NOTICE

INSTRUCTIONS FOR VIEWING AND PROVIDING PUBLIC COMMENT

CITY OF JACKSONVILLE BEACH CITY COUNCIL MEETING

APRIL 6, 2020, AT 7:00 P.M.

Due to the current restrictions and limitations for social distancing and gatherings surrounding the COVID19 crisis, the April 6, 2020, City of Jacksonville Beach, City Council meeting will be conducted in a modified manner. During the COVID-19 crisis, City Hall Council Chambers are closed to the public and media. The City is providing numerous additional technological options for public attendance and participation in the meeting.

The Governor's Executive Order Number 20-69, addressing Local Government Public Meetings, states local government bodies may utilize communications media technology (CMT), as provided in section 120.54(5)(b)2., Florida Statutes.

The following CMT options are available to participate, view and listen to the April 6, 2020, City Council meeting:

1. View and listen to a Livestream of the meeting online:

Access the meeting by visiting the City of Jacksonville Beach YouTube Channel: https://www.youtube.com/channel/UCBvNLjCCZtu9PWDV41cR6-Q

2. Listen to the meeting via phone:

You may listen to the live meeting audio from your phone by dialing 1-929-205-6099. When the meeting ID is requested, enter 912336677 and then press the # key. There is no participant ID number. If you are asked for this, press #. When dialing in by phone, your line will be automatically muted for the duration of the meeting.

3. Hearing or speech impaired access:

Contact the agency using the Florida Relay Service, 1-800-955-8771 (TDD) or 1-800-955-8770 (Voice).

4. Submit questions and comments concerning a scheduled agenda item or for the Courtesy to the Floor portion of the Agenda:

You may provide written comments by

- Emailing City Clerk Laurie Scott no later than one business day before the meeting at **cityclerk@jaxbchfl.net;** or
- Via U.S. mail to City Clerk, City Hall, 11 N. 3rd Street, Jacksonville Beach, FL 32250; or
- Place them in the drop box at the main entrance at City Hall.

Provide your full name and address, and if you are a city business owner, list the business name and address.

Written comments will be read into the record at the appropriate time. All other written comments received by the deadline will be distributed to the Mayor and City Council members and the appropriate staff prior to the start of the meeting. Comments received through these CMT options will be read into the record by the City Attorney. Written comments will be limited to 2,800 characters.

You may also submit a Public Comment Submission Form located on the City of Jacksonville Beach's website by clicking on the following link: https://COJB.typeform.com/to/THKT5A. Comments on an action item will be read into the record. Comments submitted for the Courtesy to the Floor portion of the Agenda will be read into the record if time permits. Submissions will be provided to the Council. All submissions are public record.

The email address and the online comment form will remain open during the meeting to accept comments to be read into the record up until 5 minutes before a particular agenda item is addressed by the Mayor. Public comments for Courtesy to the Floor will be received until 5 minutes before the Mayor opens that portion of the meeting. Courtesy to the Floor will be a maximum of 15 minutes.

For additional information or assistance, please contact the following people prior to the meeting:

1. For public comment questions: Laurie Scott, City Clerk, cityclerk@jaxbchfl.net or (904) 247-6299
2. For questions on connecting to or using CMT for the meeting: Jacob Board, Communications Manager, jboard@jaxbchfl.net or (904) 247-4036.

City of Jacksonville Beach

11 North Third Street
Jacksonville Beach, Florida

Agenda Amended

City Council

Monday, April 6, 2020 | **7:00 PM** | **Council Chambers**

MEMORANDUM TO:

The Honorable Mayor and
Members of the City Council
City of Jacksonville Beach, Florida

Council Members:

The following Agenda of Business has been prepared for consideration and action at the Regular Meeting of the City Council.

OPENING CEREMONIES: INVOCATION, FOLLOWED BY SALUTE TO THE FLAG

CALL TO ORDER

ROLL CALL

APPROVAL OF MINUTES

20-071 Council Briefing held on March 2, 2020

20-072 Regular Council Meeting held on March 2, 2020

ANNOUNCEMENTS

COURTESY OF THE FLOOR TO VISITORS

MAYOR AND CITY COUNCIL

CITY CLERK

CITY MANAGER

20-073 Accept/Reject the Monthly Financial Reports for the Month of February 2020

20-074 Accept/Reject the Comprehensive Annual Financial Report for the Fiscal Year Ending September 30, 2019

20-075 Approve/Disapprove the Assignment and Assumption of Commercial Lease Agreement of the Golf Course Restaurant Lease from Tee to Green Partners D/B/A Sand Trap Bar and Grill to Penman Hospitality LLC, D/B/A Sneakers on the Green

20-076 Approve/Disapprove a One-Time Exception to the Special Events Policy to Allow the Great Atlantic Music Festival to Add One (1) Additional Day, June 14, to the Event Currently Scheduled on June 13, 2020

20-080 Approve/Disapprove a Motion to Allow a Variation of the Council Meetings Start Time of 7:00 P.M. as Set Forth in City Code Sec. 2-16, to Allow Earlier Start Times as Necessary During the Duration of the COVID-19 State of Emergency

RESOLUTIONS

20-077 RESOLUTION NO. 2057-2020

A RESOLUTION OF THE CITY OF JACKSONVILLE BEACH, FLORIDA, TO TENTATIVELY APPROVE AMENDMENTS TO THE COASTAL MANAGEMENT ELEMENT OF THE 2030 COMPREHENSIVE PLAN AND ADOPT THE PERIL OF FLOOD REQUIREMENTS OF SECTION 163.3178(2)(f), FLORIDA STATUTES, ADDING NEW OBJECTIVES AND POLICIES, AND AUTHORIZING TRANSMITTAL OF THE AMENDMENTS TO THE REVIEWING AGENCIES PURSUANT TO SECTION 163.3184(3)(b)1., FLORIDA STATUTES; AND SETTING AN EFFECTIVE DATE.

ORDINANCES

20-078 ORDINANCE NO. 2020-8136 (First Reading) (Public Hearing)

AN ORDINANCE AMENDING CHAPTER 28, ARTICLE IV OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH, FLORIDA; REVISING ARTICLE IV TO BE CONSISTENT WITH AMENDMENTS TO SECTION 337.401, FLORIDA STATUTES ADOPTING REGULATIONS OF WIRELESS COMMUNICATIONS FACILITIES IN THE PUBLIC RIGHTS-OF-WAY; PROVIDING FOR LEGISLATIVE FINDINGS, SEVERABILITY, REPEAL OF CONFLICTS, AND AN EFFECTIVE DATE.

20-079 ORDINANCE NO. 2020-8138 (First Reading) (Public Hearing)

AN ORDINANCE TO CREATE A NEW SECTION 31-61-PAID PARKING PROGRAM IN CHAPTER 31–TRAFFIC AND MOTOR VEHICLES, ARTICLE III-STOPPING, STANDING, AND PARKING, DIVISION 3 – PARKING REGULATIONS, OF THE CITY OF JACKSONVILLE BEACH CODE OF ORDINANCES, TO CODIFY ELEMENTS OF THE CITY'S PAID PARKING PROGRAM IN CERTAIN CITY LOTS; PROVIDING FOR LEGISLATIVE FINDINGS, REPEAL OF CONFLICTS, SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE.

ADJOURNMENT

NOTICE

In accordance with Section 286.0105, Florida Statutes, any person desirous of appealing any decision reached at this meeting may need a record of the proceedings. Such person may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing a special accommodation to participate in this meeting should contact the City Clerk's Office at (904) 247-6299, extension 10, no later than one business day before the meeting.

You may use this website http://www.jacksonvillebeach.org/publichearinginfo to find information concerning the hearing process. This information is also available in the City Hall first floor display case.

Minutes of City Council Briefing
Monday, March 2, 2020 – 5:30 P.M.
in the Council Chambers, City Hall
11 North 3rd Street, Jacksonville Beach, FL

JACKSONVILLE BEACH

The Council Briefing began at 5:30 P.M.

The following City Council Members were in attendance:

Mayor: William C. Latham

Council Members: Keith Doherty, Georgette Dumont, Sandy Golding, Christine Hoffman, Cory Nichols, Phil Vogelsang

Also present was City Manager Mike Staffopoulos.

Purpose of Briefing

The purpose of the briefing was to update the Council Members about ongoing items in the City.

City Manager

Donation of Two Water Fountains
Jason Phitides, Director of Parks and Recreation, stated JTC Running wished to donate the two drinking water fountains. The cost for both drinking fountains would be $10,000 to $11,000 for both. Mr. Phitides stated one fountain would be located at Seawalk Pavilion, and the other would be located at Oceanfront Park. Mr. Phitides noted the City would maintain the fountains. JTC Running would also provide a marker indicating they donated the fountains. The Council agreed to the donation of two drinking water fountains.

Golf Course Rates
Bruce Mohler, Golf Course Facility Manager, explained the dynamic pricing he proposed charging visitors. The business plan for the golf course anticipated raising the rate 3.7% per year for the next three years, but the dynamic pricing could make the increase unnecessary. Members not subject to dynamic pricing included Beaches Energy pass holders. Mr. Mohler stated the new rates would take effect on April 1, 2020, and the dynamic pricing would start in mid-April to May.

Mr. Mohler explained the new golf ball dispenser machine for the driving range would have the technology to accept payments from credit cards, gift cards, and Apple Pay.

The Council agreed the newly proposed price increase for a yearly pass was high for the upcoming year. Mr. Staffopoulos stated another option would be a more modest increase in the yearly pass fee and to increase the floor rate instead. Mr. Mohler said he would take the Council's suggestions into account and prepare options for them to consider at their next meeting.

Naming of Streets
Mr. Staffopoulos referred to emails received from the Caine family requesting a street be named after their family. There are currently no policies in place, but research proved a street name had

only been changed in the past pursuant to an outstanding public purpose. Because there are no policies, it was not advisable to allow the naming now because that could set a precedent for many requests. A conversation ensued regarding other possible options to honor long time beach residents. Mayor Latham requested a policy proposal from staff. Mr. Staffopoulos agreed to draft a policy for the Council to review.

Deck the Chairs Contract

Mr. Staffopoulos reported 2020 is the final year of the existing five-year contract for Deck the Chairs. Mr. Staffopoulos referred to Council regarding their suggestions as to what they would like to see in the future for Deck the Chairs or different holiday events.

It was suggested by the Council to issue a Request for Proposal (RFP) to explore other event options from other organizations.

A conversation ensued regarding the history, concerns, and the future of Deck the Chairs.

Mr. Staffopoulos stated staff would negotiate a three-year agreement with Deck the Chairs. This would allow time for downtown hotels and construction to be completed and allow staff time to draft an RFP to identify other interested parties.

Council agreed a policy should be written for City-sponsored events, including requirements such as prohibiting alcohol and prohibiting charging an admission fee.

Special Magistrate

Chris Ambrosio, City Attorney, reviewed a proposal for the Council to consider the law firm Lewis, Longman, and Walker, P.A. to provide primary and alternate Special Magistrate services. The firm has six qualified attorneys offering coverage of all scheduled hearings and could schedule special hearings if needed. Mr. Ambrosio stated the law firm was negotiable with the fees and agreed upon an acceptable rate.

The briefing adjourned at 6:45 P.M.

Submitted by: Jodilynn Byrd
Administrative Assistant

Approved:

_____
William C. Latham, MAYOR

Date: _____

DRAFT

Minutes of Regular City Council Meeting
held Monday, March 2, 2020, at 7:00 P.M.
in the Council Chambers, 11 North 3rd Street,
Jacksonville Beach, Florida

JACKSONVILLE BEACH

OPENING CEREMONIES:
Council Member Vogelsang provided the Invocation, followed by the salute to the flag.

CALL TO ORDER:
Mayor Latham called the meeting to order at 7:05 P.M.

ROLL CALL:
Mayor: William C. Latham

Council Members: Keith Doherty, Christine Hoffman, Georgette Dumont, Cory Nichols, Sandy Golding, Phil Vogelsang

Also present were City Manager Mike Staffopoulos, City Attorney Chris Ambrosio, City Clerk Laurie Scott and Assistant City Clerk Sheri Gosselin.

APPROVAL OF MINUTES:
Motion: It was moved by Ms. Hoffman, seconded by Mr. Vogelsang, to approve the following minutes:
- Council Briefing held on February 17, 2020

Amended Motion: It was moved by Ms. Golding, seconded by Ms. Hoffman, and passed unanimously, to amend the February 17, 2020, Council Briefing minutes to include "that the Jacksonville Beach Police Department indicated they would not be using the gate at all."

Original Motion: It was moved by Ms. Hoffman, seconded by Mr. Vogelsang, and passed unanimously to approve the minutes of the Council Briefing held on February 17, 2020, as amended.

Motion: It was moved by Ms. Hoffman, seconded by Mr. Vogelsang, and passed unanimously to approve the following minutes:
- Regular Council Meeting held on February 17, 2020

ANNOUNCEMENTS:
Ms. Golding reported 18th Avenue North would be closed from March 6, 2020, at 5:00 P.M., until March 15, 2020, at 8:00 P.M. for an FDOT drainage project. She thanked Communications Manager Jacob Board for putting lots of great information on the City's website. Ms. Golding stated the City would soon create an email newsletter and encouraged everyone to sign up to receive it. Ms. Scott said there was also a newsletter sign-up sheet at the table by the entrance to the Council Chamber.

Mr. Ambrosio announced he was seeking Council's advice regarding the "SLG Investment Partnership LLP and Clear Channel Outdoor Inc. vs. the City of Jacksonville Beach Case #2018AP00121" litigation. The attorney/client session discussions would be confined to settlement negotiations or strategy sessions related to the litigation expenditures. He requested the special meeting be held on April 6, 2020, at 6:20 P.M. at City Hall.

DRAFT

Mayor Latham recalled the Council's fight with the state legislature regarding short-term rentals: LLCs were buying homes and making them available to as many as 18 people. The state senate rules committee had temporarily postponed a pending bill, so it would probably be brought up again next year. Mayor Latham intended to work with the Florida League of Mayors and Florida League of Cities to create a compromise draft instead of a bill from lobbyists.

COURTESY OF THE FLOOR TO VISITORS:

Mayor Latham extended Courtesy of the Floor to visitors.

- Chet Stokes, 142 33rd Avenue South, Jacksonville Beach, discussed his desire for lights on the driving range at the Golf Course.

MAYOR AND CITY COUNCIL:

Item #20-039 – Proclamation – Gregory Paul's

The City Clerk read the proclamation, which was presented to Greg Rider, owner of Gregory Paul's, by Mayor Latham.

CITY MANAGER:

Item #20-040 – Approve/Disapprove a Professional Legal Services Agreement with the Law Firm Lewis, Longman & Walker, P.A., to Provide Primary and Alternate Special Magistrate Services to the City

Mr. Staffopoulos stated the firm could provide both primary and back-up special magistrate services.

Motion: It was moved by Ms. Hoffman and seconded by Mr. Vogelsang to approve a professional legal services agreement with the law firm Lewis, Longman & Walker, P.A., to provide primary and alternate special magistrate services to the City.

Discussion:
Ms. Dumont asked how this aligned with budgeting, and Deputy City Manager Karen Nelson stated there were sufficient funds in the budget already.

Roll Call Vote: Ayes – Doherty, Dumont, Golding, Hoffman, Nichols, Vogelsang, Mayor Latham
The motion passed 7-0.

Item #20-041 – Approve/Disapprove a Professional Legal Services Agreement with Carr Allison to Provide Legal Services to the Police Department for Risk Protection Order Cases

Mr. Staffopoulos explained Risk Protection Order cases entailed going through the court system to take away someone's firearms if so deemed. There is a new process with the responsibility being placed on local government.

Motion: It was moved by Ms. Hoffman and seconded by Mr. Vogelsang to approve a professional legal services agreement with Carr Allison to provide legal services to the Police Department for Risk Protection Order cases.

Discussion:
Ms. Nelson explained for this item, and the next two agenda items, funds were already available in the current budgeted.

Roll Call Vote: Ayes – Dumont, Golding, Hoffman, Nichols, Vogelsang, Doherty, Mayor Latham
The motion passed 7-0.

Item #20-042 – Approve/Disapprove a Professional Legal Services Agreement with the Law Firm Shepard, Smith, Kohlmyer & Hand, P.A., to Provide Legal Services to the City for the Charter Review Phases I and II Projects

Mr. Staffopoulos explained Phase I was for minor changes to the Charter in advance of the November 2020 election, and Phase II was a full Charter review.

Motion: It was moved by Ms. Hoffman and seconded by Mr. Vogelsang to approve a professional legal services agreement with the Law Firm Shepard, Smith, Kohlmyer & Hand, P.A., to provide legal services to the City for the Charter Review Phases I and II projects.

Roll Call Vote: Ayes – Golding, Hoffman, Nichols, Vogelsang, Doherty, Dumont, Mayor Latham
The motion passed 7-0.

Item #20-043 – Approve/Disapprove the CRA to Employ the Firm of Shepard, Smith, Kohlmyer & Hand, P.A., to Perform a Consolidation of the 1987 Downtown Community Redevelopment Plan, and Subsequent Amendments Thereto, on a Cost Plus Basis not to Exceed $32,000.00

Mr. Staffopoulos stated this scope of work comprised of consolidating all the existing and outstanding CRA plans into one plan.

Motion: It was moved by Ms. Hoffman and seconded by Mr. Vogelsang to approve the CRA to employ the firm of Shepard, Smith, Kohlmyer & Hand, P.A., to perform a consolidation of the 1987 Downtown Community Redevelopment Plan, and subsequent amendments thereto, on a cost plus basis not to exceed $32,000.00.

The following supported the item, but did not wish to speak:
- Gary Paetau, 725 Bonaire Circle, Jacksonville Beach

Roll Call Vote: Ayes – Hoffman, Nichols, Vogelsang, Doherty, Dumont, Golding, Mayor Latham
The motion passed 7-0.

Item #20-044 – Award/Reject Bid No.1920-04 for Lawn Care and Landscape Maintenance to Chad Brock Enterprises as the Primary Contractor and Down to Earth as the Secondary Contractor

Mr. Staffopoulos stated this item is for required lawn care and landscaping maintenance for Beaches Energy Services at all the substations, located in our service area from Neptune Beach to Ponte Vedra.

Motion: It was moved by Ms. Hoffman and seconded by Mr. Vogelsang to award Bid No.1920-04 for lawn care and landscape maintenance to Chad Brock Enterprises as the primary contractor and Down to Earth as the secondary contractor.

Roll Call Vote: Ayes – Nichols, Vogelsang, Doherty, Dumont, Golding, Hoffman, Mayor Latham
The motion passed 7-0.

Item #20-045 – Reject All Bids for Bid No.1920-01 for Well #16 Construction and Well #11 Abandonment Project, and Approve Advertisement of a New RFP

Mr. Staffopoulos explained the bids had come in substantially over the engineer's estimate and the budgeted cost. They would reduce the size of the well casing before soliciting new bids.

Motion: It was moved by Ms. Hoffman and seconded by Mr. Vogelsang to reject all bids for bid No.1920-01 for Well #16 construction and Well #11 abandonment project, and approve advertisement of a new RFP.

Discussion:
Ms. Hoffman asked how long the road by the Well #16 project site would be torn up, and Public Works Director Dennis Barron stated the repaving should be done in the next three weeks.

Roll Call Vote: Ayes – Vogelsang, Doherty, Dumont, Golding, Hoffman, Nichols, Mayor Latham
The motion passed 7-0.

Item #20-046 – Accept/Reject the Dedication to the City and Acceptance for Maintenance of the Public Infrastructure Improvements by Regency Centers in the Pablo Plaza Shopping Center for the Proposed Whole Foods Store

Motion: It was moved by Ms. Hoffman and seconded by Mr. Vogelsang to accept the dedication to the City and acceptance for maintenance of the public infrastructure improvements by Regency Centers in the Pablo Plaza Shopping Center for the proposed Whole Foods Store.

Roll Call Vote: Ayes – Doherty, Dumont, Golding, Hoffman, Nichols, Vogelsang, Mayor Latham
The motion passed 7-0.

Item #20-047 – Approve/Disapprove Change Order No. 3 for the Design of the 8 Foot Wide Multipurpose Path as Described in the Scope of Services for Task Work Order # 2: Ocean Terrace Drainage Improvements Final Design Phase –

Change Order No. 3: 8 Foot Paths at a Cost of $28,132.00 (Including 15% Contingency)

Mr. Staffopoulos said this change was being undertaken pursuant to the community's desire for connectivity. Jacksonville Drive was a prime route for accessing the beach, the commercial district, and Sunshine Park, and the current sidewalk was insufficient for multipurpose use.

Motion: It was moved by Ms. Hoffman and seconded by Mr. Vogelsang to approve Change Order No. 3 for the design of the 8-foot wide multipurpose path as described in the attached Scope of Services for Task Work Order # 2: Ocean Terrace Drainage Improvements Final Design Phase – Change Order No. 3: 8-foot Path at a Cost of $28,132.00 (Including 15% Contingency).

Public Hearing:
The following spoke in favor of the item:

- Jim Sorrell, 1410 Pinewood Road, Jacksonville Beach
- Gary Paetau, 725 Bonaire Circle, Jacksonville Beach

Discussion:
Ms. Dumont stated she preferred the wider multipurpose path to be on the north side of Jacksonville Drive between South Beach Parkway and Grande Boulevard.

Ms. Golding asked why the sidewalk would be on different sides on different segments of the road. She had been informed by the Police Department they did not enforce the prohibition against riding bicycles on sidewalks and felt they should reconsider the prohibition.

Mr. Barron and Director of Planning and Development Bill Mann explained why the 8-foot sidewalk must be located on the south side in this area, including not enough room for an 8-foot multi-use path and ADA grade compliance issues.

Mr. Nichols asked them to work with the City of Jacksonville tree mitigation program to get free trees for the landscaping.

Mr. Vogelsang requested this be brought back to Council when there was a drawing.

Ms. Hoffman appreciated the concept but doubted the usage this section would receive.

Mr. Doherty asked if it would be lighted, and Mr. Mann said it would be a future project.

Public Works Project Engineer Kayle Moore responded to a question from Ms. Dumont regarding realignment to accommodate the sidewalk on the north side by saying they had the opportunity for realignment, but this would add to the cost. He said they would consider this and get Council's opinion.

Mr. Staffopoulos wanted to bring the sidewalk bike prohibition back to the Council to reconsider. Regarding the trees, he pointed out there were overhead power lines now, but Beaches Energy was considering this corridor for underground utilities in the future. He said when they were at the

30% conceptual design decision point for building the sidewalk on the south side, they would bring it back to Council to see if they felt the additional cost was worth relocating it to the north side.

Roll Call Vote: Ayes – Dumont, Golding, Hoffman, Nichols, Vogelsang, Doherty, Mayor Latham
The motion passed 7-0.

Item #20-048 – Approve/Disapprove the Assignment and Assumption of Commercial Lease Agreement of the Golf Course Restaurant Lease from Tee to Green Partners D/B/A Sand Trap Bar and Grill to Penman Hospitality LLC, D/B/A Sneakers on the Green

Mr. Staffopoulos stated this item had been pulled from the agenda.

Item #20-049 – Approve/Disapprove the Purchase of a Ball Dispenser for the Driving Range from Range Servant America, Inc., in the Amount of $22,572.00

Mr. Staffopoulos said this would allow people to purchase golf balls without visiting the pro shop and eliminate the manpower dedicated to bagging the balls and collecting the bags.

Motion: It was moved by Ms. Hoffman and seconded by Mr. Vogelsang to approve the purchase of a ball dispenser for the driving range from Range Servant America, Inc., in the amount of $22,572.00 as described in the memorandum from the Golf Course Facility Manager dated February 18, 2020.

Roll Call Vote: Ayes – Golding, Hoffman, Nichols, Vogelsang, Doherty, Dumont, Mayor Latham
The motion passed 7-0.

Item #20-050 – Approve/Disapprove the Final Plat for Replat of Lots 5 and 6, Block 45, Atlantic Park, Supporting a Four-Unit Townhouse Residential Subdivision

Motion: It was moved by Ms. Hoffman and seconded by Mr. Vogelsang to approve the attached final plat for replat of lots 5 and 6, block 45, Atlantic Park, supporting a four-unit townhouse residential subdivision.

Roll Call Vote: Ayes – Hoffman, Nichols, Vogelsang, Doherty, Golding, Mayor Latham
Nays – Dumont
The motion passed 6-1.

RESOLUTIONS:
Item #20-051 – RESOLUTION NO. 2052-2020

Mayor Latham requested the City Clerk read Resolution No. 2052-2020 by title only, whereupon Ms. Scott read the following:

> **"A RESOLUTION OF THE CITY OF JACKSONVILLE BEACH, FLORIDA, DIRECTING THE CITY MANAGER TO PLACE STANDARD HOSPITAL EMERGENCY SERVICES WAYFINDING SIGNS ON CITY**

PROPERTY TO HELP THE TRAVELING GENERAL PUBLIC LOCATE THE ONLY LICENSED HOSPITAL EMERGENCY MEDICAL CARE FACILITY LOCATED IN THE CITY, AS DEFINED BY SECTION 395.002, FLORIDA STATUTES; PROVIDING FOR LEGISLATIVE FINDINGS, COUNCIL AUTHORITY, PUBLIC PURPOSES, ADMINISTRATIVE ASSIGNMENT AND DELEGATION OF RESPONSIBILITIES, CONFLICTS, SEVERABILITY, AND SETTING AN EFFECTIVE DATE."

Public Hearing:
The following spoke in support of the item:

- Joe Mitrick, Baptist Medical Center Beaches President, 1350 13th Avenue South, Jacksonville Beach

Motion: It was moved by Ms. Hoffman and seconded by Mr. Vogelsang to adopt Resolution No. 2052-2020 directing and authorizing the City Manager to place standard hospital emergency services wayfinding signs on City property to help the public locate the only licensed hospital emergency medical care facility in the City of Jacksonville Beach, as defined by Section 395.002, Florida statutes.

Mr. Staffopoulos described areas where the signage would be located, including Beach Boulevard, J. Turner Butler/South Beach Parkway, A1A (3rd Street), and 9th Street/South Beach Parkway.

Roll Call Vote: Ayes – Nichols, Vogelsang, Doherty, Dumont, Golding, Hoffman, Mayor Latham
The motion passed 7-0.

Item #20-052 – RESOLUTION NO. 2053-2020

Mayor Latham requested the City Clerk read Resolution No. 2053-2020 by title only, whereupon Ms. Scott read the following:

"A RESOLUTION AMENDING THE CITY OF JACKSONVILLE BEACH POSITION CLASSIFICATION AND PAY PLAN FOR MANAGERIAL, PROFESSIONAL, ADMINISTRATIVE (NONUNION) POSITIONS, EFFECTIVE MARCH 2, 2020."

Motion: It was moved by Ms. Hoffman and seconded by Mr. Vogelsang to adopt Resolution No. 2053-2020 amending the position classification and pay plan for managerial, professional, administrative (nonunion) positions, effective March 2, 2020, to add a Regulatory Compliance Officer.

Roll Call Vote: Ayes – Vogelsang, Doherty, Dumont, Golding, Hoffman, Nichols, Mayor Latham
The motion passed 7-0.

ORDINANCES:
Item #20-053 – ORDINANCE NO. 2020-8134 (First Reading) (Public Hearing)

Mayor Latham requested the City Clerk read Ordinance No. 2020-8134 by title only, whereupon Ms. Scott read the following:

> **"AN ORDINANCE AMENDING CHAPTER 34, ARTICLE VIII, DIVISION 2, SECTION 34-406 FENCES, OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH, FLORIDA; TO ADD A MAXIMUM HEIGHT RESTRICTION FOR FENCES ON RESIDENTIAL ZONED PROPERTIES FRONTING STATE ROAD A1A; PROVIDING FOR REPEAL OF ORDINANCES IN CONFLICT WITH THIS ORDINANCE, SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE."**

Mayor Latham read the following:
"This ordinance for the amendment of the Land Development Code is before this Council for a public hearing and consideration on its first reading. Under the laws of the State of Florida, an ordinance which changes the actual list of permitted, conditional, or prohibited uses within a zoning category, or which otherwise changes the text of the Land Development Code, is a 'quasi-legislative' proceeding. A quasi-legislative proceeding means that the governing body is acting in its rule-making capacity.

It is the duty of the Council to arrive at sound decisions regarding the use of property within the City. This includes receiving citizen input regarding proposed uses within a zoning category.

The application has been reviewed by Staff and the Planning Commission for consistency with other portions of the Land Development Code and the Comprehensive Plan. The Council may hear from all interested parties in the legislative determination of an amendment to the text of the Land Development Code.

The Council's decision on the text amendment application is based on the criteria set forth in Section 34-211 of the Land Development Code. Each member of the Council has been provided a copy of the criteria."

Public Hearing:
The following spoke in support of the Ordinance:

- Debbie Whittle, 3477 3rd Street South, Jacksonville Beach

Mayor Latham closed the public hearing and read the following:
"Before requesting a motion on this ordinance, beginning with myself, each of the members is requested to indicate for the record both the names of persons and the substance of any ex-parte communications regarding this application. An ex-parte communication refers to any meeting or discussion with a person or citizen who may have an interest in this decision, which occurred outside of the public hearing process."

Mayor Latham, Mr. Nichols, Mr. Vogelsang, Ms. Hoffman, Mr. Doherty, Ms. Golding disclosed they had no ex-parte communication.

Ms. Dumont disclosed she spoke with Ms. Whittle.

Motion: It was moved by Ms. Hoffman and seconded by Mr. Vogelsang to adopt Ordinance No. 2020-8134 amending Chapter 34, Land Development Code Article VIII, Division 2, Section 34-406 Fences, to add a maximum height restriction for fences on residential zoned properties fronting State Road A1A.

Mayor Latham read the following statement for the record:
"Before opening the floor for discussion or questions by the Council, please be reminded that our decision will be based on the criteria set forth in the Land Development Code, Staff's report, the recommendation of the Planning Commission and the public input at all hearings."

Discussion:
Ms. Dumont expressed her concerns: She felt the information provided to the Planning Commission was inaccurate. She described her meetings, discussions, and information shared with Ms. Whittle and staff. Ms. Dumont wanted this thoroughly researched and re-presented to the Planning Commission.

Ms. Golding said the property appraiser's website indicated the right-of-way was 70 feet, and the frontage was close to the house. She asked where the fence would be located, and Mr. Mann said it must be located in the front yard setback. The City could not issue a permit for a fence in a FDOT right-of-way. He described the driveway sight triangle requirements. Ms. Golding stated for the record Key West restricted front yard fences to four feet; St. Augustine Beach restricted front yard fences to 42 inches; Hallandale Beach restricted front yard fences to four feet; Ormond Beach restricted front yard fences to three feet, and Jacksonville limited front yard fences to four feet.

Roll Call Vote: Ayes – Dumont, Hoffman, Mayor Latham
Nays – Doherty, Golding, Nichols, Vogelsang
The motion failed 3-4.

Item #20-054 - ORDINANCE NO. 2020-8133 (Second Reading) (Public Hearing)

Mayor Latham requested the City Clerk read Ordinance No. 2020-8133 by title only, whereupon Ms. Scott read the following:

> **"AN ORDINANCE TO AMEND VARIOUS ARTICLES, DIVISIONS, AND SECTIONS OF THE CITY OF JACKSONVILLE BEACH, CODE OF ORDINANCES CHAPTER 34 LAND DEVELOPMENT CODE; TO PROVIDE CLARIFICATIONS, REVISIONS, UPDATES, AND REORGANIZATION; PROVIDING FOR REPEAL OF ORDINANCES IN CONFLICT WITH THIS ORDINANCE, SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE."**

Mayor Latham read the following:
"This ordinance for the amendment of the Land Development Code is before this Council for a public hearing and consideration on its second reading. Under the laws of the State of Florida, an ordinance which changes the actual list of permitted, conditional, or prohibited uses within a

zoning category, or which otherwise changes the text of the Land Development Code, is a 'quasi-legislative' proceeding. A quasi-legislative proceeding means that the governing body is acting in its rule-making capacity.

It is the duty of the Council to arrive at sound decisions regarding the use of property within the City. This includes receiving citizen input regarding proposed uses within a zoning category.

The application has been reviewed by Staff and the Planning Commission for consistency with other portions of the Land Development Code and the Comprehensive Plan. The Council may hear from all interested parties in the legislative determination of an amendment to the text of the Land Development Code.

The Council's decision on the text amendment application is based on the criteria set forth in Section 34-211 of the Land Development Code. Each member of the Council has been provided a copy of the criteria."

Public Hearing:
The following spoke in opposition to the Ordinance:

- Gary Paetau, 725 Bonaire Circle, Jacksonville Beach

Mayor Latham closed the public hearing and read the following:
"Before requesting a motion on this ordinance, beginning with myself, each of the members is requested to indicate for the record both the names of persons and the substance of any ex-parte communications regarding this application. An ex-parte communication refers to any meeting or discussion with a person or citizen who may have an interest in this decision, which occurred outside of the public hearing process."

Mayor Latham, Mr. Nichols, Ms. Dumont, Mr. Vogelsang, Ms. Hoffman, Mr. Doherty, and Ms. Golding disclosed they had all spoken with Mr. Paetau.

Motion: It was moved by Ms. Hoffman and seconded by Mr. Vogelsang, to adopt Ordinance No. 2020-8133 as amended, amending the text of Articles II, IV, V, VI, VII, VIII and IX of Chapter 34. Land Development Code of the Jacksonville Beach Code of Ordinances.

Mayor Latham read the following statement for the record:
"Before opening the floor for discussion or questions by the Council, please be reminded that our decision will be based on the criteria set forth in the Land Development Code, Staff's report, the recommendation of the Planning Commission and the public input at all hearings."

Discussion:
Mr. Nichols asked if the City had any additional liability if they did not make this change regarding the air conditioning units, and Mr. Ambrosio responded they would not.

Ms. Dumont felt the setback requirement for air conditioning units would be extremely cost-prohibitive to homeowners.

Amended Motion: It was moved by Ms. Dumont and seconded by Mr. Doherty, to strike Section 34-392(1)a. from the proposed amended ordinance.

Mr. Vogelsang wanted to change the distance requirement to five feet, in line with the setbacks.

Mayor Latham said they could consider grandfathering existing properties.

Mr. Mann reported there was an allowance for air conditioning compressors located in side yards, but they could only extend "X number of inches" into the setback. The smallest side yard setback is 5 feet.

Amended Motion: It was moved by Ms. Dumont and seconded by Mr. Doherty, to grandfather in all current properties. New construction would require 7.5 feet.

Mr. Vogelsang said this would prevent one from shifting a house on the lot.

Mr. Doherty recommended keeping it as is at 5 feet.

Ms. Hoffman, as a point of order, noted issues with the two proposed amendments. She said she would support the first amendment.

Ms. Golding stated she would support the first amendment and asked Mr. Staffopoulos to share what he discussed with Police Chief Gene Paul Smith and Fire Marshal Steve Sciotto.

Mr. Nichols did not feel this was a critical issue for first responders.

Mr. Staffopoulos stated Mr. Sciotto indicated the side yard air conditioning unit being a serious firefighting issue was rare. Chief Smith indicated the Police Department would use K-9 officers to chase suspects on properties. Mr. Staffopoulos had concluded the public safety issue was minimal and suggested pulling the new distance requirement from the ordinance.

Ms. Dumont withdrew the second amended motion she had proposed.

Amended Motion:
Roll Call Vote: Ayes – Dumont, Golding, Hoffman, Nichols, Vogelsang, Doherty, Mayor Latham
The motion passed 7-0.

Original Motion:
Roll Call Vote: Ayes – Golding, Hoffman, Nichols, Vogelsang, Doherty, Dumont, Mayor Latham
The motion passed 7-0, as amended.

Item 20-055 ORDINANCE NO. 2020-8135 (First Reading)

Mayor Latham requested the City Clerk read Ordinance No. 2020-8135 by title only, whereupon Ms. Scott read the following:

"AN ORDINANCE AMENDING CHAPTER 34, ARTICLE VII, DIVISION 2, SECTION 34-346 INDUSTRIAL DISTRICT: I-1, OF THE CODE OF

ORDINANCES OF THE CITY OF JACKSONVILLE BEACH, FLORIDA; TO ADD MOBILE FOOD VENDORS TO PERMITTED USES IN INDUSTRIAL DISTRICT: I-1 ZONING DISTRICTS; PROVIDING FOR THE REPEAL OF ORDINANCES IN CONFLICT WITH THIS ORDINANCE, SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE."

Mayor Latham read the following:
"This ordinance for the amendment of the Land Development Code is before this Council for a public hearing and consideration on its second reading. Under the laws of the State of Florida, an ordinance which changes the actual list of permitted, conditional, or prohibited uses within a zoning category, or which otherwise changes the text of the Land Development Code, is a 'quasi-legislative' proceeding. A quasi-legislative proceeding means that the governing body is acting in its rule-making capacity.

It is the duty of the Council to arrive at sound decisions regarding the use of property within the City. This includes receiving citizen input regarding proposed uses within a zoning category.

The application has been reviewed by Staff and the Planning Commission for consistency with other portions of the Land Development Code and the Comprehensive Plan. The Council may hear from all interested parties in the legislative determination of an amendment to the text of the Land Development Code.

The Council's decision on the text amendment application is based on the criteria set forth in Section 34-211 of the Land Development Code. Each member of the Council has been provided a copy of the criteria."

Public Hearing:
No one came forward.

Mayor Latham closed the public hearing and read the following:
"Before requesting a motion on this ordinance, beginning with myself, each of the members is requested to indicate for the record both the names of persons and the substance of any ex-parte communications regarding this application. An ex-parte communication refers to any meeting or discussion with a person or citizen who may have an interest in this decision, which occurred outside of the public hearing process."

Mayor Latham, Ms. Dumont, Mr. Vogelsang, Ms. Hoffman, Mr. Doherty, and Ms. Golding disclosed they had no ex-parte communication.

Mr. Nichols disclosed he spoke with a food truck owner.

Motion: It was moved by Ms. Hoffman and seconded by Mr. Vogelsang to adopt Ordinance No. 2020-8135 amending Chapter 34 of the Land Development Code, Article VII, Division 2, Section 34-346 to add Mobile Food Vendors to permitted uses in Industrial District: I-1 zoning districts.

Mayor Latham read the following statement for the record:
"Before opening the floor for discussion or questions by the Council, please be reminded that our decision will be based on the criteria set forth in the Land Development Code, Staff's report, the recommendation of the Planning Commission and the public input at all hearings."

Discussion:
Mr. Staffopoulos stated this would allow food trucks to be on industrial properties.

Roll Call Vote: Ayes – Hoffman, Nichols, Vogelsang, Doherty, Dumont, Golding, Mayor Latham
The motion passed 7-0.

ADJOURNMENT:
There being no further business, the meeting adjourned at 8:47 P.M.

Submitted by: Laurie Scott
City Clerk

Approval:

_____
William C. Latham, MAYOR

Date: _____

DRAFT

JACKSONVILLE BEACH

City of
Jacksonville Beach
City Hall
11 North Third Street
Jacksonville Beach
FL 32250
Phone: 904.247.6274

www.jacksonvillebeach.org

FINANCE DEPARTMENT

MEMORANDUM

TO: Michael Staffopoulos, City Manager
FROM: Ashlie Gossett, Chief Financial Officer
SUBJECT: Monthly Financial Reports for February 2020
DATE: March 6, 2020

Summary

The Summary Budget Reports show the cumulative actual revenues and expenditures compared to the actual amounts at the same point in time as last fiscal year. Exhibit 7 of the Summary Budget Reports compares actual revenues and expenditures to budget in total by fund. These financial reports are prepared on a cash basis.

Exhibit 1 - General Fund Revenues

General Fund revenues are slightly ahead of last year on a percentage of budget basis. We received the annual ad valorem tax distributions in December, bringing the tax revenue-to-date to 75.04% of the annual budget.

Miscellaneous revenues in the General Fund include interest on pooled investments, auction proceeds, facility rental fees, insurance reimbursements, and cemetery lots purchased. The 15.90% variance from last year is due to increases in auction proceeds and interest income.

Exhibit 2 - General Fund Expenditures

General Fund Expenditures are slightly ahead of prior year expenditures on a percentage of budget basis. Total year to date expenditures in the General Fund are under budget by 5.22%. Fire Department expenditures are higher than budgeted because of sick and vacation accrued leave payouts made to personnel as part of the Fire Services Agreement with the City of Jacksonville.

Exhibit 3 - Enterprise Fund Revenues

Enterprise Fund Revenues are 3.59% lower than the prior year revenues on a percentage of budget basis. Total year to date Electric Fund Revenues are 3.78% under amounts budgeted. This decrease is attributable to the suspension of the bulk power cost portion of the electric rate in October and an overall reduction in customer consumption compared to the same period in the prior year. The Golf Course year-to-year variance is a result of the course closing for renovations from January to November 2018.

Exhibit 4 - Enterprise Fund Expenditures

Total expenditures in the Enterprise Funds are 13.34% under budget for the current year. The year over year decrease in Electric expenses is largely due to a reduction in power purchased from our supplier. Water & Sewer expenses were higher in the prior year primarily due to capital projects. The Sanitation Fund purchased a new street sweeper in the current year for $213,891 attributing to the variance from the prior year.

Exhibit 5 – Special Revenue Fund Revenues

Revenues in the Special Revenue Funds are 16.90% ahead of last year on a percentage basis. We received the annual tax increment distributions in December bringing revenue-to-date slightly over the annual budget.

Exhibit 6 - Special Revenue Fund Expenditures

In total, Special Revenue Fund expenditures are under budget for the current year but 11.56% higher than last year on a percentage of budget basis. The Infrastructure Surtax debt was retired in March 2019, reducing the overall budget and expenditures in this fund for the current year. For the Tax Increment Funds, the year-to-year variance is due to the timing of capital project expenditures. Community Development Block Grant Fund expenditures will be reimbursed by grant funding.

Exhibit 7 - Summary Revenues and Expenditures

- The unfavorable variance in the Convention Development Fund exceed revenues due to the timing of revenue receipts from the City of Jacksonville. Revenues are typically received 60 days after the month ends.
- The net income shown for the Electric Fund is overstated because monthly power bills are paid in arrears to FMPA.

