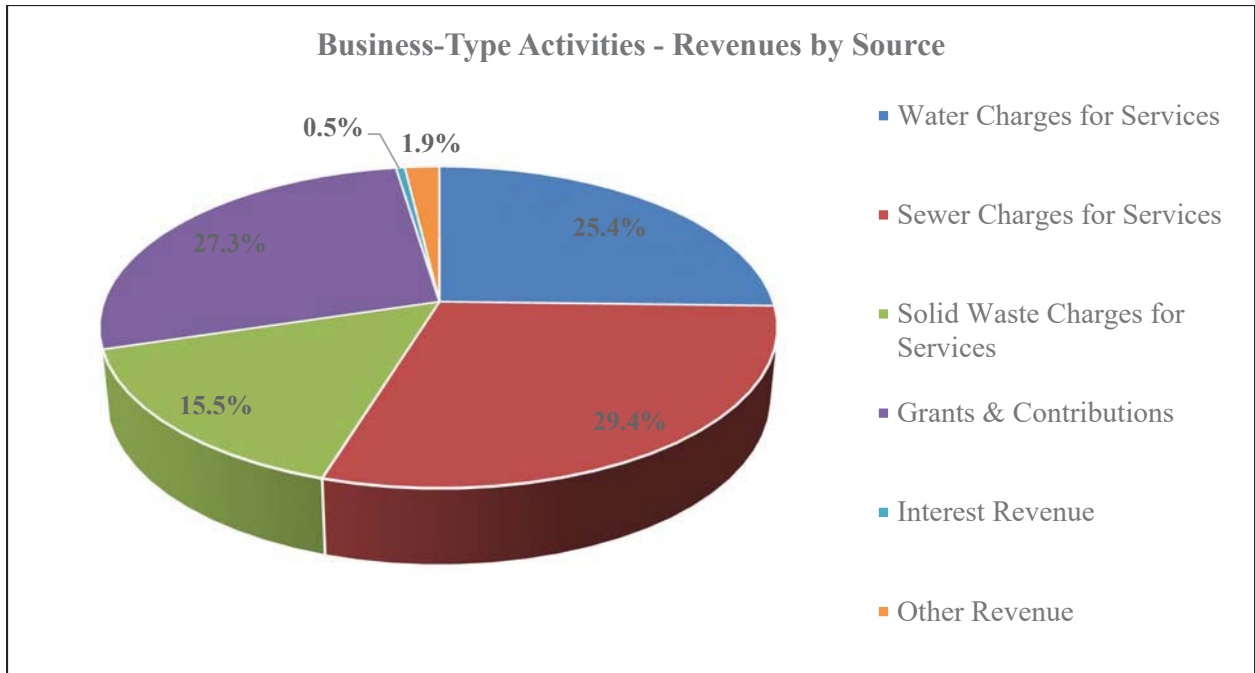
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Revenues:						
Program Revenues:						
Charges for Services	\$ 325,402	\$ 327,824	\$ 3,708,661	\$ 3,525,456	\$ 4,034,063	\$ 3,853,280
Operating Grants & Contributions	84,005	84,866	24,634	(39,692)	108,639	45,174
Capital Grants & Contributions	320,476	247,949	1,415,289	959,301	1,735,765	1,207,250
General Revenues:						
Property Taxes	1,086,889	1,152,478	-	-	1,086,889	1,152,478
Sales & Use Taxes	311,533	198,039	-	-	311,533	198,039
Franchise & Utility Taxes	807,266	788,073	-	-	807,266	788,073
Intergovernmental Revenue	179,164	143,649	-	-	179,164	143,649
Interest Revenue	3,658	2,972	25,740	20,303	29,398	23,275
Other	43,286	17,498	100,732	81,736	144,018	99,234
Total Revenues	<u>3,161,679</u>	<u>2,963,348</u>	<u>5,275,056</u>	<u>4,547,104</u>	<u>8,436,735</u>	<u>7,510,452</u>
Expenses:						
General Government	604,827	603,869	-	-	604,827	603,869
Community Development	515,601	195,805	-	-	515,601	195,805
Public Safety	1,074,886	936,157	-	-	1,074,886	936,157
Public Works	1,519,379	650,112	-	-	1,519,379	650,112
Parks & Recreation	337,885	251,217	-	-	337,885	251,217
Interest on Long-term Debt	20,065	22,734	-	-	20,065	22,734
Water & Sewer	-	-	3,130,874	2,703,365	3,130,874	2,703,365
Solid Waste	-	-	667,344	669,839	667,344	669,839
Total Expenses	<u>4,072,643</u>	<u>2,659,894</u>	<u>3,798,218</u>	<u>3,373,204</u>	<u>7,870,861</u>	<u>6,033,098</u>
Increase (Decrease) in Net Position Before Transfers	(910,964)	303,454	1,476,838	1,173,900	565,874	1,477,354
Transfers In (Out)	165,480	159,734	(165,480)	(159,734)	-	-
Increase (Decrease) in Net Position	<u>(745,484)</u>	<u>463,188</u>	<u>1,311,358</u>	<u>1,014,166</u>	<u>565,874</u>	<u>1,477,354</u>
Net Position, Beginning (as restated)	3,704,241	3,241,053	15,722,358	14,708,192	19,426,599	17,949,245
Net Position, Ending	<u>\$ 2,958,757</u>	<u>\$ 3,704,241</u>	<u>\$ 17,033,716</u>	<u>\$ 15,722,358</u>	<u>\$ 19,992,473</u>	<u>\$ 19,426,599</u>

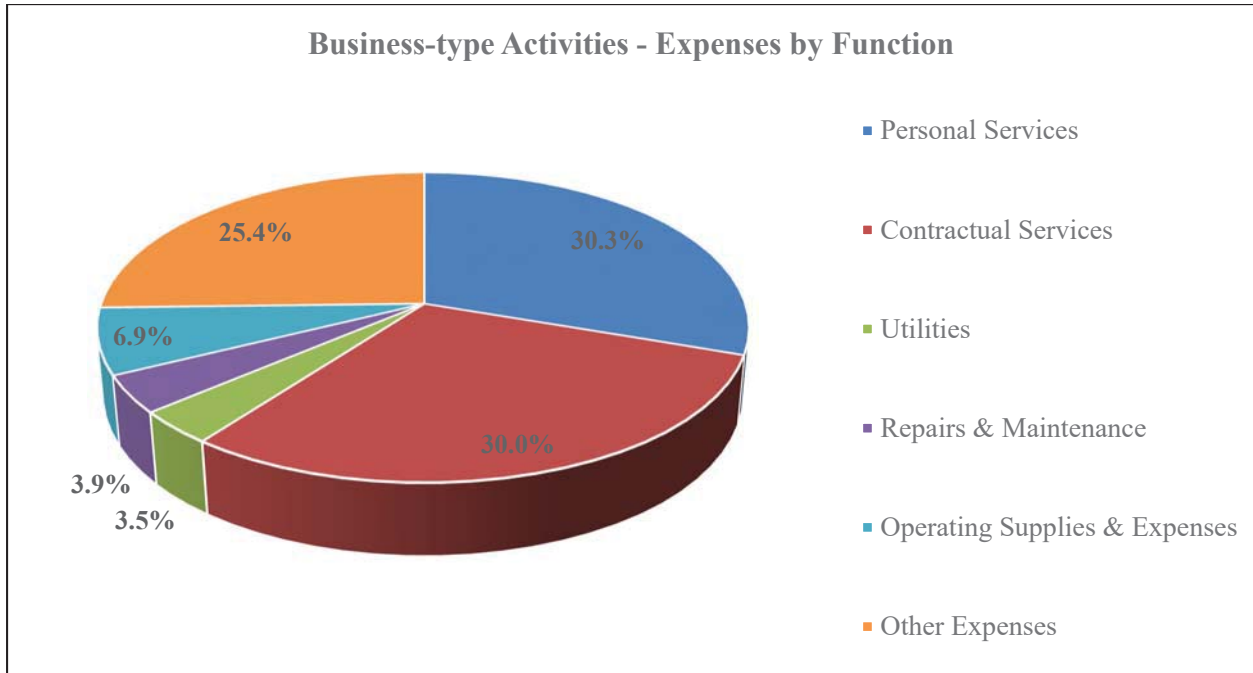
**Governmental Activities** – Governmental activities decreased the City of Bunnell's net position by \$745,484.





**Business-type Activities** – Business-type activities increased the City of Bunnell’s net position by \$1,311,358.





**Financial Analysis of the City's Funds** – As noted earlier, the City of Bunnell uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. During the fiscal year 2016, the City adopted a Cash and Investment Equity Reserve Policy. The policy sets the desired unrestricted net equity of 54 days or 14.8% of the annual budget for the major operating funds. As of September 30, 2019, the City's General Fund, Water and Sewer Fund, and Solid Waste Fund all had unrestricted net equity reserves greater than the required level established in the policy.

**Governmental Funds** – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Bunnell's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year. As of September 30, 2019, unassigned fund balances were \$1,900,675, an increase of \$340,904 in comparison with the prior year. This amount constitutes unassigned General Fund balance, which is available for spending at the City's discretion.

The Community Redevelopment Agency had an increase of \$4, which brings the fund balance to \$3,631.

**Proprietary Funds** – The City of Bunnell's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net position of the Water and Sewer Funds at the end of the year amount to \$3,806,838. The total increase in net position in this fund was \$1,682.

The Solid Waste Fund showed an overall increase in unrestricted net position of \$209,296 primarily due to an increase in charges for services.



City of Bunnell, Florida  
Management's Discussion and Analysis  
For the Year Ended September 30, 2019

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**Capital Assets and Debt Administration**

**Capital Assets** – The City of Bunnell's investment in capital assets for its governmental and business-type activities as of September 30, 2019, amounts to \$20,351,438 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements over than buildings, equipment, infrastructure and construction in progress. The total change in the City of Bunnell's investment in capital assets for the current fiscal year was a \$601,261 decrease in net capital assets for governmental activities and a \$1,006,604 increase in net capital assets for business-type activities.

Major capital asset events during the current fiscal year included the following:

- Two Ford Interceptors for the Police Department: \$77,000
- Ford F-150 Truck for the Police Department: \$38,577
- Power Edge Server: \$7,735
- Three John Deere Gators: \$23,677
- 2019 Peterbilt Garbage Truck: \$278,717
- Thompson Pump: \$34,865
- Wastewater Treatment Plant Improvements: \$350,072
- Construction in Progress:
  - Southside Sewer Rehab: \$703,725
  - Westside Sewer Improvements: \$348,287
  - SR 100 Reclaim Extension: \$59,789
- Booe Lift Station Rehab Improvements: \$19,908
- Southside Sewer Rehabilitation: \$47,251
- Zero Turn Mower: \$6,296
- Deen Road Drainage Improvements: \$319,648
- Street Resurfacing: \$50,000

**CITY OF BUNNELL'S CAPITAL ASSETS**  
(Net of Depreciation)

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Land	\$ 191,202	\$ 26,991	\$ 218,193
Construction in Progress	0	1,205,816	1,205,816
Buildings and Improvements	3,178,944	14,857,615	18,036,559
Equipment	249,712	641,188	890,900
Total	\$ 3,619,828	\$ 16,731,610	\$ 20,351,468

Additional information on the City of Bunnell's capital assets can be found in Note 6 in the notes to the financial statements.

City of Bunnell, Florida  
 Management's Discussion and Analysis  
 For the Year Ended September 30, 2019

**Long-Term Debt** – At the end of fiscal year 2019, the City of Bunnell had total debt outstanding of \$6,423,637.

**CITY OF BUNNELL'S OUTSTANDING DEBT**  
 Long- and Short-Term Obligations

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Notes & Bonds Payable	\$ 596,273	\$ 5,827,364	\$ 6,423,637
Compensated Absences	64,518	23,945	88,463
Total	\$ 660,791	\$ 5,851,309	\$ 6,512,100

Additional information on the City's long-term debt can be found in Note 7 in the notes to the financial statements.

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

- The City's taxable value of commercial and residential property increased by 12.9% for 2019.
- The property values and assessments have stabilized over the past couple of years and the city is experiencing new growth. The City expects this upward trend to continue over the next several years.
- The millage rate of 6.43 was approved in September 2019, an increase of 5.17% above the roll back rate of 6.1140.
- In fiscal year 2014, the City's financial condition was considered unfavorable. Significant budget cuts were enacted. During fiscal year 2016, a fund balance reserve policy was established. At the end of the current fiscal year, the General Fund, Water and Sewer Fund, and Solid Waste Fund unrestricted fund balances were in compliance with the new policy.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Bunnell'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 financial information should be addressed to the City of Bunnell, City Manager, P.O. Box 756, Bunnell, Florida 32110-0756.

**CITY OF BUNNELL, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2019**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,394,323	\$ 3,219,146	\$ 5,613,469
Investments	38,313	598,020	636,333
Receivables, net	101,445	486,709	588,154
Internal balances	(341,267)	341,267	-
Due from other governments	224,192	315,116	539,308
Inventories	3,715	72,207	75,922
Prepays	29,016	-	29,016
Restricted assets:			
Cash and cash equivalents	-	2,265,806	2,265,806
Capital assets:			
Land	191,202	26,991	218,193
Buildings and improvements	6,053,993	20,897,926	26,951,919
Equipment	1,346,005	1,763,434	3,109,439
Construction in progress	-	1,205,816	1,205,816
Accumulated depreciation	(3,971,372)	(7,162,557)	(11,133,929)
Total assets	<u>6,069,565</u>	<u>24,029,881</u>	<u>30,099,446</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	1,361,453	346,420	1,707,873
Deferred outflows related to OPEB	11,549	5,133	16,682
Total deferred outflows	<u>1,373,002</u>	<u>351,553</u>	<u>1,724,555</u>
<b>LIABILITIES</b>			
Accounts payable	71,982	81,031	153,013
Retainage payable	-	31,854	31,854
Accrued payroll and employee benefits	139,217	38,598	177,815
Customer deposits	5,566	355,639	361,205
Accrued rent	95,569	-	95,569
Unearned revenue	15,365	-	15,365
Accrued interest payable	-	42,605	42,605
Noncurrent liabilities:			
Due within one year:			
Bonds and notes payable	50,569	276,253	326,822
Compensated absences	16,129	5,987	22,116
Due in more than one year:			
Bonds and notes payable	545,704	5,551,111	6,096,815
Compensated absences	48,389	17,958	66,347
Total OPEB liability	166,340	98,238	264,578
Net pension liability	2,951,570	751,023	3,702,593
Total liabilities	<u>4,106,400</u>	<u>7,250,297</u>	<u>11,356,697</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	370,099	94,172	464,271
Deferred inflows related to OPEB	7,311	3,249	10,560
Total deferred inflows	<u>377,410</u>	<u>97,421</u>	<u>474,831</u>
<b>NET POSITION</b>			
Net investment in capital assets	3,023,555	10,770,656	13,794,211
Restricted for:			
Capital improvements	-	1,744,690	1,744,690
Debt service	-	344,921	344,921
Community redevelopment	3,631	-	3,631
Unrestricted	(68,429)	4,173,449	4,105,020
Total net position	<u>\$ 2,958,757</u>	<u>\$ 17,033,716</u>	<u>\$ 19,992,473</u>

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

**CITY OF BUNNELL, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 604,827	\$ 9,893	\$ -	\$ -	\$ (594,934)	\$ -	\$ (594,934)
Community development	515,601	243,346	-	-	(272,255)	-	(272,255)
Public safety	1,074,886	30,312	-	400	(1,044,174)	-	(1,044,174)
Public works	1,519,379	-	84,005	319,648	(1,115,726)	-	(1,115,726)
Parks and recreation	337,885	41,851	-	428	(295,606)	-	(295,606)
Interest on long-term debt	20,065	-	-	-	(20,065)	-	(20,065)
Total governmental activities	4,072,643	325,402	84,005	320,476	(3,342,760)	-	(3,342,760)
Business-type activities:							
Water	1,475,855	1,340,355	10,859	202,752	-	78,111	78,111
Solid Waste	667,344	818,910	2,915	-	-	154,481	154,481
Sewer	1,655,019	1,549,396	10,860	1,212,537	-	1,117,774	1,117,774
Total business-type activities	3,798,218	3,708,661	24,634	1,415,289	-	1,350,366	1,350,366
Total primary government	\$ 7,870,861	\$ 4,034,063	\$ 108,639	\$ 1,735,765	(3,342,760)	1,350,366	(1,992,394)
General revenues:							
Property taxes					1,086,889	-	1,086,889
Sales and use taxes					221,126	-	221,126
Franchise fees					271,459	-	271,459
Public service utility taxes					535,807	-	535,807
Other taxes					90,407	-	90,407
State revenue sharing					84,966	-	84,966
Other intergovernmental revenues					94,198	-	94,198
Investment earnings					3,658	25,740	29,398
Miscellaneous revenues					43,286	100,732	144,018
Transfers					165,480	(165,480)	-
Total general revenues and transfers					2,597,276	(39,008)	2,558,268
Change in net position					(745,484)	1,311,358	565,874
Net position - beginning					3,704,241	15,722,358	19,426,599
Net position - ending					\$ 2,958,757	\$ 17,033,716	\$ 19,992,473

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

**CITY OF BUNNELL, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019**

	<u>General</u>	<u>Community Redevelopment Agency</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,390,692	\$ 3,631	\$ -	\$ -	\$ 2,394,323
Investments	38,313	-	-	-	38,313
Receivables, net	101,445	-	-	-	101,445
Due from other governments	224,192	-	-	-	224,192
Inventories	3,715	-	-	-	3,715
Prepaid items	29,016	-	-	-	29,016
Total assets	<u>\$ 2,787,373</u>	<u>\$ 3,631</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,791,004</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 71,982	\$ -	\$ -	\$ -	\$ 71,982
Accrued payroll and employee benefits	139,217	-	-	-	139,217
Accrued rent	95,569	-	-	-	95,569
Customer deposits	5,566	-	-	-	5,566
Unearned revenue	15,365	-	-	-	15,365
Advances from other funds	341,267	-	-	-	341,267
Total liabilities	<u>668,966</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>668,966</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Inventories	3,715	-	-	-	3,715
Prepaid items	29,016	-	-	-	29,016
Restricted for:					
Community redevelopment	-	3,631	-	-	3,631
Assigned to:					
Subsequent year's budget	185,001	-	-	-	185,001
Unassigned	1,900,675	-	-	-	1,900,675
Total fund balances	<u>2,118,407</u>	<u>3,631</u>	<u>-</u>	<u>-</u>	<u>2,122,038</u>
Total liabilities and fund balances	<u>\$ 2,787,373</u>	<u>\$ 3,631</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,791,004</u>

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

**CITY OF BUNNELL, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2019**

<b>Fund balances - total governmental funds</b>		\$ 2,122,038
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Total governmental capital assets	7,591,200	
Less: accumulated depreciation	<u>(3,971,372)</u>	3,619,828
On the governmental fund statements, a net pension liability is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the statement of net position, the City's net pension liability of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.		
Net pension liability	(2,951,570)	
Deferred outflows related to pensions	1,361,453	
Deferred inflows related to pensions	<u>(370,099)</u>	(1,960,216)
On the governmental fund statements, a total OPEB liability is not recorded unless an amount is due and payable (no such liability exists at the end of the current fiscal year). On the statement of net position, the City's total OPEB liability is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to OPEB are also reported.		
Total OPEB liability	(166,340)	
Deferred outflows related to OPEB	11,549	
Deferred inflows related to OPEB	<u>(7,311)</u>	(162,102)
Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities and other long-term liabilities consist of the following:		
Bonds and notes payable	(596,273)	
Compensated absences	<u>(64,518)</u>	(660,791)
<b>Net position of governmental activities</b>		<u><u>\$ 2,958,757</u></u>

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

**CITY OF BUNNELL, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>General</u>	<u>Community Redevelopment Agency</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Taxes	\$ 2,065,304	\$ -	\$ 26,102	\$ -	\$ 2,091,406
Licenses and permits	313,028	-	-	-	313,028
Intergovernmental	625,635	-	-	-	625,635
Charges for services	613,612	-	-	-	613,612
Fines and forfeitures	31,966	-	-	-	31,966
Investment gain (loss)	3,654	4	-	-	3,658
Miscellaneous	66,794	-	-	-	66,794
Total revenues	<u>3,719,993</u>	<u>4</u>	<u>26,102</u>	<u>-</u>	<u>3,746,099</u>
<b>EXPENDITURES</b>					
Current:					
General government	1,035,121	-	-	-	1,035,121
Community development	267,828	-	-	-	267,828
Public safety	1,037,048	-	-	-	1,037,048
Public works	499,009	-	-	-	499,009
Parks and recreation	256,253	-	-	-	256,253
Capital outlay	546,575	-	-	-	546,575
Debt service:					
Principal	-	-	-	49,379	49,379
Interest and fiscal charges	5,093	-	-	14,972	20,065
Total expenditures	<u>3,646,927</u>	<u>-</u>	<u>-</u>	<u>64,351</u>	<u>3,711,278</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>73,066</u>	<u>4</u>	<u>26,102</u>	<u>(64,351)</u>	<u>34,821</u>
<b>Other financing sources (uses)</b>					
Transfers in	286,771	-	-	60,724	347,495
Transfers out	(60,724)	-	(121,291)	-	(182,015)
Total other financing sources (uses)	<u>226,047</u>	<u>-</u>	<u>(121,291)</u>	<u>60,724</u>	<u>165,480</u>
<b>Net change in fund balances</b>	<u>299,113</u>	<u>4</u>	<u>(95,189)</u>	<u>(3,627)</u>	<u>200,301</u>
<b>Fund balances, beginning of year</b>	1,819,294	3,627	95,189	3,627	1,921,737
<b>Fund balances, end of year</b>	<u>\$ 2,118,407</u>	<u>\$ 3,631</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,122,038</u>

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

**CITY OF BUNNELL, FLORIDA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

<b>Net change in fund balances - total governmental funds</b>	\$	200,301
Differences in amounts reported for governmental activities in the statement of activities are:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Capital outlay expenditures		546,575
Depreciation expense		(269,815)
In the statement of activities, only the gain/loss on sale/disposal of capital assets is reported. However, in governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold/disposed.		
		(878,021)
Governmental funds report contributions to defined benefit pension/OPEB plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit pension plans reduces future net pension liability. Also included in pension/OPEB expense in the statement of activities are amounts required to be amortized related to pension deferred inflows/outflows.		
Change in net pension liability and deferred inflows/outflows related to pensions		(435,188)
Change in total OPEB liability and deferred inflows/outflows related to OPEB		(12,255)
Bond and loan proceeds are reported as financing sources in the governmental funds. However, the issuance of debt is reported as long-term debt payable in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment of debt principal reduces long-term liabilities in the statement of net position. These amounts are as follows:		
Principal repayment of of long-term debt		49,379
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows:		
Change in compensated absences liability		53,540
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>(745,484)</b>

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



**CITY OF BUNNELL, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Taxes	\$ 1,936,460	\$ 1,972,460	\$ 2,065,304	\$ 92,844
Licenses and permits	295,634	295,634	313,028	17,394
Intergovernmental	275,956	697,218	625,635	(71,583)
Charges for services	567,954	608,677	613,612	4,935
Fines and forfeitures	14,826	14,826	31,966	17,140
Interest revenues	1,500	1,500	3,654	2,154
Miscellaneous	20,630	52,105	66,794	14,689
Total revenues	<u>3,112,960</u>	<u>3,642,420</u>	<u>3,719,993</u>	<u>77,573</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Legislative	163,546	163,546	164,412	(866)
Executive	124,397	124,397	132,741	(8,344)
Administration	341,278	411,606	464,986	(53,380)
Legal	84,204	84,204	84,183	21
Finance	225,200	233,942	188,799	45,143
Public safety:				
Police	1,166,917	1,056,996	1,037,048	19,948
Community development	306,366	306,366	267,828	38,538
Public works	554,995	549,045	499,009	50,036
Parks and recreation	273,321	273,321	256,253	17,068
Capital outlay	84,155	904,211	546,575	357,636
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	7,755	7,755	5,093	2,662
Total expenditures	<u>3,332,134</u>	<u>4,115,389</u>	<u>3,646,927</u>	<u>468,462</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(219,174)</u>	<u>(472,969)</u>	<u>73,066</u>	<u>546,035</u>
<b>Other financing sources (uses)</b>				
Transfers in	286,770	286,770	286,771	1
Transfers out	(67,596)	(60,726)	(60,724)	2
Total other financing sources (uses)	<u>219,174</u>	<u>226,044</u>	<u>226,047</u>	<u>3</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>(246,925)</u>	<u>299,113</u>	<u>546,038</u>
<b>Fund balances, beginning of year</b>	1,819,294	1,819,294	1,819,294	-
<b>Fund balances, end of year</b>	<u>\$ 1,819,294</u>	<u>\$ 1,572,369</u>	<u>\$ 2,118,407</u>	<u>\$ 546,038</u>

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

**CITY OF BUNNELL, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - COMMUNITY REDEVELOPMENT AGENCY**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Interest revenues	\$ -	\$ -	\$ 4	\$ 4
Total revenues	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
<b>EXPENDITURES</b>				
Current:				
Community redevelopment	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
<b>Fund balances, beginning of year</b>	3,627	3,627	3,627	-
<b>Fund balances, end of year</b>	<u>\$ 3,627</u>	<u>\$ 3,627</u>	<u>\$ 3,631</u>	<u>\$ 4</u>

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

**CITY OF BUNNELL, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2019**

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,424,978	\$ 1,389,740	\$ 404,428	\$ 3,219,146
Investments	299,010	299,010	-	598,020
Restricted cash and cash equivalents	51,882	28,935	8,637	89,454
Accounts receivable, net	159,255	207,831	119,623	486,709
Due from other governments	-	309,818	5,298	315,116
Inventories	52,964	19,243	-	72,207
Total current assets	<u>1,988,089</u>	<u>2,254,577</u>	<u>537,986</u>	<u>4,780,652</u>
Noncurrent assets:				
Restricted cash and cash equivalents	1,164,802	1,011,550	-	2,176,352
Advances to other funds	170,633	170,634	-	341,267
Capital assets:				
Land	13,250	13,741	-	26,991
Buildings and improvements	10,080,428	10,817,498	-	20,897,926
Equipment	402,397	452,449	908,588	1,763,434
Construction in progress	-	1,205,816	-	1,205,816
Accumulated depreciation	<u>(2,100,026)</u>	<u>(4,429,065)</u>	<u>(633,466)</u>	<u>(7,162,557)</u>
Total noncurrent assets	<u>9,731,484</u>	<u>9,242,623</u>	<u>275,122</u>	<u>19,249,229</u>
Total assets	<u>11,719,573</u>	<u>11,497,200</u>	<u>813,108</u>	<u>24,029,881</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	147,024	142,187	57,209	346,420
Deferred outflows related to OPEB	2,053	2,310	770	5,133
Total deferred outflows	<u>149,077</u>	<u>144,497</u>	<u>57,979</u>	<u>351,553</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	7,066	56,216	17,749	81,031
Retainage payable	-	31,854	-	31,854
Accrued payroll	15,912	17,204	5,482	38,598
Deposits	176,017	151,025	28,597	355,639
Compensated absences	1,990	2,050	1,947	5,987
Current maturities on long-term debt	105,499	104,828	19,077	229,404
Payable from restricted assets:				
Current maturities on long-term debt	23,600	17,052	6,197	46,849
Accrued interest payable	28,282	11,883	2,440	42,605
Total current liabilities	<u>358,366</u>	<u>392,112</u>	<u>81,489</u>	<u>831,967</u>
Noncurrent liabilities:				
Notes payable	4,086,532	1,211,220	253,359	5,551,111
Total OPEB liability	38,012	39,185	21,041	98,238
Net pension liability	318,740	308,259	124,024	751,023
Compensated absences	5,970	6,149	5,839	17,958
Total noncurrent liabilities	<u>4,449,254</u>	<u>1,564,813</u>	<u>404,263</u>	<u>6,418,330</u>
Total liabilities	<u>4,807,620</u>	<u>1,956,925</u>	<u>485,752</u>	<u>7,250,297</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	39,967	38,654	15,551	94,172
Deferred inflows related to OPEB	1,300	1,462	487	3,249
Total deferred inflows	<u>41,267</u>	<u>40,116</u>	<u>16,038</u>	<u>97,421</u>
<b>NET POSITION</b>				
Net investment in capital assets	4,046,828	6,727,339	(3,511)	10,770,656
Restricted for:				
Capital improvements	813,176	931,514	-	1,744,690
Debt service	241,636	97,088	6,197	344,921
Unrestricted	1,918,123	1,888,715	366,611	4,173,449
Total net position	<u>\$ 7,019,763</u>	<u>\$ 9,644,656</u>	<u>\$ 369,297</u>	<u>\$ 17,033,716</u>

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

**CITY OF BUNNELL, FLORIDA**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Total</u>
<b>Operating revenues</b>				
Charges for services	\$ 1,340,355	\$ 1,549,396	\$ 818,910	\$ 3,708,661
<b>Operating expenses</b>				
Personal services	490,345	491,937	166,720	1,149,002
Contractual services	319,360	494,104	327,338	1,140,802
Repairs and maintenance	19,907	82,397	45,650	147,954
Supplies	103,932	110,983	47,256	262,171
Utilities	44,128	85,728	3,400	133,256
Other expenses	73,217	56,119	12,950	142,286
Depreciation	244,878	270,053	43,649	558,580
Total operating expenses	1,295,767	1,591,321	646,963	3,534,051
<b>Operating income (loss)</b>	44,588	(41,925)	171,947	174,610
<b>Nonoperating revenues (expenses)</b>				
Interest earnings	12,666	12,666	408	25,740
Operating grants	10,859	10,860	2,915	24,634
Other income (expense)	26,028	26,390	48,314	100,732
Loss on disposition of fixed assets	(95,470)	(34,424)	-	(129,894)
Interest and amortization expense	(84,618)	(29,274)	(20,381)	(134,273)
Total nonoperating revenues (expenses)	(130,535)	(13,782)	31,256	(113,061)
<b>Income (loss) before capital contributions and transfers</b>	(85,947)	(55,707)	203,203	61,549
Capital grants	-	917,529	-	917,529
Capital contributions	202,752	295,008	-	497,760
Transfers out	(66,918)	(66,918)	(31,644)	(165,480)
<b>Change in net position</b>	49,887	1,089,912	171,559	1,311,358
<b>Net position, beginning of year</b>	6,969,876	8,554,744	197,738	15,722,358
<b>Net position, end of year</b>	<u>\$ 7,019,763</u>	<u>\$ 9,644,656</u>	<u>\$ 369,297</u>	<u>\$ 17,033,716</u>

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

**CITY OF BUNNELL, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Total</u>
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ 1,358,181	\$ 1,356,612	\$ 806,409	\$ 3,521,202
Cash paid to employees	(454,067)	(466,360)	(183,408)	(1,103,835)
Cash paid to suppliers	(591,226)	(797,073)	(434,831)	(1,823,130)
Other receipts (payments)	36,887	37,250	51,229	125,366
Net cash provided by (used in) operating activities	<u>349,775</u>	<u>130,429</u>	<u>239,399</u>	<u>719,603</u>
<b>Cash flows from noncapital financing activities</b>				
Interfund transfers	(66,918)	(66,918)	(31,644)	(165,480)
Interfund loans	64,022	64,022	(100,000)	28,044
Net cash provided by (used in) noncapital financing activities	<u>(2,896)</u>	<u>(2,896)</u>	<u>(131,644)</u>	<u>(137,436)</u>
<b>Cash flows from capital and related financing activities</b>				
Impact fees and capital contributions	202,752	295,008	-	497,760
Acquisition and construction of capital assets	(3,942)	(1,412,788)	(278,348)	(1,695,078)
Capital grants	-	917,529	30,828	948,357
Principal payments of long-term debt	(125,848)	(118,235)	(13,467)	(257,550)
Proceeds from issuance of long-term debt	-	-	292,100	292,100
Interest paid	(85,561)	(30,215)	(17,941)	(133,717)
Net cash provided by (used in) capital and related financing activities	<u>(12,599)</u>	<u>(348,701)</u>	<u>13,172</u>	<u>(348,128)</u>
<b>Cash flows from investing activities</b>				
Interest received	5,223	5,224	408	10,855
Net cash provided by (used in) investing activities	<u>5,223</u>	<u>5,224</u>	<u>408</u>	<u>10,855</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>339,503</u>	<u>(215,944)</u>	<u>121,335</u>	<u>244,894</u>
<b>Cash and cash equivalents, beginning of year</b>	2,302,159	2,646,169	291,730	5,240,058
<b>Cash and cash equivalents, end of year</b>	<u>\$ 2,641,662</u>	<u>\$ 2,430,225</u>	<u>\$ 413,065</u>	<u>\$ 5,484,952</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>				
Operating income (loss)	\$ 44,588	\$ (41,925)	\$ 171,947	\$ 174,610
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities:				
Depreciation	244,878	270,053	43,649	558,580
Other income (expense)	36,887	37,250	51,229	125,366
Changes in assets and liabilities:				
Accounts receivable	(3,129)	(355)	(15,878)	(19,362)
Due from other governments	7,506	(204,357)	-	(196,851)
Inventories and prepaids	(14,370)	19,349	-	4,979
Accounts payable and accrued liabilities	(16,312)	12,909	1,763	(1,640)
Deposits	13,449	11,928	3,377	28,754
Compensated absences	(4,356)	(4,400)	(12,310)	(21,066)
Net pension liability	37,703	26,678	(5,478)	58,903
Total OPEB liability	2,931	3,299	1,100	7,330
Net cash provided by operating activities	<u>\$ 349,775</u>	<u>\$ 130,429</u>	<u>\$ 239,399</u>	<u>\$ 719,603</u>
<b>Cash and cash equivalents classified as:</b>				
Unrestricted	\$ 1,424,978	\$ 1,389,740	\$ 404,428	\$ 3,219,146
Restricted	1,216,684	1,040,485	8,637	2,265,806
Total cash and cash equivalents	<u>\$ 2,641,662</u>	<u>\$ 2,430,225</u>	<u>\$ 413,065</u>	<u>\$ 5,484,952</u>

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

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:**

The financial statements of the City of Bunnell, Florida (the City) have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles. The following is a summary of the City's significant accounting policies:

(a) **Reporting entity**—The City of Bunnell, Florida, as created by the Laws of Florida, Ch. 28955 (1953), adopted the City Charter by Ordinance No. 2002-01 on January 29, 2002. The Charter was approved by referendum by the voters and became effective on March 5, 2002. The City Charter vests all the legislative powers of the City with a city commission consisting of five members. The City Manager is appointed by the Commission and is the Chief Administrative Officer of the City.

The accompanying financial statements present the financial position, results of operations, and cash flows of the applicable funds governed by the City Commission of the City of Bunnell, Florida, the reporting entity of government for which the City Commission is considered to be financially accountable. In evaluating the City as a reporting entity, management has addressed all potential component units that may or may not fall within the City's oversight and control, and thus, be included in the City's financial statements.

(b) **Blended component units**—Blended component units, although legally separate entities, are in substance part of the City's operations, and as a result, considered to be financially accountable. The following component unit is reported in the City's Annual Financial Report. In June 2007, the City passed an ordinance creating a dependent special district, the Bunnell Community Redevelopment Agency (Agency). The purpose of the Agency is to provide rehabilitation, conservation, or redevelopment of such areas as are necessary in the interest of public health, safety, or welfare of the residents of the City. The Agency is blended into the City's primary government although retaining separate legal identity. Separate financial statements are not prepared for this component unit.

Based upon the application of the criteria set forth by GASB, there are no discretely presented potential component units or related organizations of the City.

(c) **Government-wide and fund financial statements**—The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type. In the government-wide statement of net position, both the governmental and business-type activities columns are presented on a consolidated basis and are reflected, on a full accrual, economic resource basis, which incorporates long term assets and receivables as well as long term debt and obligations.

The government-wide statement of activities reflects both the gross and net costs per functional category (public safety, public works, etc.), which are otherwise being supported by general government revenues (property, sales taxes, certain intergovernmental revenues, etc.). The statement of activities reduces gross expenses (including depreciation) by the related program revenues, operating and capital grants. The program revenues must be directly associated with the function or a business-type activity. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.). This government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements emphasize the major funds in either the governmental or business-type categories. Non-major funds (by category) are summarized into a single column, if any.

The governmental funds' major fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to demonstrate legal compliance and demonstrate how the City's actual experience conforms to the budgeted fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following the Governmental Funds – Balance Sheet and the Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances, which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

As a general rule the effect of interfund City activities has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, intergovernmental revenue, licenses and permits, charges for services, 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

(e) **Financial statement presentation**—The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The GASB Codification sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. Any non-major funds are combined in a column in the fund financial statements and detailed in the combining section. There are no non-major funds to report.

The City reports the following major governmental funds:

The **General Fund** accounts for several of the City's primary services (police, fire, public works, community development, parks and recreation, etc.) and is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The **Community Redevelopment Agency Funds** accounts for the activities of the Bunnell Community Redevelopment Agency.

The **Capital Projects Fund** accounts for the financial resources to be used for equipment replacement or the acquisition or construction of major capital facilities and improvement projects (other than those financed by proprietary funds).

The **Debt Service Fund** accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The City reports the following major proprietary funds:

The **Water Fund** accounts for the activities of the City's water distribution system.

The **Solid Waste Fund** accounts for the activities of the City's solid waste collection and disposal.

The **Sewer Fund** accounts for the activities of the City's sewage treatment plant, sewage pumping stations and collection systems.

(f) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.



**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

(g) **Budgets and budgetary accounting**—Annual budgets for all governmental and proprietary funds were adopted in compliance with Florida law. The basis on which the budgets are prepared is consistent with the basis of accounting utilized by the various fund types. The governmental funds' budgets are prepared on the modified accrual basis of accounting. The proprietary funds' budgets are prepared on a full accrual basis of accounting. The City uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

- i. Sixty days prior to October 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and means of financing them.
- ii. Budget workshops are scheduled by the City Manager as needed.
- iii. The general summary of the budget and notice of public hearing is published in the local newspaper.
- iv. Public hearings are conducted to obtain taxpayer comments.
- v. Prior to October 1, the budgets are legally enacted through passage of a resolution.
- vi. The City Manager is authorized to transfer budgeted amounts between divisions and departments; however, any revisions that alter the total appropriations of any fund must be approved by the City Commission.
- vii. The level of classification detail at which expenditures may not legally exceed appropriations is the fund level.
- viii. Appropriations lapse at the close of the fiscal year to the extent they have not been expended. Appropriations for capital expenditures lapse five years henceforth.
- ix. Budget for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The governmental funds have legally adopted annual budgets contained within a separate document.
- x. The City Commission, by resolution, may make supplemental appropriations in excess of those originally estimated for the year, up to the amount of available revenues.

(h) **Deposits and investments**—Cash consists of amounts held in demand deposits. Cash equivalents consist of short term investments having a maturity date of less than three months from the date acquired. Investments are reported at fair value.

(i) **Receivables and payables**—Activity 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 are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of historical trends. Utility operating sales are generally recognized on the basis of cycle billings rendered monthly. Unbilled accounts receivable are accrued by the City at year-end to recognize the sales revenues earned through the end of the fiscal year.

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

(j) **Capital assets**—Capital assets include property, plant, equipment and infrastructure assets. The terms general capital assets and general infrastructure assets relate only to the assets associated with governmental activities, whereas the terms capital assets and infrastructure assets relate to all such assets belonging to the City.

Capital assets are defined by the City as assets with an initial individual cost of \$5,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost, if purchased or constructed. Contributed assets are recorded at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are only capitalized if they meet the dollar threshold above for capitalization. Maintenance and repairs of capital assets are charged to operating expenses.

Depreciation is reported for the primary government using the straight-line method calculated on a service-life basis to amortize the cost of the asset over their estimated economic useful lives. Land and construction in progress are not depreciated. Other useful lives are as follows:

Assets	Years
Buildings	10 – 50 years
Infrastructure (improvements other than buildings)	15 – 50 years
Equipment	3 – 25 years

(k) **Compensated absences**—City policy permits employees to accumulate a limited amount of earned, but unused personal, vacation, and sick leave. Employees may carry forward up to 400 hours from one fiscal year to the next and may receive payment of 40 hours each fiscal year. These benefits are payable at 50% to employees upon separation from service. All leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in accordance with the GASB Codification.

(l) **Long-term obligations**—In the government-wide financial statements and proprietary fund financial statements, long-term debt obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when paid.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(m) **Net position flow assumption**—Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the City’s policy to consider restricted net position to have been used before unrestricted net position is applied.

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

(n) **Fund equity**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

*Nonspendable* – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

*Restricted* – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation (i.e., when the government assesses, levies, charges, or otherwise mandates payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

*Committed* – Fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by ordinance of the City Commission are reported as committed fund balance. Those committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

*Assigned* – Fund balance amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balance, except for stabilization arrangements. Assignments can be made by the City Commission.

*Unassigned* – Unassigned fund balance is the residual classification for the general fund. This classification 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.

For spendable resources, is the City’s policy to use its resources in the following order as needed to fund expenses: restricted, committed, assigned, unrestricted.

(o) **Reserve policy**—The City Commission has approved a reserve policy, which addresses that the City’s optimal level of net equity reserve has been determined to be 17% of the respective operating budgets at the beginning of the fiscal year or a net equity reserve equal to at least 54 consecutive days. Net Equity Reserve is defined as a specific fund's equity in pooled cash less liabilities due and payable within the next 12 months.

(p) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element 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 deferred outflows related to pensions and OPEB in the proprietary funds and government-wide statement of net position and are discussed further in Note (9) and Note 10.

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(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 represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has deferred inflows related to pensions and OPEB in the proprietary funds and government-wide statement of net position and are discussed further in Note (9) and Note 10.

(2) **Reconciliation of Government-Wide and Fund Financial Statement:**

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

(3) **Property Tax Calendar:**

Under Florida law, the assessment of all properties and collection of all county, municipal, and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. State laws regulating tax assessment are designed to ensure a consistent property valuation method statewide and permit municipalities to levy property taxes at a rate of up to 10 mills. The millage rate assessed by the City for the fiscal year ended September 30, 2019, was 6.4300 per \$1,000.

All property is assessed according to its fair market value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State statutes.

The current year taxes for the fiscal year, beginning October 1, are billed in the month of November and are due no later than March 31. On April 1, all unpaid amounts become delinquent and are subject to interest and penalties. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, 1% in the month of February, and without discount in March.

The City recognizes property tax revenues as received. Delinquent tax receivables are inconsequential to the financial statements and have not been recorded. Delinquent taxes on real property bear interest of 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. The City tax calendar is as follows:

Valuation Date:	January 1, 2018
Levy Date:	November 1, 2018
Due Date:	March 31, 2019
Lien Date:	June 1, 2019

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(4) Deposits and Investments:**

The City, for accounting and investment purposes, maintains a pooled interest bearing banking account and a pooled investment account for substantially all City funds. This gives the City the ability to invest large amounts of idle cash for short periods of time and to maximize earning potential. The cash and investments shown on the balance sheets and statements of net position represent the amount owned by each fund.

State statutes authorize the City to invest excess funds in time deposits, obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States Government, commercial paper, corporate bonds, repurchase agreements and/or the State Board of Administration (SBA) Local-Government Surplus Trust Fund Investment Pool or other investment vehicles authorized by local ordinance.

As of September 30, 2019, all City deposits were covered by private bank acquired insurance, Securities Investor Protection Corporation (SIPC) insurance, private broker/dealer acquired insurance, Federal Depository Insurance Corporation (FDIC) insurance, or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act). The Act established guidelines for qualification and participation by banks and savings associations, procedures for administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to 125% may be required if deemed necessary.

Obligations pledged to secure deposits must be delivered to the State Treasurer, or with the approval of the State Treasurer to a bank, savings association, or trust company provided a power of attorney is delivered to the Treasurer. Under the Act, the City is authorized to deposit funds only in Qualified Public Depositories.

The City invests temporarily idle resources in the Florida PRIME Investment Pool (Florida PRIME) that is administered by the Florida State Board of Administration (SBA), who provides regulatory oversight. Florida PRIME is similar to money market funds in which units are owned in the fund rather than the underlying investments. These investments are reported at amortized cost and meet the requirements of GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. There is no limitation or restrictions on withdrawals from Florida PRIME; although in the occurrence of an event that has a material impact on liquidity or operations of the trust fund, the funds' executive director may limit contributions to or withdrawals from the trust fund for a period of 48 hours.

As of September 30, 2019, the investment pool had a weighted average maturity of 33 days, was rated AAAM by Standard & Poor's (S&P), and had a carrying value of \$636,333. The City held no assets or investments carried at fair value at September 30, 2019, and subject to the required disclosures of GASB 72.

*Interest Rate Risk:* The City's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. The investment of current operating funds will have maturities of no longer than three years. Investments of bond reserves, construction funds, and other non-operating funds ("core funds") shall have a term appropriate to the need for funds and in accordance with debt covenants, but should not exceed ten years. From time to time the above parameters may require modification in order to meet specific construction draw schedules or other predetermined operating or capital needs, or to satisfy debt obligations, but in no event shall exceed ten years.

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(4) **Deposits and Investments:** (Continued)

*Credit Risk:* Credit risk is the risk that a debt issuer or other counter-party to an investment will not fulfill its obligations. The City's entire portfolio is invested in SBA funds, as described above.

*Concentration of Credit Risk:* The City has adopted no formal investment policy and follows the investment policies set forth in Florida Statutes, Chapter 218.

*Custodial Credit Risk:* All demand deposits are held with qualified public depositories, as defined above. In the case of investments, this 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. As of September 30, 2019, the City's investment of \$636,333 in SBA funds are backed by the full faith and credit of the State of Florida, or explicitly guaranteed by the State of Florida.

(5) **Accounts Receivable:**

The City's receivables consist of the following at September 30, 2019:

	<b>Gross Receivable</b>	<b>Allowance for Doubtful Accounts</b>	<b>Net Receivable</b>
<b>Governmental Activities:</b>			
<b>General Fund</b>			
Accounts receivable	\$ 101,445	\$ -	\$ 101,445
Totals – Governmental Type Activities	101,445	-	101,445
<b>Business-Type Activities</b>			
<b>Water Fund</b>			
Accounts receivable	230,643	(71,388)	159,255
<b>Solid Waste Fund</b>			
Accounts receivable	177,770	(58,147)	119,623
<b>Sewer Fund</b>			
Accounts receivable	310,559	(102,728)	207,831
Totals – Business-Type Activities	718,972	(232,263)	486,709
<b>Totals</b>	<b>\$ 820,417</b>	<b>\$ (232,263)</b>	<b>\$ 588,154</b>

In addition to accounts receivable, the City also recorded \$539,308 in due from other governments at September 30, 2019.

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(6) Capital Assets:**

Capital asset activity for the fiscal year ended September 30, 2019, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated –				
Land	\$ 205,002	\$ -	\$ (13,800)	\$ 191,202
Construction in progress	830,666	-	(830,666)	-
Total capital assets, not being depreciated	<u>1,035,668</u>	<u>-</u>	<u>(844,466)</u>	<u>191,20</u>
Capital assets, being depreciated –				
Buildings	5,878,239	382,990	(207,236)	6,053,993
Equipment	3,018,159	163,585	(1,835,739)	1,346,005
Total capital assets, being depreciated	8,896,398	546,575	(2,042,975)	7,399,998
Less: accumulated depreciation	<u>(5,710,977)</u>	<u>(269,815)</u>	<u>2,009,420</u>	<u>(3,971,372)</u>
Total capital assets, being depreciated, net	<u>3,185,421</u>	<u>(276,760)</u>	<u>(33,555)</u>	<u>3,428,626</u>
Governmental activities capital assets, net	<u>\$ 4,221,089</u>	<u>\$ (276,760)</u>	<u>\$ (878,021)</u>	<u>\$ 3,619,828</u>
Business-type activities:				
Capital assets, not being depreciated –				
Land	\$ 26,991	\$ -	\$ -	\$ 26,991
Construction in progress	235,032	1,320,856	(350,072)	1,205,816
Total capital assets, not being depreciated	<u>262,023</u>	<u>1,320,856</u>	<u>(350,072)</u>	<u>1,232,807</u>
Capital assets, being depreciated –				
Buildings and improvements	20,598,742	373,709	(74,525)	20,897,926
Equipment	2,332,435	375,375	(944,376)	1,763,434
Total capital assets, being depreciated	22,931,177	749,084	(1,018,901)	22,661,360
Less: accumulated depreciation	<u>(7,468,194)</u>	<u>(558,580)</u>	<u>864,217</u>	<u>(7,162,557)</u>
Total capital assets, being depreciated, net	<u>15,462,983</u>	<u>190,504</u>	<u>(154,684)</u>	<u>15,498,803</u>
Business-type activities capital assets, net	<u>\$ 15,725,006</u>	<u>\$ 1,511,360</u>	<u>\$ (504,756)</u>	<u>\$ 16,731,610</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General governmental	\$ 31,375
Community development	7,738
Public safety	36,026
Parks and recreation	51,169
Public works	143,507
Total depreciation expense - governmental activities	<u>\$ 269,815</u>
Business-type activities:	
Water	\$ 244,878
Solid waste	43,649
Sewer	270,053
Total depreciation expense - business-type activities	<u>\$ 558,580</u>

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(7) Long-Term Debt:**

A summary of the long-term liability transactions for the City for the fiscal year ended September 30, 2019, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Notes and bonds payable	\$ 645,652	\$ -	\$ (49,379)	\$ 596,273	\$ 50,569
Compensated absences	118,058	50,634	(104,174)	64,518	16,129
Governmental activities – Total long-term liabilities	<u>\$ 763,710</u>	<u>\$ 50,634</u>	<u>\$ (153,553)</u>	<u>\$ 660,791</u>	<u>\$ 66,698</u>
<b>Business-type activities:</b>					
Long-term debt:					
Notes and bonds payable	\$ 5,155,838	\$ 292,100	\$ (195,509)	\$ 5,252,429	\$ 212,611
SRF Notes payable	636,976	-	(62,041)	574,935	63,642
Total long-term debt	<u>5,792,814</u>	<u>292,100</u>	<u>(257,550)</u>	<u>5,827,364</u>	<u>276,253</u>
Compensated absences	45,011	25,885	(46,951)	23,945	5,987
Business-type activities – Total long-term liabilities	<u>\$ 5,837,825</u>	<u>\$ 317,985</u>	<u>\$ (304,501)</u>	<u>\$ 5,851,309</u>	<u>\$ 282,240</u>

Annual debt service requirements to maturity for the City’s revenue bonds and notes are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2020	\$ 50,569	\$ 14,027	\$ 276,252	\$ 119,524	\$ 460,372
2021	51,789	12,752	309,658	112,845	487,044
2022	53,038	11,486	316,721	105,999	487,244
2023	54,317	10,189	323,954	98,976	487,436
2024	55,627	8,885	331,360	91,772	487,644
2025-2029	298,913	23,244	1,510,890	353,649	2,186,696
2030-2034	32,020	291	604,864	230,519	867,694
2035-2039	-	-	456,293	185,713	642,006
2040-2044	-	-	501,218	140,821	642,039
2045-2049	-	-	511,154	93,102	604,256
2050-2054	-	-	555,000	43,783	598,783
2055	-	-	130,000	2,439	132,439
Total	<u>\$ 596,273</u>	<u>\$ 80,874</u>	<u>\$ 5,827,364</u>	<u>\$ 1,579,142</u>	<u>\$ 8,083,653</u>

Notes and bonds payable in the City’s governmental activities at September 30, 2019, are comprised of the following obligations:

Non-Ad Valorem Revenue note payable, in the original amount of \$732,008, dated February 28, 2017, bearing interest at a fixed rate of 2.39% and maturing on February 26, 2030. Repayment of loan balance is secured by a pledge of non-ad valorem revenues.	\$ 596,273
Total long-term debt, governmental activities	<u>\$ 596,273</u>



**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(7) **Long-Term Debt:** (Continued)

Notes and bonds payable in the City's business-type activities at September 30, 2019, are comprised of the following obligations:

State Revolving Fund note payable, dated July 1, 2005, due in semiannual payments of \$35,363, including interest at 2.60% through December 15, 2025. Repayment of loan balance is secured by a pledge of water & sewer utility revenues.	\$ 410,201
Note payable to Florida Department of Transportation, in the original amount of \$529,694, unsecured and noninterest bearing. Flagler County made a \$264,647 payment in 2010, remaining payments will begin October 15, 2020, with ten annual payments of \$26,505.	265,047
State Revolving Fund note payable, dated November 19, 2012, due in semiannual payments of \$4,777 once the full amount has been drawn, including interest at 2.12% through June 15, 2035. Repayment of loan balance is secured by a pledge of water & sewer utility revenues.	164,733
Water and Sewer System Refunding Revenue Note, Series 2017: Water and Sewer Revenue note payable, in the original amount of \$1,937,333, dated February 28, 2017; due serially to May 21, 2030, with interest at 2.39% payable annually. Repayment of year-end loan balance is secured by a pledge of water & sewer utility revenues.	1,580,749
Water and Sewer Bonds, in the original amount of \$3,362,000, dated May 20, 2015; due serially to May 20, 2055, with interest at 1.875% payable annually. Repayment of year-end loan balance is secured by a pledge of water & sewer utility revenues.	3,128,000
Solid Waste Revenue Note, in the original amount of \$292,100, dated February 13, 2019; due in semiannual payments of \$17,308, including interest at 3.43% through January 1, 2029. Repayment of loan balance is secured by a solid waste utility revenues.	278,634
Total long-term debt, business-type activities	<u><u>\$ 5,827,364</u></u>

**Conduit Debt**

Pursuant to the provisions of Resolution 2008-01, the City authorized issuance of conduit debt in the total amount not to exceed \$5,750,000 for SMA Healthcare Foundation, Inc. (the Borrower), a Florida not-for-profit corporation. On May 20, 2008, the Borrower issued a \$5,750,000 Stewart-Marchman Foundation, Inc. Project Series 2008-A Revenue Bonds, secured with a mortgage. The proceeds were utilized for financing the acquisition, improvement, construction and equipping of certain real property to be used as a substance abuse treatment facility. Monthly interest payments were due at a rate of 4.43% per annum through maturity of February 28, 2018, at which time the full principal amount would become due. The issuing financial institution sold the bonds to another financial institution on September 30, 2014. Under the new financial institution, principal and interest payments are due in monthly installments at a rate of 3.225% through December 31, 2024. Commencing January 1, 2025, through the maturity date of July 1, 2028, the interest rate will be subject to an interest rate adjustment of 2.00% above the 5-Year Federal Home Loan Bank Rate, not to exceed 3.225%. At September 30, 2019, the balance of this conduit debt outstanding is \$1,058,240.