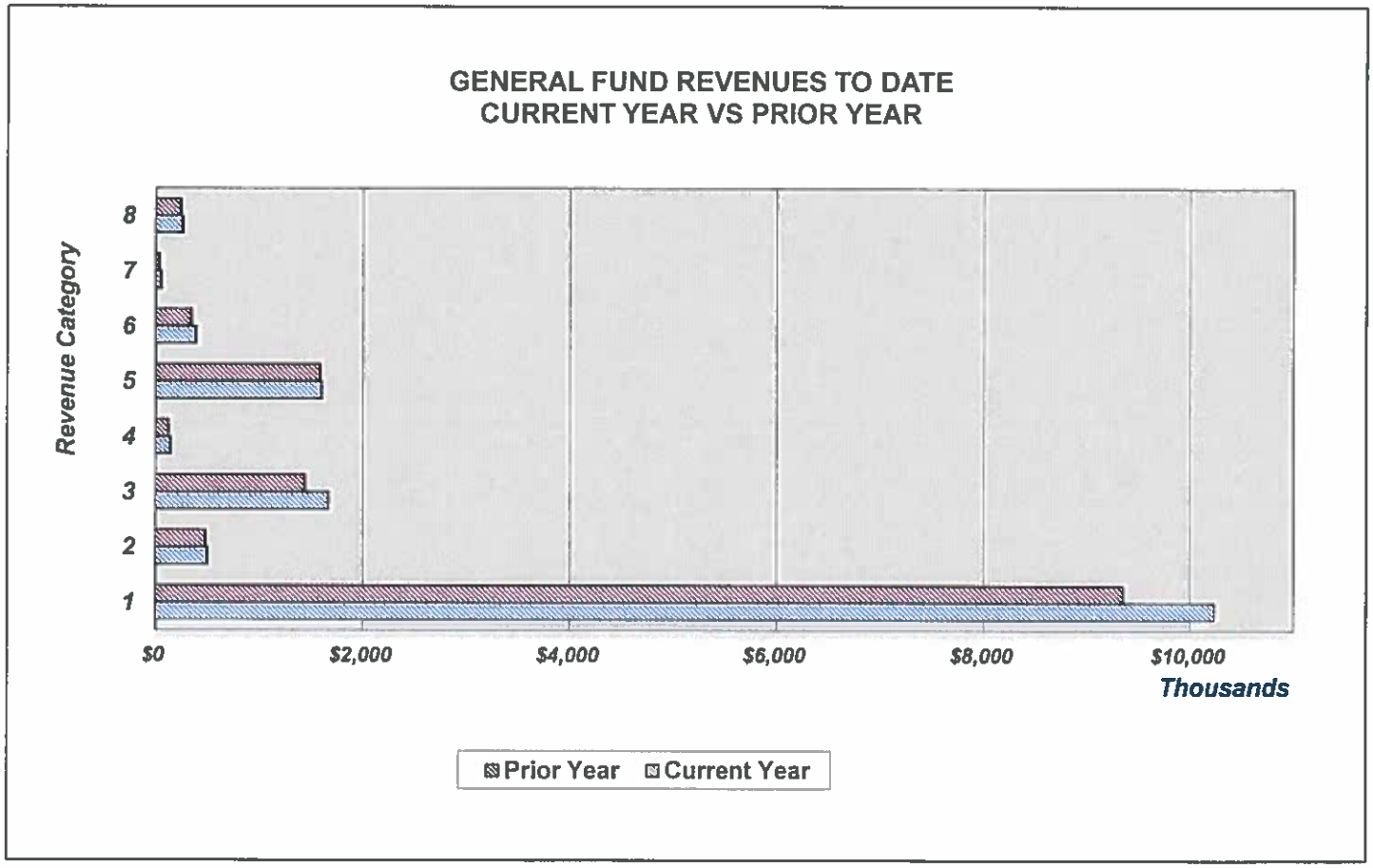
Requested Action

Accept/Reject the financial reports for the month of February 2020, as submitted by the Chief Financial Officer.

Summary Budget Revenue Report
February 29, 2020
(41.53% of year has elapsed)

EXHIBIT 1 - GENERAL FUND REVENUES

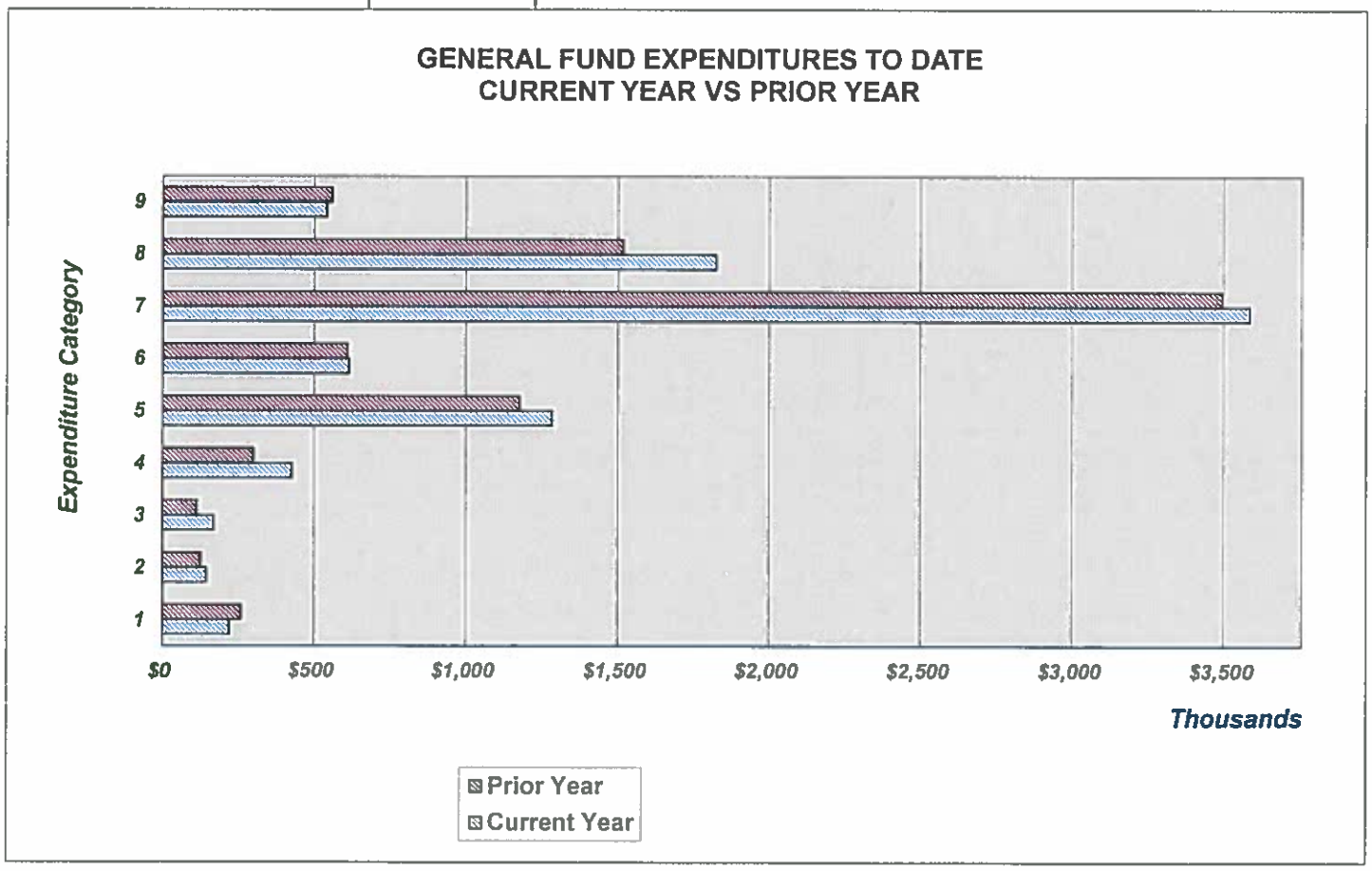
	Revenue Category	Current Year Revenue to Date	Current Year Revenue As a % of Budget	Prior Year Revenue to Date	Prior Year Revenue As a % of Budget	% Variance (Current Year Less Prior Year)	$ Variance (Current Year Less Prior Year)
1	Taxes	10,234,587	75.04%	9,352,581	76.26%	-1.22%	882,006
2	Licenses & Permits	497,427	82.92%	484,911	81.40%	1.52%	12,516
3	Intergovernmental Revenue	1,664,765	37.15%	1,442,563	34.07%	3.08%	222,201
4	Charges for Services	148,908	37.32%	123,981	31.87%	5.45%	24,928
5	Enterprise Contributions	1,598,883	41.67%	1,588,800	41.67%	0.00%	10,083
6	Miscellaneous Revenue	394,476	99.23%	345,434	83.34%	15.90%	49,042
7	Fines & Forfeitures	55,883	34.82%	38,619	22.65%	12.17%	17,263
8	Interfund Transfers	257,485	50.09%	240,527	47.16%	2.93%	16,959
	Total Revenues	**$ 14,852,415**	**61.81%**	**$ 13,617,417**	**60.82%**	**1.00%**	**$ 1,234,998**



Summary Budget Expenditure Report
February 29, 2020
(41.53% of year has elapsed)

EXHIBIT 2 - GENERAL FUND EXPENDITURES

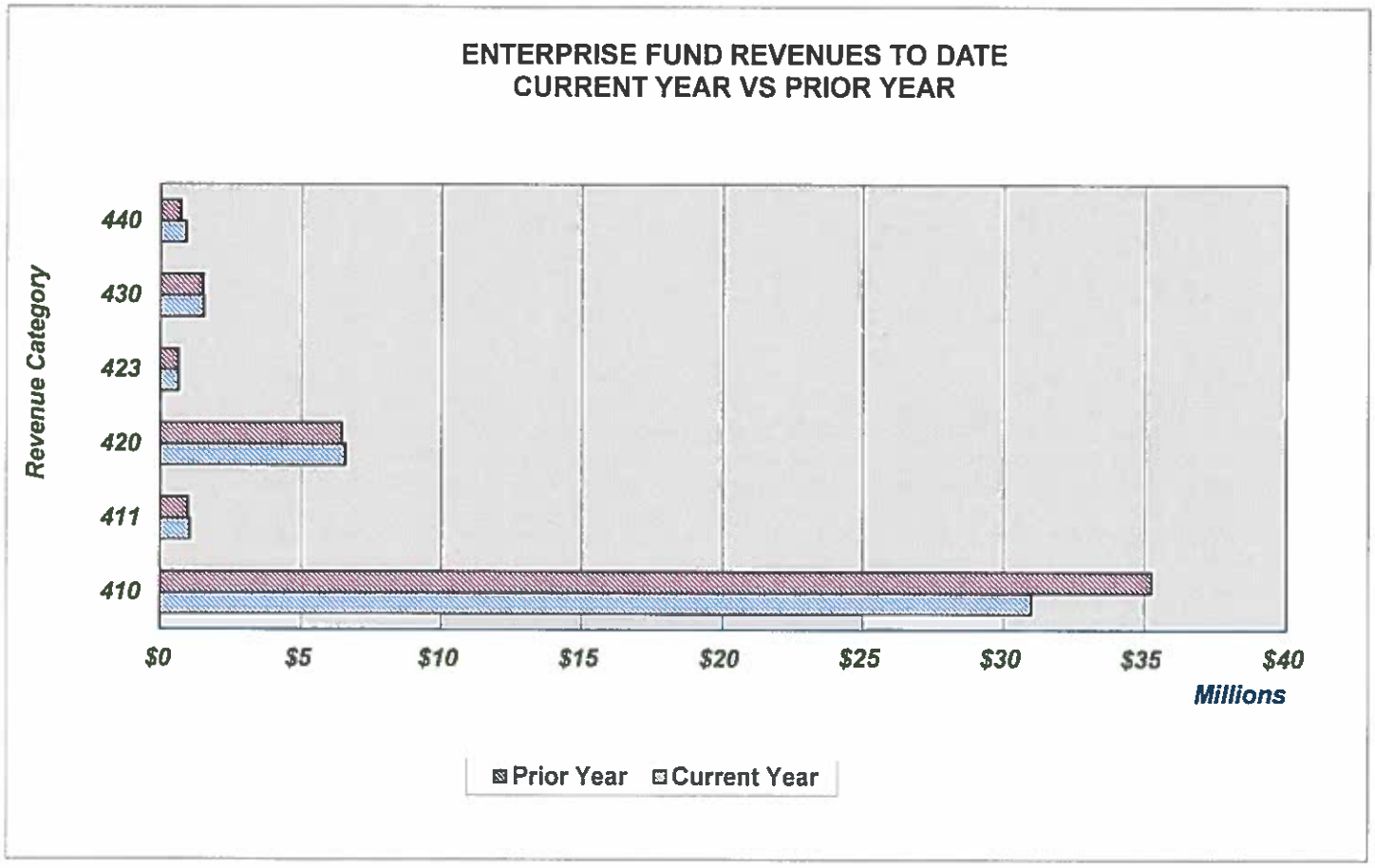
	Expenditure Category	Current Year Expenditures to Date	Current Year Expenditures As a % of Budget	Prior Year Expenditures to Date	Prior Year Expenditures As a % of Budget	% Variance (Current Year Less Prior Year)	$ Variance (Current Year Less Prior Year)
1	City Administration	220,661	42.79%	260,080	51.95%	-9.16%	(39,419)
2	City Clerk	145,976	37.50%	127,819	36.93%	0.57%	18,157
3	Building Maintenance	170,883	39.48%	114,401	28.25%	11.23%	56,481
4	Planning and Development	426,836	41.68%	301,105	33.11%	8.57%	125,731
5	Recreation and Parks	1,284,403	36.66%	1,179,576	33.72%	2.94%	104,827
6	Public Works	615,866	35.31%	610,669	37.01%	-1.70%	5,197
7	Police	3,583,600	35.86%	3,494,095	36.95%	-1.09%	89,506
8	Fire	1,825,919	39.33%	1,517,929	36.01%	3.33%	307,990
9	Non-Departmental	541,407	26.60%	558,927	33.37%	-6.76%	(17,520)
	Total Expenditures	**$ 8,815,551**	**36.31%**	**$ 8,164,601**	**36.04%**	**0.27%**	**$ 650,949**



Summary Budget Revenue Report
February 29, 2020
(41.53% of year has elapsed)

EXHIBIT 3 -ENTERPRISE FUND REVENUES

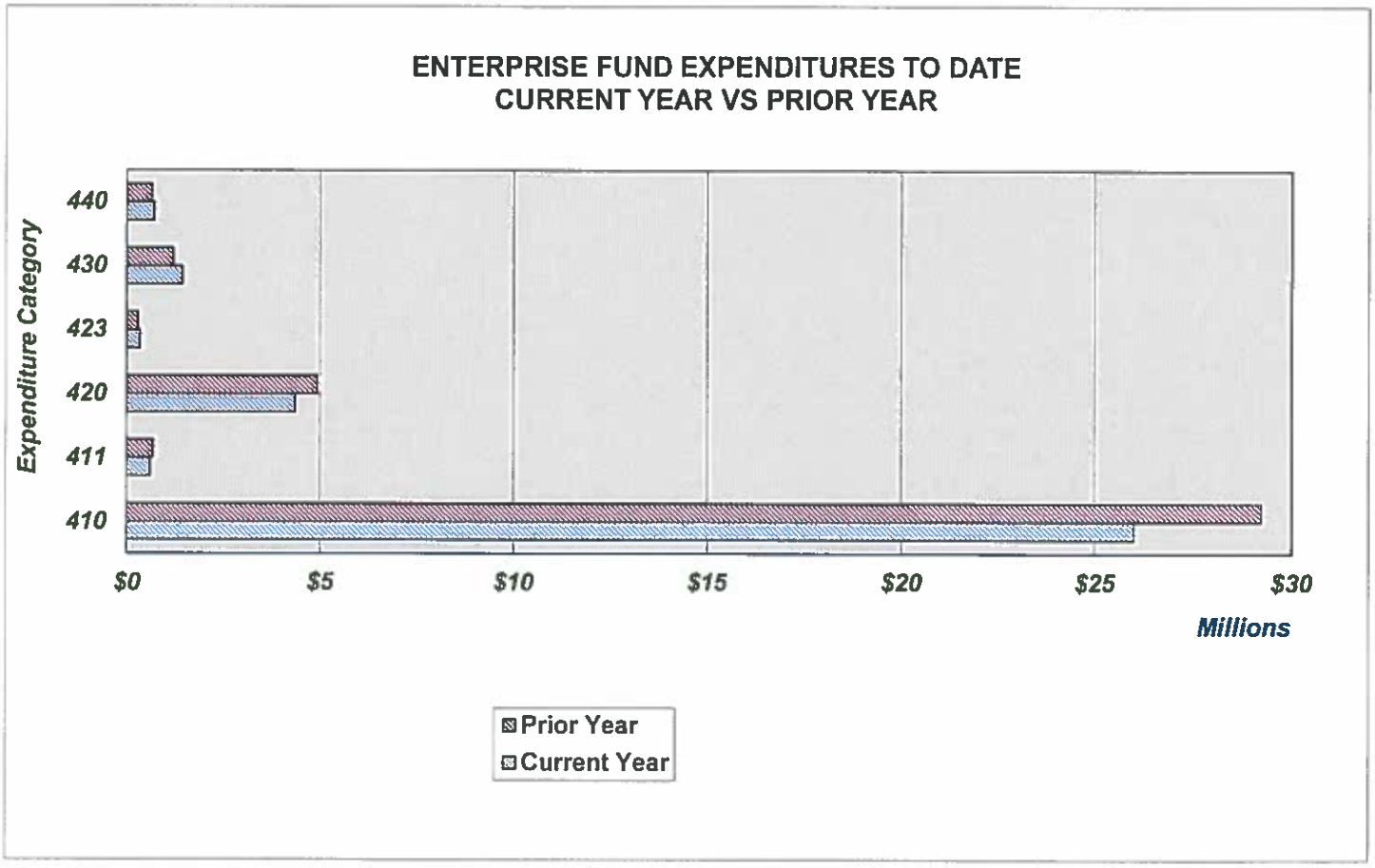
Revenue Category	Current Year Revenue to Date	Current Year Revenue As a % of Budget	Prior Year Revenue to Date	Prior Year Revenue As a % of Budget	% Variance (Current Year Less Prior Year)	$ Variance (Current Year Less Prior Year)
410 ELECTRIC	30,996,218	37.75%	35,243,708	41.98%	-4.23%	(4,247,490)
411 NATURAL GAS	1,062,056	44.15%	1,008,533	45.17%	-1.02%	53,523
420 WATER & SEWER	6,599,882	44.88%	6,448,647	47.41%	-2.53%	151,236
423 STORMWATER	662,032	45.55%	656,597	46.99%	-1.44%	5,435
430 SANITATION	1,544,948	43.96%	1,533,626	43.85%	0.11%	11,322
440 GOLF COURSE	923,481	47.67%	747,398	48.70%	-1.03%	176,083
TOTAL REVENUES	$ 41,788,618	39.38%	$ 45,638,509	42.97%	-3.59%	$ (3,849,891)



Summary Budget Expenditure Report
February 29, 2020
(41.53% of year has elapsed)

EXHIBIT 4 - ENTERPRISE FUND EXPENDITURES

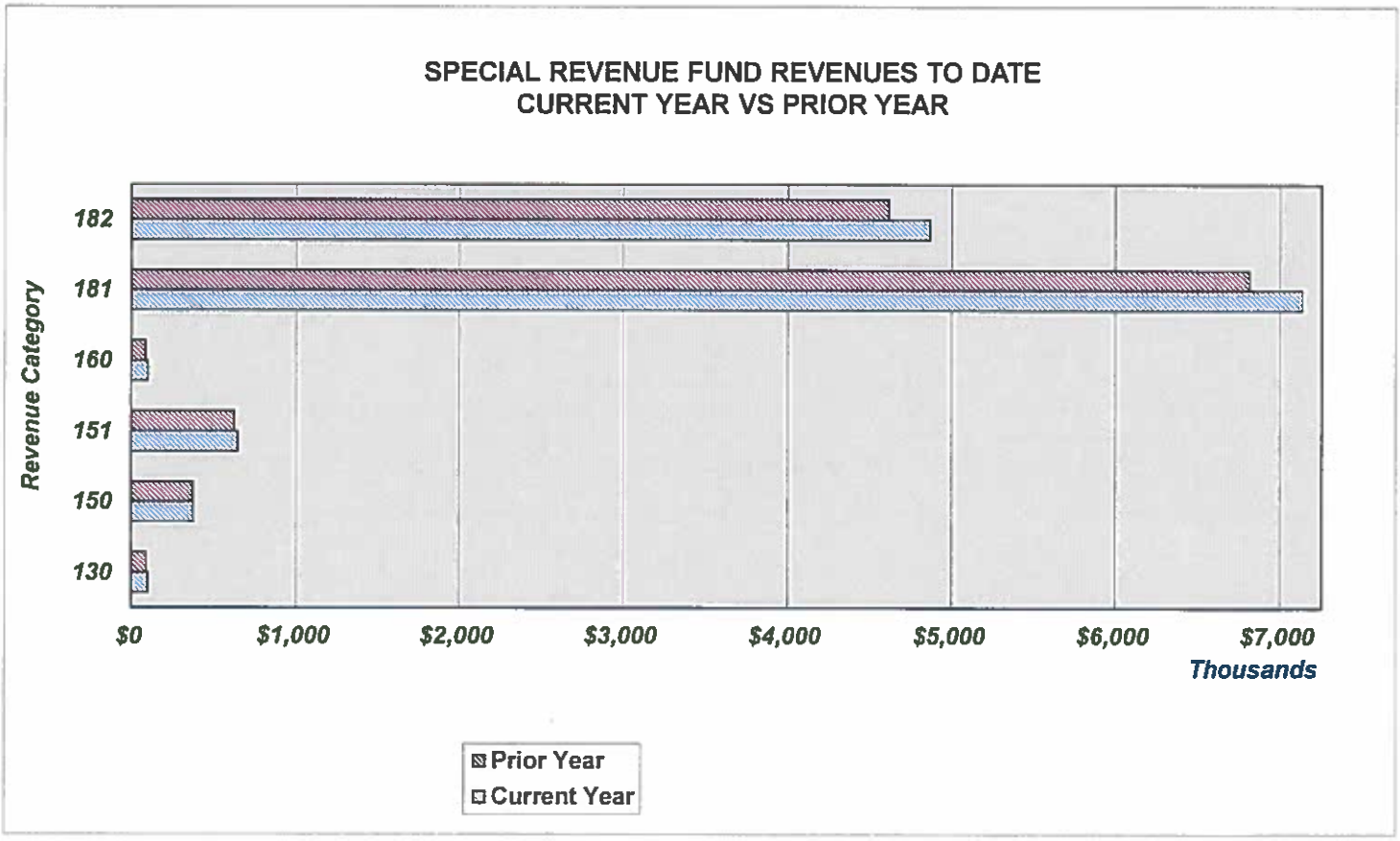
Expenditure Category	Current Year Expenditures to Date	Current Year Expenditures As a % of Budget	Prior Year Expenditures to Date	Prior Year Expenditures As a % of Budget	% Variance (Current Year Less Prior Year)	$ Variance (Current Year Less Prior Year)
410 ELECTRIC	26,003,453	28.12%	29,234,878	30.10%	-1.98%	(3,231,426)
411 NATURAL GAS	612,871	29.65%	689,264	35.07%	-5.43%	(76,394)
420 WATER & SEWER	4,362,786	28.56%	4,932,452	31.84%	-3.28%	(569,666)
423 STORMWATER	342,019	13.37%	292,275	19.53%	-6.16%	49,744
430 SANITATION	1,447,888	33.05%	1,213,325	32.62%	0.43%	234,563
440 GOLF COURSE	714,683	35.35%	648,116	44.66%	-9.31%	66,567
TOTAL EXPENDITURES	**$ 33,483,699**	**28.19%**	**$ 37,010,310**	**30.52%**	**-2.33%**	**$ (3,526,611)**



Summary Budget Revenue Report
February 29, 2020
(41.53% of year has elapsed)

EXHIBIT 5 -SPECIAL REVENUE FUND REVENUES

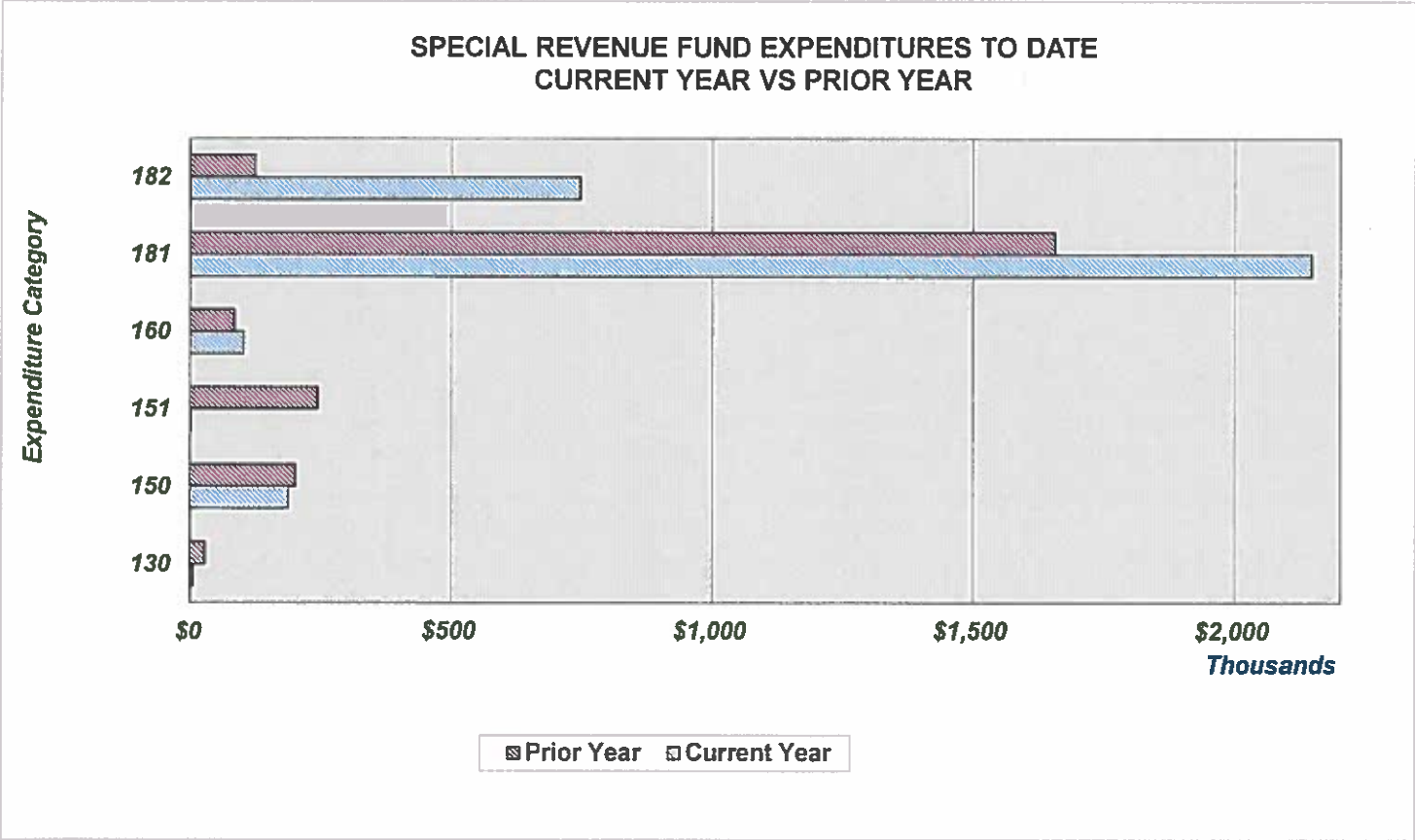
	Revenue Category	Current Year Revenue to Date	Current Year Revenue As a % of Budget	Prior Year Revenue to Date	Prior Year Revenue As a % of Budget	% Variance (Current Year Less Prior Year)	$ Variance (Current Year Less Prior Year)
130	CONVENTION DEV. TAX	102,154	25.70%	93,450	26.09%	-0.39%	8,703
150	LOCAL OPTION GAS TAX	379,941	46.15%	378,516	46.49%	-0.33%	1,426
151	INFRASTRUCTURE SURTAX	649,521	47.11%	628,432	46.07%	1.04%	21,089
160	COMMUNITY DEV. BLK. GRANT	102,485	74.26%	85,527	61.98%	12.29%	16,959
181	DOWNTOWN INCREMENT FUND	7,130,750	101.81%	6,816,079	102.07%	-0.25%	314,671
182	SOUTHEND INCREMENT FUND	4,865,452	194.34%	4,615,792	102.77%	91.57%	249,659
	TOTAL REVENUES	$ 13,230,304	108.05%	$ 12,617,797	91.14%	16.90%	$ 612,507



Summary Budget Expenditure Report
February 29, 2020
(41.53% of year has elapsed)

EXHIBIT 6 - SPECIAL REVENUE FUND EXPENDITURES

	Expenditure Category	Current Year Expenditures to Date	Current Year Expenditures As a % of Budget	Prior Year Expenditures to Date	Prior Year Expenditures As a % of Budget	% Variance (Current Year Less Prior Year)	$ Variance (Current Year Less Prior Year)
130	CONVENTION DEV. TAX	5,070	4.19%	28,705	10.49%	-6.30%	(23,635)
150	LOCAL OPTION GAS TAX	187,926	23.57%	202,218	25.33%	-1.76%	(14,292)
151	INFRASTRUCTURE SURTAX	1,773	0.53%	245,412	27.26%	-26.73%	(243,639)
160	COMMUNITY DEV. BLK. GRANT	102,485	72.17%	85,527	61.98%	10.20%	16,959
181	DOWNTOWN INCREMENT FUND	2,144,964	25.59%	1,655,678	13.24%	12.35%	489,285
182	SOUTHEND INCREMENT FUND	747,751	37.80%	124,759	29.72%	8.08%	622,992
	TOTAL EXPENDITURES	**$ 3,189,968**	**27.14%**	**$ 2,342,299**	**15.58%**	**11.56%**	**$ 847,669**



Summary Budget Report
February 29, 2020
(41.53% of year has elapsed)

EXHIBIT 7 - SUMMARY REVENUES AND EXPENDITURES

Fund Name	Budgeted Revenues Fiscal Year 2020	Budgeted Revenues To Date	Actual Revenues To Date	Variance Favorable/ (Unfavorable)
001 General Fund	24,027,407	9,978,595	14,852,415	4,873,819
130 Convention Development Tax	397,496	165,080	102,154	(62,927)
150 Local Option Gas Tax	823,223	341,885	379,941	38,056
151 Infrastructure Surtax	1,378,808	572,620	649,521	76,902
160 Community Dev. Blk. Grant	138,000	57,311	102,485	45,174
181 Downtown Increment Fund	7,003,700	2,908,640	7,130,750	4,222,110
182 Southend Increment Fund	2,503,537	1,039,720	4,865,452	3,825,732
410 Electric Utility	82,113,996	34,101,987	30,996,218	(3,105,769)
411 Natural Gas Utility	2,405,292	998,919	1,062,056	63,137
420 Water & Sewer Utility	14,705,017	6,107,002	6,599,882	492,881
423 Storm Water Management	1,453,505	603,641	662,032	58,390
430 Sanitation Fund	3,514,536	1,459,589	1,544,948	85,359
440 Golf Course Fund	1,937,261	804,546	923,481	118,936
460 Leased Facilities Fund	679,177	282,063	300,212	18,149
500 Internal Service Funds	13,268,599	5,510,456	5,333,550	(176,906)
Total Revenues	**$ 156,349,554**	**$ 64,932,055**	**$ 75,505,099**	**$ 10,573,044**

Fund Name	Budgeted Expenditures Fiscal Year 2020	Budgeted Expenditures To Date	Actual Expenditures To Date	Variance Favorable/ (Unfavorable)
001 General Fund	24,278,365	10,082,818	8,815,551	1,267,268
130 Convention Development Tax	121,028	50,263	5,070	45,193
150 Local Option Gas Tax	797,306	331,122	187,926	143,196
151 Infrastructure Surtax	332,306	138,007	1,773	136,234
160 Community Dev. Blk. Grant	142,000	58,973	102,485	(43,513)
181 Downtown Increment Fund	8,381,899	3,481,007	2,144,964	1,336,044
182 Southend Increment Fund	1,978,372	821,619	747,751	73,868
410 Electric Utility	92,474,819	38,404,843	26,003,453	12,401,390
411 Natural Gas Utility	2,067,336	858,566	612,871	245,695
420 Water & Sewer Utility	15,274,268	6,343,412	4,362,786	1,980,626
423 Storm Water Management	2,558,735	1,062,644	342,019	720,625
430 Sanitation Fund	4,381,001	1,819,432	1,447,888	371,544
440 Golf Course Fund	2,021,631	839,585	714,683	124,901
460 Leased Facilities Fund	964,178	400,424	275,350	125,074
500 Internal Service Funds	13,430,657	5,577,759	4,585,246	992,513
Total Expenditures	**$ 169,203,902**	**$ 70,270,473**	**$ 50,349,814**	**$ 19,920,659**

Fund Name	Net Income (Loss)	Net Variance Favorable/ (Unfavorable)
001 General Fund	6,036,864	6,141,087
130 Convention Development Tax	97,084	(17,734)
150 Local Option Gas Tax	192,016	181,252
151 Infrastructure Surtax	647,749	213,136
160 Community Dev. Blk. Grant	-	1,661
181 Downtown Increment Fund	4,985,787	5,558,153
182 Southend Increment Fund	4,117,701	3,899,599
410 Electric Utility	4,992,766	9,295,621
411 Natural Gas Utility	449,186	308,833
420 Water & Sewer Utility	2,237,096	2,473,506
423 Storm Water Management	320,013	779,015
430 Sanitation Fund	97,060	456,904
440 Golf Course Fund	208,798	243,837
460 Leased Facilities Fund	24,862	143,223
500 Internal Service Funds	748,304	815,607
Total	**$ 25,155,285**	**$ 30,493,702**

Cash and Investments by Fund
February 29, 2020

INVESTMENT HOLDER	TYPE	FACE AMOUNT	MARKET VALUE
Salem Trust Treasury Strip	TS	3,148,000	3,148,000
TOTAL UTILITY FUNDS 410 and 420			**$3,148,000**
Salem Mutual Fund	Portfolio	46,660,255	46,660,255
Sawgrass Asset Management	Portfolio	27,274,050	27,274,050
Wells Capital	Portfolio	14,903,737	14,903,737
JPMCB - Strategic Property Fund	Portfolio	5,192,924	5,192,924
TOTAL PENSION FUNDS 611, 612 and 613			**$94,030,966**
TOTAL INVESTMENTS			**$97,178,966**
State Board of Administration	Pool	17,054,079	17,054,079
Florida Trust	Pool	19,016,781	19,016,781
FMIT 0-2 Yr High Quality Bond Fund	Pool	12,506,591	12,506,591
Bank of America	Cash	39,285,942	39,285,942
Sawgrass Asset Management	Portfolio	43,836,304	43,836,304
Galliard Capital Management	Portfolio	40,285,231	40,285,231
Garcia Hamilton & Associates	Portfolio	40,225,928	40,225,928
Salem Trust: Goldman Sachs Treasury	MM	12,641	12,641
TOTAL EQUITY IN POOLED CASH			**$212,223,496**
Petty Cash	Cash	6,525	6,525
TOTAL CASH AND INVESTMENTS			**$309,408,988**

Attorney Fees Paid During the Month

NAME	DESCRIPTION	CHECK DATE	CHECK AMOUNT
Marks, Gray, PA	General Matters and Land Use Matters	02/20/20	11,281
Rogers Towers, P.A.	LIUNA Neg., Gen. Employee, & Police Matters	02/20/20	845
TOTAL ATTORNEY FEES			**$12,126**

JACKSONVILLE BEACH

Cash and Investments by Type
Fiscal Year to Date
February 29, 2020

Type of Investment	Beginning Balance 10/1/2019	Investment Earnings	Realized Gain/(Loss)	Unrealized Gain/(Loss)	Fees	Net Investment Income	Net Deposits (Withdrawals)	Ending Balance 2/29/2020	Weighted Net Return*
State Pooled Investment Fund	16,922,177	131,902	0	0	0	131,902	0	17,054,079	0.06%
Money Market: Goldman Sachs Treasury	11,103	1,852	0	0	(315)	1,538	0	12,641	0.00%
U.S. Treasury Stripped Coupons	3,129,238	0	0	0	0	0	18,762	3,148,000	0.00%
Florida Municipal Investment Trust 0-2 Yr HQ Bond Fund	12,397,619	108,971	0	0	0	108,971	0	12,506,591	0.05%
Sawgrass Asset Management	42,883,166	416,785	78,559	497,975	(40,182)	953,138	(0)	43,836,304	0.45%
Galliard Capital Management	39,449,933	393,247	106,840	358,223	(23,012)	835,298	(0)	40,285,231	0.40%
Garcia Hamilton & Associates	39,823,354	399,724	(6,734)	47,097	(37,513)	402,574	0	40,225,928	0.19%
Florida Trust	18,876,515	140,266	0	0	0	140,266	(0)	19,016,781	0.07%
Operating Cash: Bank of America	14,185,724	20,635	0	0	(49,291)	(28,656)	25,128,874	39,285,942	-0.02%
Petty Cash	6,525	0	0	0	0	0	0	6,525	0.00%
TOTAL CITY MANAGED INVESTMENTS AND CASH	**187,685,354**	**1,613,383**	**178,665**	**903,296**	**(150,313)**	**2,545,031**	**25,147,636**	**215,378,021**	**1.27%**
Pension Fund: Salem Mutual Fund	48,546,020	1,187,118	473,450	(2,696,333)	0	(1,035,765)	(850,000)	46,660,255	-1.07%
Pension Fund: Sawgrass Asset Mgt	26,387,145	298,801	603,851	25,849	(41,596)	886,905	(0)	27,274,050	0.97%
Pension Fund: Wells Capital	14,330,608	40,607	449,976	126,313	(43,766)	573,129	0	14,903,737	0.63%
Pension Fund: JPMCB - Strategic Property Fund	5,081,052	0	0	111,872	0	111,872	(0)	5,192,924	0.12%
TOTAL PENSION INVESTMENTS	**94,344,824**	**1,526,526**	**1,527,276**	**(2,432,298)**	**(85,362)**	**536,142**	**(850,000)**	**94,030,966**	**0.57%**
TOTAL CASH AND INVESTMENTS	**282,030,178**	**3,139,910**	**1,705,942**	**(1,529,003)**	**(235,675)**	**3,081,173**	**24,297,636**	**309,408,988**	

**Fiscal year to date*

JACKSONVILLE BEACH

City of
Jacksonville Beach
City Hall
11 North Third Street
Jacksonville Beach
FL 32250
Phone: 904.247.6274

www.jacksonvillebeach.org

FINANCE DEPARTMENT

MEMORANDUM

TO: Michael Staffopoulos, City Manager
FROM: Ashlie Gossett, Chief Financial Officer
SUBJECT: Audit Report for the Fiscal Year Ending September 30, 2019
DATE: March 30, 2020

BACKGROUND

We are providing a copy of the City's Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2019 for your review. The City again received an unqualified audit opinion on our annual financial report. In addition, the auditors found no major deficiencies in internal controls or compliance violations of any laws or regulations.

Historically, a briefing is held between the external auditors and the City Council to discuss the report at the time the CAFR is presented for acceptance. Due to the public gathering and social distancing guidance currently in place to reduce the spread of COVID-19 Coronavirus, this year the briefing will be scheduled at a later date.

We will submit this report to the Government Finance Officers' Association to be considered for the Certificate of Achievement Award for Financial Reporting. The City has received this award every year since 1993.

REQUESTED ACTION

Accept/Reject the Comprehensive Annual Financial Report for the fiscal year ending September 30, 2019.

PURVIS GRAY

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the City Council
City of Jacksonville Beach, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jacksonville Beach, Florida, (the City) for the year ended September 30, 2019. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated June 28, 2019. Professional standards also require that we communicate to you the following information related to our audit:

Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates may be particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Allowance for Doubtful Accounts—The City has based this estimate on the aging of accounts receivable and historical bad debt experience. The cumulative balance in the allowance for doubtful accounts is $218,240 as of September 30, 2019 (Note 1D).

- Depreciation Expense—The City bases this estimate on original judgments of useful lives and straight-line depreciation. Useful lives are reviewed and adjusted based on historical experience and current events and circumstances. Depreciation expense for the year ended September 30, 2019, totaled $3,742,825 for the governmental activities and $9,285,531 for the business-type activities (Note 6).

- Liability for Unpaid Self-Insurance Claims—The City bases this estimate on claims incurred through the balance sheet date and the probability of payment in accordance with GASB Statement No. 10. This liability is currently estimated at $246,172 as of September 30, 2019, and is recorded in the Self-Insurance Internal Service Fund (Note 14).

- Other Postemployment Benefit Liabilities (OPEB)—This estimate is based on an actuarial study performed by a qualified actuary. The most recent actuarial valuation was performed as of September 30, 2018. As permitted by GASB Statement No. 75, the City elected to use a measurement date that is one year prior to the reporting date. The total OPEB liability is $2,271,510 as of September 30, 2019. There are underlying assumptions in the actuary's report, which if changed, could significantly affect the recorded amount (Note 17).

- Compensated Absences—This estimate is based on payroll data as of year-end, including the employees' current rate of pay and accrued hours for vacation and sick leave. The total accrued liability for compensated absences is $5,545,993 as of September 30, 2019 (Note 7). According to the City's compensated absences policy, employees may be paid for 25% of accrued sick leave over 720 hours to a maximum of 2,880 if they possess 20 years of service, and are retiring under the City's pension plan. The non-vested portion of sick leave has been accrued because management has determined, based on historical experience, that the probability of employees ultimately meeting this criteria is high.

- Unbilled Revenues—This estimate is based on estimated usage of utility cycles used prior to year-end, but not billed until after year-end. The cumulative balance at September 30, 2019, is $6,205,409 (Note 1D).

- The Net Pension Liability (NPL)—For fiscal year ended September 30, 2019, the City reported a NPL for its three pension plans. This estimate is based on actuarial studies performed by a qualified actuary. As permitted by GASB Statement No. 68, the City elected to use a measurement date to record the NPL and related deferred outflows and inflows, that is one year prior to the reporting date. As described in Note 11, the City's total NPL as of the measurement date is $23,961,575. This liability represents the difference between the value of pension plan assets and the total pension liability, which is measured using various actuarial assumptions. If these assumptions were changed, it could have a significant impact on the amounts reported.

We evaluated the key factors and assumptions used to develop the estimates described above in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Upcoming Accounting Pronouncement

The Governmental Accounting Standards Board (GASB) has recently issued a new accounting and financial reporting pronouncement which will become effective in the City's 2021 fiscal year-end, GASB Statement No. 87 – *Leases*.

- GASB Statement No. 87, effective in 2021 dealing with Leases, with certain exceptions, will now require that all long-term, non-cancelable leases be recorded as long-term liabilities on the balance sheet with a corresponding "right to use" asset, both of which will be reduced over the life of the lease agreement. The City may have agreements in which they are the lessor or the lessee that meet the definition of a lease under the new standard, so we recommend that the City begin preparations to implement the new standard by making a list of all applicable lease agreements with their key terms such as duration, renewal options, payment amounts and escalation clauses, cancellability, etc., for evaluation under the new standard.

To the City Council
City of Jacksonville Beach, Florida

Difficulties Encountered in Performing the Audit
We are pleased to report we encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. None of the misstatements detected by our audit and corrected by management were material to the financial statements taken as a whole.

One uncorrected misstatement was identified which related to the delay in the closing of work orders in the electric utility fund. The unclosed work orders span multiple fiscal years. The total unrecorded accumulated depreciation for these work orders as of September 30, 2019 is estimated at $396,482, and the amount of under-depreciation of these assets attributable to the fiscal year ended September 30, 2019 is estimated at $242,463. Management has determined that the effects of this uncorrected misstatement are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management
For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated March 9, 2020.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Matters
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements
We applied certain limited procedures to the Required Supplementary Information (RSI) as identified in the table of contents of the financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

To the City Council
City of Jacksonville Beach, Florida

We were engaged to report on the supplementary information which consists of the combining and individual non-major fund statements and other schedules, bond covenant information, schedule of expenditures of grant funds per the City of Jacksonville's Ordinance Code Chapter 118.202(e), and the schedule of expenditures of federal awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

This information is intended solely for the use of Members of the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Purvis Gray

March 9, 2020
Tallahassee, Florida

Comprehensive Annual Financial Report

City of Jacksonville Beach, Florida

JAX EST. 1907 BEACH

Fiscal Year ended September 30, 2019

INTRODUCTORY SECTION

CITY OF JACKSONVILLE BEACH, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Prepared by
Department of Finance

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FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

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LETTER OF TRANSMITTAL

JACKSONVILLE BEACH

City of
Jacksonville Beach
City Hall
11 North Third Street
Jacksonville Beach
FL 32250
Phone: 904-247-6274

www.jacksonvillebeach.org

FINANCE DEPARTMENT

March 2, 2020

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Jacksonville Beach, Florida:

Florida Statutes require that all general purpose local governments publish within nine months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report for the City of Jacksonville Beach, Florida, for the fiscal year ended September 30, 2019.