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(7) **Long-Term Debt:** (Continued)

Under the financing agreement, the City is not obligated to pay the Series 2008-A Bonds except from the proceeds derived from the repayment of the loan to the Borrower, or from the other security pledged thereof by the Borrower, and neither the faith and credit nor the taxing power of the City, the State or any political subdivision thereof is pledged to the payment of the principal or, premium, if any, or the interest on the obligation.

(8) **Interfund Loans, Advances, Fees and Transfers:**

For the year ended September 30, 2019, an interfund advance, which is not scheduled to be collected in the subsequent year, consisted of the following:

	<u>Advance To</u>	<u>Advance From</u>
Governmental Activities		
General Fund:		
Water Fund	\$ -	\$ 170,633
Sewer Fund	-	170,634
Business-Type Activities		
Water Fund:		
General Fund	170,633	-
Sewer Fund:		
General Fund	170,634	-
Totals – All Funds	<u>\$ 341,267</u>	<u>\$ 341,267</u>

For the year ended September 30, 2019, interfund transfers consisted of the following:

	<u>Transfer From</u>	<u>Transfer To</u>
Governmental Activities		
General Fund:		
Debt Service Fund	\$ -	\$ 60,724
Capital Projects Fund	121,291	-
Water Fund	66,918	-
Solid Waste Fund	31,644	-
Sewer Fund	66,918	-
Debt Service Fund:		
General Fund	60,724	-
Capital Projects Fund:		
General Fund	-	121,291
Business-Type Activities		
Water Fund:		
General Fund	-	66,918
Solid Waste Fund:		
General Fund	-	31,644
Sewer Fund:		
General Fund	-	66,918
	<u>\$ 347,495</u>	<u>\$ 347,495</u>

The transfer from the General Fund to the Debt Service Fund represents funding of the debt service requirement as debt service principal and interest payments become due. The transfer from the Capital Projects Fund to the General Fund represents funding of capital expenditures. The transfer from the Water, Sewer, and Solid Waste Funds to the General Fund represents payments in lieu of taxes.

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(9) Employees' Retirement Plans:**

**A. Florida Retirement System:**

**Plan Description and Administration**

As of June 1, 2004, the City began participating in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the City's full-time employees. FRS is a noncontributory retirement plan, administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Pension Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the City are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

**Benefits Provided and Employees Covered**

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a 5% benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments.

Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(9) Employees' Retirement Plans:** (Continued)

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Employees may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, DROP, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

**Financial Statements**

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site ([www.myfloridacfo.com](http://www.myfloridacfo.com)). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from:

Florida Department of Management Services  
 Division of Retirement, Research and Education Services  
 P.O. Box 9000  
 Tallahassee, FL 32315-9000

**Contributions**

Employers may participate in certain classes of FRS membership. The employee contribution rate for eligible employees, other than those in DROP from FRS who are not required to contribute, is 3.00%. Each class has descriptions and employer contribution rates in effect during the fiscal year ended September 30, 2019, as follows (contribution rates are in agreement with the actuarially determined rates):

<b>FRS Membership Plan &amp; Class</b>	<b>Before June 30, 2019</b>	<b>After June 30, 2019</b>
Regular Class	8.26%	8.47%
Special Risk	24.50%	25.48%
Senior Management Service Class	24.06%	25.40%
Regular Class Not Eligible for FRS	5.16%	5.22%

Current-year employer HIS contributions were made at a rate of 1.66% of covered payroll, included in the above rates.

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(9) **Employees' Retirement Plans:** (Continued)

Actual contributions made for City employees participating in FRS and HIS for the plan year ended June 30, 2019, were as follows:

City Contributions – FRS	\$	251,328
City Contributions – HIS		45,220
Employee Contributions		81,724

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

At September 30, 2019, the City reported a net pension liability related to FRS and HIS as follows:

<b>Plan</b>	<b>Net Pension Liability</b>
FRS	\$ 2,791,411
HIS	911,182
Total	\$ 3,702,593

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined. At June 30, 2019 and 2018, the City's proportional share of the FRS and HIS net pension liabilities were as follows:

<b>Plan</b>	<b>2019</b>	<b>2018</b>
FRS	0.008105469%	0.005902651%
HIS	0.008143556%	0.005223074%

For the plan year ended June 30, 2019, pension expense was recognized related to the FRS and HIS plan as follows:

FRS	\$	696,252
HIS		83,506
Total	\$	779,758

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(9) **Employees' Retirement Plans:** (Continued)

*Deferred outflows/inflows related to pensions:*

At September 30, 2019, deferred outflows of resources and deferred inflows of resources related to pensions were recorded from the following sources:

	<u>FRS</u>		<u>HIS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 165,567	\$ (1,732)	\$ 11,067	\$ (1,116)
Changes of assumptions	716,954	-	105,506	-
Net different between projected and actual investment earnings	-	(154,435)	588	(74,473)
Change in City's proportionate share	394,763	(118,913)	271,110	(113,602)
Contributions subsequent to the measurement date	36,754	-	5,564	-
	<u>\$ 1,314,038</u>	<u>\$ (275,080)</u>	<u>\$ 393,835</u>	<u>\$ (189,191)</u>

The above amounts for deferred outflows of resources for contributions related to pensions resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

2020	\$ 311,459
2021	134,978
2022	271,361
2023	240,008
2024	149,524
Thereafter	<u>93,954</u>
Total	<u>\$ 1,201,284</u>

*Actuarial assumptions:*

The Actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(9) **Employees' Retirement Plans:** (Continued)

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.90%. This rate decreased from the prior year rate, which was 7.00%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.50% was used to determine was used to determine the total pension for the program. This rate decreased from the prior year rate, which was 3.87%. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.

*Long-term expected rate of return:*

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2019, the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Arithmetic Expected Rate of Return</u>
Cash	1.0%	3.3%
Fixed income	18.0%	4.1%
Global equities	54.0%	8.0%
Real estate	10.0%	6.7%
Private equity	11.0%	11.2%
Strategic investments	6.0%	5.9%
Total	<u>100.0%</u>	

*Sensitivity of the net pension liability to changes in the discount rate:*

The following presents the proportionate shares of the FRS and HIS net pension liability of the City calculated using the current discount rates, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

<u>Plan</u>	<u>Current Discount Rate</u>	<u>NPL with 1% Decrease</u>	<u>NPL at Current Discount Rate</u>	<u>NPL with 1% Increase</u>
FRS	6.90%	\$ 4,825,420	\$ 2,791,411	\$ 1,092,669
HIS	3.50%	1,040,161	911,182	803,757

**CITY OF BUNNELL, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2019**

(9) **Employees' Retirement Plans:** (Continued)

**B. Defined Contribution Plan:**

The City Commission has adopted the International City Management Association Retirement Corporation (ICMA-RC) Money Purchase Plan and Trust effective July 1, 2015. The plan is available to the general employees who are not in one of the other City retirement plans. City contributions to the ICMARC Money Purchase Plan and Trust for general employees shall be in same percentages as the FRS. For the year ended September 30, 2019, actual employer contributions to this plan totaled \$29,520.

(10) **Other Post-Employment Benefits (OPEB):**

**Plan Description**—No assets are held in trust for payment of the OPEB liability as the City had no OPEB liability other than as arising from the implicit rate subsidy. Retirees and their dependents are permitted to remain covered under the City's respective health care plans as long as they pay a full premium applicable to the coverage elected. Eligible participants include all regular employees of the City who retire from active service under one of the pension plans sponsored by the City. Under certain conditions, eligible individuals also include spouses and dependent children. This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes. The Other Post-Employment Benefit Plan does not issue a stand-alone report.

**Benefits Provided**—The Other Post-Employment Benefits Plan is a single-employer benefit healthcare plan administered by the City. Retirees are charged whatever the insurance company charges for the type of coverage elected, however, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. The older retirees actually have a higher cost which means the City is actually subsidizing the cost of the retiree coverage because it pays all or a significant portion of the premium on behalf of the active employee. GASB No. 75 calls this the "implicit rate subsidy."

**Plan Membership**—At October 1, 2018, the date of the latest actuarial valuation, plan participation consisted of 37 covered individuals, including one inactive employee and beneficiaries and 36 active employees. Plan participation does not include any inactive employees entitled to but not yet receiving benefits.

**Actuarial Assumptions and Other Inputs**—The total OPEB liability in the October 1, 2018, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Discount rate	3.58%
Salary increases	3.00%
Healthcare cost trend rate	8.00% in 2018, downgraded 0.50% per year to 5.00% in 2024
Age-related morbidity	3.50% for each year of age
Retirees' share of benefit-related costs	100.00%

The City does not have a dedicated trust to pay retiree healthcare benefits. The discount rate was based on the S&P Municipal Bond 20-Year High Grade Rate Index as of September 30, 2019.

Mortality rates were based on the sex-distinct rates set forth in the RP-2000 Combined Mortality Table with full generational improvements in mortality using Scale BB.



**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(10) **Other Post-Employment Benefits (OPEB):** (Continued)

**Total OPEB Liability**—Changes in the OPEB liability for the fiscal year ended September 30, 2019, were as follows:

	<b>Total OPEB Liability</b>
Balance at September 30, 2018	\$ 240,755
Changes for a year:	
Service cost	15,635
Interest	9,045
Differences between expected and actual experience	(11,523)
Changes of assumptions	18,203
Benefit payments – implicit rate subsidy	(7,537)
Other changes	-
Net changes	23,823
Balance at September 30, 2019	\$ 264,578

*Sensitivity of the total OPEB liability to changes in the discount rate:*

The following presents the total OPEB liability of the City calculated using the discount rate of 3.58%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.58%) or 1% higher (4.58%) than the current rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 286,633	\$ 264,578	\$ 244,798

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate:*

The following presents the total OPEB liability of the City calculated using the healthcare cost trend rate of 8% graded down to 5%, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (7.00%) or 1% higher (9.00%) than the current healthcare cost trend rate:

	<b>1% Decrease</b>	<b>Current Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 237,923	\$ 264,578	\$ 296,039

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources:*

For the year ended September 30, 2019; the City recognized OPEB expense of \$17,701. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Demographic experience	\$ -	\$ 10,560
Changes of assumptions	16,682	-
Total	\$ 16,682	\$ 10,560

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(10) **Other Post-Employment Benefits (OPEB):** (Continued)

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

<u>Year ended</u> <u>September 30,</u>		
2020	\$	558
2021		558
2022		558
2023		558
2024		558
Thereafter		3,332

(11) **Risk Management:**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in coverage from the prior year. The City is engaged in routine litigation incidental to the conduct of its municipal affairs. In the opinion of the City’s legal counsel, no legal proceedings are pending which would have a material adverse effect on the financial position or results of operations of the City.

(12) **Subsequent Events:**

Subsequent to September 30, 2019, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the City as of June 5, 2020, management believes that a material impact on the City’s financial position and results of future operations is reasonably possible.

(13) **Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented and that City believes will apply to them. Management has not currently determined what, if any, impact implementation of the following will have on the City’s financial statements:

GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in GASB 87 are effective for periods beginning after June 15, 2021.

GASB issued Statement No. 91, *Conduit Debt Obligations*, in May 2019. GASB 91 provides for a single method of reporting conduit debt obligations and requires essential information related to the conduit debt obligations be disclosed in the notes to the financial statements. The provisions in GASB 91 are effective for periods beginning after December 15, 2021.

**CITY OF BUNNELL, FLORIDA**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**LAST 10 FISCAL YEARS**  
**(UNAUDITED)**

	As of the Plan Year Ended June 30,					
	2019	2018	2017	2016	2015	2014
<b>Florida Retirement System (FRS)</b>						
Proportion of the net pension liability	0.008105469%	0.005902651%	0.005736974%	0.006115975%	0.717755300%	0.008108986%
Proportionate share of the net pension liability	\$ 2,791,411	\$ 1,777,909	\$ 1,696,958	\$ 1,544,288	\$ 927,077	\$ 494,767
Covered payroll	2,724,119	1,706,317	1,676,346	1,669,149	2,046,001	2,349,609
Proportionate share of the net pension liability as a percentage of covered payroll	102.47%	104.20%	101.23%	92.52%	45.31%	21.06%
Plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%
<b>Health Insurance Subsidy Program (HIS)</b>						
Proportion of the net pension liability	0.008143556%	0.005223074%	0.005258092%	0.005855760%	0.006967227%	0.008068319%
Proportionate share of the net pension liability	\$ 911,182	\$ 552,816	\$ 562,219	\$ 682,465	\$ 710,548	\$ 754,408
Covered payroll	2,724,119	1,706,317	1,676,346	1,669,149	2,046,001	2,349,609
Proportionate share of the net pension liability as a percentage of covered payroll	33.45%	32.40%	33.54%	40.89%	34.73%	32.11%
Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

\* GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, information is presented for only those years for which information is available.

**CITY OF BUNNELL, FLORIDA**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST 10 FISCAL YEARS**  
**(UNAUDITED)**

	As of the Plan Year Ended June 30,					
	2019	2018	2017	2016	2015	2014
<b>Florida Retirement System (FRS)</b>						
Contractually required contribution	\$ 251,328	\$ 168,221	\$ 149,348	\$ 167,167	\$ 190,099	\$ 205,334
Contributions in relation to the contractually required contribution	251,328	168,221	149,348	167,167	190,099	205,334
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,724,119	\$ 1,706,317	\$ 1,676,346	\$ 1,669,149	\$ 2,046,001	\$ 2,349,609
Contributions as a percentage of covered payroll	9.23%	9.86%	8.91%	10.02%	9.29%	8.74%
<b>Health Insurance Subsidy Program (HIS)</b>						
Contractually required contribution	\$ 45,220	\$ 28,325	\$ 27,827	\$ 21,031	\$ 25,780	\$ 28,195
Contributions in relation to the contractually required contribution	45,220	28,325	27,827	21,031	25,780	28,195
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,724,119	\$ 1,706,317	\$ 1,676,346	\$ 1,669,149	\$ 2,046,001	\$ 2,349,609
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.26%	1.26%	1.20%

\* GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, information is presented for only those years for which information is available

**CITY OF BUNNELL, FLORIDA**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**LAST 10 FISCAL YEARS**  
**(UNAUDITED)**

	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>		
Service cost	\$ 15,635	\$ 19,282
Interest	9,045	8,520
Differences between expected and actual experience	(11,523)	-
Changes of assumptions	18,203	-
Benefit payments – implicit rate subsidy	<u>(7,537)</u>	<u>(3,612)</u>
Net change in total OPEB liability	23,823	24,190
Total OPEB liability – beginning	240,755	216,565
Total OPEB liability – ending	<u><u>\$ 264,578</u></u>	<u><u>\$ 240,755</u></u>
Covered payroll	\$ 1,461,205	\$ 1,791,159
Total OPEB liability as a percentage of covered payroll	18.11%	13.44%
Measurement date	09/30/2019	09/30/2018
Actuarial valuation date	10/01/2018	10/01/2017

Changes of assumptions: Changes of assumptions and other changes reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

3.58%	3.64%
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\* GASB 75 requires information for 10 years. However, until a full 10-year trend is compiled, information is presented for only those years for which information is available.

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

To the Honorable Mayor, City Commission, and City Manager,  
City of Bunnell, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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, and each major fund of the City of Bunnell, Florida (the City) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 5, 2020.

***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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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. 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.

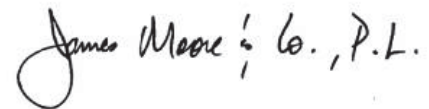
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

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

### **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.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida  
June 5, 2020

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED  
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA  
OFFICE OF THE AUDITOR GENERAL**

To the Honorable Mayor, City Commission, and City Manager,  
City of Bunnell, Florida:

**Report on the Financial Statements**

We have audited the financial statements of City of Bunnell, Florida (the City) as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated June 5, 2020.

**Auditors' Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Examination Report 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, which are dated June 5, 2020, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No findings and recommendation from the prior year's audit have been repeated for two or more years and have not yet been fully corrected. The following summarizes the status of prior year findings and recommendations:

**2016-001 Cash Disbursement Testing Exception** – Corrective action taken.

**2018-001 Human Resources Review Processes** – Corrective action taken.



### **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. The legal authority for the primary government of the reporting entity is disclosed in Note 1 of the basic 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 has 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.

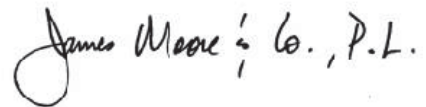
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we noted the following recommendations:

### **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 which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and State granting agencies, the City Commission, management, and others within the City and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida  
June 5, 2020

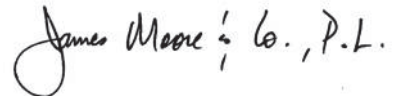
**INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT**

To the Honorable Mayor, City Commission, and City Manager,  
City of Bunnell, Florida:

We have examined the City of Bunnell, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance 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 with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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.

In our opinion, the City of Bunnell, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.



Daytona Beach, Florida  
June 5, 2020

**AFFIDAVIT**

BEFORE ME, the undersigned authority, personally appeared Shanea Stankiewicz, who being duly sworn, deposes and says on oath that:

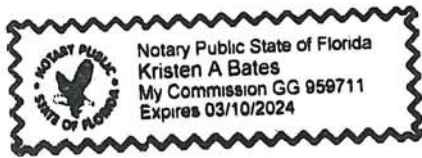
1. I am the Chief Financial Officer of the City of Bunnell, which is a local governmental entity of the State of Florida;
2. The City of Bunnell adopted Ordinance No. 2011-15 implementing an impact fee; and
3. The City of Bunnell has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

*Shanea Stankiewicz*  
 Chief Financial Officer of the Entity

STATE OF FLORIDA  
 COUNTY OF ~~(Name of County)~~ Flagler

SWORN TO AND SUBSCRIBED before me this 1st day of April, 2020.



*Kristen A. Bates*  
 NOTARY PUBLIC  
 Print Name Kristen A. Bates

Personally known X or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires:

3/10/2024

**CITY OF BUNNELL, FLORIDA  
FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020**

**CITY COMMISSION**

*Catherine D. Robinson, Mayor  
John R. Rogers, Vice Mayor  
Bill Baxley  
Donnie Nobles  
Tonya Gordon*

**CITY MANAGER**

*Dr. Alvin B. Jackson, Jr.*

**FINANCE DIRECTOR**

*Shanea Stankiewicz*

Prepared by:  
City of Bunnell Finance Department

**CITY OF BUNNELL, FLORIDA  
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SEPTEMBER 30, 2020**

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Commission, and City Manager,  
City of Bunnell, Florida:

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Bunnell, 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***

The City's 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.

### ***Auditors' Responsibility***

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows, thereof and the respective budgetary comparison for the general and community redevelopment agency funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

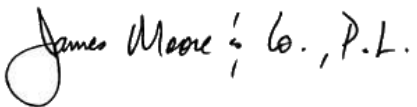
## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Daytona Beach, Florida  
March 1, 2021

City of Bunnell, Florida  
Management's Discussion and Analysis  
For the Year Ended September 30, 2020

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As management of the City of Bunnell, we offer readers of the City of Bunnell's financial statements this narrative overview and analysis of the financial activities of the City of Bunnell for the fiscal year ended September 30, 2020.

**Financial Highlights**

- The assets and deferred outflows of the City of Bunnell exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$22,348,901 (net position). Of this amount, \$3,913,289 may be used to meet the City's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Bunnell's governmental funds reported combined ending fund balances of \$2,227,942, an increase of \$105,904. The unassigned General Fund balance available for spending at the City's discretion is \$1,858,181.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Bunnell's basic financial statements. The City of Bunnell's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements** – The government-wide financial statements are designed to provide readers with a broad overview of the City of Bunnell's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. 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 result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes, licenses and permits, 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). The governmental activities of the City include general government, public safety, public works, parks and recreation, human services and community development. The business-type activities of the City include water, sewer and solid waste services.

**Fund Financial Statements** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Bunnell, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.



City of Bunnell, Florida  
Management's Discussion and Analysis  
For the Year Ended September 30, 2020

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**Governmental Funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a City's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Bunnell maintains four major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the CRA Fund and the Debt Service Fund.

The City of Bunnell adopts annual appropriated budgets for the General Fund and CRA fund. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

**Proprietary Funds** – The City of Bunnell maintains three proprietary funds. The enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Bunnell uses enterprise funds to account for its water, sewer and solid waste activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information of the water, sewer, and solid waste activities, all of which are considered to be major funds of the City of Bunnell.

**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.

**Other Information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Bunnell's schedule of proportionate share of net pension liability for the Florida Retirement System (FRS), the schedule of contributions to FRS, and the schedule of changes in total other post-employment benefits (OPEB) liability and related ratios.

**Government-Wide Financial Analysis** – As noted earlier, net position may serve over time as a useful indicator of a City's financial position. In the case of the City of Bunnell, net position at the close of the most recent fiscal year is \$22,348,901.

The largest portion of the City of Bunnell's net position \$15,754,006 (70.5%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, equipment); less any related debt used to acquire those assets that is still outstanding. The City of Bunnell uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Bunnell's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Bunnell, Florida  
Management's Discussion and Analysis  
For the Year Ended September 30, 2020

A portion of the City's net position, \$2,681,606 (12.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$3,913,289 (17.5%) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City can report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities, except in the governmental activities unrestricted net position. The (\$212,998) of unrestricted net position is primarily due to the \$447,287 increase in net pension liability and related deferred inflows and outflows.

Total net position increased by \$2,356,428 primarily due to the acquisition of capital/completion of capital improvements as well as the accumulation of water and sewer impact fees which are restricted and needed to fund future year Master Plan capital projects.