This report consists of management's representations concerning the finances of the City of Jacksonville Beach, Florida (the City). Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the City's management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Purvis, Gray and Company, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon their audit, that there is a reasonable basis for rendering unmodified opinions on the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City for the fiscal year ended September 30, 2019, and that the City's financial statements are presented fairly in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City is sometimes part of a broader federal and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. The City met the minimum expenditures required for a Federal Single Audit.

GAAP requires that management provide a narrative introduction, overview, including changes in financial policies, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the City of Jacksonville Beach, Florida

The City was incorporated in 1907 and is located on the northeastern part of the state. The City currently occupies a land area of 8.06 square miles and serves a population of over 23,000. The City is empowered to levy a property tax on both real and personal properties located within its boundaries.

The City has operated under the council-manager form of government since 1937. Policy-making and legislative authority are vested in a governing council consisting of the mayor and six other members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the government's manager and attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The Council is elected on a nonpartisan basis. Council members are elected to four-year staggered terms with three council members elected every two years. The mayor is elected to a four-year term. Three council members are elected from within their districts, and the mayor and the remaining three council members are elected at-large.

The City provides a full range of services that include police and fire protection, sanitation services, the maintenance of streets and infrastructure, recreational activities and cultural events. In addition to general government activities, the City provides a full range of utility services including electric, natural gas, stormwater drainage, water, and wastewater treatment.

The annual budget serves as the foundation for the City's financial planning and control. All City departments are required to submit requests for appropriation to the City Manager. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the City Council for review. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30 of each year. The City Council annually adopts a budget resolution for all funds of the City. A five-year capital improvement plan is prepared each year based on business requirements and internal five-year revenue and expenditure projections.

The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Management must seek City Council approval to make budgetary amendments at the departmental level in the general fund, and at the fund level for all other funds. Management may, however, make a budget adjustment as long as it does not increase the overall budget for a department within the general fund or for any other fund in total. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbered appropriations are carried forward into subsequent years' budget without being re-budgeted. All encumbered budget appropriations, except project budgets, lapse at the end of each fiscal year. Encumbrances existing at year-end are recorded as reservations of fund balance and do not require re-appropriation.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue funds, this comparison is presented as part of the basic financial statements for the governmental funds beginning on page 18. For other nonmajor governmental funds with appropriated annual budgets, this comparison is presented in the combining and individual nonmajor fund subsection of this report, starting on page 81.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy

The City, which is adjacent to the Atlantic Ocean, has grown into a solid business, resort, and residential community that is in close proximity to historical, entertainment, and tourism attractions. The City has a considerable commercial district that includes shopping centers, restaurants, and hotels, which contributes significantly to its economy. Major employers in the area include: the United States Navy and the Beaches Baptist Medical Center.

Even though the City is the economic center of the beaches area, housing is still the dominant land use, occupying well in excess of 66% of the developed land areas of the City. Approximately 55.5% of the City's housing is comprised of single-family homes and 44.5% is multifamily dwellings based on U.S. Census Bureau estimates. Generally, the quality of the housing is high, with approximately 50% of the housing built since 1980. The City is a mature community, which is nearly fully developed.

Long-Term Financial Planning

The City prepares a rolling five-year Capital Improvement Plan (CIP) each year. As part of this process, revenues and expenditures for key operating funds such as the General Fund, Community Redevelopment, Electric, and Water & Sewer are analyzed to ensure the financial sustainability of each fund over the long term. The goal is to ensure that a minimum reserve of 25% will be maintained at the end of each five-year period. This exercise allows the City to plan for major capital expenditures in a fiscally responsible manner, while consciously evaluating whether scheduled rate changes meet the needs of adequately maintaining assets. Therefore, during the fiscal year 2019-2023 capital budget process, various projects for continued electric improvements, public works infrastructure projects, technology improvements, parks projects, and equipment purchases were planned. The total projected cost for capital improvements identified in the 2019-2023 capital improvement plan totaled $85,743,039.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2018. This was the twenty-sixth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR that satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2018. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories: as a policy document, a financial plan, an operations guide, and a communications device.

Preparation of the financial report would not have been possible without the commitment and dedication of the Finance Department. We would like to express our appreciation to members of all departments who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and City Council for their unfailing support in the management of the finances for the City.

Respectfully submitted,

Michael Staffopoulos
City Manager

Ashlie Gossett
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Jacksonville Beach

Florida

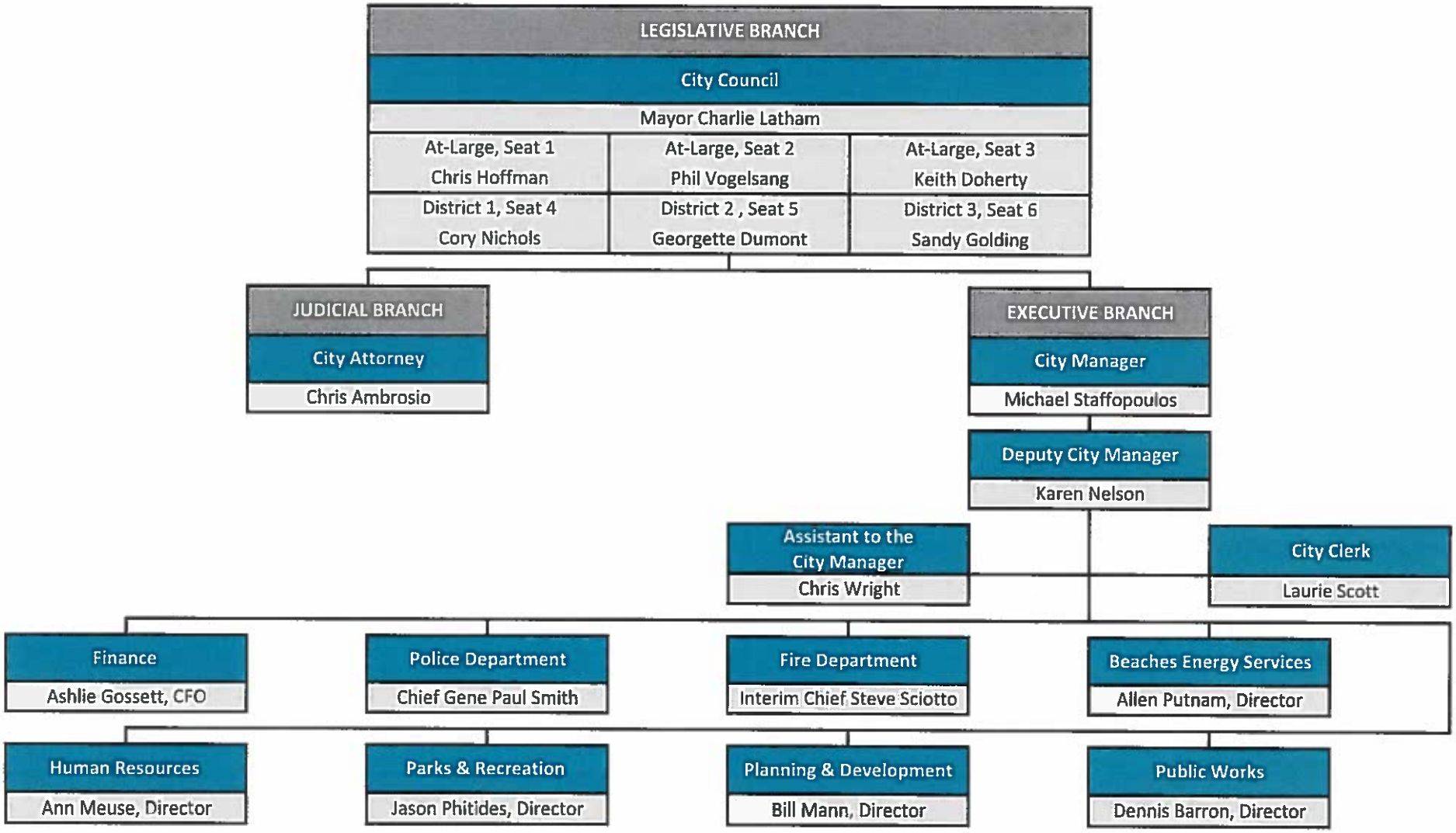
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrill

Executive Director/CEO

CITY OF JACKSONVILLE BEACH
Government Organization



CITY OF JACKSONVILLE BEACH, FLORIDA
CITY OFFICIALS

LEGISLATIVE BRANCH

City Council:

Mayor	Charlie Latham
Seat 1, At-Large	Chris Hoffman
Seat 2, At-Large	Phil Vogelsang
Seat 3, At-Large	Keith Doherty
Seat 4, District 1	Cory Nichols
Seat 5, District 2	Georgette Dumont
Seat 6, District 3	Sandy Golding

City Attorney	Chris Ambrosio
City Auditors	Purvis, Gray and Company, LLP

EXECUTIVE BRANCH

City Manager	Michael Staffopoulos
Deputy City Manager	Karen W. Nelson
Chief Financial Officer	Ashlie Gossett
Police Chief	Gene Paul Smith
Director of Beaches Energy Services	Allen Putnam
Director of Human Resources	Ann Meuse
Director of Parks & Recreation	Jason Phitides
Director of Planning and Development	Bill Mann
Director of Public Works	Dennis Barron
City Clerk	Laurie Scott

AGENCY, BOARDS, AND COMMISSION

Board of Adjustment
Community Redevelopment Agency
Planning Commission
General Employees' Pension Board
Police Officers' Pension Board
Firefighters' Pension Board
Special Magistrate – Code Enforcement

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

PURVIS GRAY

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jacksonville Beach, 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
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

INDEPENDENT AUDITOR'S REPORT

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, each major fund, and the aggregate remaining fund information 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 fund and the community redevelopment fund for the year then ended in conformity 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 (collectively, the required supplementary information) 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 (GASB), 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major fund statements and other schedules, bond covenant information, schedule of expenditures of federal awards, schedule of expenditures of grant funds per the City of Jacksonville's Ordinance Code Chapter 118.202(e), and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is also not a required part of the basic financial statements.

The combining and individual non-major fund statements and other schedules, bond covenant information, and the schedule of expenditures of grant funds per the City of Jacksonville's Ordinance Code Chapter 118.202(e) are the responsibility of management and were derived from and relate directly to

Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

INDEPENDENT AUDITOR'S REPORT

the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund statements and other schedules, bond covenant information, schedule of expenditures of grant funds per the City of Jacksonville's Ordinance Code Chapter 118.202(e) and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 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 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.

Purvis Gray

March 9, 2020
Tallahassee, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

As the management of the City of Jacksonville Beach (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the City's activities for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, on pages vi-viii of this report, and the financial statements beginning on page 18.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by $416,187,454 (net position). The City's total net position increased by $21,753,437 or 5.5% over the prior year.

- Unrestricted net position totals $87,410,285, which is available to meet the City's obligations to provide ongoing services to our citizens and customers, to make payments to creditors, to pay for the projects in our capital improvement plan, to extinguish debt early, or to establish reserves for emergencies or catastrophic events.

- Revenues and net transfers-in for the governmental activities totaled $34,607,607, a decrease of $466,352 or 1.3% for the year. Total expenses were $27,668,945, an increase of $3,231,576 or 13.3% for the year.

- Revenues in the business-type activities totaled $109,206,511, an increase of $635,737 or 0.6% from the prior year. Total expenses and net transfers out were $94,391,736, a decrease of $3,650,941 or 3.7% for the year.

- The City's total outstanding bonded debt decreased by $4,607,810 or 42% from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) *government-wide financial statements*, 2) *fund financial statements*, and 3) *notes to the financial statements* that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

This report also contains other supplementary information that provides details about the City's non-major funds and internal service funds, each of which are added together and presented in single columns in the basic financial statements.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The government-wide financial statements are presented on pages 18-19 of this report.

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference 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 for some items that will only 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 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, law enforcement, fire control, building inspections, physical environment, roads and streets, parks and recreation, and interest on long-term debt. The business-type activities of the City include electric, natural gas, water and sewer, stormwater, sanitation, golf course and leased facilities.

Fund Financial Statements. A fund is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. The City's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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 on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The governmental fund financial statements consist of a *balance sheet* and a *statement of revenues, expenditures, and changes in fund balance.* The basic governmental fund statements are presented on pages 20-25 of this report.

Because the focus of governmental funds is narrower than that of 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 maintains sixteen individual governmental funds. Information is presented separately in the governmental fund financial statements for the general fund, the capital projects fund, and the community redevelopment fund, which are considered to be major funds. Data from the other governmental funds is combined into a single, aggregated presentation.

The City adopts an annual appropriated budget for its various funds. To demonstrate compliance with the adopted budget, a budgetary comparison statement has been included with the basic financial statements for the general fund and the community redevelopment fund.

Proprietary funds. The City maintains two different types of proprietary funds: enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the city-wide financial statements. The City uses enterprise funds to account for its utilities (electric, natural gas, water and sewer, stormwater and sanitation) as well as its golf course and leased facilities operations. Internal service funds are an accounting classification used to allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles, property maintenance, employment services, financial services, information technology services, and insurance programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the city-wide financial statements.

The proprietary fund financial statements provide separate information for the water and sewer utility and the electric utility. Data from the other enterprise funds is combined into a single, aggregated presentation. All internal service funds are combined into an aggregated presentation in the proprietary fund financial statements. The basic proprietary fund financial statements are presented on pages 26-30 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because their resources are not available to support the City's own programs. The City uses fiduciary funds to account for the activities of the police, fire, and general employees' pension trust funds. The basic fiduciary fund financial statements are presented on pages 31-32 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are presented on pages 33-72 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. Required supplementary information is presented on pages 73-80 of this report.

Individual fund data for the non-major funds is provided in the form of combining statements in the supplemental information section titled "Combining and Individual Nonmajor Fund Statements and Other Schedules". Budgetary comparison statements for the non-major governmental funds are also included in this section, which begins on page 81.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position. Over time, changes in net position serve as one useful measure of the City's financial condition. During fiscal year 2019, the City's net position for governmental activities increased by $6,938,662 or 4.7%. The increase in net position for business-type activities was $14,814,775 or 6%.

The following condensed comparison shows the City's net position for the two most recent fiscal years. The detailed statement of net position is presented on page 18 of this report.

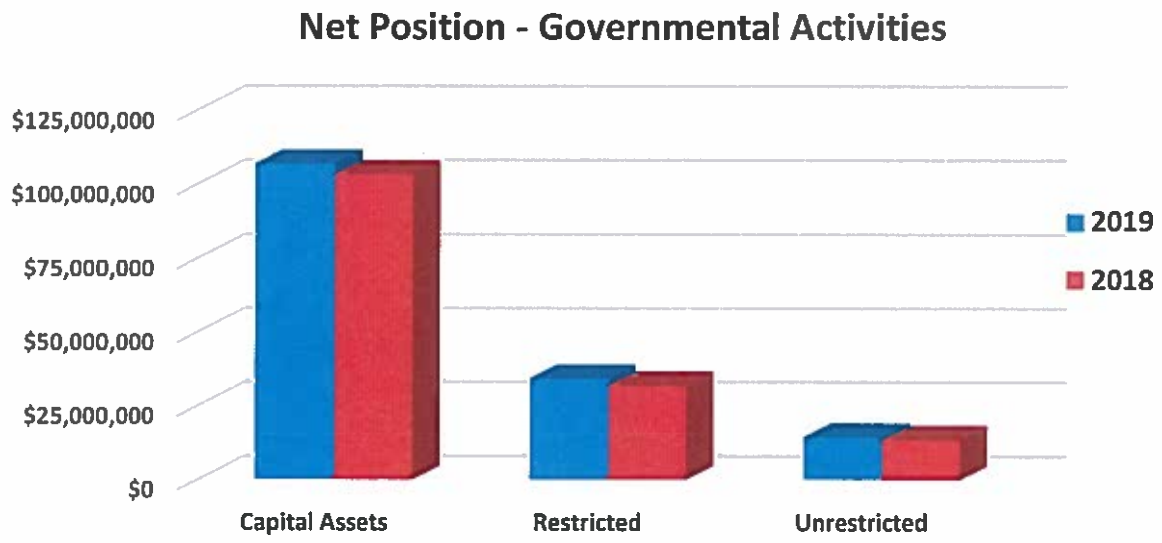
City of Jacksonville Beach
Statement of Net Position

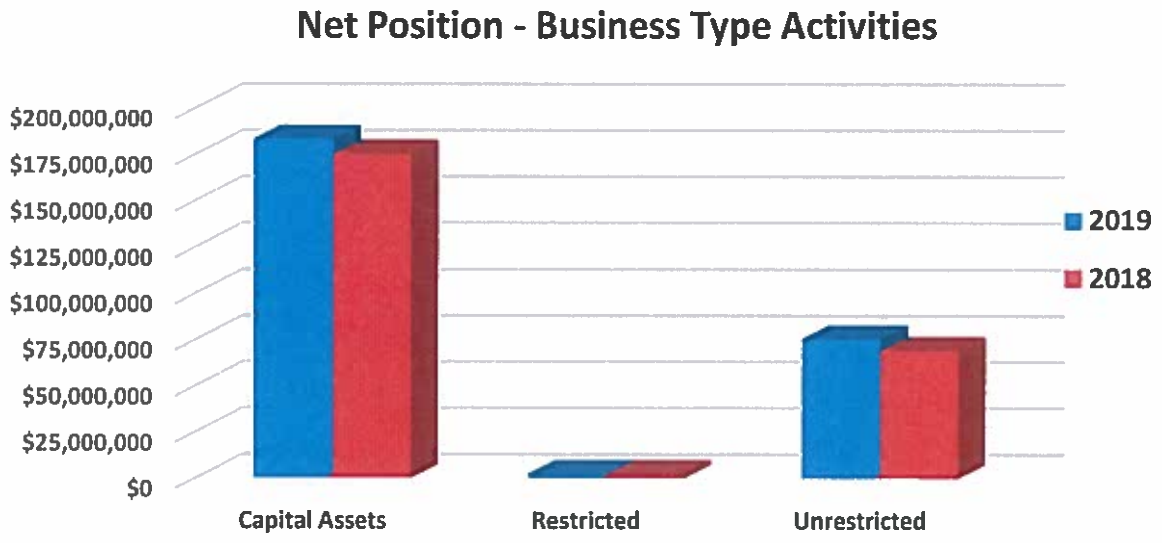
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	$68,977,067	$59,916,196	$140,595,885	$134,715,075	$209,572,952	$194,631,271
Capital Assets, Net	106,877,097	103,701,819	189,940,886	185,501,347	296,817,983	289,203,166
Total Assets	175,854,164	163,618,015	330,536,771	320,216,422	506,390,935	483,834,437
Total Deferred Outflows of Resources	8,866,113	6,280,014	4,210,547	3,084,292	13,076,660	9,364,306
Current Liabilities	7,163,532	2,245,183	54,382,023	55,456,751	61,545,555	57,701,934
Non-Current Liabilities	19,956,234	18,078,223	18,194,509	21,087,408	38,150,743	39,165,631
Total Liabilities	27,119,766	20,323,406	72,576,532	76,544,159	99,696,298	96,867,565
Total Deferred Inflows of Resources	2,351,713	1,264,487	1,232,130	632,674	3,583,843	1,897,161
Net Position:						
Net Invested in Capital Assets	106,877,097	103,211,819	183,588,778	175,128,349	290,465,875	278,340,168
Restricted	34,119,094	31,711,520	4,192,200	2,000,000	38,311,294	33,711,520
Unrestricted	14,252,607	13,386,797	73,157,678	68,995,532	87,410,285	82,382,329
Total Net Position	$155,248,798	$148,310,136	$260,938,656	$246,123,881	$416,187,454	$394,434,017

Current and Other Assets increased by $14,941,681, which is mostly from increased equity in pooled cash and investments and a receivable for tax increment funds due to the general fund from the southend redevelopment district. Capital Assets increased by 2.6% due to investments in long-term assets. Deferred Outflows of resources include the recording of Other Post Employment Benefit related outflows and actuarial changes to pension related outflows. Current Liabilities increased by $3,843,621 or 6.7%, which mainly reflects the return of a portion of southend tax increment funds (TIF) to the taxing authorities. Non-current Liabilities decreased by $1,014,888, which mainly reflects the scheduled payments on long-term debt. Deferred Inflows increased by 88.9% due to recording of other post-employment benefits and the actuarial changes to pension related inflows.

By far, the largest portion of the City's net position (69.8%) reflects its investment in capital assets (e.g., land, buildings, improvements, infrastructure, and equipment) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens and customers; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should still 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. An additional portion of the City's net position (9.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's net position (21.0%) may be used to meet the government's ongoing obligations to citizens, customers, and creditors.





Statement of Activities. The following table illustrates the condensed statement of activities for the most recent fiscal year as compared to the prior year. The detailed statement of activities is presented on page 19 of this report.

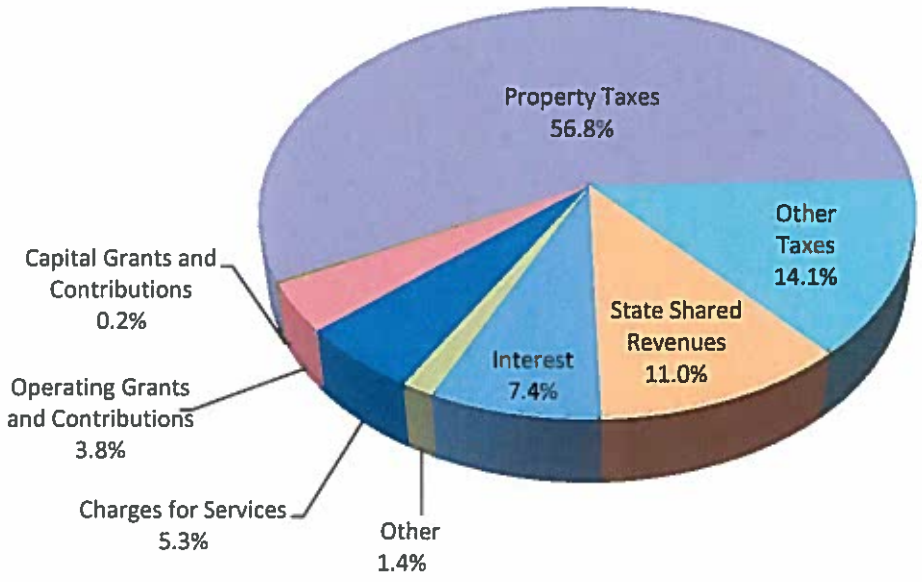
City of Jacksonville Beach
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Program Revenues:						
Charges for Services	$1,725,469	$1,259,879	$104,290,683	$105,865,762	$106,016,152	$107,125,641
Operating Grants and Contributions	1,226,389	1,472,822	23,204	1,459,055	1,249,593	2,931,877
Capital Grants and Contributions	58,070	28,223	458,010	349,628	516,080	377,851
General Revenues:						
Property Taxes	18,357,738	19,884,929			18,357,738	19,884,929
Other Taxes	4,502,229	4,420,989			4,502,229	4,420,989
State Shared Revenues	3,568,750	3,475,563			3,568,750	3,475,563
Other Intergovernmental Revenues	33,258	38,603			33,258	38,603
Interest	2,405,402	363,329	4,413,572	828,004	6,818,974	1,191,333
Miscellaneous	423,946	363,393	21,042	68,325	444,988	431,718
Total Revenues	32,301,251	31,307,730	109,206,511	108,570,774	141,507,762	139,878,504
Program Expenses:						
General Government	3,737,267	3,202,655			3,737,267	3,202,655
Law Enforcement	10,562,207	9,757,732			10,562,207	9,757,732
Fire Control	4,766,320	4,123,060			4,766,320	4,123,060
Building Inspections	631,896	574,436			631,896	574,436
Physical Environment	482,877	506,348			482,877	506,348
Road and Street	3,635,996	2,643,431			3,635,996	2,643,431
Parks and Recreation	3,848,072	3,607,934			3,848,072	3,607,934
Interest on Long-Term Debt	4,310	21,773			4,310	21,773
Electric			73,644,169	75,833,677	73,644,169	75,833,677
Water and Sewer			9,738,833	9,782,478	9,738,833	9,782,478
Stormwater			1,294,110	1,573,499	1,294,110	1,573,499
Sanitation			3,554,289	3,970,986	3,554,289	3,970,986
Golf Course			1,877,802	962,855	1,877,802	962,855
Leased Facilities			383,286	541,874	383,286	541,874
Natural Gas			1,592,891	1,611,079	1,592,891	1,611,079
Total Expenses	27,668,945	24,437,369	92,085,380	94,276,448	119,754,325	118,713,817
Change in Net Position Before Transfers	4,632,306	6,870,361	17,121,131	14,294,326	21,753,437	21,164,687
Net Transfers	2,306,356	3,766,229	(2,306,356)	(3,766,229)	-	-
Change in Net Position	6,938,662	10,636,590	14,814,775	10,528,097	21,753,437	21,164,687
Net Position-Beginning of Year	148,310,136	137,673,546	246,123,881	235,595,784	394,434,017	373,269,330
Net Position-End of Year	$ 155,248,798	$ 148,310,136	$ 260,938,656	$ 246,123,881	$ 416,187,454	$ 394,434,017

Governmental activities. Governmental activities for fiscal year 2019 increased the City's net position by $4,632,306 (before transfers). For purposes of this discussion, interfund transfers from business-type funds to governmental funds are not included in revenues from activities.

The chart below reflects the percentage of individual revenue sources to total revenue sources for governmental activities. Charges for services, grants, and contributions are considered program revenues. Taxes, intergovernmental revenues, and interest are considered general revenues.

Revenues by Source - Governmental Activities



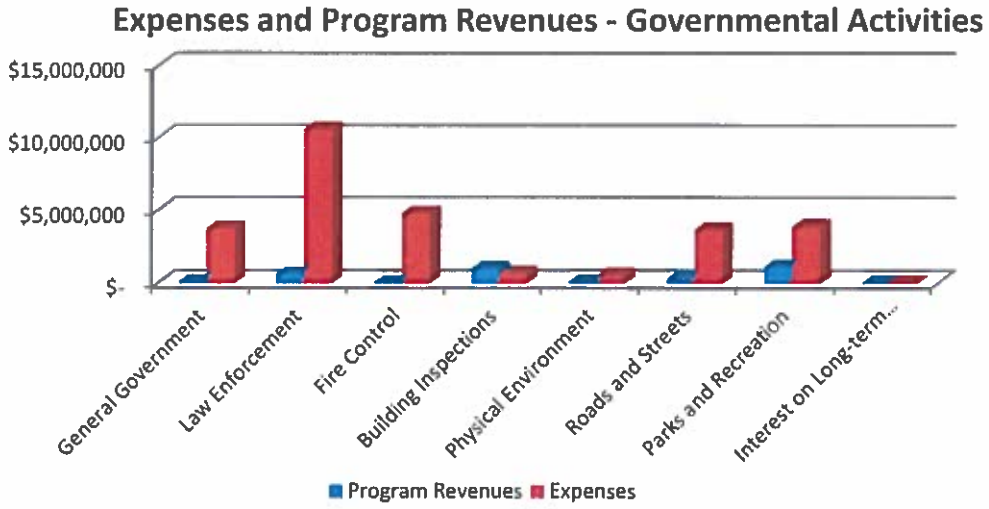
- Property taxes, which provided 56.8% of governmental revenues, decreased by $1,527,191 or 7.7% in Fiscal year 2019 due to the planned return of southend TIF monies to the City of Jacksonville. Additional information about Tax Increment Funds can be found in Note 15.

- Revenues from other taxes, including infrastructure surtax, communication service tax, convention development tax, and fuel taxes increased by $81,240.

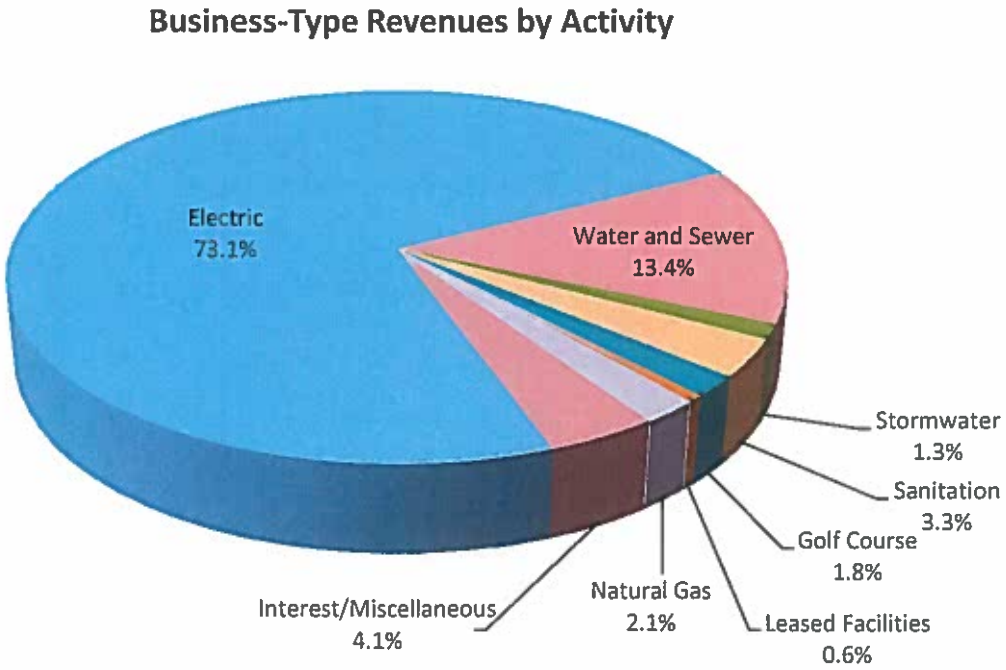
- Interest revenues increased by $2,042,073 due to improved rates of return paid on investments held in the operating investment portfolio. Investments are reported at market value. The investment portfolio is managed by professional investment firms hired pursuant to the City's investment policy and monitored by a professional investment advisor.

- Total expenses for governmental activities increased by $3,231,576 from the prior year. The increase is primarily attributable to a large planned milling and paving project as well as wage escalators in both the Police and Fire union contracts.

The following chart compares the program revenues from governmental activities to the related expenses. Please note that expenses precede revenues as governments seek to identify the needs of citizens and then raise the resources needed to meet those needs. The excess of expenses over program revenues is then funded by the remaining general revenues of the government.



Business-type activities. Business-type activities for fiscal year 2019 increased the City's net position by $17,121,131 (before transfers). On the statement of activities, net revenues are reduced by transfers to the governmental funds of $2,306,356 to determine the change in net position. The following chart shows the composition of revenues from the City's business-type activities.

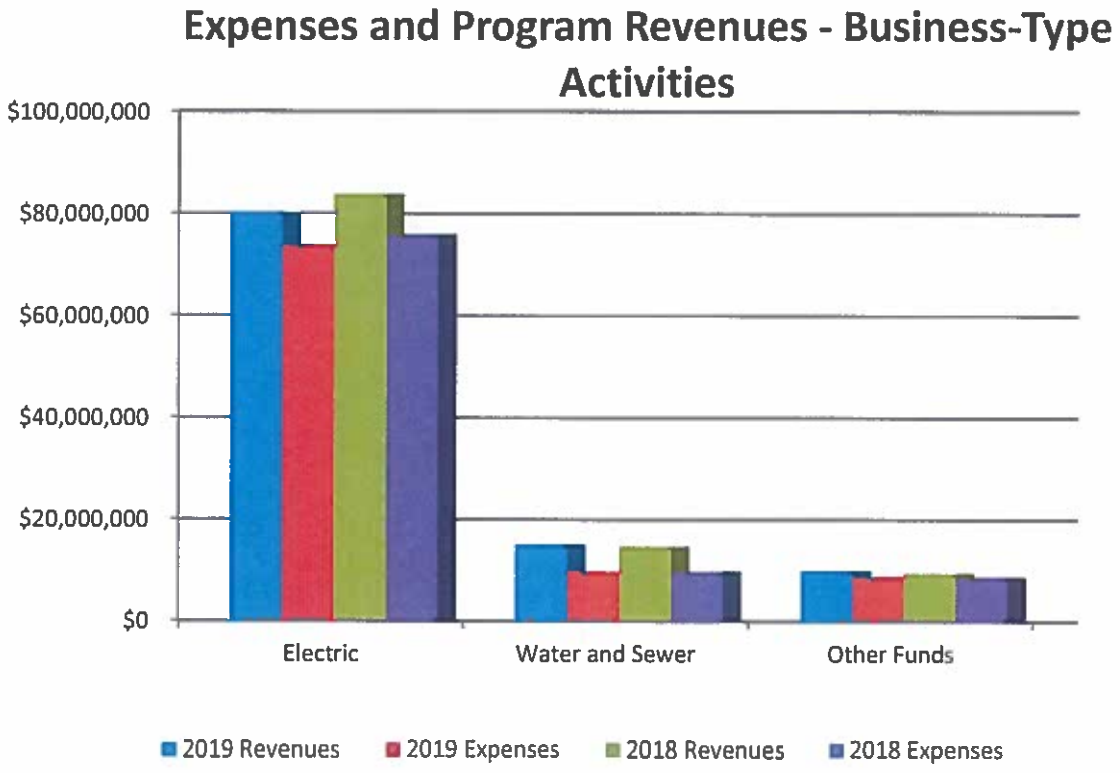


- Charges for services in the business-type activities decreased by $1,575,079 from the prior year. Of these program revenues, 73.1% comes from electric utility services and 13.4% from the water and sewer utility. Other charges for services include natural gas, sanitation, and golf course fees. The City lowered its electric utility rates charged to customers in 2019. The cost of power charge decreased by $5 per thousand kwh and the operations and maintenance charge increased by $2 per thousand kwh. Additionally, the cost of power charge was suspended in March 2019 as the City passed along its energy cost savings on to our customers. Rates for water and sewer services are adjusted annually in accordance with the Consumer Price Index (CPI). The increases in water and sewer rates are necessary to pay for needed maintenance and improvements to the system.

- Total expenses for the business-type activities decreased by $2,191,068, due in part to a decrease in the cost of purchased electricity.

- Significant transfers out in business-type activities included a $3,701,171 transfer from the electric enterprise fund and $111,950 transfer from the natural gas fund to governmental funds in accordance with the City's policies on electric and natural gas transfers.

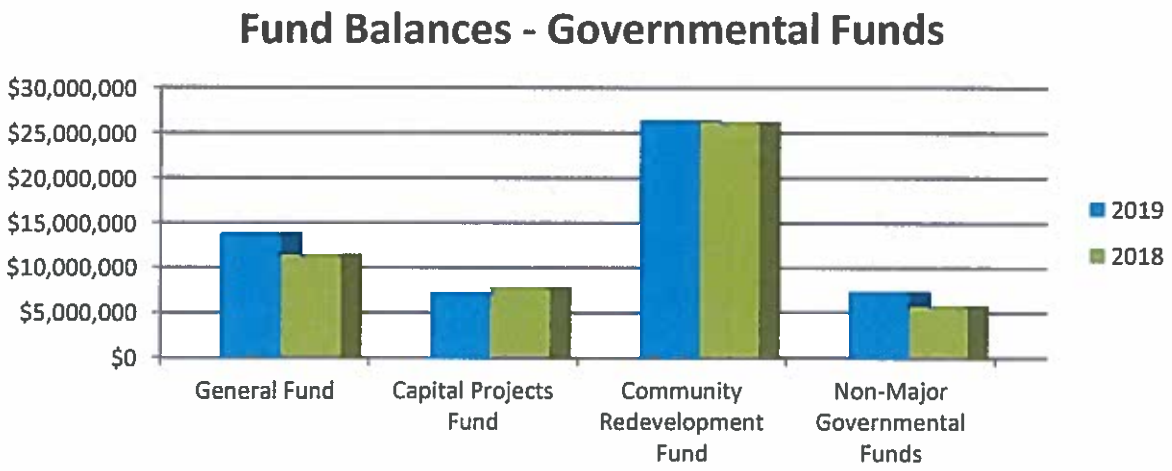
The following chart compares the program revenues from the City's business-type activities to the related expenses for fiscal years 2019 and 2018. Business-type activities differ from governmental activities in that charges for services are designed specifically to recover the cost of providing those services, including capital costs such as depreciation or debt service.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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's financing requirements. In particular, the portion of unrestricted fund balance the City has committed or assigned may serve as a useful measure of available resources at the end of the fiscal year.

At the end of fiscal year 2019, the City's governmental funds reported a combined ending fund balance of $54,739,571, an increase of $3,450,943 or 6.7% for the year. Of the total fund balance, $33,726,709 is restricted for specific uses related to redevelopment, tourism, transportation improvements, capital projects, and law enforcement; $6,274,572 is committed for revenue stabilization, cemetery improvements, and tree replacement; $13,205,808 is assigned for capital projects, debt service, and unanticipated events/emergencies; $2,291 is nonspendable; and $1,530,191 is unassigned.



General fund. The general fund is the chief operating fund of the City. The financial operations of the general fund are reported separately in the *balance sheet* and the *statement of revenues, expenditures, and changes in fund balances.*

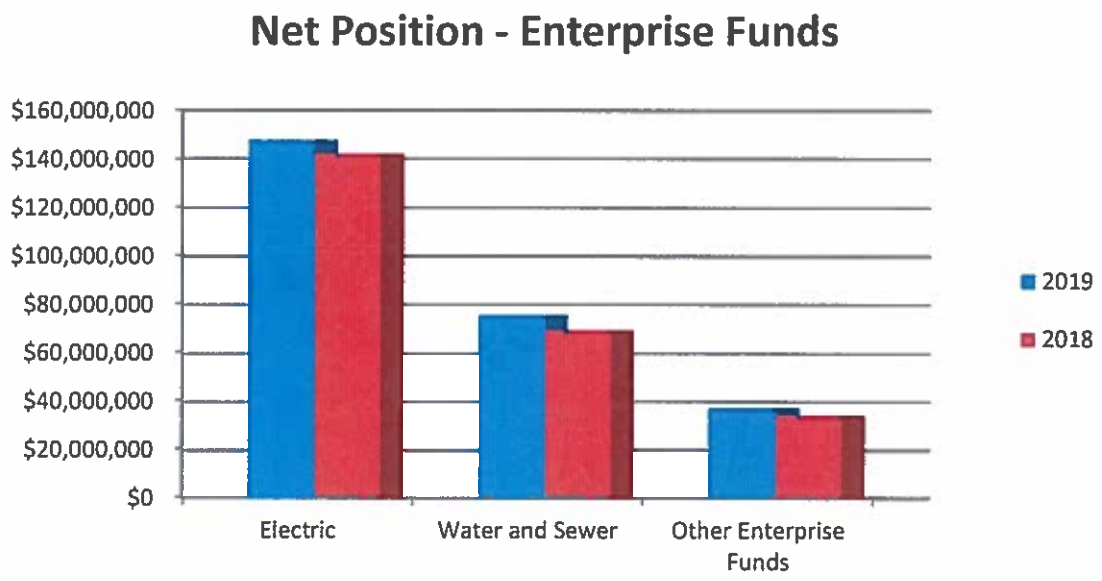
At the end of the fiscal year, the fund balance of the general fund was $13,810,785, of which $6,271,451 was committed for revenue stabilization and cemetery improvements. An additional $6,006,852 was assigned to an unanticipated events/emergencies reserve account and $2,291 was reserved for prepaid expenditures. The remaining amount of $1,530,191 was unassigned. The City uses current revenue sources to fund budgeted expenditures in the general fund. When evaluating the general fund's liquidity, it should be noted that the revenue stabilization reserve serves as a working capital reserve and the unanticipated events/emergencies account may be used to supplement operating revenues if approved by the City Council. Combined, the general fund balances represent 65.9% of general fund expenditures for 2019.

Other major governmental funds. Other major governmental funds include the capital projects fund and the community redevelopment fund. The capital projects fund is used to account for various capital projects, major equipment purchases, and major repairs and renovations. These expenditures are funded by transfers from other funds, debt, or grants. The fund balance at year-end in the capital projects fund was $7,198,956, a decrease of $635,990 or 8.1% from the prior year.

The community redevelopment fund is used to account for expenses in the City's two redevelopment districts, which are funded by tax increment revenues. The ending fund balance in the redevelopment fund was $26,387,616, an increase of $156,021 for the year. A more detailed summary of the activities in this fund can be found in the notes to the financial statements.

Proprietary Funds. The proprietary fund financial statements provide information related to activities in the City's enterprise funds and internal service funds. The proprietary fund financial statements are comprised of: 1) a *statement of net position*, 2) a *statement of revenues, expenses, and changes in fund net position*, and 3) a *statement of cash flows*.

At the end of fiscal year 2019, the City's enterprise funds reported a combined ending net position of $260,938,656, an increase of $14,814,775 or 6% for the year.



GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget was a decrease in net appropriations of $269,280 for expenditures and an increase of $1,895,000 for transfers out. Major amendments are summarized in Note 3 of the notes to the financial statements.

Budget amendments were adopted anticipating using available fund balance or revenues in excess of the original budget projections. In 2019, the total fund balance of the City's general fund increased by $2,338,565. Actual revenues were higher than final budgeted revenues by $2,727,655 and actual expenditures were under budget by $1,157,376 or 5.2%. Transfers in were over budget by $12,563. Total expenditures came in under budget because the departments actively managed their individual budgets to ensure compliance with budgetary limits.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2019, totaled $296,817,983 (net of accumulated depreciation). Capital assets include land, buildings, equipment, infrastructure, and construction in progress. The City's total investment in capital assets increased by $7,614,817 or 2.6%.

Additional information on the City's capital assets is presented in Note 6 of the notes to the financial statements. As demonstrated in the schedule of capital activity in this note, the City has continued to invest significantly in its capital assets for both governmental and business-type activities.

The following table is a summary of the City's investment in capital assets for fiscal years 2019 and 2018:

City of Jacksonville Beach
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	$ 29,656,509	$ 29,656,509	$ 4,388,198	$ 4,388,198	$ 34,044,707	$ 34,044,707
Buildings	52,129,122	38,409,622	321,064,554	318,746,564	373,193,676	357,156,186
Equipment	17,367,536	15,602,047	10,672,046	9,963,399	28,039,582	25,565,446
Infrastructure	61,145,934	61,134,055			61,145,934	61,134,055
Construction in Progress	10,045,215	18,623,980	29,457,454	18,759,021	39,502,669	37,383,001
	170,344,316	163,426,213	365,582,252	351,857,182	535,926,568	515,283,395
Less: Accumulated Depreciation	(63,467,219)	(59,724,394)	(175,641,366)	(166,355,835)	(239,108,585)	(226,080,229)
Capital Assets, Net	**$ 106,877,097**	**$ 103,701,819**	**$ 189,940,886**	**$ 185,501,347**	**$ 296,817,983**	**$ 289,203,166**

Long-Term Debt. At September 30, 2019, the City had total bonded debt outstanding of $6,371,666. Total debt outstanding decreased by $4,607,810 or 42% from the prior fiscal year. The major reason for the decrease in long-term bonded debt was the principal bond payments made during the fiscal year.

City of Jacksonville Beach
Outstanding Bonded Debt

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Capital Improvement Bonds	$ -	$ 490,000	$ -	$ -	$ -	$ 490,000
Utility System Bonds			6,360,000	10,420,000	6,360,000	10,420,000
Unamortized Premium			11,666	69,476	11,666	69,476
Total	$ -	$ 490,000	$ 6,371,666	$ 10,489,476	$ 6,371,666	$ 10,979,476

The City had no outstanding general obligation debt at the close of fiscal year 2019. All of the City's long-term bonded debt is secured solely by specified revenue sources. Debt related to business-type activities is paid with operating revenues. The capital improvement debt in the governmental activities was retired during this fiscal year. The bonds contain mandatory redemption provisions and require premium payments upon early redemption. In addition, the utility revenue bonds require various funds or accounts to be established and maintained within the City's accounting system.

The City maintains excellent bond ratings from the major rating agencies, indicating that the City's bonds have strong investment quality characteristics.