**CITY OF BUNNELL'S NET POSITION**  
September 30,

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 2,945,756	\$ 2,449,737	\$ 8,029,166	\$ 7,298,271	\$ 10,974,922	\$ 9,748,008
Capital Assets	3,836,671	3,619,828	18,063,824	16,731,610	21,900,495	20,351,438
Total Assets	6,782,427	6,069,565	26,092,990	24,029,881	32,875,417	30,099,446
Total Deferred Outflows	1,532,125	1,373,002	353,566	351,553	1,885,691	1,724,555
Long-term Liabilities	4,399,999	3,712,003	6,202,718	6,418,330	10,602,717	10,130,333
Other Liabilities	541,955	394,397	905,833	831,967	1,447,788	1,226,364
Total Liabilities	4,941,954	4,106,400	7,108,551	7,250,297	12,050,505	11,356,697
Total Deferred Inflows	290,997	377,410	70,705	97,421	361,702	474,831
Net Investment in Capital Assets	3,290,967	3,023,555	12,463,039	10,770,656	15,754,006	13,794,211
Restricted	3,632	3,631	2,677,974	2,089,611	2,681,606	2,093,242
Unrestricted	(212,998)	(68,429)	4,126,287	4,173,449	3,913,289	4,105,020
Total Net Position	\$ 3,081,601	\$ 2,958,757	\$ 19,267,300	\$ 17,033,716	\$ 22,348,901	\$ 19,992,473

Fiscal year 2020 governmental activities increased the City's net position by \$122,844, to \$3,081,601. Revenues increased by \$536,515 compared to fiscal year 2019, primarily because of a \$150,351 increase in property taxes related to new development and a \$317,246 increase in operating grants and contributions which are the result of CARES Act federal assistance to reimburse costs associated with the COVID-19 pandemic. The governmental activities expenses for public safety increased by \$380,920 due to addition of an officer and a detective position along with increased pension expense. Public works saw a significant reduction in expenses after reporting a significant loss on disposal of fixed assets in the prior year. Overall, expenses were decreased by \$327,922.

Business-Type Activities increased by \$2,233,584. Capital grants and contributions increased by \$900,684 for grants from the St. Johns Water Management District for system improvements and developer contributed fixed assets for infrastructure in Grand Reserve Phases 1-A and 1-B. Business-Type Expenses remained similar to prior year expenses.

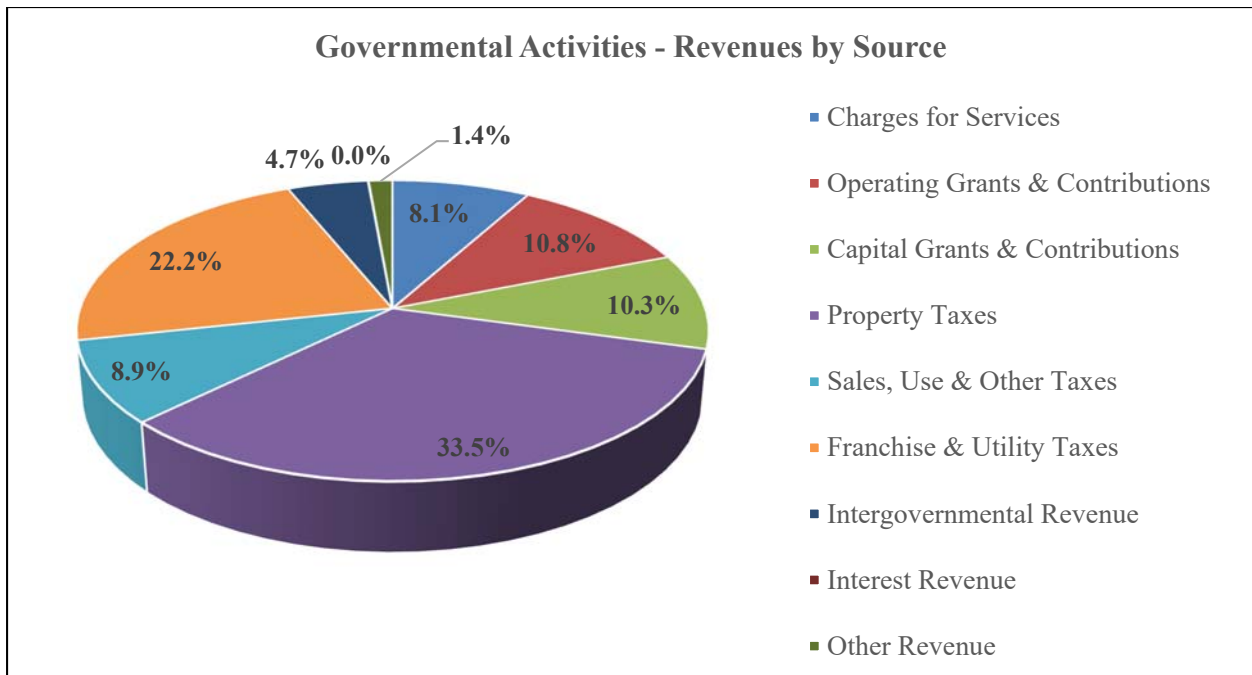
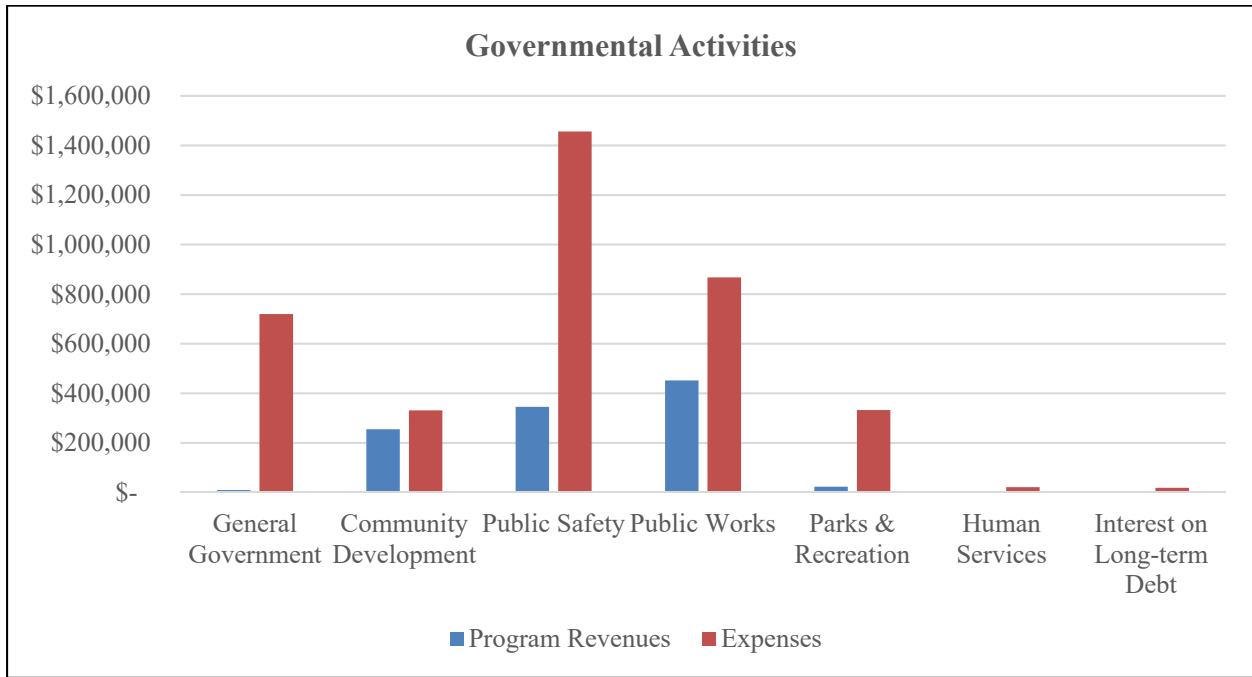
City of Bunnell, Florida  
Management's Discussion and Analysis  
For the Year Ended September 30, 2020

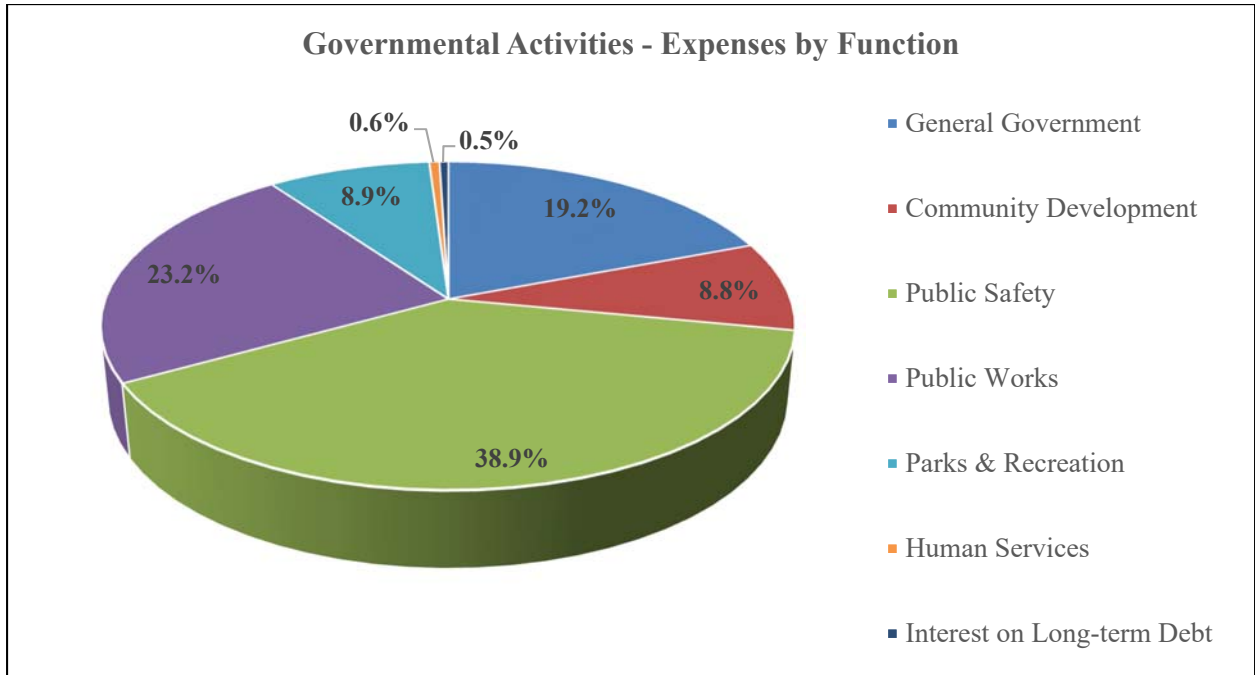
**CITY OF BUNNELL'S CHANGE IN NET POSITION**  
**September 30,**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Revenues:						
Program Revenues:						
Charges for Services	\$ 300,967	\$ 325,402	\$ 3,856,882	\$ 3,708,661	\$ 4,157,849	\$ 4,034,063
Operating Grants & Contributions	401,251	84,005	3,347	24,634	404,598	108,639
Capital Grants & Contributions	381,417	320,476	2,315,973	1,415,289	2,697,390	1,735,765
General Revenues:						
Property Taxes	1,237,240	1,086,889	-	-	1,237,240	1,086,889
Sales & Use Taxes	327,538	311,533	-	-	327,538	311,533
Franchise & Utility Taxes	820,826	807,266	-	-	820,826	807,266
Intergovernmental Revenue	175,654	179,164	-	-	175,654	179,164
Interest Revenue	1,629	3,658	14,009	25,740	15,638	29,398
Other	51,672	43,286	90,319	100,732	141,991	144,018
Total Revenues	<u>3,698,194</u>	<u>3,161,679</u>	<u>6,280,530</u>	<u>5,275,056</u>	<u>9,978,724</u>	<u>8,436,735</u>
Expenses:						
General Government	719,579	604,827	-	-	719,579	604,827
Community Development	330,612	515,601	-	-	330,612	515,601
Public Safety	1,455,806	1,074,886	-	-	1,455,806	1,074,886
Public Works	867,367	1,519,379	-	-	867,367	1,519,379
Parks & Recreation	332,184	337,885	-	-	332,184	337,885
Human Services	20,993	-	-	-	20,993	-
Interest on Long-term Debt	18,180	20,065	-	-	18,180	20,065
Water	-	-	1,475,552	1,475,855	1,475,552	3,130,874
Sewer	-	-	1,703,797	1,655,019	1,703,797	1,655,019
Solid Waste	-	-	698,226	667,344	698,226	667,344
Total Expenses	<u>3,744,721</u>	<u>4,072,643</u>	<u>3,877,575</u>	<u>3,798,218</u>	<u>7,622,296</u>	<u>7,870,861</u>
Increase (Decrease) in Net Position Before Transfers	(46,527)	(910,964)	2,402,955	1,476,838	2,356,428	565,874
Transfers In (Out)	169,371	165,480	(169,371)	(165,480)	-	-
Increase (Decrease) in Net Position	122,844	(745,484)	2,233,584	1,311,358	2,356,428	565,874
Net Position, Beginning (as restated)	2,958,757	3,704,241	17,033,716	15,722,358	19,992,473	19,426,599
Net Position, Ending	<u>\$ 3,081,601</u>	<u>\$ 2,958,757</u>	<u>\$ 19,267,300</u>	<u>\$ 17,033,716</u>	<u>\$ 22,348,901</u>	<u>\$ 19,992,473</u>

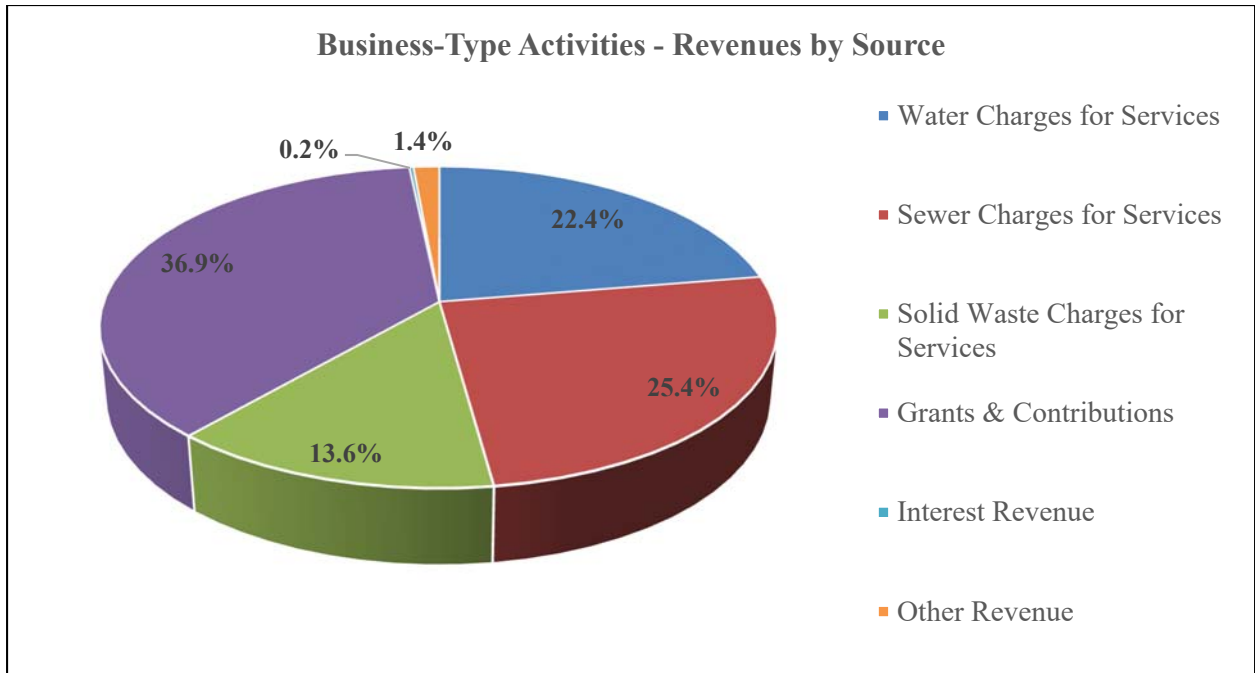
City of Bunnell, Florida  
 Management's Discussion and Analysis  
 For the Year Ended September 30, 2020

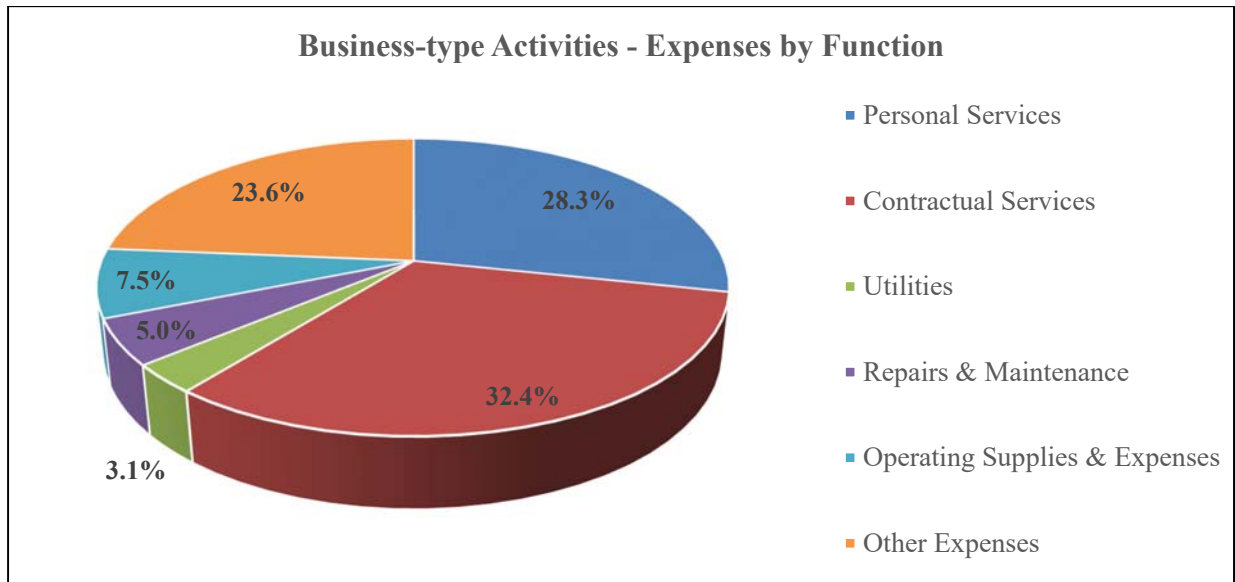
**Governmental Activities** – Governmental activities increased the City of Bunnell's net position by \$122,844.





**Business-type Activities** – Business-type activities increased the City of Bunnell’s net position by \$2,233,584.





**Financial Analysis of the City's Funds** – As noted earlier, the City of Bunnell uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. During fiscal year 2016, the City adopted a Cash and Investment Equity Reserve Policy. The policy sets the desired unrestricted net equity of 54 days or 14.8% of the annual budget for the major operating funds. As of September 30, 2020, the City's General Fund, Water Fund, Sewer Fund and Solid Waste Fund all had unrestricted net equity reserves greater than the required level established in the policy.

**Governmental Funds** – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Bunnell's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year. As of September 30, 2020, unassigned fund balances were \$1,858,181, a decrease of \$42,494 in comparison with the prior year. This amount constitutes unassigned General Fund balance, which is available for spending at the City's discretion.

The General Fund is the main operating fund of the City. At the end of fiscal year 2020, the General Fund had a total fund balance of \$2,224,310, an increase of \$105,903. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the General Fund has been included. The budget and actual comparison schedule shows the original budget, the final revised budget, actual results and the variance with the final budget.

After the original budget is adopted, it may be amended for a variety of reasons such as unforeseen circumstances, new grant awards, revised estimates, receipt of donations, etc. During fiscal year 2020, the General Fund budget was increased by \$388,948 or 9.8% which included award of a new St. Johns River Water Management grant, designation of prior year fund balance as a match to the grant and cash donations for the Police Department as well as several City events.

City of Bunnell, Florida  
Management's Discussion and Analysis  
For the Year Ended September 30, 2020

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Actual General Fund revenues plus other financing sources totaled \$3,850,104 which is \$175,036 or 4.6% less than the final budget. Actual expenditures were \$3,744,201, which is \$531,862 or 12.4% less than the final budget due to vacancies of positions throughout the year and budgeted capital expenditures that were not completed during the year.

The Community Redevelopment Agency had an increase of \$1, which brings the fund balance to \$3,632.

**Proprietary Funds** – The City of Bunnell's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net position of the Water Fund at the end of the year was \$1,795,482, which is a \$122,641 decrease in unrestricted net position.

The unrestricted net position of the Sewer Fund was \$1,795,452, which is a \$93,263 decrease in unrestricted net position.

The Solid Waste Fund showed an overall increase in unrestricted net position of \$168,742 making the unrestricted net position \$535,353 at year end.

### **Capital Assets and Debt Administration**

**Capital Assets** – The City of Bunnell's investment in capital assets for its governmental and business-type activities as of September 30, 2020, amounts to \$21,900,495 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment, infrastructure and construction in progress. The total change in the City of Bunnell's investment in capital assets for the current fiscal year was a \$216,843 increase in net capital assets for governmental activities and a \$1,332,214 increase in net capital assets for business-type activities.

Major capital asset events during the current fiscal year included the following:

- Developer Contributed Improvements in Phases 1-A and 1-B of Grand Reserve: \$1,167,095
- Batwing Mower: \$17,400
- 2020 Ford Fusion for Police Department: \$19,483
- Dell Server: \$8,532
- Improvements to the Municipal Complex: \$18,680
- EnviroSight Sewer Line Camera: \$73,052
- Westside Sewer Improvements: \$447,198
- Sewer Sliplining on Northside \$502,094
- SR 100 Reclaim Extension: \$438,241
- Southside Sewer Rehab: \$826,387
- SC Unit for O2 Ditch: \$5,665
- WWTP Storage Area: \$5,261
- South Anderson Lift Station Improvements: \$8,640
- Submersible Sewage Pump: \$5,552
- RAS Pump: \$11,604
- Two Submersible Mixers: \$10,100
- Confined Space Rescue System: \$5,676

City of Bunnell, Florida  
Management's Discussion and Analysis  
For the Year Ended September 30, 2020

**CITY OF BUNNELL'S CAPITAL ASSETS**  
(Net of Depreciation)

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Land	\$ 191,202	\$ 26,991	\$ 218,193
Construction in Progress	91,811	0	91,811
Buildings and Improvements	3,322,531	17,424,109	20,746,640
Equipment	231,127	612,724	843,851
Total	<u>\$ 3,836,671</u>	<u>\$ 18,063,824</u>	<u>\$ 21,900,495</u>

Additional information on the City of Bunnell's capital assets can be found in Note 6 in the notes to the financial statements.

**Long-Term Debt** – At the end of fiscal year 2020, the City of Bunnell had total debt outstanding of \$6,261,358.

**CITY OF BUNNELL'S OUTSTANDING DEBT**  
Long- and Short-Term Obligations

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Notes & Bonds Payable	\$ 545,704	\$ 5,600,785	\$ 6,146,489
Compensated Absences	79,376	35,493	114,869
Total	<u>\$ 625,080</u>	<u>\$ 5,636,278</u>	<u>\$ 6,261,358</u>

Additional information on the City's long-term debt can be found in Note 7 in the notes to the financial statements.

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

- The City's taxable value of commercial and residential property increased by 13.4% for 2020.
- The property values and assessments have stabilized over the past couple of years and the city is experiencing new growth. The City expects this upward trend to continue over the next several years.
- The millage rate of 6.43 was approved in September 2020, an increase of 4.95% above the roll back rate of 6.1269.
- In fiscal year 2014, the City's financial condition was considered unfavorable. Significant budget cuts were enacted. During fiscal year 2016, a fund balance reserve policy was established. At the end of the current fiscal year, the General Fund, Water Fund, Sewer Fund, and Solid Waste Fund unrestricted fund balances were in compliance with the new policy.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Bunnell'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 financial information should be addressed to the City of Bunnell, City Manager, P.O. Box 756, Bunnell, Florida 32110-0756.



**CITY OF BUNNELL, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2020**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,314,069	\$ 4,107,113	\$ 6,421,182
Investments	38,768	605,112	643,880
Receivables, net	101,536	513,175	614,711
Due from other governments	455,705	1,339	457,044
Inventories	3,715	83,422	87,137
Prepays	31,963	-	31,963
Restricted assets:			
Cash and cash equivalents	-	2,719,005	2,719,005
Capital assets:			
Land	191,202	26,991	218,193
Buildings and improvements	6,406,128	23,956,411	30,362,539
Equipment	1,162,734	1,878,059	3,040,793
Construction in progress	91,811	-	91,811
Accumulated depreciation	(4,015,204)	(7,797,637)	(11,812,841)
Total assets	<u>6,782,427</u>	<u>26,092,990</u>	<u>32,875,417</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	1,521,037	349,493	1,870,530
Deferred outflows related to OPEB	11,088	4,073	15,161
Total deferred outflows	<u>1,532,125</u>	<u>353,566</u>	<u>1,885,691</u>
<b>LIABILITIES</b>			
Accounts payable	332,400	87,201	419,601
Accrued payroll and employee benefits	110,421	47,463	157,884
Customer deposits	850	384,730	385,580
Unearned revenue	26,651	3,100	29,751
Accrued interest payable	-	41,031	41,031
Noncurrent liabilities:			
Due within one year:			
Bonds and notes payable	51,789	333,435	385,224
Compensated absences	19,844	8,873	28,717
Due in more than one year:			
Bonds and notes payable	493,915	5,267,350	5,761,265
Compensated absences	59,532	26,620	86,152
Total OPEB liability	181,091	66,523	247,614
Net pension liability	3,665,461	842,225	4,507,686
Total liabilities	<u>4,941,954</u>	<u>7,108,551</u>	<u>12,050,505</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	263,079	60,449	323,528
Deferred inflows related to OPEB	27,918	10,256	38,174
Total deferred inflows	<u>290,997</u>	<u>70,705</u>	<u>361,702</u>
<b>NET POSITION</b>			
Net investment in capital assets	3,290,967	12,463,039	15,754,006
Restricted for:			
Capital improvements	-	2,296,892	2,296,892
Debt service	-	381,082	381,082
Community redevelopment	3,632	-	3,632
Unrestricted	(212,998)	4,126,287	3,913,289
Total net position	<u>\$ 3,081,601</u>	<u>\$ 19,267,300</u>	<u>\$ 22,348,901</u>

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

**CITY OF BUNNELL, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 719,579	\$ 9,722	\$ -	\$ -	\$ (709,857)	\$ -	\$ (709,857)
Community development	330,612	254,463	-	-	(76,149)	-	(76,149)
Public safety	1,455,806	21,140	320,864	3,062	(1,110,740)	-	(1,110,740)
Public works	867,367	-	80,387	371,255	(415,725)	-	(415,725)
Parks and recreation	332,184	15,642	-	7,100	(309,442)	-	(309,442)
Human services	20,993	-	-	-	(20,993)	-	(20,993)
Interest on long-term debt	18,180	-	-	-	(18,180)	-	(18,180)
Total governmental activities	<u>3,744,721</u>	<u>300,967</u>	<u>401,251</u>	<u>381,417</u>	<u>(2,661,086)</u>	<u>-</u>	<u>(2,661,086)</u>
Business-type activities:							
Water	1,475,552	1,406,337	1,030	468,568	-	400,383	400,383
Solid Waste	698,226	853,624	1,176	-	-	156,574	156,574
Sewer	1,703,797	1,596,921	1,141	1,847,405	-	1,741,670	1,741,670
Total business-type activities	<u>3,877,575</u>	<u>3,856,882</u>	<u>3,347</u>	<u>2,315,973</u>	<u>-</u>	<u>2,298,627</u>	<u>2,298,627</u>
Total primary government	<u>\$ 7,622,296</u>	<u>\$ 4,157,849</u>	<u>\$ 404,598</u>	<u>\$ 2,697,390</u>	<u>(2,661,086)</u>	<u>2,298,627</u>	<u>(362,459)</u>
General revenues:							
Property taxes					1,237,240	-	1,237,240
Sales and use taxes					231,529	-	231,529
Franchise fees					261,276	-	261,276
Public service utility taxes					559,550	-	559,550
Other taxes					96,009	-	96,009
State revenue sharing					81,210	-	81,210
Other intergovernmental revenues					94,444	-	94,444
Investment earnings					1,629	14,009	15,638
Miscellaneous revenues					51,672	90,319	141,991
Transfers					169,371	(169,371)	-
Total general revenues and transfers					<u>2,783,930</u>	<u>(65,043)</u>	<u>2,718,887</u>
Change in net position					122,844	2,233,584	2,356,428
Net position - beginning					2,958,757	17,033,716	19,992,473
Net position - ending					<u>\$ 3,081,601</u>	<u>\$ 19,267,300</u>	<u>\$ 22,348,901</u>

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

**CITY OF BUNNELL, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2020**

	<u>General</u>	<u>Community Redevelopment Agency</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,310,437	\$ 3,632	\$ -	\$ 2,314,069
Investments	38,768	-	-	38,768
Receivables, net	101,536	-	-	101,536
Due from other governments	455,705	-	-	455,705
Inventories	3,715	-	-	3,715
Prepaid items	31,963	-	-	31,963
Total assets	<u>\$ 2,942,124</u>	<u>\$ 3,632</u>	<u>\$ -</u>	<u>\$ 2,945,756</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 336,600	\$ -	\$ -	\$ 336,600
Accrued payroll and employee benefits	106,221	-	-	106,221
Customer deposits	850	-	-	850
Unearned revenue	26,651	-	-	26,651
Total liabilities	<u>470,322</u>	<u>-</u>	<u>-</u>	<u>470,322</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	<u>247,492</u>	<u>-</u>	<u>-</u>	<u>247,492</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventories	3,715	-	-	3,715
Prepaid items	31,963	-	-	31,963
Restricted for:				
Community redevelopment	-	3,632	-	3,632
Assigned to:				
Subsequent year's budget	330,451	-	-	330,451
Unassigned	1,858,181	-	-	1,858,181
Total fund balances	<u>2,224,310</u>	<u>3,632</u>	<u>-</u>	<u>2,227,942</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 2,942,124</u>	<u>\$ 3,632</u>	<u>\$ -</u>	<u>\$ 2,945,756</u>

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

**CITY OF BUNNELL, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2020**

**Fund balances - total governmental funds** \$ 2,227,942

Amounts reported for governmental activities in the statement of net position are different because:

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

Total governmental capital assets	7,851,875	
Less: accumulated depreciation	<u>(4,015,204)</u>	3,836,671

Because some grant revenues will not be collected until 60 days after the close of the City's fiscal year-end, they are not considered as "available" revenues in the governmental funds and, therefore, are reported as deferred inflows of unavailable revenues. In the statement of net position, which is presented on an accrual basis, no deferral is reported since the revenue is fully recognized in the statement of activities.

247,492

On the governmental fund statements, a net pension liability is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the statement of net position, the City's net pension liability of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.

Net pension liability	(3,665,461)	
Deferred outflows related to pensions	1,521,037	
Deferred inflows related to pensions	<u>(263,079)</u>	(2,407,503)

On the governmental fund statements, a total OPEB liability is not recorded unless an amount is due and payable (no such liability exists at the end of the current fiscal year). On the statement of net position, the City's total OPEB liability is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to OPEB are also reported.

Total OPEB liability	(181,091)	
Deferred outflows related to OPEB	11,088	
Deferred inflows related to OPEB	<u>(27,918)</u>	(197,921)

Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities and other long-term liabilities consist of the following:

Bonds and notes payable	(545,704)	
Compensated absences	<u>(79,376)</u>	(625,080)

**Net position of governmental activities** \$ 3,081,601

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

**CITY OF BUNNELL, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>General</u>	<u>Community Redevelopment Agency</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes	\$ 2,258,108	\$ -	\$ -	\$ 2,258,108
Licenses and permits	327,041	-	-	327,041
Intergovernmental	397,348	-	-	397,348
Charges for services	660,656	-	-	660,656
Fines and forfeitures	22,261	-	-	22,261
Investment gain (loss)	1,628	1	-	1,629
Miscellaneous	78,084	-	-	78,084
Total revenues	<u>3,745,126</u>	<u>1</u>	<u>-</u>	<u>3,745,127</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,135,179	-	-	1,135,179
Community development	295,165	-	-	295,165
Public safety	1,174,657	-	-	1,174,657
Public works	695,937	-	-	695,937
Parks and recreation	262,009	-	-	262,009
Human services	20,993	-	-	20,993
Capital outlay	155,905	-	-	155,905
Debt service:				
Principal	-	-	50,569	50,569
Interest and fiscal charges	4,356	-	13,824	18,180
Total expenditures	<u>3,744,201</u>	<u>-</u>	<u>64,393</u>	<u>3,808,594</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>925</u>	<u>1</u>	<u>(64,393)</u>	<u>(63,467)</u>
<b>Other financing sources (uses)</b>				
Transfers in	169,371	-	64,393	233,764
Transfers out	(64,393)	-	-	(64,393)
Total other financing sources (uses)	<u>104,978</u>	<u>-</u>	<u>64,393</u>	<u>169,371</u>
<b>Net change in fund balances</b>	<u>105,903</u>	<u>1</u>	<u>-</u>	<u>105,904</u>
<b>Fund balances, beginning of year</b>	2,118,407	3,631	-	2,122,038
<b>Fund balances, end of year</b>	<u>\$ 2,224,310</u>	<u>\$ 3,632</u>	<u>\$ -</u>	<u>\$ 2,227,942</u>

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

**CITY OF BUNNELL, FLORIDA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

<b>Net change in fund balances - total governmental funds</b>	<b>\$</b>	<b>105,904</b>
Differences in amounts reported for governmental activities in the statement of activities are:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Capital outlay expenditures		155,905
Depreciation expense		(272,517)
Contributed capital assets		333,455
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Earned but unavailable grant revenues		247,492
Governmental funds report contributions to defined benefit pension/OPEB plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit pension plans reduces future net pension liability. Also included in pension/OPEB expense in the statement of activities are amounts required to be amortized related to pension deferred inflows/outflows.		
Change in net pension liability and deferred inflows/outflows related to pensions		(447,287)
Change in total OPEB liability and deferred inflows/outflows related to OPEB		(35,819)
Bond and loan proceeds are reported as financing sources in the governmental funds. However, the issuance of debt is reported as long-term debt payable in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment of debt principal reduces long-term liabilities in the statement of net position. These amounts are as follows:		
Principal repayment of of long-term debt		50,569
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows:		
Change in compensated absences liability		(14,858)
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>122,844</u></b>

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

**CITY OF BUNNELL, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Taxes	\$ 2,263,235	\$ 2,263,235	\$ 2,258,108	\$ (5,127)
Licenses and permits	302,484	302,484	327,041	24,557
Intergovernmental	288,102	421,073	397,348	(23,725)
Charges for services	663,799	663,799	660,656	(3,143)
Fines and forfeitures	24,476	24,476	22,261	(2,215)
Interest revenues	2,000	2,000	1,628	(372)
Miscellaneous	56,243	82,442	78,084	(4,358)
Total revenues	<u>3,600,339</u>	<u>3,759,509</u>	<u>3,745,126</u>	<u>(14,383)</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Legislative	165,011	156,290	144,934	11,356
Executive	321,415	353,137	342,155	10,982
Administration	463,793	469,564	453,883	15,681
Legal	84,099	84,099	84,098	1
Finance	73,797	106,597	110,109	(3,512)
Public safety:				
Police	1,284,711	1,284,685	1,174,657	110,028
Community development	317,641	320,468	295,165	25,303
Public works	784,877	765,050	695,937	69,113
Parks and recreation	292,165	291,749	262,009	29,740
Human services	18,750	18,750	20,993	(2,243)
Capital outlay	76,500	421,318	155,905	265,413
Debt service:				
Interest and fiscal charges	4,356	4,356	4,356	-
Total expenditures	<u>3,887,115</u>	<u>4,276,063</u>	<u>3,744,201</u>	<u>531,862</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(286,776)</u>	<u>(516,554)</u>	<u>925</u>	<u>517,479</u>
<b>Other financing sources (uses)</b>				
Transfers in	169,371	169,371	169,371	-
Transfers out	(67,596)	(67,596)	(64,393)	3,203
Issuance of debt	-	163,856	-	(163,856)
Total other financing sources (uses)	<u>101,775</u>	<u>265,631</u>	<u>104,978</u>	<u>(160,653)</u>
<b>Net change in fund balances</b>	<u>(185,001)</u>	<u>(250,923)</u>	<u>105,903</u>	<u>356,826</u>
<b>Fund balances, beginning of year</b>	2,118,407	2,118,407	2,118,407	-
<b>Fund balances, end of year</b>	<u>\$ 1,933,406</u>	<u>\$ 1,867,484</u>	<u>\$ 2,224,310</u>	<u>\$ 356,826</u>

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

**CITY OF BUNNELL, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - COMMUNITY REDEVELOPMENT AGENCY**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Interest revenues	\$ -	\$ -	\$ 1	\$ 1
Total revenues	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<b>EXPENDITURES</b>				
Current:				
Community redevelopment	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over     expenditures</b>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<b>Fund balances, beginning of year</b>	3,631	3,631	3,631	-
<b>Fund balances, end of year</b>	<u>\$ 3,631</u>	<u>\$ 3,631</u>	<u>\$ 3,632</u>	<u>\$ 1</u>

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



**CITY OF BUNNELL, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2020**

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,780,930	\$ 1,730,193	\$ 595,990	\$ 4,107,113
Investments	302,556	302,556	-	605,112
Restricted cash and cash equivalents	76,096	51,686	8,270	136,052
Accounts receivable, net	183,424	214,214	115,537	513,175
Due from other governments	629	647	63	1,339
Inventories	55,723	27,699	-	83,422
Total current assets	<u>2,399,358</u>	<u>2,326,995</u>	<u>719,860</u>	<u>5,446,213</u>
Noncurrent assets:				
Restricted cash and cash equivalents	1,241,768	1,340,801	384	2,582,953
Capital assets:				
Land	13,250	13,741	-	26,991
Buildings and improvements	10,324,068	13,632,343	-	23,956,411
Equipment	402,397	567,074	908,588	1,878,059
Accumulated depreciation	(2,345,481)	(4,772,890)	(679,266)	(7,797,637)
Total noncurrent assets	<u>9,636,002</u>	<u>10,781,069</u>	<u>229,706</u>	<u>20,646,777</u>
Total assets	<u>12,035,360</u>	<u>13,108,064</u>	<u>949,566</u>	<u>26,092,990</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	150,934	141,505	57,054	349,493
Deferred outflows related to OPEB	1,358	1,810	905	4,073
Total deferred outflows	<u>152,292</u>	<u>143,315</u>	<u>57,959</u>	<u>353,566</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	40,017	31,202	15,982	87,201
Accrued payroll	19,851	18,739	8,873	47,463
Deposits	191,433	161,775	31,522	384,730
Unearned revenue	-	-	3,100	3,100
Compensated absences	3,335	2,963	2,575	8,873
Current maturities on long-term debt	97,776	120,687	19,951	238,414
Payable from restricted assets:				
Current maturities on long-term debt	47,872	40,952	6,197	95,021
Accrued interest payable	28,224	10,734	2,073	41,031
Total current liabilities	<u>428,508</u>	<u>387,052</u>	<u>90,273</u>	<u>905,833</u>
Noncurrent liabilities:				
Notes payable	3,941,385	1,098,754	227,211	5,267,350
Total OPEB liability	22,174	29,566	14,783	66,523
Net pension liability	363,731	341,004	137,490	842,225
Compensated absences	10,006	8,890	7,724	26,620
Total noncurrent liabilities	<u>4,337,296</u>	<u>1,478,214</u>	<u>387,208</u>	<u>6,202,718</u>
Total liabilities	<u>4,765,804</u>	<u>1,865,266</u>	<u>477,481</u>	<u>7,108,551</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	26,106	24,475	9,868	60,449
Deferred inflows related to OPEB	3,419	4,558	2,279	10,256
Total deferred inflows	<u>29,525</u>	<u>29,033</u>	<u>12,147</u>	<u>70,705</u>
<b>NET POSITION</b>				
Net investment in capital assets	4,307,201	8,179,875	(24,037)	12,463,039
Restricted for:				
Capital improvements	1,038,104	1,258,788	-	2,296,892
Debt service	251,536	122,965	6,581	381,082
Unrestricted	1,795,482	1,795,452	535,353	4,126,287
Total net position	<u>\$ 7,392,323</u>	<u>\$ 11,357,080</u>	<u>\$ 517,897</u>	<u>\$ 19,267,300</u>

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

**CITY OF BUNNELL, FLORIDA**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Total</u>
<b>Operating revenues</b>				
Charges for services	\$ 1,406,337	\$ 1,596,921	\$ 853,624	\$ 3,856,882
Total operating revenues	<u>1,406,337</u>	<u>1,596,921</u>	<u>853,624</u>	<u>3,856,882</u>
<b>Operating expenses</b>				
Personal services	467,844	433,864	197,090	1,098,798
Contractual services	321,010	598,544	337,640	1,257,194
Repairs and maintenance	99,525	53,964	39,230	192,719
Supplies	135,712	105,178	49,073	289,963
Utilities	42,894	75,436	3,658	121,988
Other expenses	84,076	61,394	16,610	162,080
Depreciation	245,455	343,825	45,800	635,080
Total operating expenses	<u>1,396,516</u>	<u>1,672,205</u>	<u>689,101</u>	<u>3,757,822</u>
<b>Operating income (loss)</b>	<u>9,821</u>	<u>(75,284)</u>	<u>164,523</u>	<u>99,060</u>
<b>Nonoperating revenues (expenses)</b>				
Interest earnings	6,912	6,912	185	14,009
Operating grants	1,030	1,141	1,176	3,347
Other income (expense)	29,650	28,227	32,442	90,319
Interest and amortization expense	(79,036)	(31,592)	(9,125)	(119,753)
Total nonoperating revenues (expenses)	<u>(41,444)</u>	<u>4,688</u>	<u>24,678</u>	<u>(12,078)</u>
<b>Income (loss) before capital grants, capital contributions, and transfers</b>	<u>(31,623)</u>	<u>(70,596)</u>	<u>189,201</u>	<u>86,982</u>
Capital grants	-	930,131	-	930,131
Capital contributions	468,568	917,274	-	1,385,842
Transfers out	(64,385)	(64,385)	(40,601)	(169,371)
<b>Change in net position</b>	<u>372,560</u>	<u>1,712,424</u>	<u>148,600</u>	<u>2,233,584</u>
<b>Net position, beginning of year</b>	7,019,763	9,644,656	369,297	17,033,716
<b>Net position, end of year</b>	<u>\$ 7,392,323</u>	<u>\$ 11,357,080</u>	<u>\$ 517,897</u>	<u>\$ 19,267,300</u>

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

**CITY OF BUNNELL, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Water	Sewer	Solid Waste	Total
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ 1,397,584	\$ 1,601,288	\$ 863,735	\$ 3,862,607
Cash paid to employees	(448,267)	(416,985)	(191,240)	(1,056,492)
Cash paid to suppliers	(649,086)	(958,305)	(444,587)	(2,051,978)
Net cash provided by (used in) operating activities	<u>300,231</u>	<u>225,998</u>	<u>227,908</u>	<u>754,137</u>
<b>Cash flows from noncapital financing activities</b>				
Operating grants	401	494	1,113	2,008
Other income (expense)	29,650	28,227	32,442	90,319
Interfund transfers	(64,385)	(64,385)	(40,601)	(169,371)
Interfund loans	170,633	170,634	-	341,267
Net cash provided by (used in) noncapital financing activities	<u>136,299</u>	<u>134,970</u>	<u>(7,046)</u>	<u>264,223</u>
<b>Cash flows from capital and related financing activities</b>				
Impact fees and capital contributions	224,928	327,274	-	552,202
Acquisition and construction of capital assets	-	(1,060,602)	-	(1,060,602)
Capital grants	-	1,239,949	5,298	1,245,247
Principal payments of long-term debt	(128,598)	(145,759)	(25,274)	(299,631)
Interest paid	(79,094)	(32,741)	(9,492)	(121,327)
Net cash provided by (used in) capital and related financing activities	<u>17,236</u>	<u>328,121</u>	<u>(29,468)</u>	<u>315,889</u>
<b>Cash flows from investing activities</b>				
Interest received	3,366	3,366	185	6,917
Net cash provided by (used in) investing activities	<u>3,366</u>	<u>3,366</u>	<u>185</u>	<u>6,917</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>457,132</u>	<u>692,455</u>	<u>191,579</u>	<u>1,341,166</u>
<b>Cash and cash equivalents, beginning of year</b>	2,641,662	2,430,225	413,065	5,484,952
<b>Cash and cash equivalents, end of year</b>	<u>\$ 3,098,794</u>	<u>\$ 3,122,680</u>	<u>\$ 604,644</u>	<u>\$ 6,826,118</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>				
Operating income (loss)	\$ 9,821	\$ (75,284)	\$ 164,523	\$ 99,060
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities:				
Depreciation	245,455	343,825	45,800	635,080
Changes in assets and liabilities:				
Accounts receivable	(24,169)	(6,383)	4,086	(26,466)
Inventories and prepaids	(2,759)	(8,456)	-	(11,215)
Accounts payable and accrued liabilities	36,890	(55,333)	1,624	(16,819)
Deposits	15,416	10,750	2,925	29,091
Unearned revenue	-	-	3,100	3,100
Compensated absences	5,381	3,654	2,513	11,548
Net pension liability	27,220	19,248	7,938	54,406
Total OPEB liability	(13,024)	(6,023)	(4,601)	(23,648)
Net cash provided by (used in) operating activities	<u>\$ 300,231</u>	<u>\$ 225,998</u>	<u>\$ 227,908</u>	<u>\$ 754,137</u>
<b>Cash and cash equivalents classified as:</b>				
Unrestricted	\$ 1,780,930	\$ 1,730,193	\$ 596,374	\$ 4,107,497
Restricted	1,317,864	1,392,487	8,270	2,718,621
Total cash and cash equivalents	<u>\$ 3,098,794</u>	<u>\$ 3,122,680</u>	<u>\$ 604,644</u>	<u>\$ 6,826,118</u>
<b>Non-cash investing, capital, and financing activities:</b>				
Capital assets contributed from other sources	\$ 243,640	\$ 590,000	\$ -	\$ 833,640
Capital assets acquired through direct financing	-	73,052	-	73,052

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

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

(1) **Summary of Significant Accounting Policies:**

The financial statements of the City of Bunnell, Florida (the City) have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles. The following is a summary of the City's significant accounting policies:

(a) **Reporting entity**—The City of Bunnell, Florida, as created by the Laws of Florida, Ch. 28955 (1953), adopted the City Charter by Ordinance No. 2002-01 on January 29, 2002. The Charter was approved by referendum by the voters and became effective on March 5, 2002. The City Charter vests all the legislative powers of the City with a city commission consisting of five members. The City Manager is appointed by the Commission and is the Chief Administrative Officer of the City.

The accompanying financial statements present the financial position, results of operations, and cash flows of the applicable funds governed by the City Commission of the City of Bunnell, Florida, the reporting entity of government for which the City Commission is considered to be financially accountable. In evaluating the City as a reporting entity, management has addressed all potential component units that may or may not fall within the City's oversight and control, and thus, be included in the City's financial statements.

(b) **Blended component units**—Blended component units, although legally separate entities, are in substance part of the City's operations, and as a result, considered to be financially accountable. The following component unit is reported in the City's Annual Financial Report. In June 2007, the City passed an ordinance creating a dependent special district, the Bunnell Community Redevelopment Agency (Agency). The purpose of the Agency is to provide rehabilitation, conservation, or redevelopment of such areas as are necessary in the interest of public health, safety, or welfare of the residents of the City. The Agency is blended into the City's primary government although retaining separate legal identity. Separate financial statements are not prepared for this component unit.

Based upon the application of the criteria set forth by GASB, there are no discretely presented potential component units or related organizations of the City.

(c) **Government-wide and fund financial statements**—The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type. In the government-wide statement of net position, both the governmental and business-type activities columns are presented on a consolidated basis and are reflected, on a full accrual, economic resource basis, which incorporates long term assets and receivables as well as long term debt and obligations.

The government-wide statement of activities reflects both the gross and net costs per functional category (public safety, public works, etc.), which are otherwise being supported by general government revenues (property, sales taxes, certain intergovernmental revenues, etc.). The statement of activities reduces gross expenses (including depreciation) by the related program revenues, operating and capital grants. The program revenues must be directly associated with the function or a business-type activity. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

(1) **Summary of Significant Accounting Policies:** (Continued)

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.). This government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements emphasize the major funds in either the governmental or business-type categories. Non-major funds (by category) are summarized into a single column, if any.

The governmental funds' major fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to demonstrate legal compliance and demonstrate how the City's actual experience conforms to the budgeted fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following the Governmental Funds – Balance Sheet and the Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances, which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

As a general rule the effect of interfund City activities has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

(d) **Measurement focus and basis of accounting**—The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing recognition in the financial statements of various kinds of transactions or events.

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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.

The 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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

(1) **Summary of Significant Accounting Policies:** (Continued)

Taxes, intergovernmental revenue, licenses and permits, charges for services, 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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

(e) **Financial statement presentation**—The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The GASB Codification sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. Any non-major funds are combined in a column in the fund financial statements and detailed in the combining section. There are no non-major funds to report.

The City reports the following major governmental funds:

The **General Fund** accounts for several of the City's primary services (police, public works, community development, parks and recreation, etc.) and is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The **Community Redevelopment Agency Fund** accounts for the activities of the Bunnell Community Redevelopment Agency.

The **Debt Service Fund** accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The City reports the following major proprietary funds:

The **Water Fund** accounts for the activities of the City's water distribution system.

The **Sewer Fund** accounts for the activities of the City's sewage treatment plant, sewage pumping stations and collection systems.

The **Solid Waste Fund** accounts for the activities of the City's solid waste collection and disposal.

(f) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

(g) **Budgets and budgetary accounting**—Annual budgets for all governmental and proprietary funds were adopted in compliance with Florida law. The basis on which the budgets are prepared is consistent with the basis of accounting utilized by the various fund types. The governmental funds' budgets are prepared on the modified accrual basis of accounting. The proprietary funds' budgets are prepared on a full accrual basis of accounting.

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

(1) **Summary of Significant Accounting Policies:** (Continued)

The City uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

- i. Sixty days prior to October 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and means of financing them.
- ii. Budget workshops are scheduled by the City Manager as needed.
- iii. The general summary of the budget and notice of public hearing is published in the local newspaper.
- iv. Public hearings are conducted to obtain taxpayer comments.
- v. Prior to October 1, the budgets are legally enacted through passage of a resolution.
- vi. The City Manager is authorized to transfer budgeted amounts between divisions and departments; however, any revisions that alter the total appropriations of any fund must be approved by the City Commission.
- vii. The level of classification detail at which expenditures may not legally exceed appropriations is the fund level.
- viii. Appropriations lapse at the close of the fiscal year to the extent they have not been expended. Appropriations for capital expenditures lapse five years henceforth.
- ix. Budget for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The governmental funds have legally adopted annual budgets contained within a separate document.
- x. The City Commission, by resolution, may make supplemental appropriations in excess of those originally estimated for the year, up to the amount of available revenues.