Additional information on the City's long-term debt is presented in Note 7 of the notes to the financial statements. As indicated in the debt information presented, the City expects to be debt free in the beginning of fiscal year 2021.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Each year the City begins its annual budget process with an evaluation of its current financial position. This evaluation considers local and national economic trends, financial trend analysis, a five-year capital improvement plan, and a five-year cash flow analysis for major city operations.

The City's economy and demographics reflect statewide and national trends. Both state and local economic outlooks remain stable. The City of Jacksonville Beach's property values increased by 6% and 2020 budget projections for some property, sales, and gas taxes have increased.

The 2020 annual budget holds the millage rate steady at 3.9947 mills. The total adopted budget of $163,892,602 is $1.3 million greater than the 2019 budget, while offering the same level of service as the prior year. The general fund budget is $24,027,407, an increase of $1.6 million over the prior fiscal year. The most significant increase in the general fund budget is in salaries and benefits for public safety personnel.

The 2020 budget includes investment in infrastructure improvements to rebuild sewer lift stations and the replacement of water and sewer lines; substation transformer; and the upgrade of the electrical transmission and distribution system to improve reliability.

Of particular concern to management in the past few years has been the trend of increasing costs for pension benefits for employees. The City successfully negotiated pension reforms with the employee unions and substantially improved the financial sustainability of all three-employee pension plans while maintaining the defined benefit status of those plans. However, the City's required pension contribution has continued to increase due in part to the plan's experience, but mostly due to changes in actuarial assumptions and mortality tables mandated by the Florida Legislature.

In the near future, changes in the electric industry due to climate change concerns, and changes in the amount and types of available distributed energy resources, could have a significant financial impact on the City's revenue sources. We have continued to improve and strengthen our electric infrastructure and improve customer service through technology, all of which also impact available revenues. To meet these demands on our resources, management continually monitors electric revenues and makes adjustments periodically while still providing a competitive product to our customers.

Due to concerns about the adequacy of water and sewer rates to pay for improvements needed to maintain the system, the City engaged a rate consultant in 2012 to prepare a revenue sufficiency analysis. At the recommendation of the consultants, the City implemented a series of three annual rate increases for FY 2012 through FY 2014 and a CPI rate increase factor beginning in FY 2015 and every year thereafter. These increases should enable the City to fund most of its capital improvement plan for water and sewer projects over the next few years, barring unforeseen new state and federal mandates.

We will continue to be judicious about managing the City's resources and cautious about increases in spending and service levels. We are very concerned about continuing to provide the same level of service to our citizens as we have in the past, given property tax reform initiatives by the state legislature, employee pension costs, upward pressure on wages, and new federal regulations affecting our utility operations.

We feel strongly that with careful planning and due diligence we can overcome the challenges that will affect our financial position and operations while meeting our budget objectives each year. The budget objectives for FY 2020 include the following:

- Maintain sustainable spending patterns in all funds
- Maintain the ability to provide core service levels
- Provide adequate maintenance of City equipment, facilities, and infrastructure
- Fund capital budgets within cash flow projections
- Minimize future debt through long-term financial planning and capital budgeting

REQUESTS FOR INFORMATION

This financial report is designed to provide users with a general overview of the City of Jacksonville Beach's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Chief Financial Officer
City of Jacksonville Beach
11 North Third Street
Jacksonville Beach, Florida 32250

Additional information can also be found on the City's website at www.jacksonvillebeach.org.

STATEMENT OF NET POSITION
SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	$ 64,758,586	$ 109,506,488	$ 174,265,074
Other Cash and Investments	5,225	3,130,538	3,135,763
Accounts Receivable, Net	187,984	15,346,330	15,534,314
Assessments Receivable, Net	23,693	2,941	26,634
Due from Other Governments	3,048,729	616,272	3,665,001
Inventories		2,326,331	2,326,331
Prepaid Items	952,850	86,583	1,039,433
Restricted Assets:			
Equity in Pooled Cash and Investments		9,580,402	9,580,402
Capital Assets:			
Non-Depreciable	39,701,724	33,845,652	73,547,376
Depreciable, Net	67,175,373	156,095,234	223,270,607
Total Assets	175,854,164	330,536,771	506,390,935
Deferred Outflows of Resources			
Unamortized Refunding Loss		19,557	19,557
Pension Related	8,790,586	4,140,211	12,930,797
OPEB Related	75,527	50,779	126,306
Total Deferred Outflows of Resources	8,866,113	4,210,547	13,076,660
Liabilities			
Accounts Payable	915,204	6,118,805	7,034,009
Accrued Interest		130,935	130,935
Other Accrued Liabilities	1,266,398	712,166	1,978,564
Power Costs Recovered in Advance		41,816,112	41,816,112
Due to Other Governments	4,542,752	3,563	4,546,315
Deposits	21,053	5,388,167	5,409,220
Unearned Revenues	171,953	212,275	384,228
Self-Insurance Claims Payable	246,172		246,172
Non-Current Liabilities:			
Due Within One Year	700,348	4,618,850	5,319,198
Due in More Than One Year	19,255,886	13,575,659	32,831,545
Total Liabilities	27,119,766	72,576,532	99,696,298
Deferred Inflows of Resources			
Pension Related	1,661,562	768,123	2,429,685
OPEB Related	690,151	464,007	1,154,158
Total Deferred Inflows of Resources	2,351,713	1,232,130	3,583,843
Net Position			
Net Investment in Capital Assets	106,877,097	183,588,778	290,465,875
Restricted for:			
Redevelopment	26,389,001		26,389,001
Tourism	1,032,391		1,032,391
Transportation Improvements	1,163,472		1,163,472
Capital Projects	5,056,946	2,000,000	7,056,946
Debt Service		2,192,200	2,192,200
Law Enforcement	477,284		477,284
Unrestricted	14,252,607	73,157,678	87,410,285
Total Net Position	$ 155,248,798	$ 260,938,656	$ 416,187,454

See accompanying notes.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Function/Program Activities	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	$ 3,737,267	$ 67,387			$ (3,669,880)		$ (3,669,880)
Law Enforcement	10,562,207	203,998	$ 322,377	$ 57,403	(9,978,429)		(9,978,429)
Fire Control	4,766,320		9,088		(4,757,232)		(4,757,232)
Building Inspections	631,896	938,103			306,207		306,207
Physical Environment	482,877	29,169	48,825		(404,883)		(404,883)
Roads and Streets	3,635,996	275,640		667	(3,359,689)		(3,359,689)
Parks and Recreation	3,848,072	211,172	846,099		(2,790,801)		(2,790,801)
Interest on Long-Term Debt	4,310				(4,310)		(4,310)
Total Governmental Activities	27,668,945	1,725,469	1,226,389	58,070	(24,659,017)	-	(24,659,017)
Business-Type Activities							
Electric	73,644,169	79,637,252	8,000	220,819		6,221,902	6,221,902
Water and Sewer	9,738,833	14,825,478		137,191		5,223,836	5,223,836
Stormwater	1,294,110	1,408,750	15,204			129,844	129,844
Sanitation	3,554,289	3,579,173				24,884	24,884
Golf Course	1,877,802	2,013,103				135,301	135,301
Leased Facilities	383,286	664,195				280,909	280,909
Natural Gas	1,592,891	2,162,732		100,000		669,841	669,841
Total Business-Type Activities	92,085,380	104,290,683	23,204	458,010	-	12,686,517	12,686,517
Total Primary Government	$ 119,754,325	$ 106,016,152	$ 1,249,593	$ 516,080	(24,659,017)	12,686,517	(11,972,500)
		General Revenues					
		Taxes:					
		Property Taxes			18,357,738		18,357,738
		Franchise Taxes			5,280		5,280
		Infrastructure Surtax			1,436,666		1,436,666
		Communication Service Tax			1,151,317		1,151,317
		Convention Development Tax			423,275		423,275
		Fuel Taxes			853,266		853,266
		Other Taxes			632,425		632,425
		State-Shared Revenues (Unrestricted)			3,568,750		3,568,750
		Other Intergovernmental Revenues (Unrestricted)			33,258		33,258
		Interest			2,405,402	4,413,572	6,818,974
		Miscellaneous			423,946	21,042	444,988
		Net Transfers			2,306,356	(2,306,356)	-
		Total General Revenues and Transfers			31,597,679	2,128,258	33,725,937
		Change in Net Position			6,938,662	14,814,775	21,753,437
		Net Position, Beginning of Year, As Restated			148,310,136	246,123,881	394,434,017
		Net Position, End of Year			$ 155,248,798	$ 260,938,656	$ 416,187,454

See accompanying notes.

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	General Fund	General Capital Projects Fund	Community Redevelopment Funds	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Investments	$ 12,904,973	$ 7,458,751	$ 32,040,413	$ 7,333,495	$ 59,737,632
Other Cash and Investments	5,225				5,225
Receivables:					
Accounts, Net	187,755				187,755
Assessments, Net	26		1,385	22,282	23,693
Inter-Fund Receivables	59,732				59,732
Due from Other Governments	2,538,626			510,103	3,048,729
Prepaid Expenditures	2,291				2,291
Total Assets	15,698,628	7,458,751	32,041,798	7,865,880	63,065,057
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts Payable	292,305	31,078	436,498	49,390	809,271
Other Accrued Liabilities	275,698	228,717	676,826	1,262	1,182,503
Due to Other Governments	3,279		4,539,473		4,542,752
Inter-Fund Payables				59,732	59,732
Deposits	21,053				21,053
Unearned Revenue	171,953				171,953
Total Liabilities	764,288	259,795	5,652,797	110,384	6,787,264
Deferred Inflows of Resources					
Unavailable Revenues	1,123,555		1,385	413,282	1,538,222
Fund Balances					
Non-Spendable:					
Prepaid Expenditures	2,291				2,291
Restricted for:					
Redevelopment			26,387,616		26,387,616
Tourism Expenditures				997,191	997,191
Transportation Improvements				1,021,672	1,021,672
Capital Projects				4,842,946	4,842,946
Law Enforcement				477,284	477,284
Committed for:					
Revenue Stabilization	6,006,852				6,006,852
Cemetery Improvements	264,599				264,599
Tree Replacement				3,121	3,121
Assigned for:					
Unanticipated Events/ Emergencies	6,006,852				6,006,852
Capital Projects		7,198,956			7,198,956
Unassigned	1,530,191				1,530,191
Total Fund Balances	13,810,785	7,198,956	26,387,616	7,342,214	54,739,571
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 15,698,628	$ 7,458,751	$ 32,041,798	$ 7,865,880	$ 63,065,057

See accompanying notes.

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

Fund Balance - Total Governmental Funds		$ 54,739,571
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 governmental funds:		
Capital Assets	$ 169,334,837	
(Accumulated Depreciation)	(62,627,972)	106,706,865
Certain pension related amounts are being deferred and amortized over a period of years or are being deferred as contributions to the pension plan made after the measurement date:		
Deferred Outflows Related to Pensions and OPEB	7,252,059	
Deferred Inflows Related to Pensions and OPEB	(2,088,255)	5,163,804
Some revenues have been deferred on the balance sheet because they were not measurable and available at year-end.		1,538,222
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Accrued Other Postemployment Benefits	(1,358,296)	
Net Pension Liability	(11,873,183)	
Compensated Absences	(2,771,253)	(16,002,732)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are reported with governmental activities.		3,103,068
Net Position of Governmental Activities		$ 155,248,798

See accompanying notes.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	General Fund	General Capital Projects Fund	Community Redevelopment Funds	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 13,620,557		$ 6,525,605	$ 2,701,007	$ 22,847,169
Licenses and Permits	942,091				942,091
Intergovernmental	4,600,314			199,769	4,800,083
Charges for Services	559,815				559,815
Fines and Forfeitures	182,042			68,202	250,244
Interest and Other Revenue	906,374	$ 246,242	1,246,779	244,671	2,644,066
Total Revenues	20,811,193	246,242	7,772,384	3,213,649	32,043,468
Expenditures					
Current:					
General Government	1,998,044	127,407	737,733	3,093	2,866,277
Public Safety	14,054,654		908,960	50,786	15,014,400
Physical Environment	89,463			8,973	98,436
Roads and Streets	1,641,199	1,103,514		176,891	2,921,604
Parks and Recreation	3,180,337			117,562	3,297,899
Debt Service:					
Principal				490,000	490,000
Interest and Fees				4,310	4,310
Capital Outlay		1,781,311	5,969,670	196,739	7,947,720
(Total Expenditures)	(20,963,697)	(3,012,232)	(7,616,363)	(1,048,354)	(32,640,646)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(152,504)	(2,765,990)	156,021	2,165,295	(597,178)
Other Financing Sources (Uses)					
Transfers in	4,386,069	2,130,000		471,333	6,987,402
Transfers (out)	(1,895,000)			(1,044,281)	(2,939,281)
Total Other Financing Sources (Uses)	2,491,069	2,130,000	-	(572,948)	4,048,121
Net Change in Fund Balances	2,338,565	(635,990)	156,021	1,592,347	3,450,943
Fund Balances, Beginning of Year	11,472,220	7,834,946	26,231,595	5,749,867	51,288,628
Fund Balances, End of Year	$ 13,810,785	$ 7,198,956	$ 26,387,616	$ 7,342,214	$ 54,739,571

See accompanying notes.

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
CITY OF JACKSONVILLE BEACH, FLORIDA

Net Change in Fund Balance - Total Governmental Funds		$ 3,450,943
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:		
Expenditures for Capital Assets	$ 8,593,115	
Transfers of Capital Assets	(1,691,765)	
(Current Year Depreciation)	(3,680,644)	3,220,706
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayments of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Principal Payments	490,000	490,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Change in Accrued Compensated Absences	66,307	
Change in Net Pension Liability and Deferred Inflows and Outflows Related to Pensions	(777,881)	
Change in Other Postemployment Benefits and Deferred Inflows and Outflows Related to Pensions	(6,981)	(718,555)
Some revenues have been deferred in the governmental funds because they were not available at year-end, but have been recognized in the statement of activities.		137,156
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		358,412
Change in Net Position of Governmental Activities		$ 6,938,662

See accompanying notes.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 12,263,504	$ 12,263,504	$ 13,620,557	$ 1,357,053
Licenses and Permits	595,700	595,700	942,091	346,391
Intergovernmental	4,234,028	4,234,028	4,600,314	366,286
Charges for Services	389,000	389,000	559,815	170,815
Fines and Forfeitures	170,500	170,500	182,042	11,542
Interest and Other Revenue	414,500	430,806	906,374	475,568
Total Revenues	18,067,232	18,083,538	20,811,193	2,727,655
Expenditures				
Executive and Legislative	845,505	956,743	932,805	23,938
Finance	404,785	404,923	361,171	43,752
Planning and Development	909,272	909,528	844,608	64,920
Parks and Recreation	3,426,569	3,498,422	3,269,810	228,612
Public Works	1,635,053	1,705,019	1,641,199	63,820
Police	9,281,455	9,582,911	9,323,571	259,340
Fire	4,215,168	4,358,647	4,123,085	235,562
Non-Departmental	1,027,546	704,880	467,448	237,432
(Total Expenditures)	(21,745,353)	(22,121,073)	(20,963,697)	1,157,376
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,678,121)	(4,037,535)	(152,504)	3,885,031
Other Financing Sources (Uses)				
Transfers in	4,323,121	4,373,506	4,386,069	12,563
Transfers (out)	(645,000)	(1,895,000)	(1,895,000)	-
Total Other Financing Sources (Uses)	3,678,121	2,478,506	2,491,069	12,563
Net Change in Fund Balance	$ -	$ (1,559,029)	$ 2,338,565	$ 3,897,594

See accompanying notes.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 10,937,433	$ 10,937,433	$ 6,525,605	$ (4,411,828)
Interest and Other Revenue	231,801	231,801	1,246,779	1,014,978
Total Revenues	11,169,234	11,169,234	7,772,384	(3,396,850)
Expenditures				
Current:				
General Government	927,984	1,006,956	737,733	269,223
Public Safety	1,113,595	1,216,495	908,960	307,535
Capital Outlay	32,400	13,351,951	5,969,670	7,382,281
(Total Expenditures)	(2,073,979)	(15,575,402)	(7,616,363)	7,959,039
Net Change in Fund Balance	$ 9,095,255	$ (4,406,168)	$ 156,021	$ 4,562,189

See accompanying notes.

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric	Water and Sewer	Other Funds	Totals	
Assets					
Current Assets:					
Equity in Pooled Cash and Investments	$ 70,933,114	$ 23,493,082	$ 15,080,291	$ 109,506,487	$ 5,020,954
Other Operating Cash			1,300	1,300	
Other Investments	1,877,543	1,251,695		3,129,238	
Receivables:					
Accounts, Net	12,645,317	1,835,570	865,443	15,346,330	229
Assessments, Net		2,941		2,941	
Due from Other Governments	619,164		(2,892)	616,272	
Inventories	2,303,527		22,804	2,326,331	
Prepaid Expenses	84,790		1,793	86,583	950,559
Restricted Assets:					
Equity in Pooled Cash and Investments	8,179,409	1,400,994		9,580,403	
Total Current Assets	96,642,864	27,984,282	15,968,739	140,595,885	5,971,742
Non-Current Assets:					
Capital Assets:					
Land	2,551,256	361,970	1,474,972	4,388,198	
Buildings and Improvements	196,274,683	90,669,340	34,120,531	321,064,554	36,194
Equipment	6,473,637	2,631,403	1,567,006	10,672,046	973,283
Construction in Progress	21,247,817	5,854,555	2,355,082	29,457,454	
	226,547,393	99,517,268	39,517,591	365,582,252	1,009,477
(Accumulated Depreciation)	(113,418,458)	(46,271,220)	(15,951,688)	(175,641,366)	(839,245)
Total Capital Assets, Net of Accumulated Depreciation	113,128,935	53,246,048	23,565,903	189,940,886	170,232
Total Non-Current Assets	113,128,935	53,246,048	23,565,903	189,940,886	170,232
Total Assets	209,771,799	81,230,330	39,534,642	330,536,771	6,141,974
Deferred Outflows of Resources					
Unamortized Refunding Loss	12,579	6,978		19,557	
Pension Related	2,568,646	1,169,466	402,099	4,140,211	1,614,054
OPEB Related	29,870	15,361	5,548	50,779	
Total Deferred Outflows of Resources	2,611,095	1,191,805	407,647	4,210,547	1,614,054

See accompanying notes.

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric	Water and Sewer	Other Funds	Totals	
Liabilities					
Current Liabilities:					
Accounts Payable	$ 5,122,148	$ 241,175	$ 755,482	$ 6,118,805	$ 105,933
Power Costs Recovered in Advance	41,459,721		356,391	41,816,112	
Other Accrued Liabilities	471,117	184,554	56,495	712,166	83,895
Due to Other Governments			3,563	3,563	
Unearned Revenue	198,434		13,841	212,275	
Estimated Liability for Self-Insured Losses				-	246,172
Current Portion of Long-Term Debt:					
Compensated Absences	275,075	123,966	9,809	408,850	146,098
Current Liabilities Payable from Restricted Assets:					
Bonds Payable, Current Portion	2,479,690	1,730,310		4,210,000	
Accrued Interest	77,162	53,773		130,935	
Customer Deposits	5,388,167			5,388,167	
Total Current Liabilities	55,471,514	2,333,778	1,195,581	59,000,873	582,098
Non-Current Liabilities:					
Revenue Bonds Payable	1,273,221	888,444		2,161,665	
Accrued Compensated Absences	1,100,302	495,866	39,235	1,635,403	584,389
Other Postemployment Benefits	537,189	276,261	99,764	913,214	
Net Pension Liability	5,451,525	2,494,771	919,081	8,865,377	3,223,015
Total Non-Current Liabilities	8,362,237	4,155,342	1,058,080	13,575,659	3,807,404
Total Liabilities	63,833,751	6,489,120	2,253,661	72,576,532	4,389,502
Deferred Inflows of Resources					
Pension Related	465,663	223,513	78,947	768,123	263,458
OPEB Related	272,947	140,369	50,691	464,007	
Total Deferred Inflows of Resources	738,610	363,882	129,638	1,232,130	263,458
Net Position					
Net Investment in Capital Assets	109,388,603	50,634,272	23,565,903	183,588,778	170,232
Restricted for:					
Renewal and Replacement	1,500,000	500,000		2,000,000	
Debt Service	1,291,206	900,994		2,192,200	
Unrestricted	35,630,724	23,533,867	13,993,087	73,157,678	2,932,836
Total Net Position	$ 147,810,533	$ 75,569,133	$ 37,558,990	$ 260,938,656	$ 3,103,068

See accompanying notes.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric	Water and Sewer	Other Funds	Totals	
Operating Revenues					
Charges for Services	$ 79,206,028	$ 14,720,647	$ 9,034,313	$ 102,960,988	$ 12,240,641
Other	431,224	104,831	793,640	1,329,695	35,579
Total Operating Revenues	79,637,252	14,825,478	9,827,953	104,290,683	12,276,220
Operating Expenses					
Purchased Power	55,264,614		1,125,906	56,390,520	
Personal Services	5,674,307	3,174,461	1,400,214	10,248,982	4,513,689
Purchased Services	1,572,699	368,817	3,470,789	5,412,305	990,950
Repairs and Maintenance	376,342	841,926	334,719	1,552,987	311,156
Depreciation	5,353,078	2,776,290	1,156,163	9,285,531	62,180
Materials and Supplies	405,391	276,080	336,638	1,018,109	140,126
Other Expenses	4,794,841	2,168,596	877,949	7,841,386	5,970,334
(Total Operating Expenses)	(73,441,272)	(9,606,170)	(8,702,378)	(91,749,820)	(11,988,435)
Operating Income	6,195,980	5,219,308	1,125,575	12,540,863	287,785
Non-Operating Revenues (Expenses)					
Investment Earnings	3,043,950	861,528	508,094	4,413,572	120,235
Interest Expense	(202,897)	(132,663)		(335,560)	
Intergovernmental Revenue	8,000		15,204	23,204	
(Loss) Gain on Disposal of Capital Assets	15,432	5,610		21,042	392
Total Non-Operating Revenues (Expenses)	2,864,485	734,475	523,298	4,122,258	120,627
Income Before Contributions and Transfers	9,060,465	5,953,783	1,648,873	16,663,121	408,412
Capital Contributions					
Connection Fees	220,819	137,191		358,010	
Capital Grants			1,691,765	1,691,765	
Developer Contributions			100,000	100,000	
Total Capital Contributions	220,819	137,191	1,791,765	2,149,775	-
Transfers					
Transfers in	162,097	-	650,000	812,097	
Transfers (out)	(3,831,171)	(95,000)	(884,047)	(4,810,218)	(50,000)
Total Transfers	(3,669,074)	(95,000)	(234,047)	(3,998,121)	(50,000)
Change in Net Position	5,612,210	5,995,974	3,206,591	14,814,775	358,412
Total Net Position, Beginning of Year, As Restated	142,198,323	69,573,159	34,352,399	246,123,881	2,744,656
Total Net Position, End of Year	$ 147,810,533	$ 75,569,133	$ 37,558,990	$ 260,938,656	$ 3,103,068

See accompanying notes.

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric	Water and Sewer	Other Funds	Totals	
Cash Flows from Operating Activities					
Cash Received from Customers and Users	$ 81,320,843	$ 14,812,047	$ 9,872,232	$ 106,005,122	$ 12,283,058
Cash Payments to Vendors for Goods and Services	(62,951,520)	(3,575,179)	(5,855,076)	(72,381,775)	(6,975,960)
Cash Payments to Employees for Services	(5,298,050)	(3,029,119)	(1,320,621)	(9,647,790)	(4,363,106)
Claims Paid				-	(356,778)
Net Cash Provided by (Used in) Operating Activities	13,071,273	8,207,749	2,696,535	23,975,557	587,214
Cash Flows from Non-Capital Financing Activities					
Transfers in	162,097		650,000	812,097	
Intergovernmental Revenue	8,000		1,376,665	1,384,665	
Transfers (out)	(3,831,171)	(95,000)	(884,047)	(4,810,218)	(50,000)
Net Cash Provided by (Used in) Non-Capital Financing Activities	(3,661,074)	(95,000)	1,142,618	(2,613,456)	(50,000)
Cash Flows from Capital and Related Financing Activities					
Acquisition of Capital Assets	(8,164,856)	(3,002,024)	(845,384)	(12,012,264)	(16,360)
Principal Paid on Revenue Bonds	(2,391,340)	(1,668,660)		(4,060,000)	
Interest Paid and Fiscal Charges	(216,562)	(151,114)		(367,676)	
Capital Grants			100,000	100,000	
Connection Fees	220,819	137,191		358,010	
Net Cash Provided by (Used in) Capital and Related Financing Activities	(10,551,939)	(4,684,607)	(745,384)	(15,981,930)	(16,360)
Cash Flows from Investing Activities					
Interest Received on Investments	2,987,664	824,004	508,096	4,319,764	120,235
Net (Decrease) Increase in Cash and Cash Equivalents	1,845,924	4,252,146	3,601,865	9,699,935	641,089
Cash and Cash Equivalents, Beginning of Year	77,266,599	20,641,930	11,479,726	109,388,255	4,379,865
Cash and Cash Equivalents, End of Year	$ 79,112,523	$ 24,894,076	$ 15,081,591	$ 119,088,190	$ 5,020,954

See accompanying notes.

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric	Water and Sewer	Other Funds	Totals	
Included on the Accompanying Balance Sheet Under the Following Captions					
Current Assets					
Equity in Pooled Cash and Investments	$ 70,933,114	$ 23,493,082	$ 15,080,291	$ 109,506,487	$ 5,020,954
Other Operating Cash			1,300	1,300	
Restricted Assets					
Equity in Pooled Cash and Investments	8,179,409	1,400,994		9,580,403	
Total	$ 79,112,523	$ 24,894,076	$ 15,081,591	$ 119,088,190	$ 5,020,954
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	$ 6,195,980	$ 5,219,308	$ 1,125,575	$ 12,540,863	$ 287,785
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	5,353,078	2,776,290	1,156,162	9,285,530	62,180
Power Costs Recovered in Advance (Returned)	(831,831)		94,117	(737,714)	
Change in Estimated Liability for Self-Insured Losses				-	(96,439)
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):					
Accounts Receivable and Unbilled Revenue	2,497,382	(11,622)	(22,216)	2,463,544	
Assessments Receivable		(1,809)		(1,809)	
Due from Other Governments				-	6,838
Inventories	103,574		(15,017)	88,557	
Prepaid Expenses			1,182	1,182	151,583
Accounts Payable and Other Accrued Liabilities	(641,207)	80,240	304,761	(256,206)	24,684
Unearned Revenues	198,434		(27,622)	170,812	
Customer Deposits	(180,394)			(180,394)	
Accrued Compensated Absences	69,573	8,726	(28,226)	50,073	(62,468)
Other Postemployment Benefits and Related Deferred Inflows and Outflows	(29,085)	(15,024)	63,744	19,635	
Net Pension Liability and Pension Related Deferred Inflows and Outflows	335,769	151,640	44,075	531,484	213,051
Net Cash Provided by (Used in) Operating Activities	$ 13,071,273	$ 8,207,749	$ 2,696,535	$ 23,975,557	$ 587,214
Supplemental Disclosure of Non-Cash Activities					
Change in Fair Value of Investments	$ 56,286	$ 37,524		$ 93,810	
Amortization of Bond Discount (Premium)	(34,050)	(23,860)		(57,910)	
Amortization of Loss on Refunding	62,338	34,583		96,921	
Transfer of Capital Assets			$ 1,691,765	1,691,765	

See accompanying notes.

STATEMENT OF FIDUCIARY NET POSITION
ALL FIDUCIARY FUNDS - PENSION TRUST FUNDS
SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

Assets	
Cash and Cash Equivalents	$ 1,128,923
Accrued Interest	127,790
Due from Other Governments	370,217
Investments:	
Equities, Including Mutual Funds	62,715,560
Corporate Bonds	6,034,797
U.S. Government Obligations/Agencies	20,037,210
Real Estate	5,081,052
Total Investments	93,868,619
Total Assets	95,495,549
Liabilities	
Accounts Payable	5,457
Other Accrued Liabilities	1,178
Total Liabilities	6,635
Net Position	
Restricted for Pensions	$ 95,488,914

See accompanying notes.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
ALL FIDUCIARY FUNDS - PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

Additions	
Contributions:	
Employee	$ 1,599,257
Employer	3,189,859
State of Florida	370,217
Total Contributions	5,159,333
Investment Income:	
Investment Earnings	5,333,480
(Investment Expenses)	(211,800)
Net Investment Income	5,121,680
Total Additions	10,281,013
Deductions	
Benefits	6,985,312
Refunds of Contributions	333,261
Administrative Expense	243,427
(Total Deductions)	(7,562,000)
Change in Net Position	2,719,013
Net Position, Beginning of Year	92,769,901
Net Position, End of Year	$ 95,488,914

See accompanying notes.

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

The City of Jacksonville Beach, Florida, (the City) was founded in 1907 and operates under a City Council/City Manager form of government. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City (the primary government) and its component units. The City has one blended component unit, the City of Jacksonville Beach Community Redevelopment Agency (CRA). The CRA was created in 1978 pursuant to Chapter 163, Florida Statutes and City Ordinance No. 6950. The CRA is being treated as a blended component unit and included as part of the primary government for financial reporting purposes because the City Council is the governing body for the CRA and management of the City has operational responsibility for the CRA. The CRA is presented in the financial statements of the City as a special revenue fund. The CRA does not issue a separate set of financial statements.

This report includes the accounts and transactions of the following entities, which do not satisfy the definition of component units because they are not legally separate from the City.

- City of Jacksonville Beach General Employees' Retirement System
- City of Jacksonville Beach Police Officers' Retirement System
- City of Jacksonville Beach Firefighters' Retirement System

B. Government-Wide and Fund Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the City. For the most part, the effect of inter-fund activity has been removed from these statements so as not to distort financial results. Fiduciary funds are also excluded from the government-wide financial statements since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

A reconciliation is provided that converts the results of governmental fund accounting to the governmental activities in the government-wide presentations. The City's fiduciary funds are presented in the fund financial statements by type (pension trust funds only) but, as noted above, are not included in the government-wide statements.

Internal service funds of a government (which traditionally provide services primarily to other funds of the government) are presented in summary form as part of the proprietary fund financial statements. Since the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental activities column when presented at the government-wide level. To the extent possible, the costs of these services are allocated among the appropriate governmental and business-type activities.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements, the proprietary fund financial statements, and the fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses 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.

Operating revenues shown for proprietary operations generally result from producing or providing goods and services such as electric, water and sewer, stormwater, sanitation, natural gas, and the golf course, or from inter-fund charges (internal service funds). Operating expenses for these operations include all costs related to providing the service or product. These costs include purchased power, personal and purchased services, repairs and maintenance, depreciation, materials and supplies, and other expenses directly related to costs of services. All other revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

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. For this purpose, the City considers revenues to be available if they are collected within thirty days of the end of the current fiscal period, except for grant revenues which are considered available if collected within 120 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, accrued compensated absences, and expenditures related to claims and judgments, are recorded only when payment is due. Other postemployment benefits are accrued in governmental funds only if funded.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual as revenue of the current period. Only the portion of special assessments collectible within the current period is accrued as revenue of the current period. Grant revenues are considered earned and are accrued simultaneously with the grant expenditure. In applying the susceptibility-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance.

There are, however, essentially two types of intergovernmental revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and substantially irrevocable, i.e., revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion. All other revenue items are considered to be measurable and available only when cash is received by the government.

The financial transactions of the City are recorded in individual funds. Each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*, 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. The City electively added certain funds as major funds.

The City reports the following major governmental funds:

- **General Fund**—is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Most of the essential governmental services such as public safety, street construction and maintenance, culture and recreation, and general administration are provided by the general fund.

- **General Capital Projects Fund**—is the City's primary capital projects fund. It accounts for the costs of various capital projects, major equipment purchases, and major repairs and renovations.

- **Community Redevelopment Fund**—accounts for the activities of the City's Community Redevelopment Agency, including the Downtown and Southend redevelopment districts. The primary revenue source is ad valorem tax increment funds, which are restricted for expenditures benefitting the redevelopment districts.

The City reports the following major enterprise funds:

- **Electric Fund**—accounts for the activities associated with providing electric service to its customers inside the City, as well as to its service territories in Neptune Beach and Ponte Vedra Beach. The electric fund is a distribution utility, with no significant power generation assets.

- **Water and Sewer Fund**—accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including the capital and operating costs associated with water supply, treatment and distribution, wastewater collection, treatment and disposal, and utility billing and collection.

Governmental and enterprise funds which do not meet the criteria for reporting as *major funds* are grouped together for financial reporting into one column.

In addition, the City reports the following fund types:

- **Internal Service Funds**—account for services provided to other departments within the City on a cost reimbursement basis. These services include: city manager, accounting, utility billing, information systems, human resources, fleet maintenance, purchasing administration, maintenance facility, and self-insurance. The internal service funds are included in governmental activities for government-wide reporting purposes, and the excess revenue or expenses for the funds are allocated to the appropriate functional activity.

- **Pension Trust Funds**—account for the activities of the general employees' pension, police officers' pension and firefighters' pension plans, which accumulate resources for defined benefit payments to qualified employees.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges of the City's enterprise activities, which are quasi-external transactions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The City does not charge user departments for indirect services provided by general fund departments.

D. Assets and Liabilities

- **Cash and Investments**

  - **Cash and Cash Equivalents**—for purposes of the statement of cash flows for the proprietary fund types, cash and cash equivalents include demand deposits, certificates of deposit, repurchase agreements with financial institutions, petty cash, state pool investments, mutual funds, and equity in pooled cash and investments. Equivalents are defined as short-term, highly-liquid investments that are both readily convertible to known amounts of cash and have an original maturity of three months or less. Cash equivalents may exclude certain liquid assets held in restricted investment accounts.

  - **Equity in Pooled Cash and Investments**—the City maintains an accounting system in which substantially all cash and investments are recorded and are reflected as pooled cash and investments, except for the pension trust fund investments, and certain other investments purchased under the requirements of bond covenants. Investment earnings are distributed monthly in accordance with the participating funds' relative percentage of investments.

  - **Restricted Cash and Investments**—represent equity in pooled cash and investments and separately identified investments which are restricted as to use. Bond covenants require certain enterprise funds to establish and maintain prescribed amounts of resources (consisting of cash and investments) that can be used only for specific purposes.

    Investments are valued at fair value unless the investment qualifies as an external investment pool under guidance in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. These investments are valued at amortized cost.

- **Receivables**—All receivables are reported at their gross value, and where appropriate are reduced by the estimated portion that is expected to be uncollectible. The allowance for doubtful accounts at September 30, 2019, is $218,240. In the fund financial statements, recognition of governmental fund type revenues is deferred until they become measurable and available, in accordance with the modified accrual basis of accounting. Estimated unbilled revenues from the electric, water and sewer, stormwater, sanitation, and natural gas funds are recognized at the end of each fiscal year on a pro rata basis. Included in accounts receivable at September 30, 2019, are unbilled amounts totaling $6,205,409. The estimated amount is based on billings during the month following the close of the fiscal year.

- **Inter-Fund Receivables and Payables**—During the course of its operations, the City has numerous transactions between funds to provide services, construct assets, and service debt. To the extent that certain transactions between funds were not paid for or received as of September 30, 2019, balances of inter-fund receivables and payables expected to be liquidated within one year have been recorded as due from and due to other funds. Balances of inter-fund receivables and payables not expected to be liquidated within one year, if any, are recorded as advances to and advances from other funds. Balances of advances to other funds are offset by non-spendable fund balances in the respective funds, since these receivables are not available for appropriation. Short-term inter-fund loans to eliminate cash deficits are classified as "inter-fund receivables/payable."

  Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

- **Inventories and Prepaid Items**—Inventories are only significant to and reported in proprietary funds. Inventories in the Electric Fund are valued at the lower of average cost or net realizable value, using the first-in, first-out (FIFO) method. Inventories in the Golf Fund are held for resale and are reported at the lower of average cost or market.

  Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the governmental-wide and fund financial statements.

- **Capital Assets**—Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial estimated useful life in excess of one year and individual cost of more than $1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

  Interest on revenue bonds, the proceeds of which are used to finance the construction of certain assets, is capitalized during the construction period, net of interest earned on the investment of unexpended bond proceeds. No net interest cost was capitalized in the enterprise funds or the government-wide financial statements in 2019.

In proprietary fund types, capital assets are capitalized at cost in the fund which acquired or constructed them. Donated assets are recorded at acquisition value. Depreciation of exhaustible capital assets used by these funds is charged as an expense against operations, and accumulated depreciation is reported on the balance sheets of the funds in which the assets are capitalized. Depreciation has been provided over the estimated useful life of each asset using the straight-line method. The range of estimated useful lives of capital assets are:

Buildings and Improvements	30-35 Years
Infrastructure	15-75 Years
Vehicles and Equipment	3-15 Years

Capital assets are not recorded on the balance sheet of governmental funds.

- **Long-Term Obligations**—In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums, discounts, and refunding losses are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Issuance costs are expensed as incurred.

  In the fund financial statements, governmental fund types record bond premiums and discounts, as well as bond issuance costs in the year incurred. The face amount of debt and premiums received on debt issuances are 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, are reported as debt service expenditures.

- **Compensated Absences**—City employees are entitled to certain compensated absences based on their length of employment. Accumulated unpaid vacation and sick pay are accrued when earned in the enterprise and internal service funds, but are only recorded when paid in the governmental fund types.

  City employees are permitted to accumulate two years of accrued vacation leave and an unlimited amount of accrued sick leave. If an employee retires from the City, he/she will be paid for unused sick leave up to ninety days not to exceed 720 hours. Additionally, employees retiring with twenty years' service may be eligible for a supplemental percentage payment of sick leave as outlined below.

  The employee must:

  1. Be retiring under the City's pension plan in "good standing"
  2. Possess twenty years of service
  3. Possess a sick leave balance of 720 hours

  If the employee meets the above criteria, he/she is eligible for 25% of any hours accrued over 720 to a maximum of 2,880. Upon termination of employment, an employee is paid for his/her accrued vacation leave based on their current hourly rate of pay. If an employee has not used any sick leave for four consecutive calendar quarters, the employee may elect to convert two days of unused sick leave to either two days' vacation or two days' pay. In addition, employees using one day of sick leave or less in four consecutive calendar quarters may convert one day of unused sick leave to either one days' vacation leave or one days' pay.

- **Deferred Inflows/Outflows of Resources**—Deferred outflows of resources represent the consumption of net position that is applicable to a future reporting period. Deferred outflows have a positive effect on net position, similar to assets. Deferred inflows of resources represent the acquisition of net position that is applicable to a future reporting period. Deferred inflows have a negative effect on net position, similar to liabilities.

- **Unearned Revenue**—Governmental funds and business-type funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

- **Pensions**—For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's three pension plans and additions to/deductions from pension plan net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

E. Fund Balances

- **Classifications**—The City has implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), as required. The purpose of GASB 54 is to improve the consistency and usefulness of fund balance information to the financial statement user. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned, and unassigned:

  - **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash; or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.

  - **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments); or (b) by law through constitutional provisions or enabling legislation.

  - **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance or resolution, which are considered equally binding) of the organization's governing authority (the City Council). These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (e.g., ordinance or resolution) employed to constrain those amounts.

Pursuant to a fund balance policy adopted under the City Council's Resolution No. 1887-2011, the City established a stabilization fund in the general fund that qualifies as a stabilization arrangement and is classified as committed fund balance under GASB 54. At each fiscal year-end, the stabilization fund is adjusted to an amount equal to 25% of the subsequent years' general fund budgeted expenditures. The purpose of the stabilization fund is to provide sufficient working capital at the beginning of the fiscal year until the time the City begins receiving ad valorem taxes, usually toward the end of the first quarter. The stabilization balance can only be reduced with City Council approval, or for budgeted expenditures when all other unrestricted or uncommitted fund balances have been exhausted, or there is a revenue shortfall resulting in a decrease in the stabilization fund.

- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization's governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective fund.

  Fund balance at year-end has been assigned within the general fund for unanticipated events or emergencies. The City's fund balance policy adopted under the City Council's Resolution No. 1887-2011 established the reserve. Expenditures for emergencies must be approved by the City Manager and reported to the City Council within 30 working days of the emergency. Expenditures for major unanticipated unbudgeted events require prior City Council approval and subsequent modification to the general fund budget.

- **Unassigned**—This classification is used for: (a) negative unrestricted fund balances in any governmental fund; or (b) fund balances within the general fund that are not restricted, committed, or assigned. There are no unassigned fund balances as of September 30, 2019.

- **Flow Assumption**
  When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in the general fund, it is the City's policy to use unassigned resources first, then assigned, and then committed, as needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in any other governmental fund, it is the City's policy to use committed resources first, then assigned, and then unassigned, as needed.

Note 2 - <u>Property Tax Calendar</u>

The City levies property taxes each November 1, which become a lien on real and personal property located in the City. The assessment of all properties and the collection of all property taxes are made through the Property Appraiser and Tax Collector of Duval County, Florida.

Details of the tax calendar are presented below:

Lien Date	January 1, 2018
Levy Date	October 1, 2018
Installment Payments	
First Installment	No Later Than June 30, 2018
Second Installment	No Later Than September 30, 2018
Third Installment	No Later Than December 31, 2018
Fourth Installment	No Later Than March 31, 2019
Regular Payments	
Discount Periods	November 2018 Through February 2019
No Discount Period	After March 1, 2019
Delinquent Date	April 1, 2019

Note 3 - Stewardship, Compliance, and Accountability

Budgets

The City Council annually adopts a budget resolution for all funds of the City. A five-year capital improvement plan is prepared each year based on business requirements and internal five-year revenue and expense projections. Governmental fund annual operating budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Encumbrance accounting is employed in the governmental funds. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances outstanding at year-end are included in fund balances as restricted, assigned, or committed and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. Encumbered appropriations are carried forward into the subsequent years' budgets without being rebudgeted. All unencumbered budget appropriations, except project budgets, lapse at the end of each fiscal year.

All departments of the City submit requests for appropriation to the City Manager so that a budget may be prepared. The budget is prepared by fund, department, division, and object of expenditure, and includes information on the previous two years, current year budget, and proposed expenditures, and the means of financing them for the next fiscal year. Public hearings are conducted to obtain taxpayer comments.

Prior to October 1, the budget is legally enacted through passage of a resolution. Overall changes to the adopted budget must be approved by a majority vote of the City Council. The City Council may make supplemental appropriations during the year, up to the amount available for appropriation. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated and is subject to further appropriation.

Budgets are monitored at varying levels of classification detail; however, budgetary control is legally maintained at the fund level, except for the general fund, where it is maintained at the departmental level. Management must seek City Council approval to make budgetary amendments at the departmental level in the general fund, and at the fund level for all other funds. Management may, however, make a budget adjustment as long as it does not increase the overall budget for a department within the general fund or for any other fund in total.