(h) **Deposits and investments**—Cash consists of amounts held in demand deposits. Cash equivalents consist of short term investments having a maturity date of less than three months from the date acquired. Investments are reported at fair value.

(i) **Receivables and payables**—Activity 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 are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of historical trends. Utility operating sales are generally recognized on the basis of cycle billings rendered monthly. Unbilled accounts receivable are accrued by the City at year-end to recognize the sales revenues earned through the end of the fiscal year.

(j) **Capital assets**—Capital assets include property, plant, equipment and infrastructure assets. The terms general capital assets and general infrastructure assets relate only to the assets associated with governmental activities, whereas the terms capital assets and infrastructure assets relate to all such assets belonging to the City.

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

(1) **Summary of Significant Accounting Policies:** (Continued)

Capital assets are defined by the City as assets with an initial individual cost of \$5,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost, if purchased or constructed. Contributed assets are recorded at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are only capitalized if they meet the dollar threshold above for capitalization. Maintenance and repairs of capital assets are charged to operating expenses.

Depreciation is reported for the primary government using the straight-line method calculated on a service-life basis to amortize the cost of the asset over their estimated economic useful lives. Land and construction in progress are not depreciated. Other useful lives are as follows:

Assets	Years
Buildings	10 – 50 years
Infrastructure (improvements other than buildings)	15 – 50 years
Equipment	3 – 25 years

(k) **Compensated absences**—City policy permits employees to accumulate a limited amount of earned, but unused personal, vacation, and sick leave. Employees may carry forward up to 480 hours from one fiscal year to the next and may receive payment of 80 hours each fiscal year. These benefits are payable at 50% to employees upon separation from service. All leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in accordance with the GASB Codification.

(l) **Long-term obligations**—In the government-wide financial statements and proprietary fund financial statements, long-term debt obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when paid.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(m) **Net position flow assumption**—Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the City’s policy to consider restricted net position to have been used before unrestricted net position is applied.

(n) **Fund equity**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

*Nonspendable* – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.



**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

(1) **Summary of Significant Accounting Policies:** (Continued)

*Restricted* – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation (i.e., when the government assesses, levies, charges, or otherwise mandates payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

*Committed* – Fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by ordinance of the City Commission are reported as committed fund balance. Those committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

*Assigned* – Fund balance amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balance, except for stabilization arrangements. Assignments can be made by the City Commission.

*Unassigned* – Unassigned fund balance is the residual classification for the general fund. This classification 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.

For spendable resources, it is the City's policy to use its resources in the following order as needed to fund expenses: restricted, committed, assigned, unassigned.

(o) **Reserve policy**—The City Commission has approved a reserve policy, which addresses that the City's optimal level of net equity reserve has been determined to be 17% of the respective operating budgets at the beginning of the fiscal year or a net equity reserve equal to at least 54 consecutive days. Net Equity Reserve is defined as a specific fund's equity in pooled cash less liabilities due and payable within the next 12 months.

(p) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element 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 deferred outflows related to pensions and OPEB in the proprietary funds and government-wide statement of net position and are discussed further in Note (9) and Note (10).

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 represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has deferred inflows related to pensions and OPEB in the proprietary funds and government-wide statement of net position and are discussed further in Note (9) and Note (10). The City has deferred inflows related to unavailable revenue only in the governmental funds balance sheet. The governmental funds report unavailable revenues from operating grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

(2) **Reconciliation of Government-Wide and Fund Financial Statement:**

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

(3) **Property Tax Calendar:**

Under Florida law, the assessment of all properties and collection of all county, municipal, and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. State laws regulating tax assessment are designed to ensure a consistent property valuation method statewide and permit municipalities to levy property taxes at a rate of up to 10 mills. The millage rate assessed by the City for the fiscal year ended September 30, 2020, was 6.4300 per \$1,000.

All property is assessed according to its fair market value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State statutes.

The current year taxes for the fiscal year, beginning October 1, are billed in the month of November and are due no later than March 31. On April 1, all unpaid amounts become delinquent and are subject to interest and penalties. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, 1% in the month of February, and without discount in March.

The City recognizes property tax revenues as received. Delinquent taxes on real property bear interest of 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. The City tax calendar is as follows:

Valuation Date:	January 1, 2019
Levy Date:	November 1, 2019
Due Date:	March 31, 2020
Lien Date:	June 1, 2020

(4) **Deposits and Investments:**

The City, for accounting and investment purposes, maintains a pooled interest bearing banking account and a pooled investment account for substantially all City funds. This gives the City the ability to invest large amounts of idle cash for short periods of time and to maximize earning potential. The cash and investments shown on the balance sheets and statements of net position represent the amount owned by each fund.

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

(4) **Deposits and Investments:** (Continued)

State statutes authorize the City to invest excess funds in time deposits, obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States Government, commercial paper, corporate bonds, repurchase agreements and/or the State Board of Administration (SBA) Local-Government Surplus Trust Fund Investment Pool or other investment vehicles authorized by local ordinance.

As of September 30, 2020, all City deposits were covered by private bank acquired insurance, Securities Investor Protection Corporation (SIPC) insurance, private broker/dealer acquired insurance, Federal Depository Insurance Corporation (FDIC) insurance, or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act). The Act established guidelines for qualification and participation by banks and savings associations, procedures for administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to 125% may be required if deemed necessary.

Obligations pledged to secure deposits must be delivered to the State Treasurer, or with the approval of the State Treasurer to a bank, savings association, or trust company provided a power of attorney is delivered to the Treasurer. Under the Act, the City is authorized to deposit funds only in Qualified Public Depositories.

The City invests temporarily idle resources in the Florida PRIME Investment Pool (Florida PRIME) that is administered by the Florida State Board of Administration (SBA), who provides regulatory oversight. Florida PRIME is similar to money market funds in which units are owned in the fund rather than the underlying investments. These investments are reported at amortized cost and meet the requirements of GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. There is no limitation or restrictions on withdrawals from Florida PRIME; although in the occurrence of an event that has a material impact on liquidity or operations of the trust fund, the funds' executive director may limit contributions to or withdrawals from the trust fund for a period of 48 hours.

As of September 30, 2020, the investment pool had a weighted average maturity of 48 days, was rated AAAM by Standard & Poor's (S&P), and had a carrying value of \$643,880. The City held no assets or investments carried at fair value at September 30, 2020, and subject to the required disclosures of GASB 72.

*Interest Rate Risk:* The City's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. The investment of current operating funds will have maturities of no longer than three years. Investments of bond reserves, construction funds, and other non-operating funds ("core funds") shall have a term appropriate to the need for funds and in accordance with debt covenants, but should not exceed ten years. From time to time the above parameters may require modification in order to meet specific construction draw schedules or other predetermined operating or capital needs, or to satisfy debt obligations, but in no event shall exceed ten years.

*Credit Risk:* Credit risk is the risk that a debt issuer or other counter-party to an investment will not fulfill its obligations. The City's entire portfolio is invested in SBA funds, as described above.

*Concentration of Credit Risk:* The City has adopted no formal investment policy and follows the investment policies set forth in Florida Statutes, Chapter 218.

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

(4) **Deposits and Investments:** (Continued)

*Custodial Credit Risk:* All demand deposits are held with qualified public depositories, as defined above. In the case of investments, this 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. As of September 30, 2020, the City's investment of \$643,880 in SBA funds are backed by the full faith and credit of the State of Florida, or explicitly guaranteed by the State of Florida.

(5) **Accounts Receivable:**

The City's receivables consist of the following at September 30, 2020:

	<b>Gross Receivable</b>	<b>Allowance for Doubtful Accounts</b>	<b>Net Receivable</b>
Governmental Activities:			
General Fund			
Accounts receivable	\$ 108,386	\$ (6,850)	\$ 101,536
Totals – Governmental Type Activities	108,386	(6,850)	101,536
Business-Type Activities			
Water Fund			
Accounts receivable	260,339	(76,915)	183,424
Solid Waste Fund			
Accounts receivable	182,901	(67,364)	115,537
Sewer Fund			
Accounts receivable	348,100	(133,886)	214,214
Totals – Business-Type Activities	791,340	(278,165)	513,175
Totals	\$ 899,726	\$ (285,015)	\$ 614,711

In addition to accounts receivable, the City also recorded \$457,044 in due from other governments at September 30, 2020.

(6) **Capital Assets:**

Capital asset activity for the fiscal year ended September 30, 2020, is as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Governmental activities:				
Capital assets, not being depreciated –				
Land	\$ 191,202	\$ -	\$ -	\$ 191,202
Construction in progress	-	91,811	-	91,811
Total capital assets, not being depreciated	191,202	91,811	-	283,013
Capital assets, being depreciated –				
Buildings	6,053,993	352,135	-	6,406,128
Equipment	1,346,005	45,414	(228,685)	1,162,734
Total capital assets, being depreciated	7,399,998	397,549	(228,685)	7,568,862
Less: accumulated depreciation	(3,971,372)	(272,517)	228,685	(4,015,204)
Total capital assets, being depreciated, net	3,428,626	125,032	-	3,553,658
Governmental activities capital assets, net	\$ 3,619,828	\$ 216,843	\$ -	\$ 3,836,671

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

(6) **Capital Assets:** (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated –				
Land	\$ 26,991	\$ -	\$ -	\$ 26,991
Construction in progress	1,205,816	1,019,029	(2,224,845)	-
Total capital assets, not being depreciated	<u>1,232,807</u>	<u>1,019,029</u>	<u>(2,224,845)</u>	<u>26,991</u>
Capital assets, being depreciated –				
Buildings and improvements	20,897,926	3,058,485	-	23,956,411
Equipment	1,763,434	114,625	-	1,878,059
Total capital assets, being depreciated	22,661,360	3,173,110	-	25,834,470
Less: accumulated depreciation	(7,162,557)	(635,080)	-	(7,797,637)
Total capital assets, being depreciated, net	<u>15,498,803</u>	<u>2,538,030</u>	<u>-</u>	<u>18,036,833</u>
Business-type activities capital assets, net	<u>\$ 16,731,610</u>	<u>\$ 3,557,059</u>	<u>\$ (2,224,845)</u>	<u>\$ 18,063,824</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General governmental	\$ 41,120
Community development	-
Public safety	44,396
Parks and recreation	50,552
Public works	136,449
Total depreciation expense – governmental activities	<u>\$ 272,517</u>
Business-type activities:	
Water	\$ 245,455
Sewer	343,825
Solid waste	45,800
Total depreciation expense – business-type activities	<u>\$ 635,080</u>

(7) **Long-Term Debt:**

A summary of the long-term liability transactions for the City for the fiscal year ended September 30, 2020, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Notes and bonds payable	\$ 596,273	\$ -	\$ (50,569)	\$ 545,704	\$ 51,789
Compensated absences	64,518	83,200	(68,342)	79,376	19,844
Governmental activities –					
Total long-term liabilities	<u>\$ 660,791</u>	<u>\$ 83,200</u>	<u>\$ (118,911)</u>	<u>\$ 625,080</u>	<u>\$ 71,633</u>

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

(7) **Long-Term Debt:** (Continued)

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Business-type activities:</b>					
Long-term debt:					
Notes and bonds payable	\$ 5,252,429	\$ 73,052	\$ (235,988)	\$ 5,089,493	\$ 268,151
SRF Notes payable	574,935	-	(63,643)	511,292	65,284
Total long-term debt	5,827,364	73,052	(299,631)	5,600,785	333,435
Compensated absences	23,945	32,257	(20,709)	35,493	8,873
Business-type activities –					
Total long-term liabilities	<u>\$ 5,851,309</u>	<u>\$ 105,309</u>	<u>\$ (320,340)</u>	<u>\$ 5,636,278</u>	<u>\$ 342,308</u>

Annual debt service requirements to maturity for the City's revenue bonds and notes are as follows:

<b>Year Ending September 30,</b>	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2021	\$ 51,789	\$ 12,752	\$ 333,435	\$ 114,671	\$ 512,647
2022	53,038	11,486	341,618	106,885	513,027
2023	54,317	10,189	323,954	98,889	487,349
2024	55,627	8,885	331,360	91,904	487,776
2025	56,968	7,501	338,944	84,752	488,165
2026-2030	273,965	16,035	1,442,135	320,838	2,052,973
2031-2035	-	-	423,438	218,733	642,171
2036-2040	-	-	465,046	177,125	642,171
2041-2045	-	-	506,855	131,117	637,972
2046-2050	-	-	516,000	84,190	600,190
2051-2055	-	-	578,000	22,190	600,190
Total	<u>\$ 545,704</u>	<u>\$ 66,848</u>	<u>\$ 5,600,785</u>	<u>\$ 1,451,294</u>	<u>\$ 7,664,631</u>

Notes and bonds payable in the City's governmental activities at September 30, 2020, are comprised of the following obligations:

Non-Ad Valorem Revenue note payable, in the original amount of \$732,008, dated February 28, 2017, bearing interest at a fixed rate of 2.39% and maturing on February 26, 2030. Repayment of loan balance is secured by a pledge of non-ad valorem revenues.	\$ 545,704
Total long-term debt, governmental activities	<u>\$ 545,704</u>

Notes and bonds payable in the City's business-type activities at September 30, 2020, are comprised of the following obligations:

State Revolving Fund note payable, dated July 1, 2005, due in semiannual payments of \$35,363, including interest at 2.60% through December 15, 2025. Repayment of loan balance is secured by a pledge of water & sewer utility revenues.	\$ 351,489
Note payable to Florida Department of Transportation, in the original amount of \$529,694, unsecured and noninterest bearing. Flagler County made a \$264,647 payment in 2010, remaining payments will begin October 15, 2020, with ten annual payments of \$26,505.	265,047

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

(7) **Long-Term Debt:** (Continued)

State Revolving Fund note payable, dated November 19, 2012, due in semiannual payments of \$4,777 once the full amount has been drawn, including interest at 2.12% through June 15, 2035. Repayment of loan balance is secured by a pledge of water & sewer utility revenues.	\$ 159,803
Water and Sewer System Refunding Revenue Note, Series 2017: Water and Sewer Revenue note payable, in the original amount of \$1,937,333, dated February 28, 2017; due serially to May 21, 2030, with interest at 2.39% payable annually. Repayment of year-end loan balance is secured by a pledge of water & sewer utility revenues.	1,455,413
Water and Sewer Bonds, in the original amount of \$3,362,000, dated May 20, 2015; due serially to May 20, 2055, with interest at 1.875% payable annually. Repayment of year-end loan balance is secured by a pledge of water & sewer utility revenues.	3,067,000
Solid Waste Revenue Note, in the original amount of \$292,100, dated February 13, 2019; due in semiannual payments of \$17,308, including interest at 3.43% (reduced to 1.95% effective December 15, 2020) through January 1, 2029. Repayment of loan balance is secured by a solid waste utility revenues.	253,359
Sewer Camera financing, in the original amount of \$73,052, dated November 6, 2019; due in annual payments of \$26,070, including interest at 4.62% through May 1, 2022. Repayment of loan balance is secured by the underlying asset title.	48,674
Total long-term debt, business-type activities	<u>\$ 5,600,785</u>

**Conduit Debt**

Pursuant to the provisions of Resolution 2008-01, the City authorized issuance of conduit debt in the total amount not to exceed \$5,750,000 for SMA Healthcare Foundation, Inc. (the Borrower), a Florida not-for-profit corporation. On May 20, 2008, the Borrower issued a \$5,750,000 Stewart-Marchman Foundation, Inc. Project Series 2008-A Revenue Bonds, secured with a mortgage. The proceeds were utilized for financing the acquisition, improvement, construction and equipping of certain real property to be used as a substance abuse treatment facility. Monthly interest payments were due at a rate of 4.43% per annum through maturity of February 28, 2018, at which time the full principal amount would become due. The issuing financial institution sold the bonds to another financial institution on September 30, 2014. Under the new financial institution, principal and interest payments are due in monthly installments at a rate of 3.225% through December 31, 2024. Commencing January 1, 2025, through the maturity date of July 1, 2028, the interest rate will be subject to an interest rate adjustment of 2.00% above the 5-Year Federal Home Loan Bank Rate, not to exceed 3.225%. At September 30, 2020, the balance of this conduit debt outstanding is \$887,100.

Under the financing agreement, the City is not obligated to pay the Series 2008-A Bonds except from the proceeds derived from the repayment of the loan to the Borrower, or from the other security pledged thereof by the Borrower, and neither the faith and credit nor the taxing power of the City, the State or any political subdivision thereof is pledged to the payment of the principal or, premium, if any, or the interest on the obligation.

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**(8) Interfund Transfers:**

For the year ended September 30, 2020, interfund transfers consisted of the following:

	<u>Transfer From</u>	<u>Transfer To</u>
Governmental Activities		
General Fund:		
Debt Service Fund	\$ -	\$ 64,393
Water Fund	64,385	-
Sewer Fund	64,385	-
Solid Waste Fund	40,601	-
Debt Service Fund:		
General Fund	64,393	-
Business-Type Activities		
Water Fund:		
General Fund	-	64,385
Sewer Fund:		
General Fund	-	64,385
Solid Waste Fund:		
General Fund	-	40,601
	\$ 233,764	\$ 233,764

The transfer from the General Fund to the Debt Service Fund represents funding of the debt service requirement as debt service principal and interest payments become due. The transfer from the Water, Sewer, and Solid Waste Funds to the General Fund represents payments in lieu of taxes.

**(9) Employees' Retirement Plans:**

**A. Florida Retirement System:**

**Plan Description and Administration**

As of June 1, 2004, the City began participating in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the City's full-time employees. FRS is a noncontributory retirement plan, administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Pension Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the City are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.



**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

(9) **Employees' Retirement Plans:** (Continued)

**Benefits Provided and Employees Covered**

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a 5% benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments.

Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Employees may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, DROP, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

**Financial Statements**

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site ([www.myfloridacfo.com](http://www.myfloridacfo.com)). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from:

Florida Department of Management Services  
Division of Retirement, Research and Education Services  
P.O. Box 9000  
Tallahassee, FL 32315-9000

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

(9) **Employees' Retirement Plans:** (Continued)

**Contributions**

Employers may participate in certain classes of FRS membership. The employee contribution rate for eligible employees, other than those in DROP from FRS who are not required to contribute, is 3.00%. Each class has descriptions and employer contribution rates in effect during the fiscal year ended September 30, 2020, as follows (contribution rates are in agreement with the actuarially determined rates):

<u>FRS Membership Plan &amp; Class</u>	<u>Before June 30, 2020</u>	<u>After June 30, 2020</u>
Regular Class	8.47%	10.00%
Special Risk	25.48%	24.45%
Senior Management Service Class	25.41%	27.29%
Regular Class Not Eligible for FRS	5.22%	5.10%

Current-year employer HIS contributions were made at a rate of 1.66% of covered payroll, included in the above rates.

Actual contributions made for City employees participating in FRS and HIS for the plan year ended June 30, 2020, were as follows:

City Contributions – FRS	\$ 283,319
City Contributions – HIS	38,318
Employee Contributions	69,250

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

At September 30, 2020, the City reported a net pension liability related to FRS and HIS as follows:

<u>Plan</u>	<u>Net Pension Liability</u>
FRS	\$ 3,695,788
HIS	811,898
Total	<u>\$ 4,507,686</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined. At June 30, 2020 and 2019, the City's proportional share of the FRS and HIS net pension liabilities were as follows:

<u>Plan</u>	<u>2020</u>	<u>2019</u>
FRS	0.008527139%	0.008105469%
HIS	0.006649536%	0.008143556%

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

(9) **Employees' Retirement Plans:** (Continued)

For the plan year ended June 30, 2020, pension expense was recognized related to the FRS and HIS plan as follows:

FRS	\$	811,058
HIS		58,282
Total	\$	<u>869,340</u>

*Deferred outflows/inflows related to pensions:*

At September 30, 2020, deferred outflows of resources and deferred inflows of resources related to pensions were recorded from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 141,445	\$ -	\$ 33,212	\$ (626)
Changes of assumptions	669,055	-	87,302	(47,209)
Net different between projected and actual investment earnings	220,051	-	648	-
Change in City's proportionate share	410,022	(61,656)	220,543	(214,037)
Contributions subsequent to the measurement date	78,730	-	9,522	-
	\$ 1,519,303	\$ (61,656)	\$ 351,227	\$ (261,872)

The above amounts for deferred outflows of resources for contributions related to pensions resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

2021	\$	270,049
2022		413,461
2023		382,112
2024		284,818
2025		115,173
Thereafter		(6,863)
Total	\$	<u>1,458,750</u>

*Actuarial assumptions:*

The Actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

(9) **Employees' Retirement Plans:** (Continued)

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.90%. This rate decreased from the prior year rate, which was 7.00%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.50% was used to determine was used to determine the total pension for the program. This rate decreased from the prior year rate, which was 3.87%. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.

*Long-term expected rate of return:*

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2019, the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Arithmetic Expected Rate of Return</u>
Cash	1.0%	2.2%
Fixed income	19.0%	3.0%
Global equities	54.2%	8.0%
Real estate	10.3%	6.4%
Private equity	11.1%	10.8%
Strategic investments	4.4%	5.5%
Total	<u>100.0%</u>	

*Sensitivity of the net pension liability to changes in the discount rate:*

The following presents the proportionate shares of the FRS and HIS net pension liability of the City calculated using the current discount rates, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

<u>Plan</u>	<u>Current Discount Rate</u>	<u>NPL with 1% Decrease</u>	<u>NPL at Current Discount Rate</u>	<u>NPL with 1% Increase</u>
FRS	6.80%	\$ 5,901,552	\$ 3,695,788	\$ 1,853,524
HIS	2.21%	938,517	811,898	708,260

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

(9) **Employees' Retirement Plans:** (Continued)

**B. Defined Contribution Plan:**

The City Commission has adopted the International City Management Association Retirement Corporation (ICMA-RC) Money Purchase Plan and Trust effective July 1, 2015. The plan is available to the general employees who are not in one of the other City retirement plans. City contributions to the ICMARC Money Purchase Plan and Trust for general employees shall be in same percentages as the FRS. For the year ended September 30, 2020, actual employer contributions to this plan totaled \$40,371.

(10) **Other Post-Employment Benefits (OPEB):**

**Plan Description**—No assets are held in trust for payment of the OPEB liability as the City had no OPEB liability other than as arising from the implicit rate subsidy. Retirees and their dependents are permitted to remain covered under the City's respective health care plans as long as they pay a full premium applicable to the coverage elected. Eligible participants include all regular employees of the City who retire from active service under one of the pension plans sponsored by the City. Under certain conditions, eligible individuals also include spouses and dependent children. This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes. The Other Post-Employment Benefit Plan does not issue a stand-alone report.

**Benefits Provided**—The Other Post-Employment Benefits Plan is a single-employer benefit healthcare plan administered by the City. Retirees are charged whatever the insurance company charges for the type of coverage elected, however, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. The older retirees actually have a higher cost which means the City is actually subsidizing the cost of the retiree coverage because it pays all or a significant portion of the premium on behalf of the active employee. GASB No. 75 calls this the "implicit rate subsidy."

**Plan Membership**—At October 1, 2019, the date of the latest actuarial valuation, plan participation consisted of 37 covered individuals, including one inactive employee and beneficiaries and 36 active employees. Plan participation does not include any inactive employees entitled to but not yet receiving benefits.

**Actuarial Assumptions and Other Inputs**—The total OPEB liability in the October 1, 2019, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Discount rate	2.14%
Salary increases	3.00%
Healthcare cost trend rate	7.00% in 2020, downgraded 0.50% per year to 5.00% in 2024
Age-related morbidity	3.50% for each year of age
Retirees' share of benefit-related costs	100.00%

The City does not have a dedicated trust to pay retiree healthcare benefits. The discount rate was based the S&P Municipal Bond 20-Year High Grade Rate Index as of September 30, 2020.

Mortality rates were based on the sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general employees, with full generational improvements in mortality using Scale MP-2017.

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

(10) **Other Post-Employment Benefits (OPEB):** (Continued)

**Total OPEB Liability**—Changes in the OPEB liability for the fiscal year ended September 30, 2020, were as follows:

	<b>Total OPEB Liability</b>
Balance at September 30, 2019	\$ 264,578
Changes for a year:	
Service cost	15,764
Interest	5,921
Differences between expected and actual experience	(6,090)
Changes of assumptions	(25,235)
Benefit payments – implicit rate subsidy	(7,324)
Other changes	-
Net changes	(16,964)
Balance at September 30, 2020	\$ 247,614

*Sensitivity of the total OPEB liability to changes in the discount rate:*

The following presents the total OPEB liability of the City calculated using the discount rate of 2.14%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.14%) or 1% higher (3.14%) than the current rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 268,330	\$ 247,614	\$ 229,038

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate:*

The following presents the total OPEB liability of the City calculated using the healthcare cost trend rate of 7% graded down to 5%, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (6.00%) or 1% higher (8.00%) than the current healthcare cost trend rate:

	<b>1% Decrease</b>	<b>Current Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 221,844	\$ 247,614	\$ 278,362

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources:*

For the year ended September 30, 2020; the City recognized OPEB expense of \$12,171. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Demographic experience	\$ -	\$ 15,153
Changes of assumptions	15,161	23,021
Total	\$ 15,161	\$ 38,174

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

(10) **Other Post-Employment Benefits (OPEB):** (Continued)

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

<u>Year ended</u> <u>September 30,</u>		
2021	\$	(2,190)
2022		(2,190)
2023		(2,190)
2024		(2,190)
2025		(2,190)
Thereafter		(12,063)

(11) **Risk Management:**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in coverage from the prior year. The City is engaged in routine litigation incidental to the conduct of its municipal affairs. In the opinion of the City’s legal counsel, no legal proceedings are pending which would have a material adverse effect on the financial position or results of operations of the City.

(12) **Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented and that City believes will apply to them. Management has not currently determined what, if any, impact implementation of the following will have on the City’s financial statements:

GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in GASB 87 are effective for periods beginning after June 15, 2021.

GASB issued Statement No. 91, *Conduit Debt Obligations*, in May 2019. GASB 91 provides for a single method of reporting conduit debt obligations and requires essential information related to the conduit debt obligations be disclosed in the notes to the financial statements. The provisions in GASB 91 are effective for periods beginning after December 15, 2021.

GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, in May 2020. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures established in Statement No. 87, *Leases*, as amended. The provisions in GASB 96 are effective for periods beginning after June 15, 2021.

**CITY OF BUNNELL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**(13) Risks and Uncertainties – COVID-19:**

During the year ended September 30, 2020, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the City as of March 1, 2021, management believes that a material impact on the entity's net position and results of future operations is reasonably possible.



**CITY OF BUNNELL, FLORIDA**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**LAST 10 FISCAL YEARS**  
**(UNAUDITED)**

	<b>As of the Plan Year Ended June 30,</b>						
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Florida Retirement System (FRS)</b>							
Proportion of the net pension liability	0.008527139%	0.008105469%	0.005902651%	0.005736974%	0.006115975%	0.717755300%	0.008108986%
Proportionate share of the net pension liability	\$ 3,695,788	\$ 2,791,411	\$ 1,777,909	\$ 1,696,958	\$ 1,544,288	\$ 927,077	\$ 494,767
Covered payroll	2,308,323	2,724,119	1,706,317	1,676,346	1,669,149	2,046,001	2,349,609
Proportionate share of the net pension liability as a percentage of covered payroll	160.11%	102.47%	104.20%	101.23%	92.52%	45.31%	21.06%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%
<b>Health Insurance Subsidy Program (HIS)</b>							
Proportion of the net pension liability	0.006649536%	0.008143556%	0.005223074%	0.005258092%	0.005855760%	0.006967227%	0.008068319%
Proportionate share of the net pension liability	\$ 811,898	\$ 911,182	\$ 552,816	\$ 562,219	\$ 682,465	\$ 710,548	\$ 754,408
Covered payroll	2,308,323	2,724,119	1,706,317	1,676,346	1,669,149	2,046,001	2,349,609
Proportionate share of the net pension liability as a percentage of covered payroll	35.17%	33.45%	32.40%	33.54%	40.89%	34.73%	32.11%
Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

\* GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, information is presented for only those years for which information is available.

**CITY OF BUNNELL, FLORIDA  
SCHEDULE OF CONTRIBUTIONS  
LAST 10 FISCAL YEARS  
(UNAUDITED)**

	As of the Plan Year Ended June 30,						
	2020	2019	2018	2017	2016	2015	2014
<b>Florida Retirement System (FRS)</b>							
Contractually required contribution	\$ 283,319	\$ 251,328	\$ 168,221	\$ 149,348	\$ 167,167	\$ 190,099	\$ 205,334
Contributions in relation to the contractually required contribution	283,319	251,328	168,221	149,348	167,167	190,099	205,334
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,308,323	\$ 2,724,119	\$ 1,706,317	\$ 1,676,346	\$ 1,669,149	\$ 2,046,001	\$ 2,349,609
Contributions as a percentage of covered payroll	12.27%	9.23%	9.86%	8.91%	10.02%	9.29%	8.74%
<b>Health Insurance Subsidy Program (HIS)</b>							
Contractually required contribution	\$ 38,318	\$ 45,220	\$ 28,325	\$ 27,827	\$ 21,031	\$ 25,780	\$ 28,195
Contributions in relation to the contractually required contribution	38,318	45,220	28,325	27,827	21,031	25,780	28,195
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,308,323	\$ 2,724,119	\$ 1,706,317	\$ 1,676,346	\$ 1,669,149	\$ 2,046,001	\$ 2,349,609
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.26%	1.26%	1.20%

\* GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, information is presented for only those years for which information is available

**CITY OF BUNNELL, FLORIDA**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**LAST 10 FISCAL YEARS**  
**(UNAUDITED)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 15,764	\$ 15,635	\$ 19,282
Interest	5,921	9,045	8,520
Differences between expected and actual experience	(6,090)	(11,523)	-
Changes of assumptions	(25,235)	18,203	-
Benefit payments – implicit rate subsidy	(7,324)	(7,537)	(3,612)
Net change in total OPEB liability	<u>(16,964)</u>	<u>23,823</u>	<u>24,190</u>
Total OPEB liability – beginning	264,578	240,755	216,565
Total OPEB liability – ending	<u>\$ 247,614</u>	<u>\$ 264,578</u>	<u>\$ 240,755</u>
Covered payroll	\$ 1,420,597	\$ 1,461,205	\$ 1,791,159
Total OPEB liability as a percentage of covered payroll	17.43%	18.11%	13.44%
Measurement date	09/30/2020	09/30/2019	09/30/2018
Actuarial valuation date	10/01/2019	10/01/2018	10/01/2017

*Changes of assumptions:*

Changes of assumptions reflect the effects of changes in the discount rate each period.

To the right are the discount rates used in each period:	2.14%	3.58%	3.64%
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The monthly implied subsidy at age 62 for the 2019/20 fiscal year for the retiree and his spouse was decreased from \$564.38 and \$537.50, respectively, to \$475.00 and \$425.00, respectively.

\* GASB 75 requires information for 10 years. However, until a full 10-year trend is compiled, information is presented for only those years for which information is available.

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

To the Honorable Mayor, City Commission, and City Manager,  
City of Bunnell, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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, and each major fund of the City of Bunnell, 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, and have issued our report thereon dated March 1, 2021.

***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.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described as follows as item 2020-001, that we consider to be a significant deficiency.

**2020-001 Reconciliation of Account Balances:** During our audit, we noted a number of account balances required adjustments, including revenues, expenditures, receivables, capital assets, and capital leases in order to be compliant with generally accepted accounting principles in the United States of America. We recommend the City review significant transactions monthly to ensure completeness and accuracy, as well as all account balances at year-end to ensure proper cutoff and accrual-based reconciliations agree to the general ledger.

### ***Compliance and Other Matters***

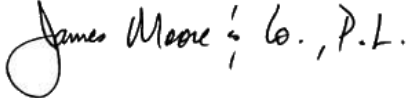
As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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*.

### **Management's Response to Findings**

The City's response to the findings identified in our audit is described in the accompany management's response to findings, as listed in the table of contents. 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.



Daytona Beach, Florida  
March 1, 2021

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED  
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA  
OFFICE OF THE AUDITOR GENERAL**

To the Honorable Mayor, City Commission, and City Manager,  
City of Bunnell, Florida:

**Report on the Financial Statements**

We have audited the financial statements of City of Bunnell, Florida (the City) as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 1, 2021.

**Auditors' Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Examination Report 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, which are dated March 1, 2021, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

**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. The legal authority for the primary government of the reporting entity is disclosed in Note (1) of the basic 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 has 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.

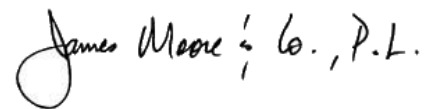
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we noted the following recommendations:

### **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 which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and State granting agencies, the City Commission, management, and others within the City and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large, looped initial 'J'.

Daytona Beach, Florida  
March 1, 2021

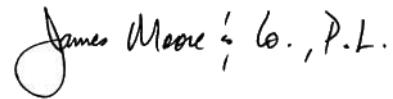
**INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT**

To the Honorable Mayor, City Commission, and City Manager,  
City of Bunnell, Florida:

We have examined the City of Bunnell, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2020. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance 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 with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2020, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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.

In our opinion, the City of Bunnell, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.



Daytona Beach, Florida  
March 1, 2021



**AFFIDAVIT**

BEFORE ME, the undersigned authority, personally appeared Shanea Stankiewicz, who being duly sworn, deposes and says on oath that:

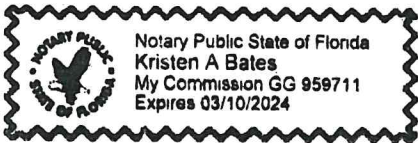
1. I am the Chief Financial Officer of the City of Bunnell, which is a local governmental entity of the State of Florida;
2. The City of Bunnell adopted Ordinance No. 2011-15 and Ordinance No. 2020-06 implementing impact fees; and
3. The City of Bunnell has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

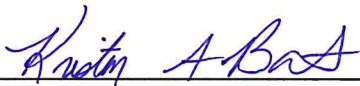
FURTHER AFFIANT SAYETH NAUGHT.

  
\_\_\_\_\_  
Chief Financial Officer of the Entity

STATE OF FLORIDA  
COUNTY OF Flagler

SWORN TO AND SUBSCRIBED before me this 26th day of October, 2020.



  
\_\_\_\_\_  
NOTARY PUBLIC  
Print Name Kristen A Bates

Personally known X or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

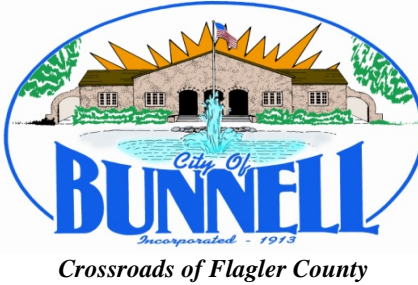
My Commission Expires:

3/10/2024

CATHERINE D. ROBINSON  
MAYOR

JOHN ROGERS  
VICE-MAYOR

DR. ALVIN B. JACKSON, JR.  
CITY MANAGER



**COMMISSIONERS:**

BILL BAXLEY

DONNIE NOBLES

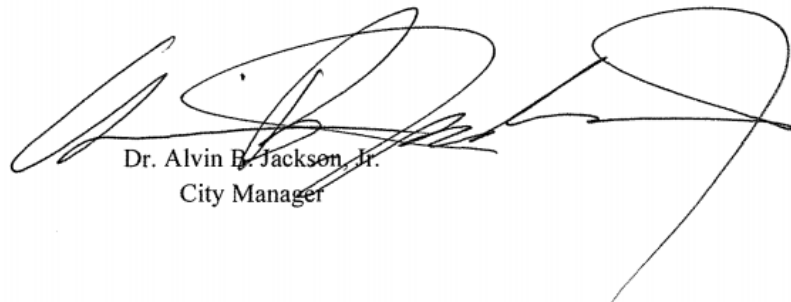
TONYA GORDON

March 1, 2021

### **Management's Response to Audit Finding**

#### 2020-001 Reconciliation of Account Balances

Finance staff will review significant transactions monthly and at year-end to ensure that account balances are complete and accurate.



Dr. Alvin B. Jackson, Jr.  
City Manager

Attachment 8  
Annual Report Operations Workpaper

Line No	Description	FY 2019	FY 2020
Charges for Service and Other Revenues			
1	Charges for Service - Water	\$ 1,340,355	\$ 1,406,337
2	Charges for Service - Sewer	1,549,396	1,596,921
3	Operating Grants - Water	10,859	1,030
4	Operating Grants - Sewer	10,860	1,141
5	Other Income (Expense) - Water	26,028	29,650
6	Other Income (Expense) - Sewer	26,390	28,227
7	Total Charges for Service and Other Revenue	<u>\$ 2,963,888</u>	<u>\$ 3,063,306</u>
8	Interest Income - Water	\$ 12,666	\$ 6,912
9	Interest Income - Sewer	12,666	6,912
10	Total Interest Income	<u>\$ 25,332</u>	<u>\$ 13,824</u>
11	Capital Contributions - Water	\$ 202,752	\$ 224,928
12	Capital Contributions - Sewer	295,008	327,274
13	Total Capital Contributions Income	<u>\$ 497,760</u>	<u>\$ 552,202</u>
	Total Revenue	<u><u>\$ 3,486,980</u></u>	<u><u>\$ 3,629,332</u></u>
Operatig Expenses - Water			
14	Personal Services	\$ 490,345	\$ 467,844
15	Contractual Services	319,360	321,010
16	Repairs and Maintnenace	19,907	99,525
17	Supplies	103,932	135,712
18	Utilities	44,128	42,894
19	Other Expenses	73,217	84,076
20	Total Operating Expenses	<u>\$ 1,050,889</u>	<u>\$ 1,151,061</u>

Attachment 8  
Annual Report Operations Workpaper

Line No	Description	FY 2019	FY 2020
	Operatig Expenses - Sewer		
21	Personal Services	\$ 491,937	\$ 433,864
22	Contractual Services	494,104	598,544
23	Repairs and Maintnenace	82,397	53,964
24	Supplies	110,983	105,178
25	Utilities	85,728	75,436
26	Other Expenses	56,119	61,394
27	Total Operating Expenses	<u>\$ 1,321,268</u>	<u>\$ 1,328,380</u>
28	Net Revenues	<u>\$ 2,165,712</u>	<u>\$ 2,300,952</u>
	Debt Service		
29	Water	\$ 241,636	\$ 251,536
30	Wastewater	97,088	122,965
31	Total Debt Service	<u>\$ 338,724</u>	<u>\$ 374,501</u>

**SCHEDULE OF PRIOR AND PARITY LIENS**

List annual debt service beginning two years before the anticipated loan agreement date and continuing at least fifteen fiscal years. Use additional pages as necessary

## IDENTIFY EACH OBLIGATION

Fiscal Year		Annual Debt Service (Principal + Interest)						Total Non-SRF Debt Service w/coverage	Total SRF Debt Service w/coverage
	#1	#2	#3	#4	#5	#6			
2020	9,554	119,650	70,726	26,505	181,688	-	355,096	92,322	
2021	9,554	120,506	70,726	26,505	140,928	-	309,078	92,322	
2022	9,554	120,325	70,726	26,505	158,067	11,000	328,607	104,972	
2023	9,554	120,125	70,726	26,505	159,058	11,000	329,547	104,972	
2024	9,554	119,906	70,726	26,505	160,076	11,000	330,499	104,972	
2025	9,554	119,669	70,726	26,505	161,122	11,000	331,464	104,972	
2026	9,554	120,413	35,363	26,505	162,196	11,000	333,443	64,305	
2027	9,554	120,119	-	26,505	163,299	11,000	334,418	23,637	
2028	9,554	119,806	-	26,505	164,432	11,000	335,408	23,637	
2029	9,554	120,475	-	26,505	165,595	11,000	337,414	23,637	
2030	9,554	120,106	-	-	166,789	11,000	311,914	23,637	
2031	9,554	119,719	-	-	-	11,000	119,719	23,637	
2032	9,554	120,313	-	-	-	11,000	120,313	23,637	
2033	9,554	119,869	-	-	-	11,000	119,869	23,637	
2034	9,554	120,406	-	-	-	11,000	120,406	23,637	
2035	9,554	119,906	-	-	-	11,000	119,906	23,637	
2036	-	120,388	-	-	-	11,000	120,388	12,650	
2037	-	119,831	-	-	-	11,000	119,831	12,650	
2038	-	120,256	-	-	-	11,000	120,256	12,650	
2039	-	119,644	-	-	-	11,000	119,644	12,650	
2040	-	120,013	-	-	-	11,000	120,013	12,650	
2041	-	120,344	-	-	-	11,000	120,344	12,650	
2042	-	119,638	-	-	-	-	119,638	-	
2043	-	119,913	-	-	-	-	119,913	-	
2044	-	120,150	-	-	-	-	120,150	-	
2045	-	120,350	-	-	-	-	120,350	-	
2046	-	120,513	-	-	-	-	120,513	-	

Attachment 10  
Projected Operations Workpaper

Line No	Description	Fiscal Year Ending September 30,				
		2021	2022	2023	2024	2025
1	Operating Revenue - Water	\$ 1,508,342	\$ 1,772,886	\$ 2,089,879	\$ 2,260,204	\$ 2,438,590
2	Operating Revenue - Sewer	1,769,600	2,079,995	2,451,898	2,651,728	2,861,016
3	Total Operating Revenue	\$ 3,277,942	\$ 3,852,882	\$ 4,541,777	\$ 4,911,932	\$ 5,299,606
4	Interest Income	\$ 3,871	\$ 3,213	\$ 3,155	\$ 3,516	\$ 3,480
	Other Fees- Water					
5	SJWMD State Grant Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
6	Penalties - Water	26,128	27,565	29,012	30,463	31,910
7	Water Connection Chgs Rev - W/S	8,870	9,358	9,849	10,342	10,833
8	Water - Chg for New Meter & Installation	15,000	15,825	16,656	17,489	18,319
9	Water Off/On Fees Rev - W/S	15,081	15,910	16,746	17,583	18,418
10	Penalty Chgs Rev - Water	-	-	-	-	-
11	Disposition of Fixed Assets - Sewer	34,842	-	-	-	-
12	Other Misc Inc - W/S	-	-	-	-	-
13	SBA Interest	7,500	7,913	8,328	8,744	9,160
14	Other Financial Assistance - Federal	-	-	-	-	-
15	Total Water Other Revenues	\$ 107,421	\$ 76,571	\$ 80,591	\$ 84,620	\$ 88,640
	Other Fees- Sewer					
16	Penalties - Sewer	\$ 26,128	\$ 27,565	\$ 29,012	\$ 30,463	\$ 31,910
17	Sewer Connection Chgs Rev	8,870	9,358	9,849	10,342	10,833
18	Sewer - Chg for New Meter & Installation	30,081	31,735	33,402	35,072	36,738
19	Sewer Off/On Fees Rev	-	-	-	-	-
20	Disposition of Fixed Assets	30,163	-	-	-	-
21	Other Misc Revenue	-	-	-	-	-
22	Interest Revenue	2,500	2,638	2,776	2,915	3,053
23	SBA Interest	7,500	7,913	8,328	8,744	9,160
24	Grant - Fed	138,070	-	-	-	-
25	Other Financial Assistance - Federal	-	-	-	-	-
26	In New Sub-Fund	950,000	50,000	-	-	-
27	Total Sewer Other Revenues	\$ 1,193,312	\$ 129,208	\$ 83,367	\$ 87,535	\$ 91,693
28	Total Revenues	\$ 4,582,546	\$ 4,061,874	\$ 4,708,890	\$ 5,087,603	\$ 5,483,419
	Operating Expenses					
29	Water System	\$ 1,377,812	\$ 1,334,274	\$ 1,378,329	\$ 1,423,846	\$ 1,438,875
30	Sewer System	2,828,164	1,608,630	1,614,029	1,666,118	1,719,956
31	Total Operating Expenses	\$ 4,205,976	\$ 2,942,904	\$ 2,992,357	\$ 3,089,964	\$ 3,158,830
32	Net Revenues	\$ 376,570	\$ 1,118,970	\$ 1,716,533	\$ 1,997,638	\$ 2,324,588
	Debt					
33	Revenue Pledged Towards Non-SRF Debt	\$ 309,078	\$ 328,607	\$ 329,547	\$ 330,499	\$ 331,464
34	Revenue Pledged Towards SRF Debt	92,322	104,972	104,972	104,972	104,972
35	Total Revenue Pledged to Debt	\$ 401,400	\$ 433,579	\$ 434,519	\$ 435,471	\$ 436,436
36	Revenue Available for thisSRF Loan	\$ (24,831)	\$ 685,391	\$ 1,282,014	\$ 1,562,168	\$ 1,888,152

Attachment 11

Loan Application Financial Projection Memo

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- Rate revenue projects based on planned rate increases of:

	2022	2023	2024	2025
Water	12%	12%	3%	3%
Wastewater	12%	12%	3%	3%

- Growth assumptions for water and sewer customers averaged 5.1% from Fiscal Years 2022 through 2025
- Fiscal Year 2021 Wastewater Operating Expenses include a one time expense of \$950,000 for Buildings and \$164,000 for equipment greater than \$5,000.
- Exclusive of 2021, the forecast assumes a increase in Operations and Maintenance of approximately 2.39% per year which is consistent with inflation.
- Sewer Other Operating Revenues includes a one time revenue of \$950,000
- Impact Fees were not included as a revenue source for the projections.



## City of Bunnell, Florida

### ATTACHMENTS:

Description	Type
City Manager Report- October 2021	Exhibit



# City Manager's Monthly Report



Dr. Alvin B. Jackson, Jr.  
City Manager  
For October 2021

Published: November 2021

## City Commission Mission Statement

The City Commission of the City of Bunnell is dedicated to providing its citizens, businesses and visitors with quality services that ensure Life, Liberty and the Pursuit of Happiness!

A hand holding a blue marker next to the text "WHY ARE WE HERE?". The text is written in a blue, hand-drawn font.

## Core Values

The following are the core values for the City of Bunnell:

- Loyalty to the team, the objectives, and the mission.
- Teamwork. Cultivate a “we environment.” - Be passionate team player.
- Communication. Share information freely, maintain an on-going dialog.
- Respect individual strengths; Embrace diversity.
- Empathy. Care about people.
- Always determine what is important to team members.
- Honor everyone. Demonstrate respect for all persons.
- Say “thank you.” Show appreciation in every way possible.
- Self-Control. Stay open, ask questions & maintain clam demeanor in the face of every challenge.
- Have a forgiving spirit.
- Professionalism always. Maintain a positive attitude & a pleasing personality.
- Cultivate creativity.
- Seek great personal satisfactions in helping others succeed.
- Be an active listener– quick to hear, slow to speak.
- Be a person of fairness & justice to all.
- Have an action plan, including results oriented goals with measurable outcomes.
- Create a culture of warmth & belonging, where everyone is welcome.
- Have fun; create an environment where employees can think big & excel.
- Integrity: to be honest, open, ethical & fair.
- Fiscal accountability: to be good stewards of agency funds.

## Mission Statement

The City of Bunnell will provide its residents, businesses, visitors, partners and staff with value centric leadership to create a safe, sustainable, attractive, strong and vibrant community while building on our rich heritage as the foundation to improve the City's economic future and to achieve the highest possible quality of life for the overall community through the exemplary services we provide.

## Vision Statement

The City of Bunnell commits to building on its heritage, while enhancing a high quality of life for all its citizens. We pledge to work in collaboration with our residents and business community to foster pride in the City, develop a vibrant and diverse economy and a thoughtful plan for the future.

Due to the continued rising COVID cases, the City continues to offer hybrid Virtual City Meetings to help lessen the spread of COVID. All voting members of the board are physically present in one location and staff and/or public may be participating virtually. There is limited space for public to attend a City meeting in person.

If attending in person, masks are strongly encouraged due to the spacing in the Chambers meeting room or could be required. If you are sick or feeling ill, please do not attend a meeting in person; use the Zoom option.

Join Zoom Meeting via INTERNET CONNECTION:  
<http://bunnellcity.us/meeting>

OR click the Virtual Meeting banner on the City website  
[www.bunnellcity.us](http://www.bunnellcity.us)

OR open via the Zoom App  
Meeting ID: 944 464 2817

OR TO JOIN VIA TELEPHONE (AUDIO) ONLY:  
+1 253 215 8782 US  
+1 301 715 8592 US  
Meeting ID: 944 464 2817

**All residents and businesses are urged to continue to follow Florida Department of Health and CDC guidance, to include:**

- **Wearing cloth face coverings when out in public**
- **Practicing aggressive social distancing at all times – people should keep a minimum of 6 feet of space between one another**
- **Frequent hand washing for at least 20 seconds, or use an alcohol-based (at least 60% alcohol) hand sanitizer when soap and water are not available**
- **Avoiding close contact with people who are, or may be, sick**

# Halloween Events

Trunk or  
Treat at Lake  
Lucille  
October 29



Halloween  
in Bunnell  
October 31



## Park Updates, Facility Rentals and Garage Sale Permits

All City parks are open. Parks operate during daylight hours (ie. dawn to dusk).

**The City is accepting applications for the rental of parks and other available facilities. Applicants are required to turn in a completed application AND include a COVID/Social Distancing plan or measures that will be taken with the application. If no plan is provided, the rental will not be approved.**



### FACILITY ALERTS

- Coquina City Hall located at 200 S. Church Street is not currently available to rent.
- Due to on-going vandalism, the bathrooms at JB King Park have been closed for safety and sanitary reasons. Once they can be restored to a useable and sanitary condition, they will be re-opened. We appreciate your understanding in this matter while we work to restore all damage.

### Garage Sale Permits:

The City is accepting requests for Garage Sale Permits. Residents need to make their request to the Utility Billing Department and provide a COVID/Social Distancing Plan. Per the City Code of Ordinance, there is a limit on the total number of garage sale permits that can be issued to a property/address point in a calendar year.

## Information Technology

Migration to the new phone system was postponed yet again. Contacted Florida Department of Management Services (DMS) in an attempt to resolve the porting issue that is holding up the migration. Put TPX the new phone vendor, in touch with DMS. Evidently between the 2 entities, they resolved the issue holding up the port of one of our numbers. Migration is scheduled for November 10th.

City Manager, Clerk's Office, and HR have been relocated to suite 4.

The way the state contract is written with Verizon, every 2 years, Verizon offers upgrades to our devices. About half of our devices were eligible for upgrades. Several of them were ordered and deployed.