Listed below is a reconciliation of the original budget to final amended budget for the governmental fund types with legally adopted annual budgets:

	Original Budget	Encumbrances Rolled Forward	Supplemental Appropriations	Amended Budget
General Fund	$ 22,390,353	$ 265,229	$ 1,360,491	$ 24,016,073
Special Revenue Funds	4,039,394	11,095,974	2,773,959	17,909,327
Debt Service Funds	500,227	-	-	500,227

Supplementary budgetary appropriations for the general fund include the following:

- $3,288 for vehicle repair costs offset by insurance proceeds
- $5,450 for additional overtime for the Fire Department offset by donations
- $18,874 for cost of relocating AT&T equipment due to conflict with homeowner driveway
- $68,622 for payroll, uniform, and vehicle costs associated with the addition of one animal control officer
- $43,800 for costs associated with ratified IAFF collective bargaining agreement
- $48,700 for overtime costs associated with employee on extended leave
- ($136,196) for reduction in unanticipated budget to offset mid-year budget adjustments
- ($188,970) for reduction in unanticipated budget to offset year-end budget adjustments
- $5,255 for vehicle repair costs offset by insurance proceeds
- $110,000 in adjustments for legal professional services
- $36,040 for Public Works equipment rentals for Hurricane Dorian preparation
- $50,385 for overtime costs reimbursed by a Justice Assistance Grant
- $42,930 for leave payout for the retiring Fire Chief
- $1,250,000 for transfer to the General Capital Projects Fund for the following: business software applications replacement, replacement of dune walkovers outside the CRA boundaries, City-wide security improvements, additional funding for building maintenance reserves, funding for city-wide road paving, sidewalk maintenance, and new sidewalk construction
- $2,313 for other adjustments

Supplementary budgetary appropriations for the special revenue funds include the following:

- $60,000 for unforeseen roadway conditions in the 4th Street South paving project
- $355,350 for construction and administration services for three ADA compliant dune walkover
- $196,681 for design of Ocean Terrace drainage improvements project
- $9,101 for JAG D equipment grant
- $50,385 for JAG C Street Crimes Unity OT grant
- $62,273 to replace damaged driveway apron and curbing at Fire Station #2
- $440,000 to provide funding for the Downtown Action, Implementation and Management Plan
- $1,600,169 for Stormwater channel improvements at J. Turner Butler Blvd. and Marsh Landing Parkway

Other Disclosures
There was a deficit in net position in the Other Internal Service fund totaling ($585,053). This deficit primarily resulted from the recording of the Net Pension Liability described in Note 11.

Note 4 - Deposits and Investments

Equity in Pooled Cash and Investments
The City maintains a cash and investment pool that is available for use by all funds. Interest earned on pooled cash and investments is allocated to each fund based on the average equity balance. The balance in pooled cash and investments was $183,845,476 in governmental and business-type funds and $780,376 in the pension funds. In addition, certain cash and investments are held separately and not available for use by all funds, including $6,525 in petty cash and $3,129,238 in bank deposits and investments.

Deposits
The City's bank deposits are held in qualified public depositories (QPDs) pursuant to Florida Statutes, Chapter 280. The Act provides protection of public deposits by requiring each QPD to pledge collateral to the State Treasurer. The Treasurer shall establish minimum required collateral pledging levels ranging from 25% to 200% of public deposits held, depending on the depository's financial condition and establishment period. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type as the depositor in default. Therefore, all cash and time deposits held by QPDs are fully insured and collateralized. At September 30, 2019, the carrying amount of the City's deposits held in QPDs was $14,261,984 and the bank balance was $16,481,220.

Certain deposits held by trust companies and fully secured under trust business laws are exempt from Chapter 280 requirements. At year-end, the amount of City deposits held in trust was $1,172,836 and the amount of deposits held in the pension trust funds was $348,547.

Investments
Following are the investments held in the pooled cash fund, credit ratings, and maturities of the City's governmental and business-type activities at September 30, 2019:

Investment Type	S&P Credit Rating	Fair Value	Investment Maturities: Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
U.S. Govt Obligations	AA+	$ 41,900,411	$ 3,243,272	$ 37,363,903	$ 1,293,236	
Federal Agency Securities:						
Federal Farm Credit Bank	AA+	3,749,398	3,749,398			
Federal Home Loan Bank	AA+	3,447,822	1,764,009	1,683,813		
Federal Home Loan Mortgage Corporation	AA+	5,124,824	390,027	768,112	1,453,869	$ 2,512,816
Federal National Mortgage Association	AA+	3,197,936	296,411	837,327	747,789	1,316,409
Government National Mortgage Association	AA+	121,749				121,749
Corporate ABSs	AAA	5,322,879		4,936,589	292,338	93,952
Corporate ABSs	AA+	355,513		23,964		331,549
Corporate ABSs	Aaa (Moody's)	2,361,466		2,272,261		89,205
Corporate Bonds	AA+	1,202,128		1,202,128		
Corporate Bonds	AA	1,797,816		1,797,816		
Corporate Bonds	AA-	2,475,073	100,303	2,374,770		
Corporate Bonds	A+	4,525,725	377,782	4,147,943		
Corporate Bonds	A	15,447,492	3,835,403	11,612,089		
Corporate Bonds	A-	20,611,993	2,297,132	18,314,861		
Corporate Bonds	BBB+	9,897,750	141,434	9,756,316		
Corporate Bonds	Aaa (Moody's)	180,850	75,141	105,709		
Corporate Bonds	A2 (Moody's)	-				
Municipal Bonds	AAA	637,328	235,881	401,447		
Municipal Bonds	AA+	913,367	279,004	634,363		
Municipal Bonds	AA	224,122		224,122		
Municipal Bonds	AA-	587,701		587,701		
Municipal Bonds	Aa2 (Moody's)	40,615				40,615
Florida State Board of Administration:						
Florida PRIME	AAAm	16,922,177	16,922,177			
Florida Trust - Day to Day Fund		18,876,516	18,876,516			
Florida Municipal Investment Trust:						
Short-Term Bond Portfolio (0-2 Years)	AAA (Fitch)	12,397,619	12,397,619			
Total		$ 172,320,270	$ 64,981,509	$ 99,045,234	$ 3,787,232	$ 4,506,295

Listed below are the investments and maturities in the City's pension trust funds at September 30, 2019:

Investment Type	Fair Value	Investment Maturities: Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
Equities	$ 62,715,560	$ 62,715,560			
U.S. Government Securities	11,770,472		$ 2,087,897	$ 7,175,449	$ 2,507,126
Federal Agency Securities:					
Federal Home Loan Bank	811,175			648,767	162,408
Federal Home Loan Mortgage Corporation	1,013,781	2,231	51,084		960,466
Federal National Mortgage Association	6,441,782		34,060	2,618,500	3,789,222
Corporate Bonds	6,034,797		402,297	5,092,664	539,836
Real Estate	5,081,052	5,081,052			
Total	$ 93,868,619	$ 67,798,843	$ 2,575,338	$ 15,535,380	$ 7,959,058

Credit quality distribution for the City's pension trust fund investments with credit exposure as a percentage of the total pension investment is as follows:

Investment Type	Moody's Credit Rating	Percent of Total
U.S. Government Securities	Aaa	12.54%
Federal Agency Securities	Aaa	8.81%
Corporate Bonds	A1	0.86%
Corporate Bonds	A2	3.24%
Corporate Bonds	A3	0.24%
Corporate Bonds	Aa2	0.52%
Corporate Bonds	Aaa	0.58%
Corporate Bonds	Baa1	0.99%

Authorized Investments

Florida Statute 218.415 authorizes the City to invest in the state pools and in obligations of the United States Treasury and agencies. The City has adopted an investment policy for operating funds pursuant to state statutes that allows the City to contract for investment and related services, establish internal controls, and specifies the types of investments that may be purchased. Key objectives of the policy are as follows:

- Safety of principal is the foremost objective of the investment program.
- Provide sufficient liquidity to allow for quick conversion of investments to cash easily and rapidly without loss of principal to meet operating, payroll, and capital requirements.
- The investment portfolio shall be designed with the objective of attaining a market rate of return through budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.
- Investments held should be diversified to the extent practicable to control the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are bought and sold.

The policy also lists permitted types of investments, limitations as to amounts invested in each type, the amount invested with each issuer, the length of investment maturities, and other statutory or contractual restrictions for each type of investment. The investment in any derivative products or the use of reverse repurchase agreements is not permitted by this investment policy.

Chapters 175 and 185 of the Florida Statutes authorize the Police Officers' and Firefighters' pension trust funds to invest in time and savings accounts of banks insured by the Federal Deposit Insurance Corporation.

Under City Ordinance, the pension trust funds are also authorized to invest in obligations of the United States, in obligations guaranteed as to principal and interest by the United States, and in bonds issued by the State of Israel. Additional authorized investments include bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, provided the corporation is listed on one or more of the recognized national stock exchanges. Corporate fixed income securities must hold a rating of A or higher by Moody's or Standard & Poor's rating services.

Risk Disclosure

The City's investment policy does not address its exposure to interest rate changes, custodial credit risk, or quality credit risk. The following items discuss the City's operating funds' and pension funds' exposure to various risks in primarily the fixed rate portions of their investment portfolios:

- **Interest Rate Risk**—the City's fixed rate investments are generally tied to bond reserve requirements and are intended to be held until the funds are needed, at maturity. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's pension funds limit their risk by averaging investment maturities at approximately five to seven years.

- **Custodial Credit Risk**—for an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City generally utilizes third-party custodians to help manage custodial credit risk.

- **Concentration of Credit Risk**—the investment policy for the operating funds of the City define what percentage of the total investment portfolio may be invested in each type of investment vehicle. The City's policy states that these percentages may be further restricted based on market conditions, risk, and diversification investment strategies. The pension funds' investment policies and practices require investments to be diversified to the extent practicable to control the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are purchased and sold. No more than 10% of an individual investment manager's total fixed income portfolio may be invested in securities of a single issuer (5% in the case of a corporate issuer). No more than 10% of plan assets may be in foreign securities.

Fair Value Measurements

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

- **Level 1 Inputs**—are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

- **Level 2 Inputs**—are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

- **Level 3 Inputs**—are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

The City's investments are measured at fair value on a recurring basis. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value in the hierarchy described above. The fair value measurements for the City's operating investments are as follows at September 30, 2019:

		Fair Value Measurements Using		
Investments by Fair Value Level	Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Government Obligations	$ 41,900,410	$ 40,821,850	$ 1,078,560	
Federal Agency Securities:				
Federal Home Loan Bank	3,447,823	3,447,823		
Federal Home Loan Mortgage Corporation	5,124,824	842,693	4,282,131	
Federal Farm Credit Bank	3,749,398	3,749,398		
Federal National Mortgage Association	3,197,935	296,411	2,901,524	
Government National Mortgage Association	121,749		121,749	
Corporate ABSs	8,039,858		8,039,858	
Corporate Bonds	56,138,828		56,138,828	
Municipal Bonds	2,403,133		2,403,133	
Total Investments by Fair Value Level	$ 124,123,958	$ 49,158,175	$ 74,965,783	$ -

Investments Measured at Amortized Cost	Amount	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Florida State Board of Administration:				
Florida PRIME	$ 16,922,177	$ -	None	Daily
Florida Trust - Day to Day Fund	18,876,516	-	None	Daily
Florida Municipal Investment Trust:				
Short-Term Bond Portfolio (0-2 Years)	12,397,619	-	None	Daily
Total Investments Measured at Amortized Cost	$ 48,196,312			
Total Investments	$ 172,320,270			

The fair value measurements for the City's pension trust fund investments are as follows at September 30, 2019:

		Fair Value Measurements Using		
Investments by Fair Value Level	Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	$ 62,715,560	$ 62,715,560		
U.S. Government Securities	11,770,472	11,770,472		
Federal Agency Securities:				
Federal Home Loan Bank	811,175	811,175		
Federal Home Loan Mortgage Corporation	1,013,781	234,593	$ 779,188	
Federal National Mortgage Association	6,441,782		6,441,782	
Corporate Bonds	6,034,797		6,034,797	
Total Investments Measured at Fair Value	88,787,567	$ 75,531,800	$ 13,255,767	$ -

Investments Measured at the Net Asset Value (NAV)	Amount	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real Estate Fund	$ 5,081,052	$ -	Quarterly	45 days
Total Investments	$ 93,868,619			

U.S. Government Obligations are valued based on prices quoted in active markets and are categorized as Level 1 in the fair value hierarchy. Federal Agency Securities are categorized as Level 1 or Level 2, depending on whether the individual securities are quoted in active markets, otherwise they are valued using matrix pricing techniques that value securities based on their relationship to benchmark quoted prices. Corporate bonds, corporate ABSs and municipal bonds are valued using quoted prices for similar securities in active markets and are categorized as Level 2 in the fair value hierarchy. The Real Estate Fund is valued at Net Asset Value (NAV) which is determined using certified annual appraisals of investment properties held by the fund.

Note 5 - Inter-Fund Receivables, Payables and Transfers

Inter-fund receivables/payables represent short-term loans to cover other funds' deficits in pooled cash and investments. As of September 30, 2019, the balance in these accounts consists of the following:

	Receivable	Payable
General Fund	$ 59,732	
Community Development Block Grant		$ 2,329
J.A.G. Grant		57,403
Total Restricted Assets	$ 59,732	$ 59,732

Inter-fund transfers during the year ended September 30, 2019, consisted of the following:

	Transfers In					
	General Fund	General Capital Projects	Other Governmental	Electric	Other Enterprise	Total
Transfers Out						
General Fund		$ 1,745,000 (2)			$ 150,000 (1)	$ 1,895,000
Other Governmental	$ 572,948 (3)	(2)	$ 471,333 (4)			1,044,281
Electric Fund	3,701,171 (5)	130,000 (2)				3,831,171
Water and Sewer		95,000 (2)				95,000
Other Enterprise	111,950 (5)	110,000 (2)		$ 162,097 (6)	500,000 (2)	884,047
Internal Service		50,000 (2)				50,000
Total Transfers Out	$ 4,386,069	$ 2,130,000	$ 471,333	$ 162,097	$ 650,000	$ 7,799,499

Transfer Purpose

(1) Supplemental Program Funding
(2) Capital Projects Funding
(3) Reimburse Fund for Expenditures/Expenses Incurred on Its Behalf
(4) Debt Service Payment Transfer
(5) Return on Investment
(6) Repayment of Construction Advance

In addition, transfers at the government-wide level include $1,691,765 in capital asset transfers from the governmental activities to the golf fund.

Note 6 - Capital Assets

Capital asset activity for the year ended September 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	$ 29,656,509			$ 29,656,509
Construction in Progress	18,623,980	$ 8,154,837	$ (16,733,602)	10,045,215
Total Capital Assets Not Being Depreciated	48,280,489	8,154,837	(16,733,602)	39,701,724
Capital Assets Being Depreciated:				
Buildings and Improvements	38,409,622	13,719,500		52,129,122
Equipment	15,602,047	1,765,489		17,367,536
Road Network	32,881,354			32,881,354
Other Infrastructure Networks	28,252,701	11,879		28,264,580
Total Capital Assets Being Depreciated	115,145,724	15,496,868	-	130,642,592
Less Accumulated Depreciation for:				
Buildings and Improvements	(16,998,880)	(1,223,194)		(18,222,074)
Equipment	(10,676,809)	(1,359,521)		(12,036,330)
Road Network	(11,959,074)	(416,057)		(12,375,131)
Other Infrastructure Networks	(20,089,631)	(744,053)		(20,833,684)
Total Accumulated Depreciation	(59,724,394)	(3,742,825)	-	(63,467,219)
Total Being Depreciated, Net	55,421,330	11,754,043	-	67,175,373
Governmental Activities Capital Assets, Net	$ 103,701,819	$ 19,908,880	$ (16,733,602)	$ 106,877,097

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital Assets Not Being Depreciated:				
Land	$ 4,388,198			$ 4,388,198
Construction in Progress	18,759,021	$ 11,198,433	$ (500,000)	29,457,454
Total Capital Assets Not Being Depreciated	23,147,219	11,198,433	(500,000)	33,845,652
Capital Assets Being Depreciated:				
Buildings and Improvements	318,746,564	2,317,991		321,064,555
Equipment	9,963,399	708,646		10,672,045
Total Capital Assets Being Depreciated	328,709,963	3,026,637	-	331,736,600
Less Accumulated Depreciation for:				
Buildings and Improvements	(159,624,251)	(8,509,990)		(168,134,241)
Equipment	(6,731,584)	(775,541)		(7,507,125)
Total Accumulated Depreciation	(166,355,835)	(9,285,531)	-	(175,641,366)
Total Being Depreciated, Net	162,354,128	(6,258,894)	-	156,095,234
Business-Type Activities Capital Assets, Net	$ 185,501,347	$ 4,939,539	$ (500,000)	$ 189,940,886

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

Governmental Activities	
General Government	$ 964,638
Law Enforcement	568,742
Fire Control	291,100
Building Inspections	11,977
Physical Environment	384,441
Roads and Streets	755,119
Parks and Recreation	704,628
Internal Service Funds	62,180
Total Depreciation Expense - Governmental Activities	$ 3,742,825
Business-Type Activities	
Electric	$ 5,353,078
Water and Sewer	2,776,290
Stormwater	788,787
Sanitation	32,268
Golf Course	82,054
Leased Facilities	98,896
Natural Gas	154,158
Total Depreciation Expense - Business-Type Activities	$ 9,285,531

Note 7 - Long-Term Debt

The following is a summary of changes in long-term debt for the year ended September 30, 2019:

	Balance September 30, 2018	Additions	Other Reductions	Balance September 30, 2019	Due Within One Year
Governmental Activities					
Revenue Bonds	$ 490,000		$ (490,000)	$ -	
Accrued Compensated Absences	3,630,515	$ 1,371,360	(1,500,135)	3,501,740	$ 700,348
Accrued Other Postemployment Benefits	1,989,335		(631,039)	1,358,296	
Net Pension Liability	11,968,373	3,127,825		15,096,198	
Total Governmental Activities	18,078,223	4,499,185	(2,621,174)	19,956,234	700,348
Business-Type Activities					
Revenue Bonds - Par	10,420,000		(4,060,000)	6,360,000	4,210,000
Unamortized Premium	69,476		(57,811)	11,665	
Revenue Bonds, Net	10,489,476	-	(4,117,811)	6,371,665	4,210,000
Accrued Compensated Absences	1,994,180	771,689	(721,616)	2,044,253	408,850
Accrued Other Postemployment Benefits	1,322,359		(409,145)	913,214	
Net Pension Liability	7,281,393	1,583,984		8,865,377	
Total Business-Type Activities	21,087,408	2,355,673	(5,248,572)	18,194,509	4,618,850
Total Long-Term Obligations	$ 39,165,631	$ 6,854,858	$ (7,869,746)	$ 38,150,743	$ 5,319,198

Bonds outstanding at September 30, 2019, consist of the following for business-type activities:

	Note	Maturity	Originally Issued	Outstanding Amount	Interest Rate
Business-Type Activities					
Revenue Bonds:					
2010 Series, Utility Revenue:					
Electric Fund	1	2020	$ 21,960,865	$ 3,746,040	2.0-4.0%
Water and Sewer Fund	1	2020	15,324,135	2,613,960	2.0-4.0%
Total Business-Type Activities			$ 37,285,000	$ 6,360,000	

1. Refunded remaining 2002 Utility Revenue Bonds (originally for electric, water, and wastewater improvements).

The City has no direct placement debt. The bonds listed above are secured by a pledge of the revenue source listed in the bond name. Most of the bonds contain mandatory redemption provisions and require premium payments upon early redemption. In addition, the Utility Revenue Bonds, Series 2010, require the establishment and maintenance of various "funds" or accounts on the books of the City, as follows:

Electric and Water and Sewer Funds

To receive the gross revenues of the electric and sewer systems (the systems) from which monies can be spent for operations and maintenance, debt service payments, required transfers to the reserve accounts, and the costs of extensions, enlargements, additions, or replacement of capital assets.

Electric and Water and Sewer Reserve Accounts

To receive and maintain an amount equivalent to the lesser of the maximum annual debt service requirement or an amount equivalent to 1.25 times the average annual debt service requirement, but in no event more than 10% of the principal amount of the bonds. In lieu of this reserve, the City may establish a reserve account credit facility which is an insurance policy that may be drawn on to make debt service payments when a deficiency of gross revenues exists. If such a withdrawal is made, the City is required to reinstate the reserve account credit facility.

Renewal and Replacement Accounts

To accumulate and disburse funds only for repair and replacement of the systems following damage by hurricane or other unforeseen emergency or catastrophe.

Annual debt service requirements as of September 30, 2019, are as follows:

	Business-Type Activities		
Fiscal	Revenue Bonds		
Year	Principal	Interest	Total
2020	$ 4,210,000	$ 213,100	$ 4,423,100
2021	2,150,000	43,000	2,193,000
Total	$ 6,360,000	$ 256,100	$ 6,616,100

Interest paid and incurred in the governmental activities totaled $4,227 for the year ended September 30, 2019. Interest costs incurred in the business-type activities (excluding amortization) totaled $295,700 for the same period.

For the governmental activities, compensated absences, pension, and other postemployment benefits are generally liquidated by the general fund.

Pledged Revenue

Pledged revenues on the City's outstanding debt for the year ended September 30, 2019, were as follows:

Description of Bond	Pledged Revenue	Revenue Received	Principal and Interest Paid	Estimated Percentage Pledged	Outstanding Principal and Interest	Pledged Through
Business-Type Activities						
Series 2010, Utility Revenue Bonds	Net Electric Utility Revenue	$ 14,813,827	$ 2,607,459	13.15%	$ 3,896,883	2021
Series 2010, Utility Revenue Bonds	Net Water and Sewer Utility Revenue	8,994,317	1,819,466	15.12%	2,719,217	2021

Note 8 - Restricted Assets

The following table indicates the balances at September 30, 2019, for all restricted assets in the proprietary fund types:

	Electric Fund	Water and Sewer Fund	Total Enterprise
Sinking Funds:			
Principal	$ 1,216,285	$ 848,715	$ 2,065,000
Interest	74,921	52,279	127,200
Renewal and Replacement	1,500,000	500,000	2,000,000
Customer Deposits	5,388,202		5,388,202
Total Restricted Assets	$ 8,179,408	$ 1,400,994	$ 9,580,402

Note 9 - Florida Municipal Power Affiliation

The City is a member of the Florida Municipal Power Agency (FMPA) and a participant in two of its projects: the St. Lucie Project, and the All Requirements Project. FMPA currently has five major power supply projects in operation: (1) the St. Lucie Project; (2) the Stanton Project; (3) the Tri-City Project; (4) the Stanton 2 Project; and (5) the All Requirements Project.

The St. Lucie Project

On May 12, 1983, FMPA acquired an 8.806% undivided ownership interest in the St. Lucie Unit 2, an 838 megawatt (MW) nuclear power plant operated by Florida Power & Light Company (FPL). The St. Lucie Unit 2 began operation in 1983. In 2003, the Nuclear Regulatory Commission extended the plant's operating license by twenty years. It is now licensed to operate until 2043.

Fifteen of FMPA's members, including the City, are participants in the St. Lucie Project. As a participant in the St. Lucie Project, the City is entitled to 5.4 MW of FMPA's 73.5 MW capacity and energy associated with the St. Lucie Project.

Total expense for 2019 under this contract was $3,926,388. The City's St. Lucie Power Supply and Sales contracts with FMPA extend through the later of: (1) the date on which related bond principal or other obligations are fully retired; (2) the date the St. Lucie Project is fully decommissioned or otherwise disposed of; or (3) the date all obligations of FMPA under its participation agreement with FPL have been fully satisfied.

The All Requirements Project

FMPA's All Requirements Project provides: (1) each Participant's power supply requirements above Excluded Power Supply Resources and Back-up and Support Services (capitalized terms are defined in the All Requirements Power Supply Contracts), if any, under All Requirements Services; and (2) reserves, losses, firming capacity, back-up energy, and certain associated transmission and dispatching services required for Excluded Power Supply Resources under Back-up and Support Services.

The All Requirements Project's current utility plant assets include varying ownership interests in Stanton Energy Center Units 1 and 2; Indian River Combustion Turbines A, B, C, and D; Stanton A, as well as a minority interest in the FPL St. Lucie nuclear plant. The All Requirements Project's current utility plant assets also consist of 100% ownership in Key West Stock Island Units 2, 3, and 4; the Treasure Coast Energy Center; and Cane Island Units 1, 2, 3, and 4.

In addition to its ownership facilities, FMPA has interchange and various power purchase contracts with Progress Energy, FPL, Southern Company and others.

The electric system's load in excess of that served from the St. Lucie Project is provided for by FMPA under the All Requirements Project. The City's highest system peak load for fiscal 2019 was in July 2019, at 163.449 MW. Total expense to the City under the All Requirements Project for 2019 was $50,852,586.

The City and FMPA have entered into an All Requirements Project (ARP) Power Supply Contract (effective March 22, 1985, as amended on May 24, 1991, and January 22, 1999) which requires: 1) FMPA to sell and deliver to the City, and 2) the City to purchase from FMPA, all electric power that the City requires. The initial term of the ARP contract is October 1, 2030; however, on each October 1st, after the effective date, the contract automatically extends for an additional one-year period unless either party, at least one year prior to such automatic extension date, notifies the other party in writing of its decision not to extend the contract.

The City pays for electric power under the contract at the rates set forth in the rate schedules to the ARP contract, which FMPA may revise from time to time in accordance with the contract. The contract provides the option for the City to withdraw from the All-requirements Project after notice and making the debt payment, provided for in Section 29 of the contract (which, generally, is equal to the City's portion of the ARP Debt and other costs incurred, or expected to be incurred, by the ARP as a result of the City's withdrawal).

Interconnect Services
The City also has a contract for backup interconnection and electric service with Jacksonville Electric Authority (JEA) through an interconnection point at the Neptune Beach Substation. Total expense for 2019, under this contract was $424,952, which is net of the FMPA contribution of $195,382.

Note 10 - Power Costs Recovered in Advance

The City uses a power true-up recomputed monthly in its electric rates. At September 30, 2019, the City was over-recovered from customers by $41,459,721. Of this amount, $14,306,193 is reserved for rate stabilization pursuant to City Resolution 1911-2013. The remaining $27,153,528 is expected to be returned to customers in future years. At September 30, 2018, the City was over-recovered by $42,291,552.

The City also uses a cost of gas true-up recomputed monthly in its natural gas rates. At September 30, 2019, the City was over-recovered from customers by $356,391. This amount will be returned to customers in future years. At September 30, 2018, the City was over-recovered by $262,274.

Note 11 - Retirement Systems

Plan Descriptions
Substantially all full-time employees of the City were covered by the City of Jacksonville Beach, Florida, Public Employees' Retirement System (the PERS) through March 31, 2000.

Effective April 1, 2000, substantially all full-time employees were covered under one of three separate defined benefit pension plans formed on April 1, 2000, as a result of amendments to Florida Statutes mandated by the state legislature. Chapter 175.061 governing Firefighters' pensions and Chapter 185.05 governing Police Officers' pensions were amended to require separate pension plans for each of these groups of employees. On March 31, 2000, the predecessor pension plan (the PERS) ceased operations and its assets, liabilities, and fund balance were divided among the following three distinct pension plans:

- General Employees' Retirement System (GERS)
- Firefighters' Retirement System (FFRS)
- Police Officers' Retirement System (PORS)

Each plan is considered a single-employer, defined benefit pension plan. Each of the plans present separate financial statements, and are included as part (reporting as pension trust funds) of the City's financial reporting entity since they are not "legally separate." The plans issue publicly available financial reports that include financial statements and required supplementary information. The GERS is administered by the Board of Trustees comprised of two members of City Council selected by the City Council, two members of the GERS elected by the membership, and a fifth member elected by the other four board members. The PORS and FFRS are both administered by a separate Board of Trustees comprised of two residents of the City appointed by City Council, two members of the PORS and FFRS elected by the membership respectively, and a fifth member elected by the other four board members. The reports may be obtained by writing to the Payroll/Benefits Administrator, City of Jacksonville Beach, 11 North Third Street, Jacksonville Beach, Florida, 32250, or by calling (904) 247-6264.

Membership

As of October 1, 2018, employee membership data related to the pension plans were:

	General Employees	Police Officers	Firefighters	Total
Inactive Plan Members or Their Beneficiaries Currently Receiving Benefits (Including DROP Participants)	192	37	24	253
Inactive Plan Members Entitled to Benefits, But Not Yet Receiving Them	10	4	0	14
Active Plan Members	240	61	30	331
Total	442	102	54	598

Benefits

The pension plans provide retirement benefits, deferred allowances, and death and disability benefits. The plan assets are available to pay the general, police, and firefighters categories of employees, respectively.

The following table shows a summary of benefits for each pension plan. Pension plan provisions were modified significantly during fiscal year 2014.

CITY OF JACKSONVILLE BEACH GENERAL EMPLOYEES' PENSION PLAN				
Provision	**Employees with Less Than 5 Years of Service on November 25, 2013**	**Employees with at Least 5 Years of Service but Less Than 10 Years of Service on November 25, 2013**	**Employees with 10 or More Years of Service on November 25, 2013**	**Employees with 30 Years of Service or Age 60 with 5 Years of Service on November 25, 2013**
Benefit Formula	2.5% for all years of service ($90,000 or 75% maximum)			2.5% for all years of service (75% maximum)
Normal Retirement Date	Age 55 with 30 years of service; or Age 62 with 10 years of service		Age 60 with 5 years of service; or 30 years of service regardless of age	
Pensionable Pay	Base pay + longevity pay; excluding overtime, shift differential, leave payouts, and all other compensation			Base pay, longevity, overtime, shift differential and incentive pay

CITY OF JACKSONVILLE BEACH POLICE OFFICERS' PENSION PLAN				
Provision	**Employees with Less Than 5 Years of Service on June 23, 2014**	**Employees with at Least 5 Years of Service but Less Than 10 Years of Service on June 23, 2014**	**Employees with 10 or More Years of Service on June 23, 2014**	**Employees with 30 Years of Service; Age 52 with 25 Years of Service; Age 55 with 5 Years of Service on June 23, 2014**
Benefit Formula	3% for all years of service ($90,000 or 90% maximum)			3% - first 30 years; 2% thereafter (100% maximum)
Normal Retirement Date	Age 52 with 25 years of service; or Age 55 with 10 years of service; or 30 years of service regardless of age		Age 52 with 25 years of service; or Age 55 with 5 years of service; or 30 years of service regardless of age	
Pensionable Pay	Base pay + 300 hours of overtime per year + longevity pay + incentive pay; excluding overtime >300 hours, leave payouts, and all other compensation			Base pay, longevity, overtime, shift differential and incentive pay

CITY OF JACKSONVILLE BEACH FIREFIGHTERS' PENSION PLAN					
Provision	**Employees Hired After July 21, 2014**	**Employees with Less Than 5 Years of Service on July 21, 2014**	**Employees with at Least 5 Years of Service but Less Than 10 Years of Service on July 21, 2014**	**Employees with 10 or More Years of Service on July 21, 2014**	**Employees with 30 Years of Service; Age 52 with 25 Years of Service; Age 55 with 5 Years of Service on July 21, 2014**
Benefit Formula	3% for all years of service ($90,000 or 90% maximum)				3% - first 30 years; 2% thereafter (100% maximum)
Normal Retirement Date	Age 52 with 25 years of service; or Age 55 with 10 years of service; or 30 years of service regardless of age			Age 52 with 25 years of service; or Age 55 with 5 years of service; or 30 years of service regardless of age	
Pensionable Pay	Base pay + longevity pay + incentive pay; excluding overtime, leave payouts, and all other compensation				Base pay, longevity, overtime, shift differential and incentive pay
COLA	No COLA	2% increase on benefits earned prior to the effective date; 1% annual increase on benefits earned after the effective date			2% increase on 2nd anniversary and annually thereafter

Pension provisions include death benefits when the death is non-duty-related, whereby the surviving spouse is entitled to receive annually an amount equal to 100% of the employee's normal retirement benefit as long as the employee has attained 10 or more years of service. When the death is duty-related, the ten-year service requirement is waived. The surviving spouse is entitled to receive 100% of the employee's normal retirement benefit, with a minimum benefit of 35% of their final average compensation.

Contributions

For the year ended September 30, 2019, plan participants were required to pay 7.95% of their annual compensation to their respective pension plan. The payments are deducted from the employees' wages or salary and remitted by the City to the respective plan at the end of each pay period. If an employee leaves the employment of the City before he or she is vested, the accumulated contributions plus earned interest are refunded to the employee or the employee's designated beneficiary. If an employee leaves the employment of the City after becoming vested, but before attaining retirement age, the employee or the employee's designated beneficiary has the option of being refunded the accumulated contributions plus earned interest or keeping the funds in the plan and receiving benefits under the plan upon reaching retirement age.

The City makes periodic contributions totaling a minimum of 100% of the annual actuarially determined amount to the pension plan. In addition to the employer contribution, the Police Officers' and Firefighters' pension plans receive a distribution of casualty premium tax monies from the State of Florida pursuant to Chapters 175 and 185, Florida Statutes. The on-behalf payments received from the State of Florida totaling $370,217 were received for the period ending September 30, 2019, and were recognized as revenues and expenses in the General Fund and were used to reduce the City's contribution to the Police Officers' and Firefighters' pension plans.

For the period ended September 30, 2019, the actuarially determined contribution amount was to be $3,526,100, including estimated contributions from the State of Florida. The City's actual contribution was $3,560,077, including actual contributions from the State of Florida. These contributions were determined pursuant to an actuarial valuation dated October 1, 2017.

There were no contributions due to the plans by the City at September 30, 2019.

Investment Policy

The following are the three Boards' adopted asset allocation policy as of September 30, 2019:

Asset Class	Target Allocation
Domestic Equity	50%
International Equity	10%
Fixed Income	35%
Real Estate	5%
Total	100%

Concentration

The plan did not hold investments in any one organization that represents 5% or more of the pension plans' fiduciary net position.

Rate of Return

For the years ended September 30, 2019 and 2018, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 5.61% and 9.22%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Investment Values

Investments in securities are reported at fair value. Corporate bond securities are assigned a value based on yields currently available on securities of issuers with credit ratings similar to the securities held by the pension plan. Unrestricted capital stock securities are assigned a value based on quoted market prices. There are no investments in, loans to, or leases with parties related to the pension plans.

Schedule of Pension Plan Net Position as of September 30, 2019

	General Employees	Police Officers	Firefighters	Totals
Assets				
Cash and Cash Equivalents	$ 851,883	$ 181,289	$ 95,751	$ 1,128,923
Due from Other Governments		228,825	141,392	370,217
Accrued Interest	76,653	32,755	18,382	127,790
Investments:				
Equities, Including Mutual Funds	37,488,863	16,075,182	9,151,515	62,715,560
Corporate Bonds	3,619,901	1,546,849	868,047	6,034,797
U.S. Government Obligations/Agencies	12,019,081	5,135,970	2,882,159	20,037,210
Real Estate Fund	3,047,808	1,302,384	730,860	5,081,052
Total Investments	56,175,653	24,060,385	13,632,581	93,868,619
Total Assets	57,104,189	24,503,254	13,888,106	95,495,549
Liabilities				
Accounts Payable	1,819	1,819	1,819	5,457
Other Accrued Liabilities	742	263	173	1,178
Total Liabilities	2,561	2,082	1,992	6,635
Net Position Restricted for Pensions	$ 57,101,628	$ 24,501,172	$ 13,886,114	$ 95,488,914

Schedule of the Change in Pension Plan Net Position as of September 30, 2019

	General Employees	Police Officers	Firefighters	Totals
Additions				
Contributions				
Employee	$ 1,036,998	$ 383,822	$ 178,437	$ 1,599,257
Employer	2,100,105	573,416	516,338	3,189,859
State of Florida		228,825	141,392	370,217
Total Contributions	3,137,103	1,186,063	836,167	5,159,333
Investment Income				
Investment Earnings	3,188,837	1,370,517	774,127	5,333,481
(Investment Expenses)	(126,511)	(54,465)	(30,824)	(211,800)
Net Investment Income	3,062,326	1,316,052	743,303	5,121,681
Total Additions	6,199,429	2,502,115	1,579,470	10,281,014
Deductions				
Benefits	4,346,876	1,670,519	967,917	6,985,312
Refunds of Contributions	301,365	31,896		333,261
Administrative Expense	96,476	77,460	69,492	243,428
(Total Deductions)	(4,744,717)	(1,779,875)	(1,037,409)	(7,562,001)
Change in Net Position	1,454,712	722,240	542,061	2,719,013
Net Position, Beginning of Year	55,646,916	23,778,932	13,344,053	92,769,901
Net Position, End of Year	$ 57,101,628	$ 24,501,172	$ 13,886,114	$ 95,488,914

Basis of Accounting – Pension Trust Funds

The Pension Trust Fund statements are prepared on the accrual basis of accounting. Contributions from the City and the City's employees are recognized as revenue in the period in which employees provide services to the City. Interest and dividend income is recognized when earned by the pension plan. Realized gains and losses on the sale of investments held by the pension plan are recognized when incurred. Net appreciation in the fair value of investments held by the pension plan is recorded as an increase to investment income based on the valuation of investments as of the date of the statement of plan net position available for benefits. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Measurement Date

As permitted by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the City elected to use a measurement date to value the net pension liability and related deferred inflows and outflows as of September 30, 2018, one year prior to the reporting date.

Net Pension Liability

The components of the net pension liability for each plan as of September 30, 2018, (measurement date) and for the year then ended, were as follows:

General Employees' Pension Plan

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balance, Beginning of Year	$ 66,308,198	$ 52,771,855	$ 13,536,343
Service Cost	1,376,901		1,376,901
Interest	5,106,511		5,106,511
Differences Between Expected and Actual Experience	1,126,397		1,126,397
Changes of Assumptions	2,931,687		2,931,687
Contributions - Employer		1,898,689	(1,898,689)
Contributions - Employee		1,029,762	(1,029,762)
Net Investment Income		4,761,584	(4,761,584)
Benefit Payments Including Refunds of Employee Contributions	(4,714,545)	(4,714,545)	-
Administrative Expenses		(100,429)	100,429
Net Changes	5,826,951	2,875,061	2,951,890
Balance, End of Year	$ 72,135,149	$ 55,646,916	$ 16,488,233

Police Officers' Pension Plan

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balance, Beginning of Year	$ 24,558,982	$ 22,048,341	$ 2,510,641
Service Cost	625,887		625,887
Interest	1,916,453		1,916,453
Differences Between Expected and Actual Experience	177,596		177,596
Changes of Assumptions	1,221,310		1,221,310
Contributions - Employer and State		691,323	(691,323)
Contributions - Employee		362,140	(362,140)
Net Investment Income		1,991,673	(1,991,673)
Benefit Payments Including Refunds of Employee Contributions	(1,226,041)	(1,226,041)	-
Administrative Expenses		(88,504)	88,504
Net Changes	2,715,205	1,730,591	984,614
Balance, End of Year	$ 27,274,187	$ 23,778,932	$ 3,495,255

Firefighters' Pension Plan

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balance, Beginning of Year	$ 15,514,890	$ 12,312,108	$ 3,202,782
Service Cost	306,120		306,120
Interest	1,207,186		1,207,186
Differences Between Expected and Actual Experience	188,875		188,875
Changes of Assumptions	879,444		879,444
Contributions - Employer and State		608,384	(608,384)
Contributions - Employee		161,383	(161,383)
Net Investment Income		1,112,333	(1,112,333)
Benefit Payments Including Refunds of Employee Contributions	(774,227)	(774,227)	-
Administrative Expenses		(75,780)	75,780
Net Changes	1,807,398	1,032,093	775,305
Balance, End of Year	$ 17,322,288	$ 13,344,201	$ 3,978,087

Actuarial Assumptions

The total pension liability was based on an actuarial valuation as of October 1, 2017, and a measurement date of September 30, 2018, using the following actuarial assumptions applied to all measurement periods. The rationale for the actuarial assumptions were developed using an experience study last updated in 2002.

Inflation	2.5%
Salary Increases	2.7% - 6.3% (Including Inflation)
Investment Rate of Return	7.5%

Mortality rates were based on the House Bill 1309 which mandated the use of the Florida Retirement System (FRS) mortality tables. The RP-2000 table and projection scale BB produce life expectancies that are longer for males and females.

The long-term expected rate of return on pension plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation are summarized below:

Asset Class	Long-term Expected Rate of Return (Excluding Inflation)
Domestic Equity	10.0%
International Equity	11.0%
Domestic Bonds	5.0%
International Bonds	6.0%
Real Estate	7.0%
Cash	0.0%

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plans' fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The single discount rate reflects the long-term expected rate of return on pension plan investments including inflation.

The table below provides the sensitivity of the net pension liability to changes in the discount rate. The table represents the plans' net pension liability, if it were calculated using a single discount rate that is one-percentage point lower or one-percentage point higher than the single discount rate.

Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
General Employees' Pension Plan:	$ 24,769,782	$ 16,488,233	$ 9,511,457
Police Officers' Pension Plan:	$ 6,854,074	$ 3,495,255	$ (681,078)
Firefighters' Pension Plan:	$ 6,301,067	$ 3,978,087	$ 2,054,188

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

For the year ended September 30, 2019, the City recognized pension expense as follows:

General Employees' Pension Plan	$ 3,090,576
Police Officers' Pension Plan	926,691
Firefighters' Pension Plan	1,065,226
Total	$ 5,082,493

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources

	General Employees'	Police Officers'	Firefighters'	Total
Contributions Made After the Measurement Date	$ 2,100,105	$ 802,241	$ 657,730	$ 3,560,076
Differences Between Expected and Actual Experience	1,080,943	156,576	299,980	1,537,499
Changes in Assumptions	4,548,181	1,826,545	1,458,496	7,833,222
Total	$ 7,729,229	$ 2,785,362	$ 2,416,206	$ 12,930,797

Deferred Inflows of Resources

	General Employees'	Police Officers'	Firefighters'	Total
Differences Between Expected and Actual Experience	$ 441,221	$ 491,366		$ 932,587
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	947,387	364,179	$ 185,532	1,497,098
Total	$ 1,388,608	$ 855,545	$ 185,532	$ 2,429,685

Contributions made after the measurement date (shown above) will be recognized in the fiscal year ending September 30, 2020.

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

Year Ending September 30,	General Employees'	Police Officers'	Firefighters'	Total
2020	$ 1,954,351	$ 467,813	$ 627,166	$ 3,049,330
2021	1,041,335	143,866	403,109	1,588,310
2022	661,947	143,961	263,701	1,069,609
2023	582,883	222,475	229,878	1,035,236
2024		149,461	49,090	198,551
Thereafter				-
Total	$ 4,240,516	$ 1,127,576	$ 1,572,944	$ 6,941,036

Note 12 - Interlocal Agreement

In 1984, pursuant to an interlocal agreement authorized by Florida Statutes, Section 163.01, the City joined with the City of Neptune Beach and the City of Atlantic Beach to construct and operate effluent outfall lines and disposal facilities, together with all the lands, right-of-ways, easements, and other entitlements necessary for the construction and use thereof.

Each party to the agreement was solely responsible for the design and construction of its individually used segments. For the shared segments, the initial capital costs allocation to the three parties was based upon each city's reserved capacity as a percentage of total capacity.

Annual repair and maintenance of the shared outfall lines is prorated to each city based upon the applicable reserved capacity allocations. In 2003, upon mutual consent, the parties adjusted the percentages to reflect current permitted capacity as follows:

	Atlantic Beach Tie-in to Discharge Point	Neptune Beach Tie-in to Atlantic Beach Tie-in
Atlantic Beach, Florida	45.0%	0.0%
Jacksonville Beach, Florida	41.3%	75.0%
Neptune Beach, Florida	13.7%	25.0%
Total	100.0%	100.0%

The City contributed $0 to the interlocal agreement during 2019. As of September 30, 2019, the City had no commitment related to outfall repairs and maintenance and the interlocal agreement had no outstanding debt. There are no separate financial statements prepared for the interlocal agreement. The City records its capital assets related to the interlocal agreement in the water/sewer enterprise fund.

Note 13 - Commitments, Contingencies, and Encumbrances

Grants

The City participates in federal, state, and county programs that are fully or partially funded by grants received from other governmental units. In management's opinion, there are no material instances of non-compliance relating to these grants.

Litigation

The City is a party to claims and lawsuits arising in the normal course of business. Management does not expect that these matters will have a material effect on the financial position or results of operations of the City.

Construction Commitments

As of September 30, 2019, the City had the following commitments related to significant unfinished capital projects:

Project	Expended as of September 30, 2019	Remaining Commitment
10th Street South Industrial Park Area Improvements	$ 99,588	$ 42,390
A1A Water Main Replacement	1,472,669	565,558
ADA Dune Walkovers Design and Construction	264,917	143,976
Downtown Redevelopment District Infrastructure Improvements, Phase III, Project 2	6,473,541	5,277,648
Ocean Terrace Drainage Improvements	123,274	60,717
Penman Road Improvements - Design	101,127	5,926
South Beach Stormwater Pipe Cleaning	383,085	189,932
Downtown Action Plan Implementation Phase 2	186,216	213,784
Install Fiber between Sampson and Diego Substations	350,881	34,654
Guana Substation 50 MVA Transformer	2,106,300	452,245
Sampson Subs 244 MVA Transformer Replace	38,783	46,147
Switchgear Replacement at Pollution Control Plant	59,042	213,099
Natural Gas Distribution System	180,847	116,841
4th Street Sewer and Water Main Improvements	176,852	28,368
Elevated Water Tower Rehabilitation	255,200	20,600
Sewer Lift Station #2 Rehabilitation	98,691	11,309
Water Main Replacement Program	968,468	268,187
Ocean Forest Drainage Project	1,134,116	15,575
Total	$ 14,473,597	$ 7,706,956

Encumbrances

Significant encumbrances included in governmental fund balances are as follows:

Fund	Restricted Fund Balance	Assigned Fund Balance
General Fund		$ 14,271
General Capital Projects Fund	$ 2,233,845	
Community Redevelopment Fund	4,273,761	
Other Governmental Funds	160,661	
Total	$ 6,668,267	$ 14,271

Note 14 - 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. In response to that risk, the City has implemented a risk management program. The major features of the program include the following:

- Self-insuring workers' compensation risks up to $150,000 per claim
- Continuing a $25,000 general liability coverage deductible
- Funding adequate reserves to cover self-insuring workers' compensation retentions and liability and property insurance deductibles
- Competitive solicitation of insurance and self-insurance proposals

During 2019, the City purchased commercial insurance against losses for the following types of risk:

- Real and personal property damage, including flood damage
- General and automobile liability
- Commercial crime
- Police professional liability
- Health

Substantially all risk management activities are accounted for by the City within its internal service fund. Total expenses for risk management services (including claims and commercial insurance) were $4,193,201 in 2019, and $3,954,629 in 2018.

The City is self-insured for workers' compensation risks with the Florida League of Cities, Inc. providing aggregate excess coverage.

The internal service fund is charging other funds of the City for risk management services based on costs incurred of the program. For 2019, interdepartmental charges and other earnings were more than actual costs by $179,182. For 2018, interdepartmental charges and other earnings were more than actual costs by $230,762. The self-insurance fund has unrestricted net position of $3,688,121 at September 30, 2019.

There were no significant reductions in insurance coverage from 2018 to 2019.

The estimated liability for self-insured losses of $246,172 accrued in the self-insurance fund at September 30, 2019, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the self-insurance fund's estimated liability were as follows for September 30:

	2019	2018
Beginning Balance	$ 342,611	$ 370,230
Current Year Claims and Changes in Estimates	260,339	206,393
(Claim Payments)	(356,778)	(234,012)
Ending Balance	$ 246,172	$ 342,611

Note 15 - Community Redevelopment Agency

The five-member Jacksonville Beach Community Redevelopment Agency (CRA) was established in 1978, pursuant to Chapter 163, Part III of the Florida Statutes. The CRA was created to carry out a community redevelopment program for the City. The Jacksonville Beach program consists of a variety of redevelopment activities in two districts: Downtown and Southend.

Downtown Redevelopment District

The initial focus of the CRA was the rejuvenation of the Downtown District. The original plan for the redevelopment of the Downtown District was adopted in June 1987, following the creation of the tax increment district in 1984. The plan was amended in 2007 to incorporate the Downtown Vision Plan, and in 2014 to create a Downtown Community Assisted Policing Effort (CAPE), in an effort to making the downtown a safer and more inviting area. The most recent amendment to the downtown plan came via the adoption of the 2015 Downtown Action Plan, a collection of projects and programs to address community redevelopment concerns in the areas of public spaces, transportation, public safety, and overall quality of life in the downtown community redevelopment district.

Phase I of the Downtown Vision Plan involved the reconstruction of 3rd Street (SR A1A) between 2nd Avenue South and 6th Avenue North with landscaped medians, traffic signal relocation, and new lighting. The cost to complete Phase I was $2.5 million. In 2011, the CRA approved funding for Phase II of the Downtown Vision Plan to include the reconstruction of Beach Boulevard, reconstruction of 1st Street from Beach Boulevard to 6th Avenue North and construction of new restroom facilities in the 2nd Avenue North street end. Phase II was completed in Fiscal Year 2015 with a total cost of $5.6 million.

Phase III of the Downtown Vision Plan is divided into sub-phases A, B, and C. Phase III-A included the reconstruction of North 1st Street between 4th Avenue North and 6th Avenue North; and 5th Avenue North between 1st Street and 3rd Street. Phases III-B and III-C are currently underway and include major reconstruction of the water, sewer, and storm drainage systems as well as street and alleyway improvements from Beach Boulevard to 13th Avenue South. Project 2 of Phase III-C, providing street and infrastructure improvements between 11th and 13th Avenues South, is currently underway, with a construction cost of approximately $11 million. That project is expected to be completed in the summer of 2020. It is anticipated that in fiscal year 2020 a consultant will be selected for the design and construction document production for: (1) one or more of the remaining project phases of the Phase III-C infrastructure and roadway work, and (2) for downstream stormwater discharge channel improvements.

In 2018, consultants to the CRA completed a *Downtown Action Plan – Implementation and Management Plan*, in an effort to address various livability issues identified in the 2015 Downtown Action Plan. In 2019, that consulting team then prepared Public Art, Bike Parking, Wayfinding Signage, Lighting, and Pier Entryway Enhancement elements identified in the Implementation and Management Plan and CRA funding is proposed in fiscal year 2020 for the implementation/installation/construction of those elements, except for the Pier Reconstruction Project is completed. The Pier Reconstruction Project began in January 2020 and has an estimated two year construction schedule.

Southend Redevelopment District

In November 1985, the Southend district was designated for redevelopment. A plan for the redevelopment of the area was adopted and a tax increment trust fund was established in 1987. Since the adoption of the Southend Redevelopment Plan, six major public-private projects have been completed. The completed projects are Riptide, South Beach Regional Shopping Center, South Beach Parkway Shopping Center, Ocean Cay, Paradise Key, and the South Beach Mixed Use Development.

Phase I of the South Beach Capital Improvements Program (CIP) included infrastructure improvements in an area known as Jacksonville Beach Heights. This $3.32 million project was included in the initial set of projects identified in a capital improvement study completed in 2011. Phase II involved the installation of a reuse water irrigation system and re-landscaping of South Beach Parkway and Jacksonville Drive. Also included in Phase II was a major project to repair stormwater and drainage piping of the South Beach master stormwater system. That project was substantially completed in fiscal year 2018. The remaining downstream channel work (poured-in-place box culverts to replace open ditch) associated with that project will be completed in fiscal year 2020. The replacement of the retaining walls of the retention pond in the South Beach Parkway Chopping Center, also part of the same downstream system, is also due to be let out for construction bids in fiscal year 2020.

In 2018, consultants to the CRA completed a drainage improvements study for the historically platted Ocean Terrace area of the South Beach district, which consists of the developed residential neighborhoods along the north and south sides of Jacksonville Drive, west of South Beach Parkway. The design of the recommended alternative from that study will be completed in early fiscal year 2020, and it is proposed that funding will also be provided in fiscal year 2020 for the construction of those drainage improvements.

Also completed in the Southend Redevelopment District in 2017 was a new skate park located in South Beach Park on South Beach Parkway. In 2018, projects focused on upgrade and maintenance of the recreational facilities in South Beach Park, including installation of a new synthetic turf playing field, additions to the *Splash Pad* interactive water feature to accommodate younger children, and replacement of the exercise equipment at the nine "fitness stations" situated along the park's walking/jogging trail. In fiscal year 2019 substantial repairs were completed on the wood playground structure located in the "Sunshine Park" portion of the overall park. The park's restroom facilities were also completely renovated, including new stainless fixtures, doors and ventilation system. In fiscal year 2020, comprehensive maintenance of grounds and facilities will continue within the park, and a shade structure will be installed over the toddler area of the park's Splash Pad water feature.

At the end of every fiscal year, any funds remaining in the Tax Increment Trust Funds must be either appropriated to specific projects, used to reduce debt, or returned to the taxing authorities. On September 30, 2019, all of the remaining Downtown Redevelopment District funds were appropriated to projects. The Southend Redevelopment District was projected to end the fiscal year with a fund balance of $14.3M. Of that total, $9.8 M was appropriated to projects already underway or which were expected start in the near term. Because there is no outstanding debt in the Southend District, the remaining $4.5M must be returned to the taxing authorities; The City of Jacksonville Beach ($1,493,000) and the City of Jacksonville ($3,046,473).

The following schedule summarizes revenue and expenditure activity for the two districts in 2019:

	Downtown	Southend	Total
Revenues and Transfers In			
Ad Valorem Taxes	$ 6,525,605	$ 4,431,388	$ 10,956,993
Ad Valorem Taxes to Return to Taxing Authorities		(4,431,388)	(4,431,388)
Interest and Other	737,760	509,018	1,246,778
Total Revenues and Transfers In	7,263,365	509,018	7,772,383
Expenditures			
General Government	418,412	319,320	737,732
Public Safety	973,169		973,169
Capital Projects:			
Downtown Infrastructure Improvements	5,713,421		5,713,421
Southend Infrastructure Improvements		192,040	192,040
(Total Expenditures)	(7,105,002)	(511,360)	(7,616,362)
Excess (Deficiency) of Revenues and Transfers In Over (Under) Expenditures	$ 158,363	$ (2,342)	$ 156,021

Note 16 - Lease Revenue

The City has four facilities that have rental space available. Revenues from the facilities' operating leases and the related maintenance expenses are accumulated in the City's Lease Facilities Fund; and fund net income is used to make technology purchases. Lease agreements for the Community Services Center, the Industrial Park, the cell tower, and the Marina building are generally three to five-year leases, with the option for either party to cancel the lease given 90 days' notice. Charges for space at the Community Services Center, the Industrial Park, and the Marina building are based on the size of the area leased; cell tower charges are a flat rate. There are no contingent rentals or subleases at any of the facilities. Cost, accumulated depreciation, and carrying value on the leased assets are:

	Cost	Accumulated Depreciation	Carrying Amount
Buildings	$ 632,274	$ 481,022	$ 151,252
Improvements	34,216	31,880	2,336
Total	$ 666,490	$ 512,902	$ 153,588

Note 17 - Other Postemployment Benefits (OPEB)

Plan Description

As part of a single-employer postemployment benefit plan, the City offers postemployment medical, dental, and life insurance benefits to any employee who satisfies the disability, early, or normal retirement provisions of the applicable retirement plan (GERS, PORS, or FFRS). Eligibility requirements for retirement under the City's three retirement systems may be obtained by writing to the Payroll/Benefits Administrator, City of Jacksonville Beach, 11 North Third Street, Jacksonville Beach, Florida 32250, or by calling (904) 247-6264. According to the Substantive Plan, retired police officers, firefighters, and general employees, as well as their dependents, are permitted to remain covered under the City's medical plans as long as they pay the premium charged by the insurance company for the plan and coverage elected. The amount of the contributions required for retiree and dependent coverage may change from time-to-time. This conforms to the minimum requirements of governmental employers under Chapter 112.08, Florida Statutes. The plan does not issue separate financial statements.

Membership Information

The following table provides a summary of the number of participants in the plan as of September 30, 2018 (the latest actuarial valuation):

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	17
Inactive Plan Members Entitled to but not yet Receiving Benefits	0
Active Plan Members	296
Total Plan Members	313

Funding Policy

Currently, the City's OPEB benefits are unfunded. That is, there is no separate trust fund or equivalent arrangement into which the City would make contributions to advance-fund the obligation, as it does for its pension plans. Therefore, the ultimate subsidies which are provided over time are financed directly by the general assets of the City, which are invested in very short-term fixed income instruments. Although an actuarial valuation for OPEBs was completed to measure current year's subsidies and project future subsidies, the City Council has not determined if a separate trust fund or equivalent arrangement will be established.

Total OPEB Liability

The City's total OPEB liability of $2,271,510 was measured as of September 30, 2018, which is one year prior to the reporting date. The actuarial valuation date was September 30, 2018.

Changes in the Total OPEB Liability

Total OPEB Liability, Beginning of Year, As Restated	$ 3,311,694
Service Cost	178,369
Interest on Total OPEB Liability	119,333
Differences Between Expected and Actual Experience	(260,980)
Changes of Assumptions and Other Inputs	(915,785)
Benefit Payments	(161,121)
Net change in Total OPEB Liability	(1,040,184)
Total OPEB Obligation, End of Year	$ 2,271,510

Changes of assumptions and other inputs include an increase of the discount rate from 3.50% as of the beginning of the measurement period to 3.83% at the end of the measurement period.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate
The following table presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 2.83%	Current Discount Rate 3.83%	1% Increase 4.83%
Total OPEB Liability	$ 2,517,017	$ 2,271,510	$ 2,058,685

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates
The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease (5.50% to 3.24%)	Current Healthcare cost Trend Rate (6.50% to 4.24%)	1% Increase (7.50% to 5.24%)
Total OPEB Liability	$ 2,005,017	$ 2,271,510	$ 2,594,871

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the fiscal year ended September 30, 2019, the City recognized OPEB expense of $152,922. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Benefits Paid after Measurement Date	$ 126,309	
Differences between Expected and Actual Experience		$ 232,301
Changes in Assumptions and Other Inputs		921,857
Total	$ 126,309	$ 1,154,158

Of the total amount reported as deferred outflows of resources related to OPEB, $126,309 resulting from benefits paid subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ended September 30, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30,	Amount
2020	$ (144,780)
2021	(144,780)
2022	(144,780)
2023	(144,780)
2024	(144,780)
Thereafter	(430,258)
Total	$ (1,154,158)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing benefit costs between the employer and plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial methods and assumptions include the following:

Actuarial Valuation Date:	September 30, 2018
Measurement Date:	September 30, 2018
Reporting Date:	September 30, 2019
Actuarial Cost Method:	Entry Age Normal Cost
Inflation Rate:	2.50%
Discount Rate:	3.83%
Projected Salary Increases:	Salary increase rates used for General, Firefighters, and Police Officers in the applicable pension actuarial valuation: 4.5% - 12.1% including inflation.
Retirement Age:	Retirement rates are based on the applicable pension actuarial valuation.
Mortality:	Mortality tables used for Regular Class and Special Risk Class members in the July 1, 2017 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering period 2008 through 2013.
Healthcare Cost Trend Rate:	Based on the Getzen Model, with trend starting at 2.64% for 2019, followed by 6.50% for 2020 and gradually trending to an ultimate trend rate of 4.24% plus 0.28% increase for excise tax.
Aging Factors:	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death".
Expenses:	Administrative expenses are included in the per capita health costs.

Note 18 - <u>Subsequent Event</u>

On November 18, 2019, the City entered into an agreement with the City of Jacksonville to provide 24 hour, seven day a week advanced life support and fire services to residents and businesses of the City effective November 23, 2019. The City will cease operations of fire and advanced life support services, but will benefit from centralized communication and coordination relative to the delivery of these services with the City of Jacksonville.

On the agreement's effective date, the City's firefighters became employees of the City of Jacksonville. At this time, the Jacksonville Beach Firefighters' Retirement Plan was closed to new members. Each firefighter in active service on the effective date was given the opportunity to individually elect to continue participating in the Jacksonville Beach Firefighters' Retirement Plan or join the City of Jacksonville's defined contribution retirement plan. Those who elected to continue participating in the Jacksonville Beach Firefighters' Retirement Plan must continue to make legally required contributions, and accrue service benefits under the Plan for as long as they are employed as certified firefighters by the City of Jacksonville.

The City of Jacksonville will continue to be the plan sponsor and is responsible for the unfunded actuarial accrued liability as determined by the plan actuary as of November 22, 2019. The City of Jacksonville is responsible for paying the total required contribution to the Jacksonville Beach Firefighters' Retirement Plan and estimated annual employee contributions.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS MULTI-YEAR GENERAL EMPLOYEES CITY OF JACKSONVILLE BEACH, FLORIDA PENSION TRUST FUNDS

Reporting Date:	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015
Measurement Date:	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014
Total Pension Liability					
Service Cost	$ 1,376,901	$ 1,391,483	$ 1,207,176	$ 1,111,657	$ 1,129,366
Interest on the Total Pension Liability	5,106,511	4,852,273	4,606,558	4,557,077	4,443,924
Difference Between Expected and Actual Experience	1,126,397	325,573	(1,228,033)	(891,893)	
Assumption Changes (1), (2), (3)	2,931,687	2,129,976	2,784,150		
Benefit Payments	(4,555,656)	(4,599,574)	(3,929,634)	(4,052,263)	(3,669,967)
Refunds	(158,889)	(97,989)	(153,923)	(276,366)	(301,455)
Net Change in Total Pension Liability	5,826,951	4,001,742	3,286,294	448,212	1,601,868
Total Pension Liability-Beginning	66,308,198	62,306,456	59,020,162	58,571,950	56,970,082
Total Pension Liability-Ending (a)	72,135,149	66,308,198	62,306,456	59,020,162	58,571,950
Plan Fiduciary Net Position					
Employer and State Contributions	1,898,689	1,591,545	1,321,320	1,387,165	1,216,994
Employee Contributions	1,029,762	1,018,627	927,251	853,057	771,553
Pension Plan Net Investment Income	4,761,584	5,827,579	3,782,591	(153,496)	4,697,264
Benefit Payments	(4,555,656)	(4,599,574)	(3,929,634)	(4,052,263)	(3,669,967)
Refunds	(158,889)	(97,989)	(153,923)	(276,366)	(301,456)
Pension Plan Administrative Expense	(100,429)	(105,804)	(111,995)	(92,050)	(102,358)
Net Change in Plan Fiduciary Net Position	2,875,061	3,634,384	1,835,610	(2,333,953)	2,612,030
Plan Fiduciary Net Position-Beginning	52,771,855	49,137,471	47,301,861	49,635,814	47,023,784
Plan Fiduciary Net Position-Ending (b)	55,646,916	52,771,855	49,137,471	47,301,861	49,635,814
Net Pension Liability-Ending (a) – (b)	$ 16,488,233	$ 13,536,343	$ 13,168,985	$ 11,718,301	$ 8,936,136
Plan Fiduciary Net Position as Percentage of Total Pension Liability	77.14%	79.59%	78.86%	80.15%	84.74%
Covered Payroll	$ 12,952,981	$ 12,812,918	$ 11,663,535	$ 10,730,277	$ 10,622,900
Net Pension Liability as a Percentage of Covered Payroll	127.29%	105.65%	112.91%	109.21%	84.12%

Notes to Schedule:

Additional years will be added to this schedule annually until 10 years of data are presented.

(1) - Assumption changes for the 9/30/16 measurement date include adding a 3% load on the present value of future benefits as a margin for future mortality improvements.

(2) - Assumption changes for the 9/30/17 measurement date include lowering the investment return and wage inflation assumptions from 8.0% to 7.9% and 3.5% to 2.5%, respectively, and the use of the HB mandated FRS mortality tables.

(3) - Assumption changes for the 9/30/18 measurement date include lowering the investment return from 7.9% to 7.5%.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS MULTI-YEAR
POLICE OFFICERS
CITY OF JACKSONVILLE BEACH, FLORIDA
PENSION TRUST FUNDS

Reporting Date:	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015
Measurement Date:	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014
Total Pension Liability					
Service Cost	$ 625,887	$ 633,232	$ 608,970	$ 583,329	$ 517,788
Interest on the Total Pension Liability	1,916,453	1,826,742	1,709,163	1,632,596	1,568,728
Benefit Changes (1)					(2,590,277)
Difference Between Expected and Actual Experience	177,596	(458,370)	(393,421)		54,979
Assumption Changes (2), (3), (4)	1,221,310	675,123	776,974		
Benefit Payments	(1,161,010)	(1,176,786)	(1,211,452)	(1,263,089)	(1,275,228)
Refunds	(65,031)	(94,019)	(5,905)	(62,865)	(150,660)
Net Change in Total Pension Liability	2,715,205	1,405,922	1,484,329	889,971	(1,874,670)
Total Pension Liability-Beginning	24,558,982	23,153,060	21,668,731	20,778,760	22,653,430
Total Pension Liability-Ending (a)	27,274,187	24,558,982	23,153,060	21,668,731	20,778,760
Plan Fiduciary Net Position					
Employer and State Contributions	691,323	705,983	662,694	562,835	530,453
Employee Contributions	362,140	353,277	343,112	328,665	263,978
Pension Plan Net Investment Income	1,991,673	2,367,943	1,498,725	(59,565)	1,819,901
Benefit Payments	(1,161,010)	(1,176,786)	(1,211,452)	(1,263,089)	(1,275,228)
Refunds	(65,031)	(94,019)	(5,905)	(62,865)	(150,660)
Pension Plan Administrative Expense	(88,504)	(80,293)	(66,704)	(71,518)	(81,366)
Net Change in Plan Fiduciary Net Position	1,730,591	2,076,105	1,220,470	(565,537)	1,107,078
Plan Fiduciary Net Position-Beginning	22,048,341	19,972,236	18,751,766	19,317,303	18,210,225
Plan Fiduciary Net Position-Ending (b)	23,778,932	22,048,341	19,972,236	18,751,766	19,317,303
Net Pension Liability-Ending (a) – (b)	$ 3,495,255	$ 2,510,641	$ 3,180,824	$ 2,916,965	$ 1,461,457
Plan Fiduciary Net Position as Percentage of Total Pension Liability	87.18%	89.78%	86.26%	86.54%	92.97%
Covered Payroll	$ 4,555,220	$ 4,443,736	$ 4,315,874	$ 4,134,151	$ 3,945,943
Net Pension Liability as a Percentage of Covered Payroll	76.73%	56.50%	73.70%	70.56%	37.04%

Notes to Schedule:

Additional years will be added to this schedule annually until 10 years of data are presented.

(1) - Benefit terms were modified for the Police Officers' Plan during 2014 to include longer vesting periods, changes in the benefit formula, and changes in what is considered pensionable compensation.

(2) - Assumption changes for the 9/30/16 measurement date include adding a 3% load on the present value of future benefits as a margin for future mortality improvements.

(3) - Assumption changes for the 9/30/17 measurement date include lowering the investment return and wage inflation assumptions from 8.0% to 7.9% and 3.5% to 2.5%, respectively, and the use of the HB mandated FRS mortality tables.

(4) - Assumption changes for the 9/30/18 measurement date include lowering the investment return from 7.9% to 7.5%.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS MULTI-YEAR
FIREFIGHTERS
CITY OF JACKSONVILLE BEACH, FLORIDA
PENSION TRUST FUNDS

Reporting Date:	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015
Measurement Date:	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014
Total Pension Liability					
Service Cost	$ 306,120	$ 302,339	$ 281,750	$ 245,288	$ 246,636
Interest on the Total Pension Liability	1,207,186	1,096,691	993,524	951,607	912,823
Benefit Changes (1)					(1,652,165)
Difference Between Expected and Actual Experience	188,875	216,068	33,751	117,343	
Assumption Changes (2), (3), (4)	879,444	717,489	812,177		
Benefit Payments	(774,227)	(750,335)	(933,482)	(683,521)	(664,459)
Net Change in Total Pension Liability	1,807,398	1,582,252	1,187,720	630,717	(1,157,165)
Total Pension Liability-Beginning	15,514,890	13,932,638	12,744,918	12,114,201	13,271,366
Total Pension Liability-Ending (a)	17,322,288	15,514,890	13,932,638	12,744,918	12,114,201
Plan Fiduciary Net Position					
Employer and State Contributions	608,384	501,375	422,041	389,997	457,932
Employee Contributions	161,383	168,792	160,567	146,951	122,590
Pension Plan Net Investment Income	1,112,333	1,322,095	855,178	(33,549)	1,010,160
Benefit Payments	(774,227)	(750,335)	(933,482)	(683,521)	(664,459)
Pension Plan Administrative Expense	(75,780)	(71,311)	(62,635)	(66,361)	(77,810)
Net Change in Plan Fiduciary Net Position	1,032,093	1,170,616	441,669	(246,483)	848,413
Plan Fiduciary Net Position-Beginning	12,312,108	11,141,492	10,699,823	10,946,306	10,097,893
Plan Fiduciary Net Position-Ending (b)	13,344,201	12,312,108	11,141,492	10,699,823	10,946,306
Net Pension Liability-Ending (a) – (b)	$ 3,978,087	$ 3,202,782	$ 2,791,146	$ 2,045,095	$ 1,167,895
Plan Fiduciary Net Position as Percentage of Total Pension Liability	77.03%	79.36%	79.97%	83.95%	90.36%
Covered Payroll	$ 2,029,975	$ 2,123,170	$ 2,019,711	$ 1,848,440	$ 1,867,968
Net Pension Liability as a Percentage of Covered Payroll	195.97%	150.85%	138.20%	110.64%	62.52%

Notes to Schedule:

Additional years will be added to this schedule annually until 10 years of data are presented.

(1) - Benefit terms were modified for the Firefighters' Plan during 2014 to include longer vesting periods, changes in the benefit formula, changes in the COLA, and changes in what is considered pensionable compensation.

(2) - Assumption changes for the 9/30/16 measurement date include adding a 3% load on the present value of future benefits as a margin for future mortality improvements.

(3) - Assumption changes for the 9/30/17 measurement date include lowering the investment return and wage inflation assumptions from 8.0% to 7.9% and 3.5% to 2.5%, respectively, and the use of the HB mandated FRS mortality tables.

(4) - Assumption changes for the 9/30/18 measurement date include lowering the investment return from 7.9% to 7.5%.

SCHEDULE OF EMPLOYER CONTRIBUTIONS
GENERAL EMPLOYEES
CITY OF JACKSONVILLE BEACH, FLORIDA
PENSION TRUST FUNDS

	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014
Actuarially Determined Contribution	$ 2,097,788	$ 1,892,707	$ 1,591,545	$ 1,321,320	$ 1,387,165	$ 1,205,756
Contributions in Relation to the Actuarially Determined Contribution	2,100,105	1,898,689	1,591,545	1,321,320	1,387,165	1,216,994
Contribution Deficiency (Excess)	$ (2,317)	$ (5,982)	$ -	$ -	$ -	$ (11,238)
Covered Payroll	$ 13,044,000	$ 12,952,981	$ 12,812,918	$ 11,663,535	$ 10,730,277	$ 10,622,900
Contributions as a Percentage of Covered Payroll	16.10%	14.66%	12.42%	11.33%	12.93%	11.46%

Notes to Schedule of Contributions

Valuation Date	October 1, 2017 for period ended September 30, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	4 to 25 Years
Asset Valuation Method	4-Year Smoothed Market
Actuarial Assumptions:	
Inflation	2.5% wage inflation, 2.5% price inflation
Investment Rate of Return	7.9%
Projected Salary Increases	2.5% to 6.3%
Retirement Age	Age and experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2002 valuation.
Mortality	The Florida Retirement System (FRS) mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.

Additional years will be added to this schedule annually until 10 years of data are presented.

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE OFFICERS
CITY OF JACKSONVILLE BEACH, FLORIDA
PENSION TRUST FUNDS

	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014
Actuarially Determined Contribution	$ 770,582	$ 691,323	$ 678,304	$ 633,555	$ 511,049	$ 490,666
Contributions in Relation to the Actuarially Determined Contribution	802,241	691,323	705,983	662,694	562,835	530,453
Contribution Deficiency (Excess)	$ (31,659)	$ -	$ (27,679)	$ (29,139)	$ (51,786)	$ (39,787)
Covered Payroll	$ 4,827,950	$ 4,555,220	$ 4,443,736	$ 4,315,874	$ 4,134,151	$ 3,945,943
Contributions as a Percentage of Covered Payroll	16.62%	15.18%	15.89%	15.35%	13.61%	13.44%

Notes to Schedule of Contributions

Valuation Date	October 1, 2017 for period ended September 30, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	4 to 25 Years
Asset Valuation Method	4-Year Smoothed Market
Actuarial Assumptions:	
Inflation	2.5% wage inflation, 2.5% price inflation
Investment Rate of Return	7.9%
Projected Salary Increases	2.5% to 6.3%
Retirement Age	Age and experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2002 valuation.
Mortality	The Florida Retirement System (FRS) mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.

Additional years will be added to this schedule annually until 10 years of data are presented.

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS
CITY OF JACKSONVILLE BEACH, FLORIDA
PENSION TRUST FUNDS

	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014
Actuarially Determined Contribution	$ 657,730	$ 608,384	$ 501,375	$ 422,041	$ 368,361	$ 408,279
Contributions in Relation to the Actuarially Determined Contribution	657,730	608,384	501,375	422,041	389,997	457,932
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ (21,636)	$ (49,653)
Covered Payroll	$ 2,444,491	$ 2,029,975	$ 2,123,170	$ 2,019,711	$ 1,848,440	$ 1,867,968
Contributions as a Percentage of Covered Payroll	26.91%	29.97%	23.61%	20.90%	21.10%	24.51%

Notes to Schedule of Contributions

Valuation Date	October 1, 2017 for period ended September 30, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	4 to 25 Years
Asset Valuation Method	4-Year Smoothed Market
Actuarial Assumptions:	
Inflation	2.5% wage inflation, 2.5% price inflation
Investment Rate of Return	7.9%
Projected Salary Increases	2.7% to 6.3%
Retirement Age	Age and experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2002 valuation.
Mortality	The Florida Retirement System (FRS) mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.

Additional years will be added to this schedule annually until 10 years of data are presented.

SCHEDULE OF INVESTMENT RETURNS
CITY OF JACKSONVILLE BEACH, FLORIDA
PENSION TRUST FUNDS

	Annual Money-Weighted Rate of Return Net of Investment Expense		
Fiscal Year Ended September 30,	General Employees	Police Officers	Firefighters
2019	5.61%	5.61%	5.61%
2018	9.22%	9.22%	9.22%
2017	12.11%	12.11%	12.11%
2016	8.15%	8.15%	8.15%
2015	-0.35%	-0.35%	-0.35%
2014	10.22%	10.22%	10.22%
2013	11.97%	11.97%	11.97%
2012	16.52%	16.52%	16.52%
2011	-0.17%	-0.17%	-0.17%
2010	8.16%	8.16%	8.16%

SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFITS (OPEB) AND RELATED RATIOS
CITY OF JACKSONVILLE BEACH, FLORIDA
OTHER POSTEMPLOYMENT BENEFIT PLAN

Reporting Date:	**9/30/2019**
Measurement Date:	**9/30/2018**

Total OPEB Liability	
Service Cost	$ 178,369
Interest on the Total OPEB Liability	119,333
Difference between Expected and Actual Experience of the Total OPEB Liability	(260,980)
Changes in Assumptions and Other Inputs	(915,785)
Benefit Payments	(161,121)
Net Change in Total OPEB Liability	(1,040,184)
Total OPEB Liability - Beginning of Year, As Restated	3,311,694
Total OPEB Liability - End of Year	$ 2,271,510
Estimated Covered-Employee Payroll	17,880,928
Total OPEB Liability as a percentage of Covered-Employee Payroll	12.70%

Notes:

Covered-employee payroll presented above is an estimate based on data submitted. GASB Statement 75 defined Covered-employee payroll as the payroll of employees that are provided with OPEB through the OPEB plan, including employees terminating during the measurement period.

Changes in assumptions and other inputs include the change in the discount rate from 3.50% as of the previous measurement date to 3.83% as of September 30, 2018 and the change in initial costs and premium amounts for this valuation.

10 years of data will be displayed as information becomes available.

COMBINING AND INDIVIDUAL NONMAJOR FUND STATEMENTS AND SCHEDULES

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Special Revenue Funds				
	Convention Development Tax Fund	Court Costs Training Fund	Local Option Gas Tax Fund	Infrastructure Surtax Fund	Community Development Block Grant Fund
Assets					
Equity in Pooled Cash and Investments	$ 942,373	$ 5,408	$ 1,048,425	$ 1,961,420	
Special Assessments Receivable			22,282		
Due from Other Governments	94,571		141,800	214,000	$ 2,329
Total Assets	1,036,944	5,408	1,212,507	2,175,420	2,329
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts Payable	4,553		25,887	12,982	
Other Accrued Liabilities			866		
Inter-Fund Payables					2,329
Total Liabilities	4,553	-	26,753	12,982	2,329
Deferred Inflows of Resources					
Unavailable Revenues	35,200	-	164,082	214,000	-
Fund Balances					
Restricted for:					
Tourism Expenditures	997,191				
Transportation Improvements			1,021,672		
Capital Projects				1,948,438	
Law Enforcement		5,408			
Committed for:					
Tree Replacement					
Total Fund Balances	997,191	5,408	1,021,672	1,948,438	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,036,944	$ 5,408	$ 1,212,507	$ 2,175,420	$ 2,329

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA
(Continued)

	Special Revenue Funds				
	Radio Communications Fund	J.A.G. Grant Fund	Tree Protection Fund	Law Enforcement Trust Fund	Equitable Sharing Trust Fund
Assets					
Equity in Pooled Cash and Investments	$ 256,229		$ 3,121	$ 26,166	$ 195,845
Special Assessments Receivable					
Due from Other Governments		$ 57,403			
Total Assets	256,229	57,403	3,121	26,166	195,845
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts Payable				888	5,080
Other Accrued Liabilities				396	
Inter-Fund Payables		57,403			
Total Liabilities	-	57,403	-	1,284	5,080
Deferred Inflows of Resources					
Unavailable Revenues	-	-	-	-	-
Fund Balances					
Restricted for:					
Tourism Expenditures					
Transportation Improvements					
Capital Projects					
Law Enforcement	256,229			24,882	190,765
Committed for:					
Tree Replacement			3,121		
Total Fund Balances	256,229	-	3,121	24,882	190,765
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 256,229	$ 57,403	$ 3,121	$ 26,166	$ 195,845

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)

	Debt Service	Capital Projects Funds		
	Infrastructure Surtax Bonds	Infrastructure Tax Capital Projects Fund	Dog Park Fund	Total Non-Major Governmental Funds
Assets				
Equity in Pooled Cash and Investments		$ 2,894,508		$ 7,333,495
Special Assessments Receivable				22,282
Due from Other Governments				510,103
Total Assets	$ -	2,894,508	$ -	7,865,880
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable				49,390
Other Accrued Liabilities				1,262
Inter-Fund Payables				59,732
Total Liabilities	-	-	-	110,384
Deferred Inflows of Resources				
Unavailable Revenues	-	-	-	413,282
Fund Balances				
Restricted for:				
Tourism Expenditures				997,191
Transportation Improvements				1,021,672
Capital Projects		2,894,508		4,842,946
Law Enforcement				477,284
Committed for:				
Tree Replacement				3,121
Total Fund Balances	-	2,894,508	-	7,342,214
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ -	$ 2,894,508	$ -	$ 7,865,880

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Special Revenue Funds				
	Convention Development Tax Fund	Court Costs Training Fund	Local Option Gas Tax Fund	Infrastructure Surtax Fund	Community Development Block Grant Fund
Revenues					
Taxes	$ 422,275		$ 850,266	$ 1,428,466	
Intergovernmental					$ 142,366
Fines and Forfeitures		$ 9,968			
Other Revenue	29,547	216	32,692	55,458	
Total Revenues	451,822	10,184	882,958	1,483,924	142,366
Expenditures					
Current:					
General Government				3,093	
Public Safety		13,135			
Physical Environment					
Roads and Streets			176,891		
Parks and Recreation	117,543				
Debt Service:					
Principal					
Interest and Fees					
Capital Outlay	16,010			171,636	
(Total Expenditures)	(133,553)	(13,135)	(176,891)	(174,729)	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	318,269	(2,951)	706,067	1,309,195	142,366
Other Financing Sources (Uses)					
Transfers in					
Transfers (out)			(372,000)	(471,333)	(142,366)
Total Other Financing Sources (Uses)	-	-	(372,000)	(471,333)	(142,366)
Net Change in Fund Balance	318,269	(2,951)	334,067	837,862	-
Fund Balances, Beginning of Year	678,922	8,359	687,605	1,110,576	-
Fund Balances, End of Year	$ 997,191	$ 5,408	$ 1,021,672	$ 1,948,438	$ -

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA
(Continued)

	Special Revenue Funds				
	Radio Communications Fund	J.A.G. Grant Fund	Tree Protection Fund	Law Enforcement Trust Fund	Equitable Sharing Trust Fund
Revenues					
Taxes					
Intergovernmental		$ 57,403			
Fines and Forfeitures	$ 31,554			$ 2,980	$ 23,700
Other Revenue	8,255		$ 122	4,939	6,781
Total Revenues	39,809	57,403	122	7,919	30,481
Expenditures					
Current:					
General Government					
Public Safety	1,330			30,855	5,466
Physical Environment			3,008		
Roads and Streets					
Parks and Recreation					
Debt Service:					
Principal					
Interest and Fees					
Capital Outlay		8,276			
(Total Expenditures)	(1,330)	(8,276)	(3,008)	(30,855)	(5,466)
Excess (Deficiency) of Revenues Over (Under) Expenditures	38,479	49,127	(2,886)	(22,936)	25,015
Other Financing Sources (Uses)					
Transfers in					
Transfers (out)		(49,127)			
Total Other Financing Sources (Uses)	-	(49,127)	-	-	-
Net Change in Fund Balance	38,479	-	(2,886)	(22,936)	25,015
Fund Balances, Beginning of Year	217,750	-	6,007	47,818	165,750
Fund Balances, End of Year	$ 256,229	$ -	$ 3,121	$ 24,882	$ 190,765

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)

	Debt Service Fund	Capital Projects Funds		
	Infrastructure Surtax Bonds	Infrastructure Tax Capital Projects Fund	Dog Park Fund	Total Non-Major Governmental Funds
Revenues				
Taxes				$ 2,701,007
Intergovernmental				199,769
Fines and Forfeitures				68,202
Other Revenue	$ 1,221	$ 105,098	$ 342	244,671
Total Revenues	1,221	105,098	342	3,213,649
Expenditures				
Current:				
General Government				3,093
Public Safety				50,786
Physical Environment		5,965		8,973
Roads and Streets				176,891
Parks and Recreation			19	117,562
Debt Service:				
Principal	490,000			490,000
Interest and Fees	4,310			4,310
Capital Outlay		817		196,739
(Total Expenditures)	(494,310)	(6,782)	(19)	(1,048,354)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(493,089)	98,316	323	2,165,295
Other Financing Sources (Uses)				
Transfers in	471,333			471,333
Transfers (out)			(9,455)	(1,044,281)
Total Other Financing Sources (Uses)	471,333	-	(9,455)	(572,948)
Net Change in Fund Balance	(21,756)	98,316	(9,132)	1,592,347
Fund Balances, Beginning of Year	21,756	2,796,192	9,132	5,749,867
Fund Balances, End of Year	$ -	$ 2,894,508	$ -	$ 7,342,214

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CONVENTION DEVELOPMENT TAX FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 351,425	$ 351,425	$ 422,275	$ 70,850
Other Revenue	6,810	6,810	29,547	22,737
Total Revenues	358,235	358,235	451,822	93,587
Expenditures				
Current:				
Parks and Recreation	118,630	122,630	117,543	5,087
Capital Outlay	135,000	151,009	16,010	134,999
(Total Expenditures)	(253,630)	(273,639)	(133,553)	140,086
Excess (Deficiency) of Revenues Over (Under) Expenditures	104,605	84,596	318,269	233,673
Other Financing Sources (Uses)				
Transfers (out)	-	-	-	-
Net Change in Fund Balance	$ 104,605	$ 84,596	$ 318,269	$ 233,673

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COURT COSTS TRAINING FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Fines and Forfeitures	$ 12,000	$ 12,000	$ 9,968	$ (2,032)
Other Revenue	500	500	216	(284)
Total Revenues	12,500	12,500	10,184	(2,316)
Expenditures				
Current:				
Public Safety	12,200	12,200	13,135	(935)
(Total Expenditures)	(12,200)	(12,200)	(13,135)	(935)
Net Change in Fund Balance	$ 300	$ 300	$ (2,951)	$ (3,251)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LOCAL OPTION GAS TAX FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 807,314	$ 807,314	$ 850,266	$ 42,952
Other Revenue	6,953	6,953	32,692	25,739
Total Revenues	814,267	814,267	882,958	68,691
Expenditures				
Current:				
Roads and Streets	356,332	426,411	176,891	249,520
(Total Expenditures)	(356,332)	(426,411)	(176,891)	249,520
Excess (Deficiency) of Revenues Over (Under) Expenditures	457,935	387,856	706,067	318,211
Other Financing Sources (Uses)				
Transfers (out)	(372,000)	(372,000)	(372,000)	-
Net Change in Fund Balance	$ 85,935	$ 15,856	$ 334,067	$ 318,211

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INFRASTRUCTURE SURTAX FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 1,356,589	$ 1,356,589	$ 1,428,466	$ 71,877
Other Revenue	7,500	7,500	55,458	47,958
Total Revenues	1,364,089	1,364,089	1,483,924	119,835
Expenditures				
Current:				
General Government	1,500	1,500	3,093	(1,593)
Capital Outlay	270,000	473,696	171,636	302,060
(Total Expenditures)	(271,500)	(475,196)	(174,729)	300,467
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,092,589	888,893	1,309,195	420,302
Other Financing Sources (Uses)				
Transfers (out)	(485,000)	(485,000)	(471,333)	13,667
Net Change in Fund Balance	$ 607,589	$ 403,893	$ 837,862	$ 433,969

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Intergovernmental	$ 138,000	$ 138,000	$ 142,366	$ 4,366
Total Revenues	138,000	138,000	142,366	4,366
Expenditures				
(Total Expenditures)	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	138,000	138,000	142,366	4,366
Other Financing Sources (Uses)				
Transfers (out)	(138,000)	(138,000)	(142,366)	(4,366)
Net Change in Fund Balance	$ -	$ -	$ -	$ -

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RADIO COMMUNICATION FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Fines and Forfeitures	$ 25,000	$ 25,000	$ 31,554	$ 6,554
Other Revenue	1,500	1,500	8,255	6,755
Total Revenues	26,500	26,500	39,809	13,309
Expenditures				
Current:				
Public Safety	10,000	10,000	1,330	8,670
(Total Expenditures)	(10,000)	(10,000)	(1,330)	8,670
Net Change in Fund Balance	$ 16,500	$ 16,500	$ 38,479	$ 21,979

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
J.A.G. GRANT FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Intergovernmental	$ -	$ 59,486	$ 57,403	$ (2,083)
Total Revenues	-	59,486	57,403	(2,083)
Expenditures				
Current:				
Public Safety	-	9,101	8,276	825
(Total Expenditures)	-	(9,101)	(8,276)	825
Excess of Revenues Over Expenditures	-	50,385	49,127	(1,258)
Other Financing Sources (Uses)				
Transfers (out)	-	(50,385)	(49,127)	1,258
Net Change in Fund Balance	$ -	$ -	$ -	$ -

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TREE PROTECTION FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Other Revenue	$ 100	$ 100	$ 122	$ 22
Total Revenues	100	100	122	22
Expenditures				
Current:				
Physical Environment	3,000	3,000	3,008	(8)
(Total Expenditures)	(3,000)	(3,000)	(3,008)	(8)
Net Change in Fund Balance	$ (2,900)	$ (2,900)	$ (2,886)	$ 14

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LAW ENFORCEMENT TRUST FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Fines and Forfeitures	$ 15,000	$ 15,000	$ 2,980	$ (12,020)
Other Revenue	5,200	5,200	4,939	(261)
Total Revenues	20,200	20,200	7,919	(12,281)
Expenditures				
Current:				
Public Safety	37,753	37,753	30,855	6,898
(Total Expenditures)	(37,753)	(37,753)	(30,855)	6,898
Net Change in Fund Balance	$ (17,553)	$ (17,553)	$ (22,936)	$ (5,383)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EQUITABLE SHARING TRUST FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Fines and Forfeitures	$ 10,000	$ 10,000	$ 23,700	$ 13,700
Other Revenue	1,500	1,500	6,781	5,281
Total Revenues	11,500	11,500	30,481	18,981
Expenditures				
Current:				
Public Safety	26,000	26,000	5,466	20,534
Capital Outlay		15,240		15,240
(Total Expenditures)	(26,000)	(41,240)	(5,466)	35,774
Net Change in Fund Balance	$ (14,500)	$ (29,740)	$ 25,015	$ 54,755