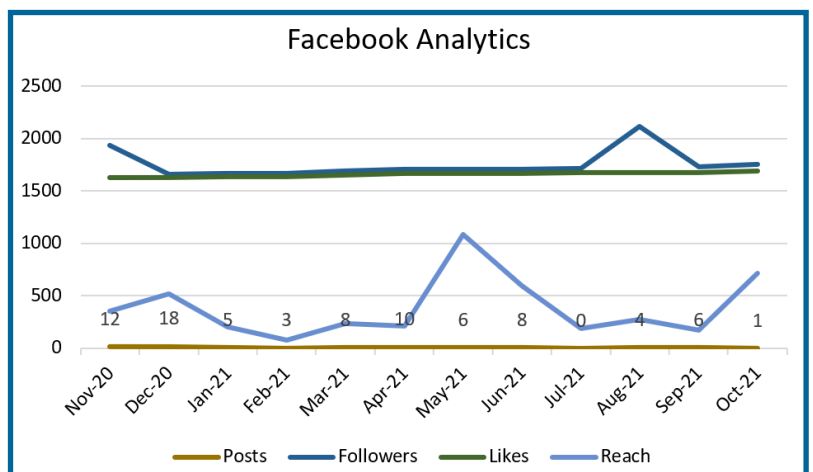
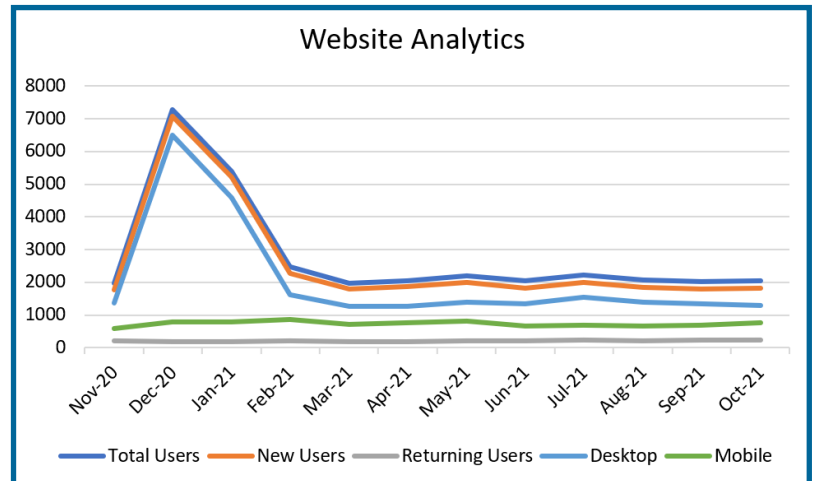
Like many departments being displaced from the Admin building, spent a lot of time collecting, and documenting equipment to be disposed of prior to the abandoning the building. With little options for continuous storage, having the get rid of equipment being held as spares.

In this year's budget is an upgrade to the document imaging system built into Incode. The system we currently have works fine in Incode 10. But does not work in Incode 9 (Building Permits, Code Enforcement, and BTRs). Initiated the upgrade with the vendor to get our existing data migrated over.

Assisted HR with the Personnel Action Forms (PAFs) for all employees for the COLA adjustment.

### Top 10 web pages:

- |                     |                       |
|---------------------|-----------------------|
| 1. Home Page        | 6. Contacts Directory |
| 2. Building Permits | 7. Volunteer Boards   |
| 3. Open Positions   | 8. Community          |
| 4. Agendas          | 9. I Want To...       |
| 5. Police           | 10. City Commission   |



## City Clerk Office

The City Clerk Office published agendas for all the City's Public meetings: 2 City Commission Meetings, a City Manager Community meeting and the Planning Zoning and Appeals Board Meeting.

The Clerk's Office also worked on the following issues throughout the month:

- Working on continuing facility repair issues– Public Works Yard and on-going vandalism at City parks.
- Working on getting alternate work space ready to occupy.
- Working on the 2022 Municipal Elections.
- Going through official records to get ready to destroy those eligible for destruction per State guidelines.
- Working with NEFRC for the required amendments and EAR for the City's 2030 Comprehensive Plan and consulting with City Planner on development issues within the City.
- 60 hours processing records requests.
- Planning for Trunk or Treat, Halloween in Bunnell and Christmas in Bunnell.
- Working with applicant on their Solid Waste Facility Operating permit.
- Facilitating Special Event reviews for 3 other events in the community.
- Meeting with Smart North Florida to strategize solutions for City needs.
- Planning for the 2022 Commission Advance.

## Business Tax Receipts (BTRs)

It is Business Tax Receipt (BTR) Renewal season. Since 2013, the City has had an Interlocal Agreement with the Flagler County Tax Collector Office for processing BTR renewals. The Flagler County Tax Collector Office sent out the FY 21/22 notices or e-mails in July.

Businesses need to pay their FY21/22 BTR fees through the Flagler County Tax Collector Office by September 30, 2021. Florida Statute and the City's Code of Ordinance require penalties be added to a BTR if not paid by **September 30th**. The required penalties are as follows: 10% October 1st ; 15% November 1st; 20% December 1st; and 25% January 1st.

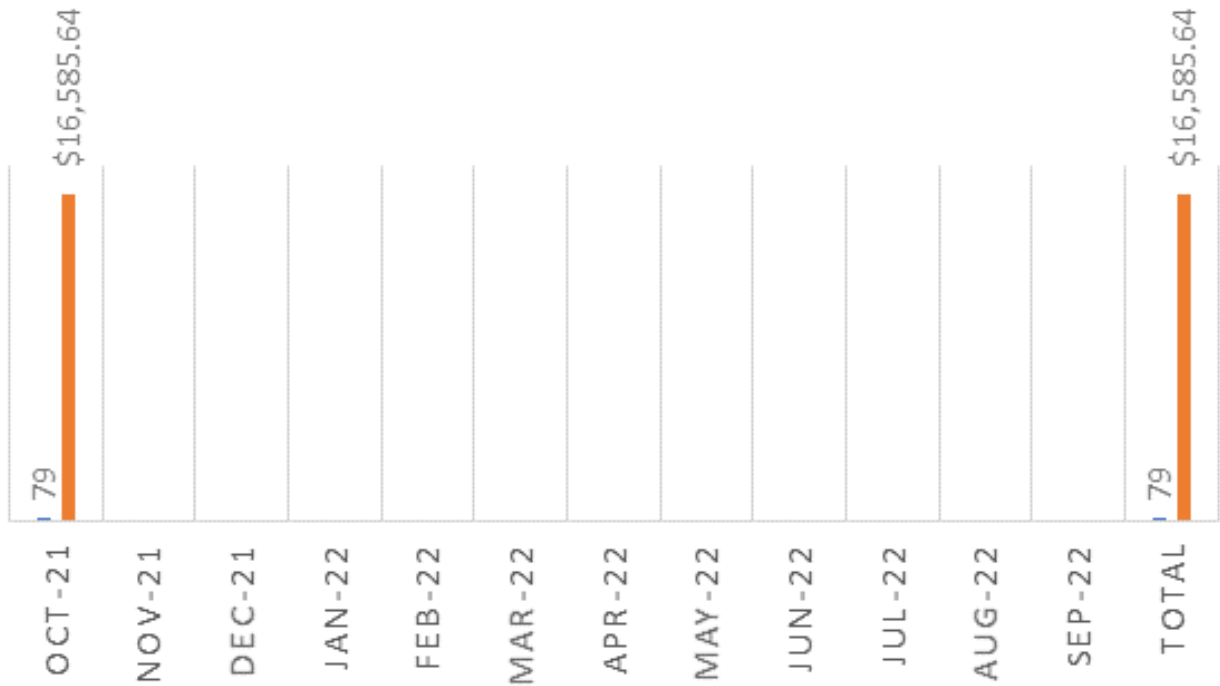
The City processed a check in the amount of \$35,325.06 for BTR renewals.

**Any business who has questions about their BTR should call 386-437-7500 x 5**

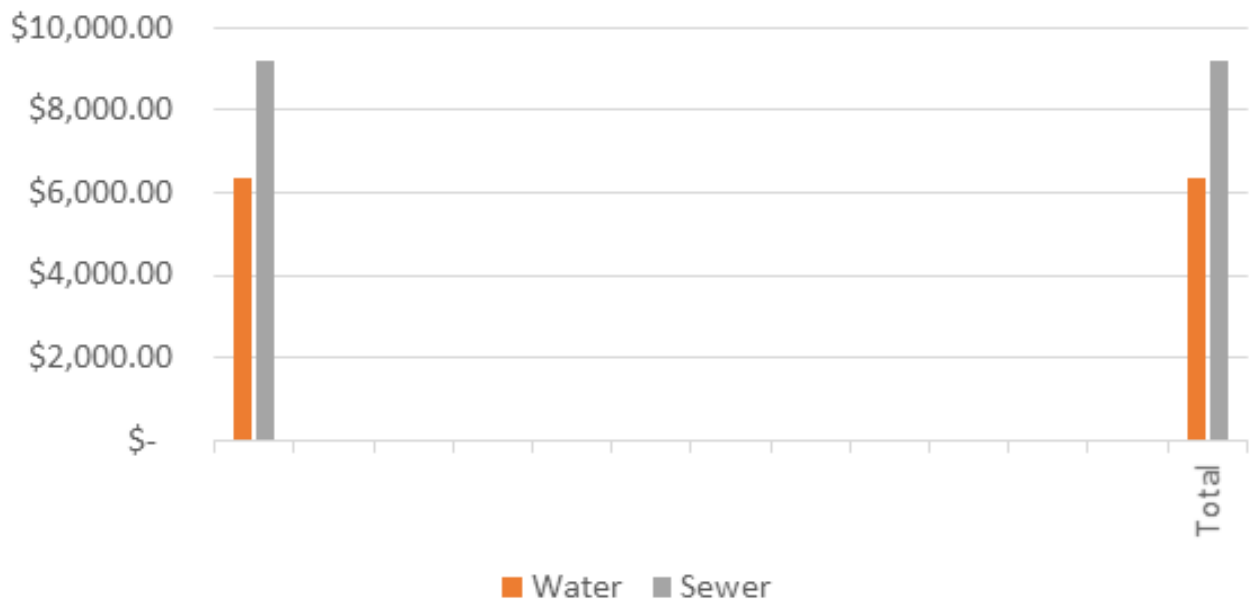
# Community Development

## PERMITS

# of Permits    Permit Amount



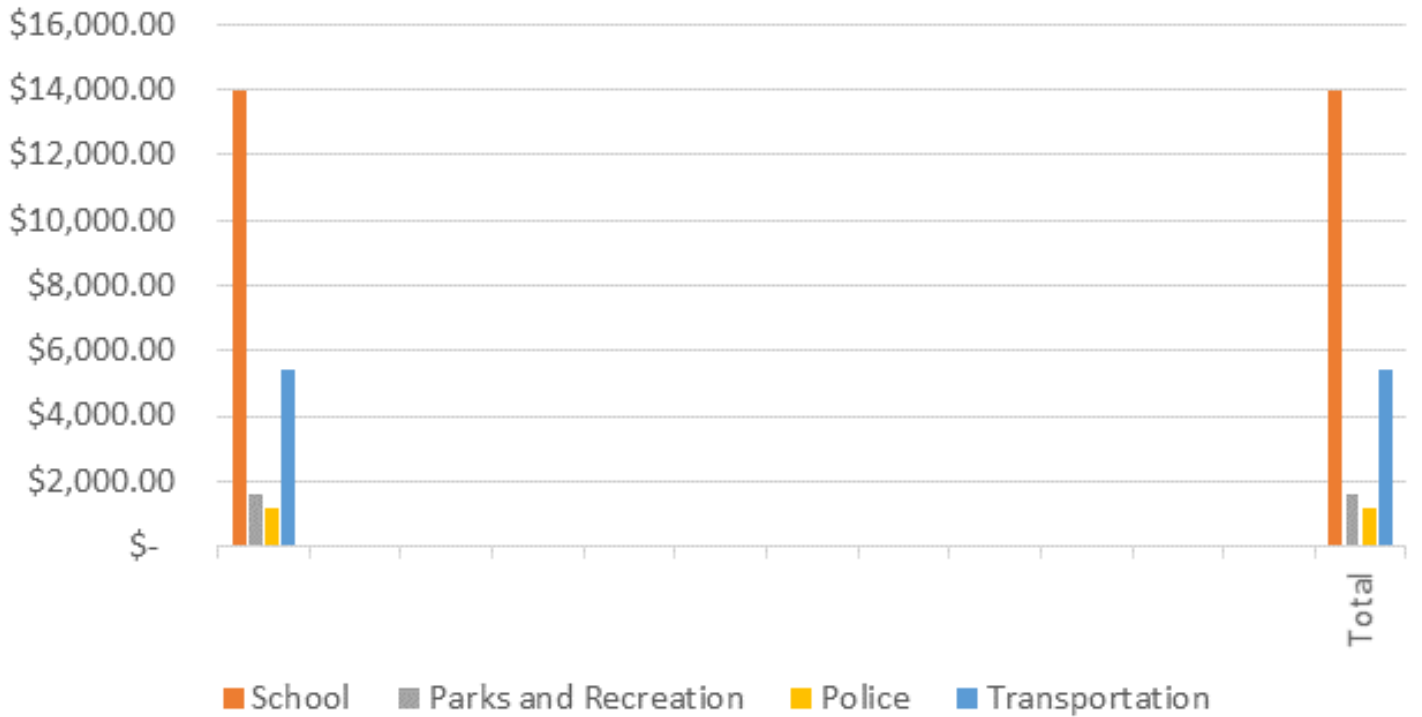
## Impact fees Water/Sewer



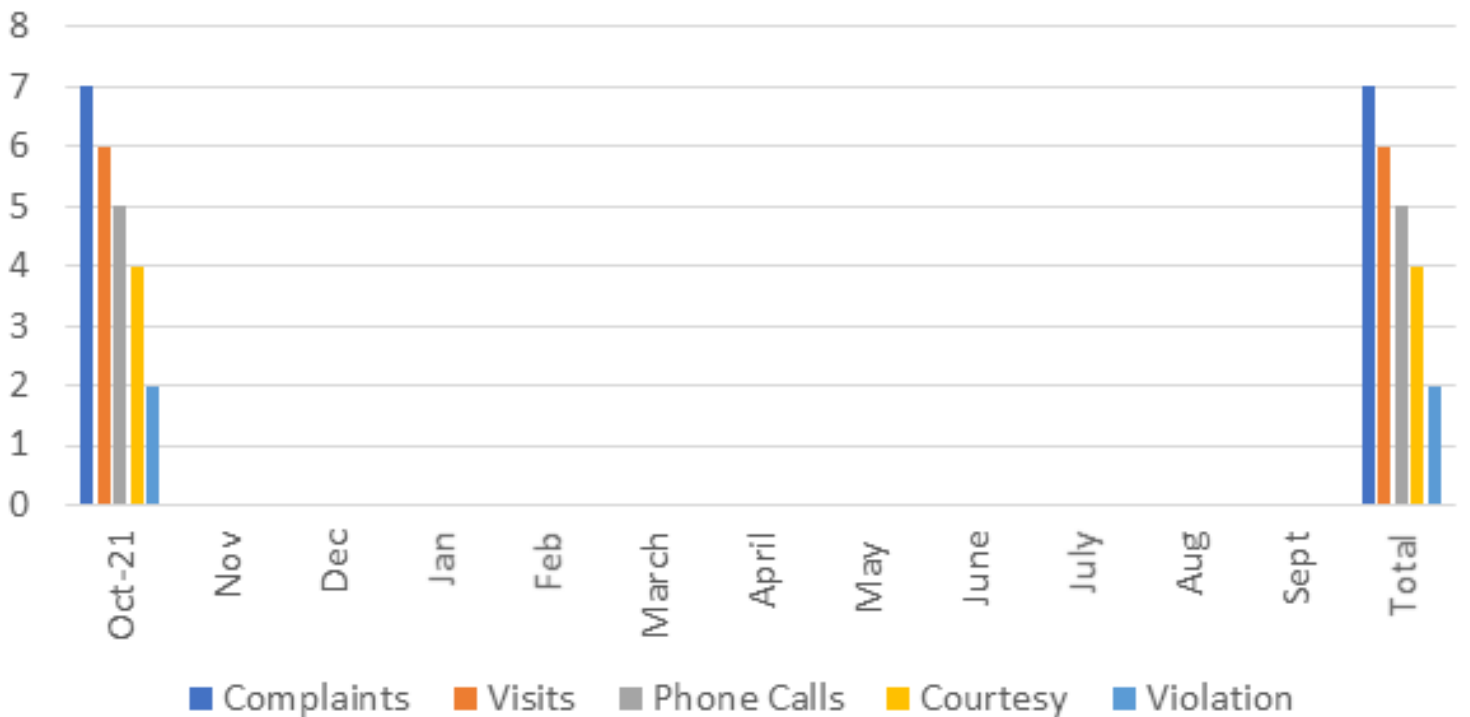


# Community Development

## Impact Fees General Fund



## Code Enforcement



## Projects

<b>Grant Projects:</b>	<b>Expense</b>	<b>Grant Amt</b>
<b>Community Development Block Grant (CDBG):</b> RFP 2021-04 Grant Writing and Administrative Services agreement with Fred Fox and backup information sent to DEO for approval. Alliant Engineering proposal approved by Commission for Construction Administration.		<b>\$700,000</b>
<b>Hazard Mitigation Grant Program (HMGP):</b> Generators delivered. Testing and start up with vendor pending.		<b>\$138,070</b>
<b>2022 REDI - Sewer Slip Lining Rehabilitation - Phase 4:</b> Contractor proposal received. Pending Commission approval.		<b>\$500,000</b>
<b>Master Plan Projects:</b>		<b>Funding Amt</b>
<b>WWTP Rehab/Expansion Construction Funding:</b> USDA / SRF Loan Project plans and specs have been approved for funding.		<b>\$12,000,000</b>
<b>Water Protection Grant Funding</b> This grant funding opportunity became available through Florida Department of Environmental Protection's Protect FL Together program. The amount applied for is 50% of the estimated construction cost with a required 50% local match. Could be used with SRF loan if awarded both. Application submitted.		<b>\$7,080,000</b>
<b>Wastewater Treatment Plant Rehab/Expansion Design:</b> Design complete.	<b>\$997,995</b>	<b>\$1,000,000</b>

## Infrastructure

### Capacities WTP/WWTP

- Capacity for the WWTP in October 2021 was 54% with a total of 1.88" of rainfall. Total influent flow for the month was 9.983MG, with a Daily Average of 0.322MG
- The WTP produced 9.738MG of drinking water, with a daily production average of 0.314MG in October 2021. With our WTP putting out 9.738MG and our WWTP receiving 9.983MG, we treated 0.200MG of storm/ground water. This number is lower due to less rain fall than normal as well as the slip lining program.

## Police Department

### Trunk or Treat

The Bunnell Police Department and the City Manager participate again this year in co-sponsorship with the First Baptist Church. We had the best decorated cars of all...in my opinion. We received many compliments and the kids really enjoyed themselves. Good time for all!

### Halloween in Bunnell

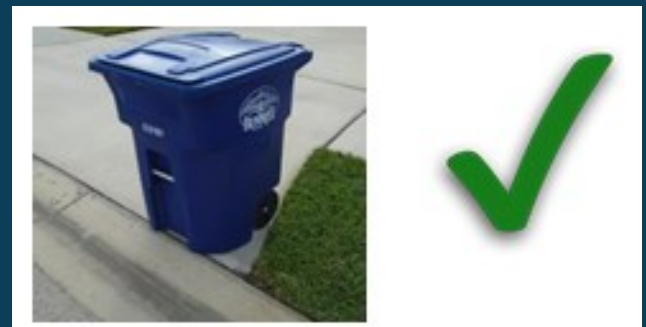
Representatives from each department of the City of Bunnell teamed up and worked as a team to ensure this event was safe and a success! We had a great turn out and was fun for all!

## Solid Waste

SERVICE	AMOUNT COLLECTED	TRUCK LOADS
Residential Garbage	135.26 tons	10.4
Residential Recycle	21.69 tons	1.67
Yard Waste	65 yards	3.25
Commercial Garbage	165.72 tons	12.75
Commercial Cardboard	18.67 tons	1.44
Scrap Metal	0	0
Construction & Demolition and Bulk debris	19.8 tons	5.67

### Cart Placement Regulations and Guidelines

- ⇒ Face lid opening of cart toward the street (handles & wheels facing house)
- ⇒ Place front of cart within 3 feet of street edge
- ⇒ Allow 2 feet of clearance on each side of all carts and ANY obstruction
- ⇒ Do NOT fill carts with construction debris, dirt or yard waste
- ⇒ It is recommended to place carts out the night before. The driver is not able to turn around if your cart is not out when the truck is on your street.
- ⇒ Do not place carts near parked cars, fences, mailboxes, trees, other carts, or any other obstruction that could interfere with the truck picking up your cart.



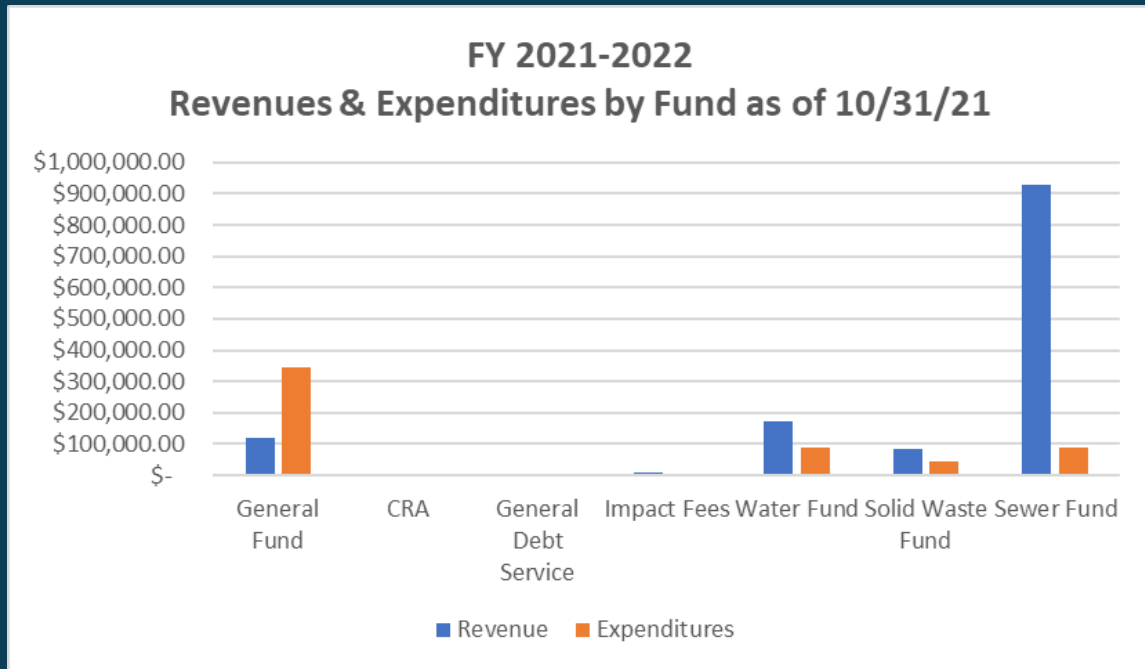
*Failing to follow the guidelines may result in service interruption (i.e. the City won't be able to collect your solid waste that day)*

## Solid Waste Fiscal Year Comparisons

	<b>FY 18/19</b>	<b>FY 19/20</b>	<b>FY 20/21</b>
<b>Commercial Solid Waste</b>	2040.30 Tons	1960.54 Tons	1995.58 Tons
<b>Residential Solid Waste</b>	1236.09 Tons	1380.89 Tons	1546.61 Tons
<b>Cardboard &amp; Recycle</b>	451.28 Tons	585.98 Tons	623.3 Tons
<b>Yard Waste</b>	1322.57 Yards	1593.00 Yards	1153 Yards
<b>Construction &amp; Debris (C&amp;D)</b>	405.66 Tons	315.51 Tons	574.58 Tons
<b>Scrap/Misc.</b>	122.20 Tons	12.789 Tons	4.27 Tons
<b>Yearly Total</b>	<b>5578.10</b>	<b>5848.71</b>	<b>5897.34</b>

## Finance Department

October was the first month of Fiscal Year 2021/2022. The approved 2021/2022 budget, including amendments, totals \$29,678,521 and includes all anticipated revenues, cash forward, expenditures and reserves of the city from October 1, 2021 through September 30, 2022. The chart shows year to date revenues and expenditures by fund.



**General Fund** – The General Fund has total revenue of \$118,791 while expenditures currently total \$345,907. The General Fund’s primary source of revenue is Ad Valorem (Property Taxes) and receipts generally occur at the end of November or beginning of December.

**CRA Fund** – The balance in the CRA Fund is \$3,639. There are no revenues or expenditures anticipated in the fund for FY 2021/2022.

**General Debt Service Fund** – The General Debt Service Fund accounts for the debt service payments required for the Municipal Complex. Revenues are recorded monthly and are transfers from the General Fund. Payments are made quarterly in accordance with the loan documents.

**Impact Fees** – This fund accounts for Law Enforcement, Parks and Recreation and Transportation Impact Fees. The Commission approved the new impact fees effective November 8<sup>th</sup>, 2020. Collections occur at the time a building permit is issued. Proceeds are required to fund capital needs necessary to accommodate new growth.

**Water Fund** – The Water Fund has total revenue of \$174,392. The expenditures total \$87,782. A water and sewer utility rate increase became effective on October 1<sup>st</sup>, 2021.

**Solid Waste Fund** – The Solid Waste Fund has revenues of \$82,655 and expenditures of \$46,215.

**Sewer Fund** – The Sewer Fund has total revenue of \$930,490, of which, \$737,006 is the City’s first distribution of ARPA funds which will be used as part of the WWTP expansion project. The expenditures total \$89,875. A water and sewer utility rate increase became effective on October 1<sup>st</sup>, 2021.