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INFRASTRUCTURE SURTAX BONDS
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Other Revenues	$ 2,000	$ 2,000	$ 1,221	$ (779)
Total Revenues	2,000	2,000	1,221	(779)
Expenditures				
Debt Service:				
Principal	490,000	490,000	490,000	-
Interest and Fees	10,227	10,227	4,310	5,917
(Total Expenditures)	(500,227)	(500,227)	(494,310)	5,917
Excess (Deficiency) of Revenues Over (Under) Expenditures	(498,227)	(498,227)	(493,089)	5,138
Other Financing Sources (Uses)				
Transfers in	485,000	485,000	471,333	(13,667)
Net Change in Fund Balance	$ (13,227)	$ (13,227)	$ (21,756)	$ (8,529)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL CAPITAL PROJECTS FUND
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Other Revenues	$ 70,000	$ 70,000	$ 246,242	$ 176,242
Total Revenues	70,000	70,000	246,242	176,242
Expenditures				
Current:				
General Government	197,000	194,995	127,407	67,588
Roads and Streets	30,000	1,406,052	1,103,514	302,538
Capital Outlay	1,147,938	3,529,784	1,781,311	1,748,473
(Total Expenditures)	(1,374,938)	(5,130,831)	(3,012,232)	2,118,599
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,304,938)	(5,060,831)	(2,765,990)	2,294,841
Other Financing Sources (Uses)				
Transfers in	880,000	2,130,000	2,130,000	-
Net Change in Fund Balance	$ (424,938)	$ (2,930,831)	$ (635,990)	$ 2,294,841

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INFRASTRUCTURE TAX CAPITAL PROJECTS FUND
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Other Revenues	$ 50,000	$ 50,000	$ 105,098	$ 55,098
Total Revenues	50,000	50,000	105,098	55,098
Expenditures				
Current:				
Physical Environment			5,965	(5,965)
Capital Outlay		169,253	817	168,436
(Total Expenditures)	-	(169,253)	(6,782)	162,471
Net Change in Fund Balance	$ 50,000	$ (119,253)	$ 98,316	$ 217,569

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DOG PARK FUND
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Other Revenues			$ 342	$ 342
Total Revenues	$ -	$ -	342	342
Expenditures				
Current:				
Parks and Recreation			19	(19)
(Total Expenditures)	-	-	(19)	(19)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	323	323
Other Financing Sources (Uses)				
Transfers (out)			(9,455)	9,455
Net Change in Fund Balance	$ -	$ -	$ (9,132)	$ 9,778

COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Stormwater	Sanitation	Golf Course	Leased Facilities	Natural Gas	Totals
Assets						
Current Assets						
Equity in Pooled Cash and Investments	$ 5,384,154	$ 4,859,950	$ 681,143	$ 1,016,815	$ 3,138,229	$ 15,080,291
Other Operating Cash			1,300			1,300
Receivables:						
Accounts, Net	185,273	424,971	16,122	12,331	226,746	865,443
Due from Other Governments		(2,892)				(2,892)
Inventory			22,804			22,804
Prepaid Expenses			963	830		1,793
Total Current Assets	5,569,427	5,282,029	722,332	1,029,976	3,364,975	15,968,739
Non-Current Assets						
Capital Assets:						
Land	1,057,992		388,980	28,000		1,474,972
Buildings and Improvements	23,683,255		4,182,691	813,838	5,440,747	34,120,531
Equipment	135,322	373,833	289,864	767,987		1,567,006
Construction in Progress	1,752,537				602,545	2,355,082
	26,629,106	373,833	4,861,535	1,609,825	6,043,292	39,517,591
(Accumulated Depreciation)	(11,688,151)	(293,634)	(1,624,459)	(1,320,773)	(1,024,671)	(15,951,688)
Total Non-Current Assets	14,940,955	80,199	3,237,076	289,052	5,018,621	23,565,903
Total Assets	20,510,382	5,362,228	3,959,408	1,319,028	8,383,596	39,534,642
Deferred Outflows of Resources						
Pension Related	76,646	73,199	252,254			402,099
OPEB Related	854		4,694			5,548
Total Deferred Outflows of Resources	77,500	73,199	256,948	-	-	407,647

COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)

	Stormwater	Sanitation	Golf Course	Leased Facilities	Natural Gas	Totals
Liabilities						
Current Liabilities						
Accounts Payable	$ 9,160	$ 255,795	$ 33,405	$ 159	$ 456,963	$ 755,482
Power Costs Recovered in Advance					356,391	356,391
Other Accrued Liabilities	3,470	3,508	34,338	3,562	11,617	56,495
Due to Other Governments		3,563				3,563
Unearned Revenues			11,544		2,297	13,841
Current Portion of Long-Term Debt:						
Compensated Absences		1,650	8,159			9,809
Total Current Liabilities	12,630	264,516	87,446	3,721	827,268	1,195,581
Non-Current Liabilities						
Accrued Compensated Absences		6,599	32,636			39,235
Other Postemployment Benefits	15,355		84,409			99,764
Net Pension Liability	164,071	193,424	561,586			919,081
Total Non-Current Liabilities	179,426	200,023	678,631	-	-	1,058,080
Total Liabilities	192,056	464,539	766,077	3,721	827,268	2,253,661
Deferred Inflows of Resources						
Pension Related	13,409	19,877	45,661			78,947
OPEB Related	7,802		42,889			50,691
Total Deferred Inflows of Resources	21,211	19,877	88,550	-	-	129,638
Net Position						
Net Investment in Capital Assets	14,940,955	80,199	3,237,076	289,052	5,018,621	23,565,903
Unrestricted	5,433,660	4,870,812	124,653	1,026,255	2,537,707	13,993,087
Total Net Position	$ 20,374,615	$ 4,951,011	$ 3,361,729	$ 1,315,307	$ 7,556,328	$ 37,558,990

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Stormwater	Sanitation	Golf Course	Leased Facilities	Natural Gas	Totals
Operating Revenues						
Charges for Services	$ 1,408,750	$ 3,540,413	$ 1,985,158		$ 2,099,992	$ 9,034,313
Other		38,760	27,945	$ 664,195	62,740	793,640
Total Operating Revenues	1,408,750	3,579,173	2,013,103	664,195	2,162,732	9,827,953
Operating Expenses						
Purchased Power					1,125,906	1,125,906
Personal Services	199,447	282,448	877,697	40,622		1,400,214
Purchased Services	110,113	3,053,065	89,495	8,957	209,159	3,470,789
Repairs and Maintenance	20,614	7,153	78,585	228,097	270	334,719
Depreciation	788,787	32,268	82,054	98,896	154,158	1,156,163
Materials and Supplies	6,064	21,173	305,193		4,208	336,638
Other Expenses	169,085	158,182	444,778	6,714	99,190	877,949
(Total Operating Expenses)	(1,294,110)	(3,554,289)	(1,877,802)	(383,286)	(1,592,891)	(8,702,378)
Operating Income (Loss)	114,640	24,884	135,301	280,909	569,841	1,125,575
Non-Operating Revenues (Expenses)						
Investment Earnings	183,721	174,748	15,565	30,396	103,664	508,094
Intergovernmental Revenue	15,204					15,204
Total Non-Operating Revenues (Expense)	198,925	174,748	15,565	30,396	103,664	523,298
Income (Loss) Before Contributions and Transfers	313,565	199,632	150,866	311,305	673,505	1,648,873
Capital Contributions						
Contributions from Other Funds			1,691,765			1,691,765
Developer Contributions					100,000	100,000
Total Capital Contributions	-	-	1,691,765	-	100,000	1,791,765
Transfers						
Transfers in			650,000			650,000
Transfers (out)		(500,000)		(110,000)	(274,047)	(884,047)
Total Transfers	-	(500,000)	650,000	(110,000)	(274,047)	(234,047)
Change in Net Position	313,565	(300,368)	2,492,631	201,305	499,458	3,206,591
Total Net Position, Beginning of Year, as Restated	20,061,050	5,251,379	869,098	1,114,002	7,056,870	34,352,399
Total Net Position, End of Year	$ 20,374,615	$ 4,951,011	$ 3,361,729	$ 1,315,307	$ 7,556,328	$ 37,558,990

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Stormwater	Sanitation	Golf Course	Leased Facilities	Natural Gas	Totals
Cash Flows from Operating Activities						
Cash Received from Customers and Users	$ 1,392,197	$ 3,563,200	$ 1,980,369	$ 659,956	$ 2,276,510	$ 9,872,232
Cash Payments to Vendors for Goods and Services	(327,490)	(3,323,700)	(886,846)	(245,027)	(1,072,013)	(5,855,076)
Cash Payments to Employees for Services	(194,140)	(305,361)	(780,498)	(40,622)		(1,320,621)
Net Cash Provided by (Used in) Operating Activities	870,567	(65,861)	313,025	374,307	1,204,497	2,696,535
Cash Flows from Non-Capital Financing Activities						
Transfers in			650,000			650,000
Intergovernmental Revenue	15,204	1,361,461				1,376,665
Transfers (out)		(500,000)		(110,000)	(274,047)	(884,047)
Net Cash Provided by (Used in) Non-Capital Financing Activities	15,204	861,461	650,000	(110,000)	(274,047)	1,142,618
Cash Flows from Capital and Related Financing Activities						
Acquisition of Capital Assets	(271,519)	465,735	(546,782)	(52,702)	(440,116)	(845,384)
Capital Grants					100,000	100,000
Net Cash Provided by (Used in) Capital and Related Financing Activities	(271,519)	465,735	(546,782)	(52,702)	(340,116)	(745,384)
Cash Flows from Investing Activities						
Interest Received on Investments	183,721	174,748	15,565	30,398	103,664	508,096
Net Increase (Decrease) in Cash and Cash Equivalents	797,973	1,436,083	431,808	242,003	693,998	3,601,865
Cash and Cash Equivalents, Beginning of Year	4,586,181	3,423,867	250,635	774,812	2,444,231	11,479,726
Cash and Cash Equivalents, End of Year	$ 5,384,154	$ 4,859,950	$ 682,443	$ 1,016,815	$ 3,138,229	$ 15,081,591

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)

	Stormwater	Sanitation	Golf Course	Leased Facilities	Natural Gas	Totals
Included on the Accompanying Balance Sheet Under the Following Captions						
Current Assets						
Equity in Pooled Cash and Investments	$ 5,384,154	$ 4,859,950	$ 681,143	$ 1,016,815	$ 3,138,229	$ 15,080,291
Other Operating Cash			1,300			1,300
Total	$ 5,384,154	$ 4,859,950	$ 682,443	$ 1,016,815	$ 3,138,229	$ 15,081,591
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Operating Income (Loss)	$ 114,640	$ 24,884	$ 135,301	$ 280,909	$ 569,841	$ 1,125,575
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Depreciation	788,787	32,267	82,054	98,896	154,158	1,156,162
Power Costs Recovered in Advance (Returned)					94,117	94,117
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):						
Accounts Receivable and Unbilled Revenue	(16,553)	(15,973)	(2,815)	(4,239)	17,364	(22,216)
Inventories			(15,017)			(15,017)
Prepaid Expenses			1,580	(398)		1,182
Accounts Payable and Other Accrued Liabilities	(21,614)	(84,126)	44,642	(861)	366,720	304,761
Unearned Revenues			(29,919)		2,297	(27,622)
Accrued Compensated Absences		(29,747)	1,521			(28,226)
Other Postemployment Benefits	(933)		64,677			63,744
Net Pension Liability and Pension Related Deferred Inflows and Outflows	6,240	6,834	31,001			44,075
Net Cash Provided by (Used in) Operating Activities	$ 870,567	$ (65,861)	$ 313,025	$ 374,307	$ 1,204,497	$ 2,696,535

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Self-Insurance Funds	Other Internal Service Funds	Totals
Assets			
Current Assets			
Equity in Pooled Cash and Investments	$ 3,002,781	$ 2,018,173	$ 5,020,954
Accounts Receivable, Net	229		229
Prepaid Expenses	942,250	8,309	950,559
Total Current Assets	3,945,260	2,026,482	5,971,742
Non-Current Assets			
Capital Assets:			
Buildings and Improvements		36,194	36,194
Equipment		973,283	973,283
	-	1,009,477	1,009,477
(Accumulated Depreciation)		(839,245)	(839,245)
Total Capital Assets, Net of Accumulated Depreciation	-	170,232	170,232
Total Assets	3,945,260	2,196,714	6,141,974
Deferred Outflows of Resources			
Pension-Related	-	1,614,054	1,614,054
Liabilities			
Current Liabilities			
Accounts Payable	10,967	94,966	105,933
Other Accrued Liabilities		83,895	83,895
Estimated Liability for Self-Insured Losses	246,172		246,172
Current Portion of Long-Term Debt:			
Compensated Absences		146,098	146,098
Total Current Liabilities	257,139	324,959	582,098
Non-Current Liabilities			
Accrued Compensated Absences		584,389	584,389
Net Pension Liability		3,223,015	3,223,015
Total Non-Current Liabilities	-	3,807,404	3,807,404
Total Liabilities	257,139	4,132,363	4,389,502
Deferred Inflows of Resources			
Pension-Related	-	263,458	263,458
Net Position			
Net Investment in Capital Assets		170,232	170,232
Unrestricted	3,688,121	(755,285)	2,932,836
Total Net Position (Deficit)	$ 3,688,121	$ (585,053)	$ 3,103,068

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Self-Insurance Funds	Other Internal Service Funds	Totals
Operating Revenues			
Charges for Services	$ 4,217,148	$ 8,023,493	$ 12,240,641
Other Revenue	35,000	579	35,579
Total Operating Revenues	4,252,148	8,024,072	12,276,220
Operating Expenses			
Personal Services	44,209	4,469,480	4,513,689
Purchased Services	131,960	858,990	990,950
Repairs and Maintenance		311,156	311,156
Depreciation		62,180	62,180
Materials and Supplies		140,126	140,126
Other Expenses	4,017,032	1,953,302	5,970,334
(Total Operating Expenses)	(4,193,201)	(7,795,234)	(11,988,435)
Operating Income (Loss)	58,947	228,838	287,785
Non-Operating Income (Expense)			
Investment Earnings	120,235		120,235
Gain on Disposal of Capital Assets		392	392
Total Non-Operating Income (Expense)	120,235	392	120,627
Income Before Transfers	179,182	229,230	408,412
Transfers			
Transfers (out)		(50,000)	(50,000)
Total Transfers	-	(50,000)	(50,000)
Change in Net Position	179,182	179,230	358,412
Total Net Position (Deficit), Beginning of Year	3,508,939	(764,283)	2,744,656
Total Net Position (Deficit), End of Year	$ 3,688,121	$ (585,053)	$ 3,103,068

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Self-Insurance Funds	Other Internal Service Funds	Totals
Cash Flows from Operating Activities			
Cash Received from Customers and Users	$ 4,252,148	$ 8,030,910	$ 12,283,058
Cash Payments to Vendors for Goods and Services	(3,724,579)	(3,251,381)	(6,975,960)
Cash Payments to Employees for Services	(44,209)	(4,318,897)	(4,363,106)
Claims Paid	(356,778)		(356,778)
Net Cash Provided by (Used in) Operating Activities	126,582	460,632	587,214
Cash Flows from Non-Capital Financing Activities			
Transfers (out)		(50,000)	(50,000)
Total Cash Flows from Non-Capital Financing Activities	-	(50,000)	(50,000)
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets	-	(16,360)	(16,360)
Cash Flows from Investing Activities			
Interest Received on Investments	120,235	-	120,235
Net Increase (Decrease) in Cash and Cash Equivalents	246,817	394,272	641,089
Cash and Cash Equivalents, Beginning of Year	2,755,964	1,623,901	4,379,865
Cash and Cash Equivalents, End of Year	$ 3,002,781	$ 2,018,173	$ 5,020,954
Included on the Accompanying Balance Sheet Under the Following Captions			
Current Assets			
Equity in Pooled Cash and Investments	$ 3,002,781	$ 2,018,173	$ 5,020,954
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	$ 58,947	$ 228,838	$ 287,785
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation		62,180	62,180
Change in Estimated Liability for Self-Insured Losses	(96,439)		(96,439)
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):			
Due from Other Governments		6,838	6,838
Prepaid Expenses	155,018	(3,435)	151,583
Accounts Payable and Other Accrued Liabilities	9,056	15,628	24,684
Accrued Compensated Absences		(62,468)	(62,468)
Net Pension Liability and Pension Related Deferred Inflows and Outflows		213,051	213,051
Net Cash Provided by (Used in) Operating Activities	$ 126,582	$ 460,632	$ 587,214

SCHEDULE OF COMBINING BALANCE SHEET
COMMUNITY REDEVELOPMENT FUNDS
SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Downtown Redevelopment District Fund	Southend Redevelopment District Fund	Totals
Assets			
Equity in Pooled Cash and Investments	$ 17,648,885	$ 14,391,528	$ 32,040,413
Assessments, Net		1,385	1,385
Total Assets	17,648,885	14,392,913	32,041,798
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts Payable	385,600	50,898	436,498
Other Accrued Liabilities	675,576	1,250	676,826
Due to Other Governments		4,539,473	4,539,473
Total Liabilities	1,061,176	4,591,621	5,652,797
Deferred Inflows of Resources			
Unavailable Revenues	-	1,385	1,385
Fund Balances			
Restricted for:			
Redevelopment	16,587,709	9,799,907	26,387,616
Total Fund Balances	16,587,709	9,799,907	26,387,616
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 17,648,885	$ 14,392,913	$ 32,041,798

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - COMMUNITY REDEVELOPMENT FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2019 CITY OF JACKSONVILLE BEACH, FLORIDA

	Downtown Redevelopment District Fund	Southend Redevelopment District Fund	Totals
Revenues			
Taxes	$ 6,525,605		$ 6,525,605
Interest and Other Revenue	737,760	$ 509,019	1,246,779
Total Revenues	7,263,365	509,019	7,772,384
Expenditures			
Current:			
General Government	418,412	319,321	737,733
Public Safety	908,960		908,960
Capital Outlay	5,777,630	192,040	5,969,670
(Total Expenditures)	(7,105,002)	(511,361)	(7,616,363)
Net Change in Fund Balances	158,363	(2,342)	156,021
Fund Balances, Beginning of Year	16,429,346	9,802,249	26,231,595
Fund Balances, End of Year	$ 16,587,709	$ 9,799,907	$ 26,387,616

BOND COVENANT INFORMATION

SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
(BUDGETARY BASIS)
ELECTRIC, WATER, AND SEWER ENTERPRISE FUNDS ONLY
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

	Budget	Actual (Budgetary Basis)	Variance Favorable (Unfavorable)
Operating Revenues			
Charges for Services	$ 96,262,115	$ 93,926,675	$ (2,335,440)
Other	221,680	536,055	314,375
Total Operating Revenues	96,483,795	94,462,730	(2,021,065)
Operating Expenses			
Purchased Power	61,753,650	55,264,614	6,489,036
Personal Services	9,517,165	8,848,768	668,397
Purchased Services	3,043,235	1,941,516	1,101,719
Repairs and Maintenance	1,534,589	1,218,268	316,321
Materials and Supplies	1,025,594	681,471	344,123
Other Expenses	7,374,105	6,963,437	410,668
(Total Operating Expenses)	(84,248,338)	(74,918,074)	9,330,264
Operating Income	12,235,457	19,544,656	7,309,199
Non-Operating Income (Expense)			
Investment Earnings	578,955	3,905,478	3,326,523
Interest Expense	(315,700)	(296,549)	19,151
Connection Fees	210,000	358,010	148,010
Intergovernmental Revenue	5,000	8,000	3,000
Gain on Disposal of Capital Assets	46,610	21,042	(25,568)
Capital Outlay	(20,925,631)	(11,166,880)	9,758,751
Debt Service Principal	(4,060,000)	(4,060,000)	-
Developer Contributions	86,000	-	(86,000)
Total Non-Operating Income (Expense)	(24,374,766)	(11,230,899)	13,143,867
Income Before Operating Transfers	(12,139,309)	8,313,757	20,453,066
Other Financing Sources (Uses)			
Transfers in	162,097	162,097	-
Transfers (out)	(3,926,171)	(3,926,171)	-
Total Other Financing Sources (Uses)	(3,764,074)	(3,764,074)	-
Net Income	$ (15,903,383)	$ 4,549,683	$ 20,453,066

RECONCILIATION OF NET INCOME - FINANCIAL STATEMENT BASIS
TO BUDGETARY BASIS
ELECTRIC, WATER, AND SEWER ENTERPRISE FUNDS ONLY
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

Net Income - Financial Statement Basis	$	11,608,184
Adjustments		
Depreciation		8,129,368
Capital Outlay, Purchased		(11,166,880)
Debt Service, Principal		(4,060,000)
Amortization:		
Bond Premium		(57,910)
Loss on Refunding		96,921
(Total Adjustments)		(7,058,501)
Net Income - Budgetary Basis	$	4,549,683

SCHEDULES OF ADDITIONAL INFORMATION REQUIRED
UNDER UTILITY REVENUE BOND COVENANTS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018
CITY OF JACKSONVILLE BEACH, FLORIDA

Utility Customers Connected and Active

	2019	2018
Electrical Customers		
Jacksonville Beach	14,642	14,635
Neptune Beach	3,979	3,976
Other	16,279	16,204
Total Electrical Customers	34,900	34,815
Water and Wastewater Customers		
Water	10,412	10,405
Wastewater	10,260	10,249
Total Water and Wastewater Customers	20,672	20,654

Insurance in Existence

Electrical Department		
Buildings, Equipment, Transformers, Regulators, Substations, and Equipment	$ 57,675,452	$ 53,292,616
Water Department		
Buildings and Equipment	$ 46,366,992	$ 45,283,906
General Liability	$ 2,000,000	$ 2,000,000
Automobile Liability	$ 1,000,000	$ 1,000,000

STATISTICAL SECTION (UNAUDITED)

Statistical Section (Unaudited)

This part of the City of Jacksonville Beach, Florida's (the City) Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Pages
Financial Trends Information These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	114
Revenue Capacity Information These schedules contain information to help the reader assess the City's local revenue source.	119
Debt Capacity Information These schedules present information to help the reader assess the City's debt burden and its ability to issue additional debt in the future.	123
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place.	128
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	130

Sources: Unless otherwise noted, the information in these schedules were obtained from the Comprehensive Annual Financial Reports for the relevant year.

FINANCIAL TRENDS INFORMATION

Schedule 1
City of Jacksonville Beach, Florida
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Net Investment in Capital Assets	$ 72,717,821	$ 74,132,348	$ 78,634,891	$ 80,880,510	$ 85,081,323	$ 86,383,735	$ 91,291,193	$ 97,360,044	$ 103,211,819	$ 106,877,097
Restricted	9,884,908	11,180,126	12,516,772	15,266,981	18,203,910	23,230,058	27,183,762	29,102,410	31,711,520	34,119,094
Unrestricted	13,645,936	13,566,703	13,523,810	14,624,127	15,803,521	9,601,684	12,564,372	11,440,106	13,386,797	14,252,607
Total Governmental Activities Net Position	96,248,665	98,879,177	104,675,473	110,771,618	119,088,754	119,215,477	131,039,327	137,902,560	148,310,136	155,248,798
Business-type Activities										
Net Investment in Capital Assets	129,851,305	139,702,686	142,057,214	145,354,194	151,886,547	155,027,489	157,675,660	168,296,227	175,128,349	183,588,778
Restricted	2,571,810	2,751,550	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	4,192,200
Unrestricted	53,044,615	54,673,702	57,678,739	58,458,710	61,548,916	62,652,866	68,166,503	65,451,820	68,995,532	73,157,678
Total Business-type Activities Net Position	185,467,730	197,127,938	201,735,953	205,812,904	215,435,463	219,680,355	227,842,163	235,748,047	246,123,881	260,938,656
Primary Government										
Net Investment in Capital Assets	202,569,126	213,835,034	220,692,105	226,234,704	236,967,870	241,411,224	248,966,853	265,656,271	278,340,168	290,465,875
Restricted	12,456,718	13,931,676	14,516,772	17,266,981	20,203,910	25,230,058	29,183,762	31,102,410	33,711,520	38,311,294
Unrestricted	66,690,551	68,240,405	71,202,549	73,082,837	77,352,437	72,254,550	80,730,875	76,891,926	82,382,329	87,410,285
Total Primary Government Net Position	$ 281,716,395	$ 296,007,115	$ 306,411,426	$ 316,584,522	$ 334,524,217	$ 338,895,832	$ 358,881,490	$ 373,650,607	$ 394,434,017	$ 416,187,454

Schedule 2
City of Jacksonville Beach, Florida
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities:										
General Government	$ 2,773,496	$ 2,851,860	$ 2,141,571	$ 2,695,018	$ 2,481,148	$ 3,327,768	$ 2,493,191	$ 3,284,283	$ 3,202,655	$ 3,737,267
Law Enforcement	8,551,929	8,527,985	8,604,107	8,597,705	8,644,124	6,158,188	9,020,136	10,008,845	9,757,732	10,562,207
Fire Control	3,540,877	3,612,558	3,796,759	3,788,360	3,697,834	1,972,069	3,827,130	4,183,046	4,123,060	4,766,320
Building Inspections	448,328	459,024	427,941	440,927	436,897	498,870	510,092	531,696	574,436	631,896
Physical Environment	367,166	365,433	380,328	355,032	356,947	356,095	356,268	446,496	506,348	482,877
Roads and Streets	5,531,743	2,644,514	3,548,624	3,073,673	2,937,071	3,936,380	2,713,668	2,794,320	2,643,431	3,635,996
Human Services	81,754	20,000	20,000	10,296	-	-	-	-	-	-
Parks and Recreation	2,920,198	2,963,644	2,945,435	2,645,363	2,840,920	3,141,474	3,134,179	3,502,497	3,607,934	3,848,072
Interest on Long-term Debt	626,709	535,930	393,170	224,307	167,258	116,801	74,599	38,722	21,773	4,310
Total Governmental Activities Expenses	24,842,200	21,980,948	22,257,935	21,830,681	21,562,199	19,507,645	22,129,263	24,789,905	24,437,369	27,668,945
Business-type Activities:										
Electric	92,079,658	79,898,012	75,056,538	79,640,256	78,915,218	74,983,356	74,126,043	76,095,735	75,833,677	73,644,169
Water and Sewer	8,567,596	8,662,357	8,327,251	10,267,198	8,919,844	8,835,376	9,008,417	9,358,111	9,782,478	9,738,833
Stormwater	1,202,504	1,293,782	1,291,954	1,376,128	1,307,367	1,190,742	1,290,008	1,507,348	1,573,499	1,294,110
Sanitation	3,040,014	3,011,321	3,150,288	3,197,294	3,201,492	3,320,470	3,362,128	5,203,263	3,970,986	3,554,289
Golf Course	1,675,714	1,537,817	1,391,476	1,381,008	1,346,173	1,471,132	1,268,556	1,309,024	962,855	1,877,802
Leased Facilities	369,927	376,748	271,007	280,629	267,406	265,349	278,923	424,898	541,874	383,286
Natural Gas	99,804	897,732	1,187,673	1,359,485	1,529,129	1,350,599	1,201,664	1,506,490	1,611,079	1,592,891
Total Business-type Activities Expenses	107,035,217	95,677,769	90,676,187	97,501,998	95,486,629	91,417,024	90,535,739	95,404,869	94,276,448	92,085,380
Total Primary Government Expenses	131,877,417	117,658,717	112,934,122	119,332,679	117,048,828	110,924,669	112,665,002	120,194,774	118,713,817	119,754,325
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	334,774	54,617	53,182	66,802	74,677	77,737	73,132	65,947	64,540	67,387
Law Enforcement	207,411	145,164	156,311	163,486	169,424	187,102	187,762	131,667	127,957	203,998
Building Inspections	347,700	257,693	267,879	372,025	563,934	656,045	683,556	604,421	666,973	938,103
Physical Environment	52,029	23,866	14,791	8,619	3,758	15,238	12,371	15,185	11,260	29,169
Roads and Streets	25,085	129,850	229,084	217,998	177,144	200,975	170,746	163,799	175,360	275,640
Parks and Recreation	75,389	104,251	107,867	107,199	126,804	125,443	121,342	160,132	213,789	211,172
Operating Grants and Contributions	1,190,906	1,403,135	1,022,748	1,553,819	1,165,743	1,149,520	1,105,992	1,424,306	1,472,822	1,226,389
Capital Grants and Contributions	1,427,044	1,901,182	1,344,895	142,918	863,473	328,049	53,564	52,233	28,223	58,070
Total Governmental Activities Program Revenues	3,660,338	4,019,758	3,196,757	2,632,866	3,144,957	2,740,109	2,408,465	2,617,690	2,760,924	3,009,928

Schedule 2 *(Concluded)*
City of Jacksonville Beach, Florida
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Program Revenues *(Concluded)*										
Business-type Activities:										
Charges for Services:										
Electric	$ 99,335,420	$ 87,488,045	$ 79,918,545	$ 87,349,935	$ 86,218,701	$ 81,912,342	$ 82,096,562	$ 81,444,806	$ 83,457,490	$ 79,637,252
Water and Sewer	8,799,017	9,025,798	9,285,736	10,167,014	10,793,248	11,675,568	12,459,297	13,002,446	14,357,160	14,825,478
Stormwater	1,242,265	1,232,483	1,249,882	1,262,661	1,273,921	1,294,802	1,314,783	1,337,248	1,382,348	1,408,750
Sanitation	3,146,460	3,091,891	3,116,899	3,177,369	3,218,670	3,235,626	3,333,899	3,447,674	3,515,142	3,579,173
Golf Course	1,336,243	1,359,474	1,388,195	1,314,521	1,271,338	1,140,725	984,317	954,162	278,686	2,013,103
Leased Facilities	541,785	570,920	551,647	611,679	621,022	476,548	528,391	588,606	653,191	664,195
Natural Gas	89,255	1,114,296	1,579,134	1,729,246	2,100,135	2,017,973	1,869,071	2,068,186	2,221,745	2,162,732
Operating Grants and Contributions	306,715	-	196,737	6,713	-	-	-	1,518,177	1,459,055	23,204
Capital Grants and Contributions	6,430,278	1,888,820	996,393	620,087	3,154,807	861,845	489,894	661,152	349,628	458,010
Total Business-type Activities Program Revenues	121,227,438	105,771,727	98,283,168	106,239,225	108,651,842	102,615,429	103,076,214	105,022,457	107,674,445	104,771,897
Total Primary Government Program Revenues	124,887,776	109,791,485	101,479,925	108,872,091	111,796,799	105,355,538	105,484,679	107,640,147	110,435,369	107,781,825
Net (Expense) Revenue										
Governmental Activities	(21,181,862)	(17,961,190)	(19,061,178)	(19,197,815)	(18,417,242)	(16,767,536)	(19,720,798)	(22,172,215)	(21,676,445)	(24,659,017)
Business-type Activities	14,192,221	10,093,958	7,606,981	8,737,227	13,165,213	11,198,405	12,540,475	9,617,588	13,397,997	12,686,517
Total Primary Government Net Expense	(6,989,641)	(7,867,232)	(11,454,197)	(10,460,588)	(5,252,029)	(5,569,131)	(7,180,323)	(12,554,627)	(8,278,448)	(11,972,500)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes	15,625,045	15,969,619	14,412,386	14,029,971	15,137,151	15,906,918	16,942,109	18,050,950	19,884,929	18,357,738
Franchise Taxes	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280
Infrastructure Surtax	944,140	975,611	997,077	1,055,321	1,112,859	1,195,504	1,242,584	1,300,026	1,384,739	1,436,666
Communication Service Tax	1,275,419	1,074,935	1,221,709	1,472,566	1,158,559	1,109,765	1,168,470	1,080,151	1,161,638	1,151,317
Convention Development Tax	220,694	221,509	224,402	283,358	298,019	344,940	363,370	372,921	414,030	423,275
Fuel Taxes	747,903	742,603	708,396	709,816	719,143	765,325	797,149	806,576	837,087	853,266
Other Taxes	273,107	252,578	611,181	628,673	718,854	702,174	728,276	653,051	618,215	632,425
State-shared Revenues	2,434,706	2,535,819	2,537,879	2,697,673	2,830,039	3,022,878	3,120,537	3,290,116	3,475,563	3,568,750
Other Intergovernmental Revenues	35,033	33,681	33,504	-	64,142	32,343	31,883	41,756	38,603	33,258
Interest	663,193	373,674	656,852	152,872	511,269	947,694	1,344,885	805,131	363,329	2,405,402
Miscellaneous	21,916	185,037	254,892	217,694	148,707	245,617	146,118	326,364	363,393	423,946
Net Transfers	(7,152,937)	(930,957)	3,757,807	4,355,039	4,030,356	3,236,898	5,653,987	2,303,126	3,766,229	2,306,356
Total Governmental Activities	15,093,499	21,439,389	25,421,365	25,608,263	26,734,378	27,515,336	31,544,648	29,035,448	32,313,035	31,597,679
Business-type Activities:										
Interest	795,084	610,607	758,841	55,453	487,702	1,019,905	1,275,320	591,422	828,004	4,413,572
Miscellaneous	-	-	-	-	-	-	-	-	68,325	21,042
Net Transfers	7,152,937	930,957	(3,757,807)	(4,355,039)	(4,030,356)	(3,236,898)	(5,653,987)	(2,303,126)	(3,766,229)	(2,306,356)
Total Business-type Activities	7,948,021	1,541,564	(2,998,966)	(4,299,586)	(3,542,654)	(2,216,993)	(4,378,667)	(1,711,704)	(2,869,900)	2,128,258
Total Primary Government	23,041,520	22,980,953	22,422,399	21,308,677	23,191,724	25,298,343	27,165,981	27,323,744	29,443,135	33,725,937
Change in Net Position										
Governmental Activities	(6,088,363)	3,478,199	5,796,296	6,410,448	8,317,136	10,747,800	11,823,850	6,863,233	10,636,590	6,938,662
Business-type Activities	22,140,242	11,635,522	4,608,015	4,437,641	9,622,559	8,981,412	8,161,808	7,905,884	10,528,097	14,814,775
Total Primary Government	$ 16,051,879	$ 15,113,721	$ 10,404,311	$ 10,848,089	$ 17,939,695	$ 19,729,212	$ 19,985,658	$ 14,769,117	$ 21,164,687	$ 21,753,437

Schedule 3
City of Jacksonville Beach, Florida
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Pre-GASB 54:										
Reserved	$ 114,442	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	8,258,521	-	-	-	-	-	-	-	-	-
Post-GASB 54:										
Nonspendable	-	18,000	41,640	41,640	-	-	1,807	77	1,193	2,291
Committed	-	4,529,922	4,447,636	4,755,631	4,922,833	5,069,431	5,168,956	5,540,793	5,758,237	6,271,451
Assigned	-	3,723,744	4,607,248	4,243,808	4,560,255	4,312,870	5,050,075	5,029,759	5,712,790	7,537,043
Total General Fund	$ 8,372,963	$ 8,271,666	$ 9,096,524	$ 9,041,079	$ 9,483,088	$ 9,382,301	$ 10,220,838	$ 10,570,629	$ 11,472,220	$ 13,810,785
All Other Governmental Funds										
Pre-GASB 54:										
Reserved	$ 15,246,377	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, Reported in:										
Special Revenue Funds	808,007	-	-	-	-	-	-	-	-	-
Debt Service Funds	54,227	-	-	-	-	-	-	-	-	-
Capital Projects Fund	4,507,823	-	-	-	-	-	-	-	-	-
Post-GASB 54:										
Restricted	-	14,163,932	15,417,977	14,965,981	17,824,995	22,860,797	26,836,531	28,742,329	31,944,567	33,726,709
Committed	-	12,756	6,548	6,549	5,955	6,066	6,194	7,994	6,007	3,121
Assigned	-	5,850,337	4,737,290	6,087,493	6,612,462	6,637,001	7,934,432	7,362,439	7,865,834	7,198,956
Total All Other Governmental Funds	$ 20,616,434	$ 20,027,025	$ 20,161,815	$ 21,060,023	$ 24,443,412	$ 29,503,864	$ 34,777,157	$ 36,112,762	$ 39,816,408	$ 40,928,786

Note:
GASB Statement No. 54 was adopted during fiscal year ending September 30, 2011. Fund balances reported in years prior to 2011 are presented in accordance with standards applicable at that time.

Schedule 4
City of Jacksonville Beach, Florida
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	$ 19,109,588	$ 19,241,635	$ 18,192,431	$ 18,144,485	$ 19,178,564	$ 20,021,606	$ 21,228,237	$ 22,273,155	$ 24,271,318	$ 22,847,169
Licenses and Permits	229,564	261,309	367,855	559,485	568,985	682,161	679,820	592,151	650,985	942,091
Intergovernmental	5,687,676	3,970,159	3,719,817	3,808,754	3,930,997	4,079,434	4,207,812	4,665,075	4,844,846	4,800,083
Charges for Services	289,680	763,837	696,313	465,176	388,582	356,036	351,926	382,336	444,799	559,815
Fines and Forfeitures	510,579	234,427	701,853	277,193	305,076	332,099	259,869	239,465	201,815	250,244
Interest and Other Revenue	836,043	479,251	891,669	411,091	717,985	1,173,919	1,450,768	1,126,585	760,051	2,644,066
Total Revenues	26,663,130	24,950,618	24,569,938	23,666,184	25,090,189	26,645,255	28,178,432	29,278,767	31,173,814	32,043,468
Expenditures										
Current:										
General Government	2,257,807	2,294,556	2,141,672	2,078,157	2,413,022	2,862,341	2,556,750	2,800,432	2,712,795	2,866,277
Public Safety	12,125,856	12,232,634	12,397,347	12,431,333	11,993,522	12,649,752	12,874,674	13,350,078	13,892,257	15,014,400
Physical Environment	507,257	21,756	36,651	11,355	13,270	11,417	9,651	81,029	114,600	98,436
Roads and Streets	2,484,625	1,879,617	2,640,093	1,855,298	1,799,476	2,886,824	1,584,109	1,769,416	1,757,092	2,921,604
Human Services	81,754	20,000	20,000	10,296	-	-	-	-	-	-
Parks and Recreation	2,525,052	2,541,479	2,436,193	2,461,887	2,419,924	2,739,420	2,783,261	2,900,618	3,109,305	3,297,899
Debt Service:										
Principal	2,567,041	2,665,155	2,484,674	2,243,579	1,865,466	1,545,800	1,581,880	955,000	980,000	490,000
Interest	626,709	535,930	393,170	224,307	167,258	116,801	74,599	38,722	21,773	4,310
Capital Outlay	6,730,724	3,527,703	4,797,283	5,953,542	4,508,926	2,689,003	4,757,047	9,551,371	7,796,984	7,947,720
(Total Expenditures)	(29,906,825)	(25,718,830)	(27,347,083)	(27,269,754)	(25,180,864)	(25,501,358)	(26,221,971)	(31,446,666)	(30,384,806)	(32,640,646)
(Deficiency) of Revenues (Under) Expenditures	(3,243,695)	(768,212)	(2,777,145)	(3,603,570)	(90,675)	1,143,897	1,956,461	(2,167,899)	789,008	(597,178)
Other Financing Sources (Uses)										
Proceeds from Borrowing	-	-	6,495,000	-	-	-	-	-	-	-
Principal - Current Refundings	-	-	(6,495,000)	-	-	-	-	-	-	-
Transfers in	6,683,933	6,898,043	5,730,018	6,948,406	6,930,317	7,550,022	7,466,111	7,188,855	7,540,195	6,987,402
Transfers (out)	(5,730,055)	(6,795,851)	(1,993,225)	(2,502,073)	(3,014,244)	(3,734,254)	(3,310,742)	(3,335,560)	(3,723,966)	(2,939,281)
Total Other Financing Sources (Uses)	953,878	102,192	3,736,793	4,446,333	3,916,073	3,815,768	4,155,369	3,853,295	3,816,229	4,048,121
Net Change in Fund Balance	$ (2,289,817)	$ (666,020)	$ 959,648	$ 842,763	$ 3,825,398	$ 4,959,665	$ 6,111,830	$ 1,685,396	$ 4,605,237	$ 3,450,943
Debt Service as a % of Noncapital Expenditures*	14.4%	14.9%	13.0%	11.9%	9.9%	7.5%	7.8%	4.6%	4.6%	2.1%

* Noncapital expenditures are total expenditures less capital outlay.

REVENUE CAPACITY INFORMATION

Schedule 5
City of Jacksonville Beach, Florida
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

FY Ended September 30,	Assessed Taxable Values: Real Property	Assessed Taxable Values: Personal Property	Assessed Taxable Values: Total Taxable Assessed Value	Tax-Exempt Property	Estimated Actual Value (1)	Total Direct Tax Rate (2)	Taxable Assessed Value as a % of Actual Value
2010	$ 2,972,830,597	$ 75,403,738	$ 3,048,234,335	$ 1,249,263,603	$ 4,297,497,938	3.8180	70.93%
2011	2,729,906,452	70,349,911	2,800,256,363	1,072,136,657	3,872,393,020	4.0947	72.31%
2012	2,466,653,081	61,937,314	2,528,590,395	909,443,385	3,438,033,780	4.0947	73.55%
2013	2,403,105,199	64,283,151	2,467,388,350	862,135,188	3,329,523,538	4.0947	74.11%
2014	2,428,035,702	63,450,619	2,491,486,321	865,057,320	3,356,543,641	4.0947	74.23%
2015	2,600,643,517	66,537,759	2,667,181,276	1,109,561,873	3,776,743,149	3.9947	70.62%
2016	2,814,151,792	80,641,926	2,894,793,718	1,259,519,810	4,154,313,528	3.8947	69.68%
2017	3,027,805,594	96,405,964	3,124,211,558	1,340,803,509	4,465,015,067	3.7947	69.97%
2018	3,249,073,173	99,904,354	3,348,977,527	1,419,311,962	4,768,289,489	3.9947	70.23%
2019	3,498,864,284	108,836,408	3,607,700,692	1,599,153,996	5,206,854,688	3.9947	69.29%

Source: Duval County Ad Valorem Assessment Rolls for Jacksonville Beach.

(1) Estimated actual values are the total "just" values of property subject to taxation, as defined by Section 193.001, Florida Statutes.

Note: Property is assessed each year as of January 1 at market value. However, assessed value is limited by the Amendment 10 or the "Save Our Homes" tax cap. This 1992 amendment to the Florida Constitution limits increases in value of homesteads (an individual's primary residence) to 3% or less per year. The taxable value is the assessed value less any exemptions.

(2) Tax rate is per $1,000 of assessed value.

Schedule 6
City of Jacksonville Beach, Florida
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate Per $1,000 of Assessed Value)

	Direct Rates (1)	Overlapping Rates				
Fiscal Year September 30,	City of Jacksonville Beach	Florida Inland Navigation	Water Management District	School District	Duval County	Total Millage Rate
2010	3.8180	0.0345	0.4158	7.5820	5.4480	17.2983
2011	4.0947	0.0345	0.4158	7.8440	6.7446	19.1336
2012	4.0947	0.0345	0.3313	7.5530	6.7446	18.7581
2013	4.0947	0.0345	0.3313	7.6000	6.7446	18.8051
2014	4.0947	0.0345	0.3283	7.3880	8.1512	19.9967
2015	3.9947	0.0345	0.3164	7.3050	8.1512	19.8018
2016	3.8947	0.0320	0.3023	7.1170	8.1512	19.4972
2017	3.7947	0.0320	0.2885	6.8020	8.1512	19.0684
2018	3.9947	0.0320	0.2724	6.4850	8.1512	18.9353
2019	3.9947	0.0320	0.2562	6.2930	8.1512	18.7271

Source: Duval County Property Appraiser

(1) Direct rate consists of operating millage only.

Schedule 7
City of Jacksonville Beach, Florida
Principal Property Tax Payers
Fiscal Year 2019 and Nine Years Ago

	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Broadstone Beach House at Jax. Beach	$ 40,387,600	1	1.15%	$ 19,864,100	1	0.67%
Courtyard Marriot	29,459,555	2	0.84%	11,643,467	6	0.39%
South Beach Regional Shopping Center	28,933,200	3	0.83%	16,642,900	2	0.56%
Hampton Inn Oceanfront	28,847,428	4	0.82%			
Ocean Park Partnership, Ltd.	28,181,263	5	0.81%	14,218,600	4	0.48%
Pablo Plaza	18,276,300	6	0.52%	15,097,700	3	0.51%
Beach Marine	14,629,438	7	0.42%	13,661,778	5	0.46%
Marsh Landing Plaza	13,324,300	8	0.38%			
South Beach Parkway Shopping Center	12,938,400	9	0.37%	9,702,900	8	0.33%
Hampton Inn Ponte Vedra A1A &JTB	11,576,400	10	0.33%			
Comfort Inn				11,405,300	7	0.38%
Gordon Bank				9,583,400	9	0.32%
Beach Plaza				8,939,200	10	0.30%
Total	$ 226,553,884		6.47%	$ 130,759,345		4.40%
Total Assessed Real Property Valuation from Schedule 5	$ 3,498,864,284			$ 2,972,830,597		

Source: Duval County Property Appraiser

Schedule 8
City of Jacksonville Beach, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year September 30,	Taxes Levied for Fiscal Year (1)	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections To-date	
		Amount Net of Discount (2)	Percentage of Levy		Amount	Percentage of Levy
2010	$ 8,297,074	$ 7,717,072	93.01%	$ 59,334	$ 7,776,406	93.72%
2011	8,226,648	7,614,044	92.55%	46,735	7,660,779	93.12%
2012	7,494,073	7,008,399	93.52%	54,150	7,062,549	94.24%
2013	7,365,825	6,886,688	93.50%	88,106	6,974,794	94.69%
2014	7,412,686	7,017,198	94.66%	54,624	7,071,822	95.40%
2015	7,756,009	7,351,558	94.79%	48,357	7,399,915	95.41%
2016	8,292,080	7,845,052	94.61%	66,708	7,911,760	95.41%
2017	8,699,388	8,008,400	92.06%	423,672	8,432,072	96.93%
2018	9,831,502	9,062,838	92.18%	341,173	9,404,011	95.65%
2019	10,654,284	10,101,419	94.81%	237,715	10,339,134	97.04%

Source: Duval County Property Appraiser and City of Jacksonville Beach Finance Department.

(1) Taxes Levied do not include the taxes levied for the Community Redevelopment Agencies.

(2) Section 197.012 of the Florida Statutes allows a discount for early payment of taxes: 4% in November, 3% in December, 2% in January, and 1% in February.

DEBT CAPACITY INFORMATION

Schedule 9
City of Jacksonville Beach, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities				Business-type Activities					
Fiscal Year	Redevelopment Bonds	Sales Tax Bonds	Infrastructure Sales Tax Bonds	Total Governmental	Electric Bonds	Outstanding Debt Per Electric Customer (1)	Water and Sewer Bonds	Outstanding Debt Per Water Customer (1)	Stormwater Bonds	Outstanding Debt Per Stormwater Customer (1)
2010	$ 7,151,554	$ -	$ 7,660,000	$ 14,811,554	$ 23,972,300	$ 727	$ 16,727,700	$ 1,741	$ 888,967	$ 92
2011	5,256,399	-	6,890,000	12,146,399	20,956,620	632	14,623,380	1,517	451,040	47
2012	3,601,725	-	6,060,000	9,661,725	18,971,690	570	13,238,310	1,363	-	-
2013	2,233,146	-	5,185,000	7,418,146	17,573,746	524	12,262,835	1,243	-	-
2014	1,267,680	-	4,285,000	5,552,680	15,379,185	453	10,731,486	1,070	-	-
2015	646,880	-	3,360,000	4,006,880	13,151,582	382	9,177,080	885	-	-
2016	-	-	2,425,000	2,425,000	10,874,050	313	7,587,834	732	-	-
2017	-	-	1,470,000	1,470,000	8,550,349	246	5,966,373	574	-	-
2018	-	-	490,000	490,000	6,178,302	177	4,311,174	414	-	-
2019	-	-	-	-	3,752,911	108	2,618,754	252	-	-

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

(1) Number of electric, water, and stormwater customers can be found on Schedule 17.

(2) See the Schedule of Demographic and Economic Statistics on Schedule 14 for personal income and population data.

N/A - Not yet available

Schedule 9 *(Concluded)*
City of Jacksonville Beach, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Total Business-type	Total Debt	Percentage of Personal Income (2)	Total Debt Per Capita (2)
2010	$ 41,588,967	$ 56,400,521	6.24%	$ 2,444
2011	36,031,040	48,177,439	5.64%	2,247
2012	32,210,000	41,871,725	4.74%	1,937
2013	29,836,581	37,254,727	4.42%	1,716
2014	26,110,671	31,663,351	3.59%	1,430
2015	22,328,662	26,335,542	2.79%	1,155
2016	18,461,884	20,886,884	2.10%	897
2017	14,516,722	15,986,722	1.53%	680
2018	10,489,476	10,979,476	1.01%	467
2019	6,371,665	6,371,665	N/A	273

Schedule 10
City of Jacksonville Beach, Florida
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

	Governmental Activities							
Fiscal Year	Redevelopment Bonds	% of Actual Taxable Value of Property (1)	Sales Tax Bonds	Sales Tax Debt Per Capita	Infrastructure Sales Tax Bonds	Infrastructure Debt Per Capita	Total Government Debt	Total Debt Per Capita
2010	$ 7,151,554	0.82%	$ -	$ -	$ 7,660,000	$ 332	$ 14,811,554	$ 642
2011	5,256,399	0.66%	-	-	6,890,000	321	12,146,399	567
2012	3,601,725	0.52%	-	-	6,060,000	280	9,661,725	447
2013	2,233,146	0.33%	-	-	5,185,000	239	7,418,146	342
2014	1,267,680	0.19%	-	-	4,285,000	194	5,552,680	251
2015	646,880	0.09%	-	-	3,360,000	147	4,006,880	176
2016	-	0.00%	-	-	2,425,000	104	2,425,000	104
2017	-	0.00%	-	-	1,470,000	63	1,470,000	63
2018	-	0.00%	-	-	490,000	21	490,000	21
2019	-	0.00%	-	-	-	-	-	-

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

(1) Total redevelopment debt outstanding divided by total assessed taxable valuation in tax increment districts.

Schedule 11
City of Jacksonville Beach, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2019

There is no Direct and Overlapping Governmental Activities Debt for the City of Jacksonville Beach.

Schedule 12
City of Jacksonville Beach, Florida
Legal Debt Margin Information

Neither the City of Jacksonville Beach Charter or Code, nor the Florida Statutes limits the amount of debt the City can issue.

Schedule 13
City of Jacksonville Beach, Florida
Pledged-Revenue Coverage
Last Ten Fiscal Years

	Electric, Water, and Sewer Revenue Bonds					
Fiscal Year	Utility Service Charges	Less: Operating Expenses (1)	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Coverage
2010	$ 108,134,437	$ (91,779,673)	$ 16,354,764	$ 3,115,000	$ 1,715,503	3.39
2011	96,513,843	(80,364,222)	16,149,621	3,285,000	1,465,407	3.40
2012	89,204,281	(75,143,438)	14,060,843	3,370,000	1,126,637	3.13
2013	97,516,949	(79,894,096)	17,622,853	3,370,000	1,051,313	3.99
2014	97,011,949	(78,759,103)	18,252,846	3,460,000	966,588	4.12
2015	93,587,910	(74,744,539)	18,843,371	3,555,000	870,938	4.26
2016	94,555,859	(74,581,123)	19,974,736	3,680,000	745,588	4.51
2017	94,447,252	(76,524,604)	17,922,648	3,800,000	634,688	4.04
2018	97,814,650	(77,018,181)	20,796,469	3,925,000	498,219	4.70
2019	94,462,730	(74,918,074)	19,544,656	4,060,000	366,925	4.41

(1) Excludes depreciation expense.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Schedule 14
City of Jacksonville Beach, Florida
Demographic and Economic Statistics
Last Ten Calendar Years

Fiscal Year	Population (1)	Duval County Unemployment Rate (2)	Duval County Per Capita Income (3)	Personal Income
2010	23,077	12.9%	$ 39,140	$ 903,233,780
2011	21,441	10.3%	39,858	854,595,378
2012	21,615	9.3%	40,905	884,161,575
2013	21,713	7.5%	38,805	842,572,965
2014	22,136	6.5%	39,893	883,071,448
2015	22,805	6.0%	41,339	942,735,895
2016	23,288	4.9%	42,617	992,464,696
2017	23,503	4.6%	44,347	1,042,287,541
2018	23,494	3.6%	46,174	1,084,811,956
2019	23,352	3.4%	N/A	N/A

(1) **Source:** U.S. Census Bureau and City Planning and Development Department

(2) **Source:** U.S. Department of Labor

(3) **Source:** Florida Research and Economic Database

N/A - Not yet available

Schedule 15
City of Jacksonville Beach, Florida
Principal Employers
Fiscal Year 2019 and Nine Years Ago

	2019			2010		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Naval Station Mayport	9,000	1	N/A	14,677	1	N/A
Baptist Medical Center - Beaches	800	2	N/A	800	2	N/A
PGA Tour, Inc.	800	3	N/A	650	3	N/A
Ponte Vedra Inn and Club	550	4	N/A	650	4	N/A
City of Jacksonville Beach (1)	477	5	N/A	400	7	N/A
Optimum Healthcare IT	385	6	N/A			
TPC Sawgrass Marriott	320	7	N/A	632	5	N/A
Vicar's Landing	320	8	N/A	290	9	N/A
U.S. Coast Guard	300	9	N/A	325	8	N/A
Fleet Landing	280	10	N/A	280	10	N/A
Honeywell				575	6	N/A

Source: Jacksonville Chamber of Commerce

(1) - Obtained from City of Jacksonville Beach Annual Budget.

Notes: Principal Employer ranking includes the four beach communities of Jacksonville, Neptune, and Atlantic Beach (Duval County), Ponte Vedra Beach (St. Johns County), and Mayport Naval Base.

N/A - Total beaches workforce number is not available.

OPERATING INFORMATION

Schedule 16
City of Jacksonville Beach, Florida
City Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	16	15	14	13	13	14	14	14	14	14
Finance*	33	33	33	33	33	38	39	42	41	44
Planning and Development	9	8	8	8	8	9	10	10	10	10
Electric	76	76	78	77	75	75	75	75	75	72
Central Services	4	4	4	4	4	0	0	0	0	0
Redevelopment**	0	0	0	0	0	1	1	1	0	0
Public Works	65	65	65	65	65	66	66	67	67	68
Human Resources	7	7	8	7	7	7	6	6	6	6
Parks and Recreation***	100	100	99	98	98	98	100	100	100	100
Grounds and Maintenance	20	9	8	8	7	7	7	7	7	9
Golf Course	19	27	26	26	25	25	25	25	24	27
Police	95	94	95	95	96	100	100	102	102	103
Fire Fighters	31	31	31	31	31	31	31	31	31	31
Total	475	469	469	465	462	471	474	480	477	484

Source: City of Jacksonville Beach Annual Budget.

Note: Figures include both full-time and part-time positions and have not been converted to full-time equivalent positions.

* Beginning in 2015, Central Services was combined with Finance Department.

** Beginning in 2015, 1 part-time Community Redevelopment Specialist was added.

*** Beginning in 2010, the number of lifeguards increased due to the use of part-time employees. The total budgeted dollars remained unchanged.

Schedule 17
City of Jacksonville Beach, Florida
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Physical Arrests	1,665	1,192	1,573	1,398	1,568	1,582	1,470	1,992	1,932	1,980
Parking Violations	2,726	3,085	3,267	2,331	2,200	2,640	2,016	1,833	1,501	1,231
Law Violations	6,898	3,520	2,292	3,152	5,004	2,322	1,845	3,143	3,536	3,092
Fire										
Emergency Incidents	2,947	3,161	3,063	3,104	3,040	3,195	3,401	3,643	3,298	3,399
Inspections (Total)	2,648	2,169	2,275	1,839	1,580	1,852	1,797	1,857	2,442	2,154
Other Public Works										
Street Resurfacing (Miles)	1.2	4.9	8.1	0.0	0.0	7.4	0.0	1.6	1.2	2.82
Electric										
Number of Active										
Electric Customers	32,996	33,147	33,303	33,535	33,966	34,433	34,711	34,738	34,815	34,900
Average Residential										
Monthly Consumption										
(Kilowatt Hours)	1,395	1,368	1,232	1,209	1,239	1,253	1,246	1,178	1,219	1,231
Water										
Number of Active										
Water Customers	9,610	9,642	9,711	9,865	10,029	10,204	10,369	10,398	10,405	10,399
Average Residential Monthly										
Consumption (Gallons)	4,373	4,530	4,029	4,014	4,038	3,083	3,926	4,146	4,255	4,389
Wastewater										
Number of Active Wastewater										
Customers	9,472	9,502	9,569	9,691	9,872	10,036	10,217	10,246	10,261	10,254
Storm Mains Cleaned (Feet)	73,670	36,297	33,010	23,821	23,530	33,153	34,733	33,791	22,543	17,584

Source: City of Jacksonville Beach Annual Budget & Deparment Directors

Schedule 18
City of Jacksonville Beach, Florida
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police											
Stations (Including Satellite Stations)	2	2	2	2	2	2	1	1	1	1	1
Patrol Units	51	51	73	51	51	51	76	76	79	80	80
Fire Stations	2	2	2	2	2	2	2	2	2	2	2
Other Public Works											
Paved Roads (Miles)	88	89	89	77	77	77	89	89	90	90	90
Streetlights	5,229	5,376	5,385	5,659	5,659	5,659	5,493	5,538	5,909	5,582	5,613
Water											
Water Mains (Miles)	108	109	110	105	105	105	109	109	109	109	109
Production Wells	6	6	6	6	6	6	6	6	6	6	6
Fire Hydrants	849	859	858	858	870	873	895	895	900	909	909
Wastewater											
Sanitary Sewer Mains (Gravity, In Miles)	84	85	85	83	83	83	85	85	85	85	85
Sanitary Sewer Mains (Force, In Miles)	16	16	18	16	16	16	18	18	18	18	18
Treatment Plants	1	1	1	1	1	1	1	1	1	1	1
Lift Stations	38	38	38	34	34	34	38	38	38	38	38
Treatment Capacity (Millions of Gallons)	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Parks and Recreation											
Acreage*	84	84	84	84	84	86	86	86	86	210	210
Parks	10	10	10	11	11	11	11	11	11	16	15
Golf Course	1	1	1	1	1	1	1	1	1	1	1
Tennis Courts	8	8	8	8	8	8	8	8	8	8	8

Source: City of Jacksonville Beach Annual Budget & Deparment Directors

* - Golf course acreage was included beginning with fiscal year 2018

SINGLE AUDIT SECTION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Federal Award Amount	Federal Expenditures
Federal Awards				
U.S. Department of Homeland Security				
Passed Through Florida Division of Emergency Management (FEMA)				
Disaster Grants - Public Assistance	97.036	N/A	$ 1,057,332	$ 1,057,332 (1)
U.S. Department of Housing and Urban Development				
Passed Through City of Jacksonville				
Community Development Block Grant	14.218	3177-95	142,366	142,366
U.S. Department of Justice				
Passed Through Florida Department of Law Enforcement				
Edward Byme Memorial Justice Assisstance Grant	16.738	2017-JAGC-DUVA-2-F9-058	49,127	49,127
U.S. Department of Justice				
Edward Byme Memorial Justice Assisstance Grant	16.738	2019-JAGD-DUVA-1-N3-013	9,101	8,276
Subtotal CFDA #16.738			58,228	57,403
U.S. Department of Justice				
Federal Equitable Sharing Agreement	16.922	N/A		5,466
Bullet Proof Vest Grant Program	16.607	N/A	4,384	4,384
Subtotal U.S. Department of Justice			4,384	9,850
Total U.S. Department of Justice			62,612	67,253
Total Federal Awards			$ 1,262,310	$ 1,266,951

(1) - The Office of Management and Budget (OMB) requires that only expenditures that were approved by FEMA during the fiscal year be reported on the Schedule of Federal Awards (SEFA). The remaining expenditures will be reported on the SEFA in future years, when approved by FEMA.

SCHEDULE OF EXPENDITURES OF GRANT FUNDS PER THE CITY OF JACKSONVILLE'S ORDINANCE CODE CHAPTER 118.202(e) FOR THE YEAR ENDED SEPTEMBER 30, 2019 CITY OF JACKSONVILLE BEACH, FLORIDA

City of Jacksonville Public Service Grants Received as a Subgrant Recipient Per Interlocal Agreement

City of Jacksonville Beach Fiscal Year 2018 - 2019 Grant No. 3177-95 - $142,366

Expenditures	Budgeted	Actual	Spent in Current Year with Prior Year Awards	Carry Forward
CAPE				
Services	$ 54,000	$ 54,000	$ -	$ -
Total CAPE	54,000	54,000	-	-
CARVER				
Services	88,366	88,366	-	-
Total CARVER	88,366	88,366	-	-
Total Expenditures	$ 142,366	$ 142,366	$ -	$ -

GOVERNMENTAL AUDITING SECTION

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

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jacksonville Beach, 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 March 9, 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. We did identify a deficiency in internal control that we consider to be a significant deficiency as described below.

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

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

2019-1 Bank Reconciliations

Condition – The timely reconciliation of bank accounts is one of the key components of a sound system of internal controls. Due to the implementation of a new accounting software system and staffing changes in the finance department, bank reconciliations for the months ended February 2019 through September 2019 were not completed until January 2020.

Effect – The lack of timely bank account reconciliations results in an increased risk that errors or irregularities will go undetected for extended periods of time.

Recommendation – We recommend the City implement procedures to ensure that all bank reconciliations are reconciled within 20 days of month-end.

Compliance and Other Matters

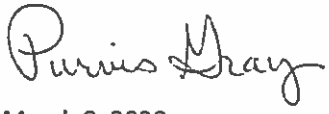
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Response to Finding

The City's response to the finding identified in our audit is included in the accompanying Management's Response on pages 143 and 144. 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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



March 9, 2020
Tallahassee, Florida

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

Report on Compliance for Each Major Federal Program
We have audited the City of Jacksonville Beach's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major Federal programs for the fiscal year ended September 30, 2019. The City's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with Federal Statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of the City's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program
In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the fiscal year ended September 30, 2019.

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Internal Control Over Compliance

City management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a Federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Purvis Gray

March 9, 2020
Tallahassee, Florida

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issues on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal Control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
Non-compliance material to financial statements noted?	No

Federal Awards

Internal control over major Federal Programs:	
Material weakness(es) identified?	No
Significant deficiencies identified?	None Reported
Type of auditor's report issued on compliance for major Federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major Federal Programs:	
	CFDA Number
Disaster Grants – Public Assistance	97.036
Dollar threshold used to distinguish between type A and type B programs	$750,000
Auditee qualified as low risk auditee?	No

SECTION II - FINANCIAL STATEMENT FINDINGS

See Finding 2019-1 in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No matters are reported.

PURVIS GRAY

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

We have examined the City of Jacksonville Beach, Florida's (the City) compliance with Section 218.415, Florida Statutes, as of and for the year ended September 30, 2019, as required by Section 10.556 (10)(a), *Rules of the Auditor General*. 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 and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies and pass-through entities, the Mayor and City Council members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Purvis Gray

March 9, 2020
Tallahassee, Florida

MANAGEMENT LETTER

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

Report on the Financial Statements
We have audited the financial statements of the City of Jacksonville Beach, Florida, (the City), as of and for the year ended September 30, 2019, and have issued our report thereon dated March 9, 2020.

Auditor's Responsibility
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and the Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements
We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance and Independent Accountant's Reports on an examination conducted in accordance with the *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 9, 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 report. There were no findings or recommendations disclosed in the preceding audit report.

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 City was established in 1907 and incorporated in 1937, under the legal authority of the Laws of Florida 18623. In addition, the annual financial audit report for the City also includes the accounts and transactions of the entities noted below. The Jacksonville Beach Community Redevelopment Agency is considered a blended component unit and was established pursuant to Chapter 163 of the Florida Statutes.

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

MANAGEMENT LETTER

Financial Condition and Management
Sections 10.554(1)(i)5.a and 10.556(7), *Rules of the Auditor General*, require that 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.c 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 the 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 offer the following recommendations.

2019-2 Work Order Closings
Condition – During our review of work orders in the Electric Fund, we noted that work orders are not being closed into the plant accounts in a timely manner upon completion. The delay in closing the work orders appears to be due to staffing changes in the City's finance department.

Effect – Not closing work orders can lead to under depreciation of the City's electric utility system and could impact future rate making decisions. The amount of under depreciation of the work orders for the fiscal year ended September 30, 2019 was not considered to be material to the Electric Fund as a whole.

Recommendation – We recommend that work orders be closed to the plant accounts in a timely manner.

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

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

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Purvis Gray

March 9, 2020
Tallahassee, Florida

JACKSONVILLE BEACH

FINANCE DEPARTMENT

City of
Jacksonville Beach
City Hall
11 North Third Street
Jacksonville Beach
FL 32250
Phone: 904.247.6274

www.jacksonvillebeach.org

March 5, 2020

Auditor General's Office
Local Government Section
Claude Denson Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

RE: Response to Auditor's Report on Internal Control and Management Letter Comments

The following is the City of Jacksonville Beach's response to the independent auditor's report on internal control and management letter comments.

2019-1 Bank Reconciliations

Condition – The timely reconciliation of bank accounts is one of the key components of a sound system of internal controls. Due to the implementation of a new accounting software system and staffing changes in the finance department, bank reconciliations for the months ended February 2019 through September 2019 were not completed until January 2020.

Effect – The lack of timely bank account reconciliations results in an increased risk that errors or irregularities will go undetected for extended periods of time.

Recommendation – We recommend the City implement procedures to ensure that all bank reconciliations are reconciled within 20 days of month-end.

Management's Response to Comment 2019-1 – Bank Reconciliations

The City agrees with the auditor's comments and will implement the recommendation.

In 2018, the City converted its general ledger, accounts payable, and purchasing software modules to a new enterprise resource planning (ERP) system. Utility billing and cash receipting continue to take place in the legacy system which requires transaction data to be regularly imported into the new system. It is the City's intention to migrate all financial functions to one software system; however, our ERP conversion project is progressing slower than projected.

Initial configuration settings in the new system for imports and batch posting grouped the different bank accounts (i.e. depository, accounts payable, payroll, returned items, etc.) into one account for review purposes. This resulted in a higher level of complexity, which delayed monthly bank reconciliations. To address this issue, we made some configuration changes to mitigate the impact of operating between two software systems and developed new procedures that will help to separate each bank reconciliation and expedite the overall process.

We are also working to cross-train all accounting staff in bank reconciliations so that this important process continues without disruption.

2019-2 Work Order Closings

Condition – During our review of work orders in the Electric Fund, we noted that work orders are not being closed into the plant accounts in a timely manner upon their completion. The delay in closing the work orders appears to be due to staffing changes in the finance department.

Effect – Not closing work orders can lead to under depreciation of the electric utility system. The amount of under depreciation of the work orders for the fiscal year ended September 30, 2019 was not considered to be material to the Electric Fund as a whole.

Recommendation – We recommend that work orders be closed to the plant accounts in a timely manner.

Management's Response to Comment 2019-2 – Work Order Closings

The City agrees with the auditor's comments and will implement the recommendation.

The work order (job costing) system resides in the legacy software system. Because the general ledger and accounts payable systems have been converted to the new software system, any electric infrastructure capital expenditures must be exported back to the legacy system before a work order may be closed to a plant account for depreciation. An extended vacancy in the position responsible for work order processing further delayed the closing process.

The following actions will be taken to improve the situation. A new accounting position has been added to support the additional responsibilities associated with operating in both the new and legacy software systems. As the new staff receives training in work order processing, policies and procedures for current operations will be formalized.

In the near future, the City intends to seek out a new asset management and job costing software that integrates with the chosen ERP system to eliminate the manual import/export processes.

JAX

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BEACH

JACKSONVILLE BEACH

City of
Jacksonville Beach
2508 South Beach
Parkway
Jacksonville Beach
FL 32250
Phone: 904.247.6236
Fax: 904.247.6143

www.jacksonvillebeach.org

MEMORANDUM

TO: Michael J. Staffopoulos, City Manager

FROM: Bruce Mohler, Golf Course Facility Manager

SUBJECT: Assignment and Assumption of Commercial Lease Agreement for the Golf Course Restaurant

DATE: March 6, 2020

BACKGROUND

Tee to Green Partners, LLC (Tee to Green), doing business as Sand Trap Bar & Grill, is the current tenant at the golf course restaurant. The lease term of three (3) years commenced on October 1, 2018 and terminates on September 30, 2021. The lease provides two (2) consecutive renewable options of four (4) years each. The total Lease term including renewable options is eleven (11) years. Attachment B, Section 2 of the Lease allows an assignment of the Lease, at the City's consent, on condition the assignment is made to individuals with at least five (5) years restaurant-related experience.

Tee to Green would like to assign the lease to Penman Hospitality, LLC (Penman Hospitality), doing business as Sneakers on the Green. The ownership of Penman Hospitality is the same ownership of the popular, longstanding Sneakers Sports Grille in Jacksonville Beach, with plans to continue to successfully operate both restaurants. City staff are confident that management's operational plan and vision for the golf course restaurant are complementary to the City's golf course and goals.

Penman Hospitality has stated their desire to obtain a new beverage cart lease from a third party golf cart vendor and to be responsible for the cost and maintenance. As such, Section 1. is amended to delete the requirement that Tenant agrees to lease from City two Golf Carts to be used for beverage sales on the Golf Course. Section 3. (a) of the Lease is also amended to remove the Tenant's requirement to pay a monthly rate of $360.00 for the lease of two (2) golf carts from the City.

At the expiration of the Lease, upon mutual agreement, both parties may make amendments to the lease, subject to approval by the City Council. The assignment would be effective April 7, 2020, upon City Council approval.

REQUESTED ACTION

Approve/Disapprove the Assignment and Assumption of Commercial Lease Agreement of the golf course restaurant lease from Tee to Green Partners LLC d/b/a Sand Trap Bar & Grill to Penman Hospitality LLC d/b/a Sneakers on the Green, as described in the memorandum from the Golf Course Facility Manager dated March 6, 2020.

Sandtrap Bar & Grille

Term Sheet
Business Sale
Closing Date - April 1st, 2020

This Term Sheet summarizes the principal terms related to a proposed transaction for the sale of the assets of Tee to Green LLC d/b/a Sandtrap Bar & Grill located in Jacksonville Beach, Florida ("Sandtrap Sale") to Penman Hospitality LLC d/b/a Sneakers on the Green. The purpose of this term sheet is to delineate the terms of the transaction in order to advance conversations with interested parties and to ensure a smooth transition on April 1st, 2020.

Proposed Terms:

Type of Sale:	Seller is willing to sell up to 100% of the Assets/Inventory of the Company and a transfer of the real estate lease. The City of Jacksonville Beach is facilitating the transfer of the real estate lease and is preparing the necessary paperwork for said lease transfer. See Attachment A for Inventory List.
Purchase Price:	The Company is being offered for sale at $10,000, which is equal to approximately 2% of annual revenue.
Terms:	Buyer shall pay a $5,000 ~~non refundable~~ REFUNDABLE deposit upon approval of the lease assignment by City of Jacksonville Beach on March 16th, and the remaining $5,000 on or before April 1, 2020. This transaction is an all cash purchase from Buyer.
Buyer Transition:	At close of business on March 31st, Seller will vacate the premises and Buyer will transition customer relationships, vendor relationships, and general business management and operations effective Tuesday, April 1st 2020. Buyer agrees to assume and become responsible for only those liabilities relating to the restaurant that accrue or are to be performed after midnight on March 31st. Conversely, the Seller will not be responsible for any liabilities relating to the restaurant or operation thereof beginning April 1st.
Premises:	The Company currently occupies a facility (approximately 2,000 square feet) leased from the City of Jacksonville Beach with approximatley 1 1/2 years remaining on the current lease term and two four-year options unexercised.
Underlying Assets:	The Company owns operating assets (inventory, restaurant equipment and furniture, etc.) that represent approximately 50% of the Selling Price at original cost basis. Goodwill and other intangible assets represent the remaining 50% of the Selling Price.

GP

Excluded Assets: • Cash in Bank

Attachment A: SandTrap Bar & Grille Inventory Items

1. Alcohol
2. Food Items
3. Kegerator
4. Large Ice Machine
5. Clover Point of Sale System
6. Kitchenware Items
7. Fold-up Tables and Chairs
8. Fooseball Table & Dart Board
9. Bar stools
10. Picnic Tables
11. Outside Grill
12. Microwave

This agreement is effective the 6th day of MARCH, 2020.

Gabriel Hynes, Manager and Member

Greg Pratt, Manager and Member

ASSIGNMENT AND ASSUMPTION OF COMMERCIAL LEASE AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION OF COMMERCIAL LEASE AGREEMENT ("Assignment") is made and entered into on April 7, 2020, by and between TEE TO GREEN PARTNERS, LLC d/b/a SAND TRAP BAR & GRILLE, a limited liability company ("Assignor"), PENMAN HOSPITALITY, LLC d/b/a SNEAKERS ON THE GREEN, a limited liability company, whose address is 111 Beach Blvd., Jacksonville Beach, FL 32250 ("Assignee"), and the CITY OF JACKSONVILLE BEACH, a municipal corporation organized and existing under the laws of the State of Florida ("City" or "Landlord").

Recitals

A. The City, and Assignor, as Tenant, entered into a certain Commercial Lease Agreement dated August 21, 2018, ("Lease") attached hereto and made a part hereof, for the lease of the Restaurant Property located at the Jacksonville Beach Golf Course located at 605 South Penman Road, Jacksonville Beach, FL 32250 as described in the Lease.
B. Assignor desires to assign to Assignee, and Assignee wishes to accept and assume, all the rights, title, interest and obligations of Assignor under the Lease.
C. Landlord consents to this Assignment Agreement and provides written consent by signature below.

WHEREAS, the Landlord consents to assignment by Assignor to Assignee by affixing its authorized representatives' signatures below and such affirmation shall be deemed to satisfy the written consent pursuant to Attachment B, Section 2 of the Lease.

NOW, THEREFORE, for and in consideration of the sum of One Dollar ($1.00) and other good and valuable consideration paid by each to the other, the receipt and legal sufficiency of which are hereby acknowledged, Assignor and Assignee do hereby covenant and agree as follows:

1. Recitals. Assignor, Landlord, and Assignee agree that each are informed and believe that the recitals set forth hereinabove are true and correct, and are incorporated into this Agreement.

2. Assignment and Assumption. **Effective as of April 7, 2020** ("Assignment Date"), Assignor grants, transfers, assigns and delegates to Assignee all of its right, title, interest and obligations of Assignor under the Lease, and, subject to the terms and conditions herein and in the Lease, Assignee accepts such assignment, assumes the Lease, agrees to pay all rent and other charges accruing under the Lease from and after the date hereof and agrees to observe and perform directly to Landlord, all of the other covenants, agreements and obligations to be observed and/or performed by the tenant under the Lease to the extent accruing and applicable to the period from the Assignment Date and after. Assignee agrees to be liable for the observance and performance thereof as fully as though Assignee was the original tenant or lessee under the Lease.

3. Representations and Warranties. Assignor and Landlord represents and warrants to Assignee that:

(a) Attachment A is a true, correct and complete copy of the Lease and there are no further modifications, amendments, supplements or understandings, oral or written, amending,

supplementing or changing the terms of the Lease *except as specifically disclosed or modified in this Agreement listed below under General Provisions*. Landlord, Assignor, and Assignee hereby ratify and affirm the terms and provisions of the Lease and further agree that the Lease, and that the terms and provisions of the Lease shall otherwise remain unchanged and remain in full force and effect.

(b) The Lease is in full force and effect, has been duly executed by Assignor and is a valid, legal and binding obligation of Assignor, enforceable in accordance with its terms.

(c) There exists no default, breach, failure of condition or event of default under the Lease, nor any event or condition which, with notice or the passage of time or both, would constitute a default, breach, failure of condition or event of default thereunder, and Assignor has, as of the date hereof, complied with all of the terms and conditions of the Lease.

(d) There exists no liability or obligation of Assignor or any other person which could be offset against or otherwise used to reduce the rental payments due thereunder.

(e) Assignor has not entered into any sublease, assignment or other agreement transferring any of its interest in the Lease except as provided herein.

(f) All base rent up to and including March, 2020, has been paid in full. As of April 7, 2020 Assignee will begin its responsibility to pay the base rent pursuant to the Lease terms.

4. Landlord's Consent to Assignment. Landlord consents to the assignment and assumption of the Lease to Assignee.

5. Release. The execution and delivery of this Agreement shall be deemed to release Assignor from any liability under the Lease arising on and after the Assignment Date.

6. Indemnity and Hold Harmless. Assignor hereby agrees to indemnify, defend and hold harmless Assignee from and against any and all claims, costs, damages, expenses and liabilities arising under the Lease until the Assignment Date. Assignee hereby agrees to indemnify, defend and hold harmless Assignor from and against any and all claims, costs, damages, expenses and liabilities arising under the Lease from and after the Assignment Date.

7. General Provisions.

(a) Time is of the essence in the performance of the parties' respective obligations set forth in this Agreement.

(b) This Assignment constitutes the entire understanding between the parties hereto with respect to the subject matter contained herein, and there have been no oral agreements or promises which have not been set forth herein.

(c) Assignee's address for notices shall be as follows in accordance with the Lease: PENMAN HOSPITALITY, LLC d/b/a SNEAKERS ON THE GREEN 111 Beach Blvd., Jacksonville Beach, FL 32250.

(d) In the event of any conflict or inconsistency between the terms and provisions of the Lease and the terms and provisions of this Agreement, the terms and provisions of this Agreement shall prevail.

(e) This Agreement shall inure to the benefit of and be binding upon the parties to this Agreement and their respective successors and assigns.

(f) If for any reason, any provision of this Agreement shall be held to be unenforceable, it shall not affect the validity or enforceability of any other provision of this Agreement and to the extent any provision of this Agreement is not determined to be unenforceable, such provision, or portion thereof, shall be, and remain, in full force and effect.

(g) This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. If any one of the parties to this Agreement bring any action against the other for the enforcement or interpretation of this Agreement, the losing party shall pay to the prevailing party the party's reasonable attorneys' fees and costs.

(h) This Agreement, including addenda, if any, expresses the entire agreement of the parties and supersedes any and all previous agreements between the parties with regard to the subject terms, and there are no warranties or representations of any kind or nature whatsoever, either expressed or implied, except as may be set forth herein. Any and all future modifications of the Lease will be effective only if they are in writing and signed by the Landlord and Assignee hereto.

(i) The parties agree to the following modifications and amendments to the Lease for which Assignee expressly agrees to be bound to and responsible for as they are intended to supersede or replace the corresponding provisions in the Lease:

Section 1. is amended to delete the requirement that TENANT agrees to lease from CITY two Golf Carts to be used for beverage sales on the Golf Course.

Section 3. (a) is amended to remove the Tenant's requirement to pay a monthly rate of $360.00 for the lease of two (2) golf carts from the City. This requirement is that Tenant will obtain a new beverage cart lease from a third party golf cart vendor and shall be responsible for the financial and maintenance responsibility of the golf carts. If Tenant purchases golf carts then the Tenant and the City may mutually negotiate and agree on a maintenance program provided by the City, at fair cost.

(j) This Assignment may be executed in multiple counterparts, each of which, when taken together, shall constitute one and the same original instrument. Execution and delivery of this Assignment by electronic means (including, without limitation, facsimile transmission and transmission of a version of the document in Adobe Acrobat format by e-mail) shall serve to fully bind the party so executing and delivering such counterpart of this Assignment.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Assignment Agreement on April 7, 2020.

ASSIGNOR:
TEE TO GREEN PARTNERS, LLC d/b/a SAND TRAP BAR & GRILLE

	Witnesses:
By:_____	Signature: _____
Print:_____	Printed Name:_____
Title:_____	Signature:_____
Date:_____	Printed Name:_____

ASSIGNEE:
PENMAN HOSPITALITY, LLC d/b/a SNEAKERS ON THE GREEN

	Witnesses:
By:_____	Signature: _____
Print:_____	Printed Name:_____
Title:_____	Signature:_____
Date:_____	Printed Name:_____

LANDLORD:

CITY OF JACKSONVILLE BEACH

Sign: _____

Print: _____
Mayor

Sign: _____

Print: _____
City Manager

Attest:

Sign: _____

Print: _____
City Clerk

JACKSONVILLE BEACH

City of
Jacksonville Beach
1460A Shetter Avenue
Jacksonville Beach
FL 32250
Phone: 904.247.6226
Fax: 904.270.1639

www.jacksonvillebeach.org

COMMERCIAL LEASE AGREEMENT

This Lease is executed on this **21st** day of **August, 2018** A.D. by and between the CITY OF JACKSONVILLE BEACH, a municipal corporation organized and existing under the laws of the State of Florida, whose mailing address is 11 North Third Street, Jacksonville Beach, Florida 32250 ("CITY"); and **TEE TO GREEN PARTNERS dba SAND TRAP BAR & GRILLE,** whose mailing address is **PO Box 896, Ponte Vedra Beach, FL 32004** ("TENANT").

In consideration of the mutual covenants contained herein, CITY and TENANT agree as follows:

1. LEASED PROPERTY.

The CITY is the Owner of the Jacksonville Beach Golf Course located at 605 South Penman Road, Jacksonville Beach, FL 32250. The restaurant is located in the Golf Course clubhouse. The TENANT desires to operate the food and beverage services in the Golf Course clubhouse and the CITY desires to grant such a lease to the TENANT.

The leased property consists of **1,853** square feet which includes an inside seating area and an outside screened-in covered patio, and is more particularly described in Attachment A to this Lease. In addition, TENANT agrees to lease from CITY two Golf Carts to be used for beverage sales on the Golf Course.

2. TERM.

(a) Initial Term: The initial term of this Lease shall be **three (3)** years, commencing on **October 1st 2018** and terminating on **September 30th 2021**. The lease is renewable for **two (2) consecutive options of four (4) years** each for a total lease term of **eleven (11) years**. Any extension thereafter is at the discretion of the City Manager.

The TENANT shall deliver written notice to the CITY of its intent to exercise the renewal options ninety (90) days prior to the expiration of the initial and any renewal lease term. TENANT can terminate the lease during the first twelve (12) months after providing the CITY sixty (60) days written notice.

(b) Property Access: TENANT may have access to the Leased Property upon signing the lease agreement prior to the lease commencement date of October 1, 2018 in order to initiate and complete renovations and improvements to the premises.

3. RENT; RENT ADJUSTMENT.

(a) Subject to the adjustment, escalation, and other provisions of this Lease and Attachment B of this Lease, TENANT shall pay to CITY, in lawful money of the United States, a total rent, during the first year of this Lease, of **$ 23,320.00** based on the following payment schedule:

		Restaurant	Carts	Total
Month 1	Oct-18	$ 0	$ 360	$ 360
Month 2	Nov-18	$ 0	$ 360	$ 360
Month 3	Dec-18	$ 1,000	$ 360	$ 1,360
Month 4	Jan-19	$ 1,500	$ 360	$ 1,860
Month 5	Feb-19	$ 1,500	$ 360	$ 1,860
Month 6	Mar-19	$ 1,500	$ 360	$ 1,860
Month 7	Apr-19	$ 2,000	$ 360	$ 2,360
Month 8	May-19	$ 2,000	$ 360	$ 2,360
Month 9	Jun-19	$ 2,000	$ 360	$ 2,360
Month 10	Jul-19	$ 2,500	$ 360	$ 2,860
Month 11	Aug-19	$ 2,500	$ 360	$ 2,860
Month 12	Sep-19	$ 2,500	$ 360	$ 2,860
Totals		**$ 19,000**	**$ 4,320**	**$ 23,320**

plus all applicable federal, state and local taxes, fees, and assessments accruing during the term of this Lease. The monthly rent for the clubhouse restaurant in the initial year shall be **$2,500.00** plus any such taxes, fees, or assessments billed for that month. This rental rate is based on **1,853** square feet of building space at a beginning rate of **$16.19** per square foot per year. In addition, TENANT shall pay a monthly rate of **$360.00** for the lease of **two (2) golf carts (at $180.00 each per month)**. Total monthly rent in the initial year to include the clubhouse restaurant and two (2) golf carts shall be **$2,860.00**. Rent shall be due on the first day of each month. Failure to pay the monthly rent in full by the tenth day of each month shall result in the assessment of a late charge of five percent (5%) of the amount then owing or $50.00, whichever is greater.

In the initial lease year, rent for the clubhouse restaurant shall be staggered to include the following monthly payment schedule: no rent for the clubhouse in the first two months, for month three, the clubhouse rent shall be One Thousand Dollars ($1,000.00) per month; for months four through six the clubhouse rent shall be One Thousand Five Hundred Dollars ($1,500.00) per month; for months seven through nine the clubhouse rent shall be Two Thousand Dollars ($2,000.00) per month; for months ten through twelve rent for the clubhouse restaurant shall be Two Thousand Five Hundred Dollars ($2,500.00) per month.

Rent for the two (2) golf carts shall be Three Hundred and Sixty Dollars ($360.00) in the first month and all consecutive months in the first year of the lease.

(b) Failure by TENANT to timely pay any rent (property or golf cart), penalties or taxes due will be considered a material breach of the Lease and will be justification for the CITY to immediately terminate the Lease. If the CITY terminates the Lease, TENANT agrees to immediately vacate the Property upon receipt of such termination notice and request by the CITY to vacate.

(c) At the expiration of this Lease, ownership interest in all structures and improvements (fixtures) made by TENANT, shall vest to the CITY. These fixtures shall consist of equipment and accessories listed in Attachment "D" including any structures built and improvements made by TENANT upon the Leased Premises during the initial term, and during the option periods, if applicable.

4. STANDARD PROVISIONS.

The Standard Lease Provisions for the Golf Course Restaurant set forth in Attachment B to this Lease and entitled "Standard Lease Provisions for the Golf Course Restaurant," are incorporated into and made a part of this Lease.

5. SPECIAL PROVISIONS.

To the extent that any of the following Special Provisions are in conflict with any other provision of this Lease, the Special Provision shall govern.

a) The CITY grants to TENANT and TENANT accepts from the CITY an

exclusive permit to operate at the Jacksonville Beach Golf Course during the hours and terms as authorized by the CITY, the food and beverage services as they are hereinafter described.

b) TENANT agrees to keep all accounts owed to the CITY on a current basis.

c) TENANT agrees to maintain and operate all services provided for in this permit in a manner satisfactory to the CITY and at all applicable ordinances, codes, rules, regulations, and laws of the Federal, State and local government. Failure to comply with any of these Federal, State, and local government guidelines within forty-eight (48) hours, after TENANT receives written notice from the CITY of failure to conform, shall result in immediate termination of this contract. If TENANT is convicted of any criminal activity, this may result in immediate termination of contract.

d) **CONCESSIONS:**

Concessions for which this lease is granted are as follows:

i. **Lounge and Restaurant:**

Exclusive right to sell food and beverages for consumption on the premises. The lounge and restaurant shall be of the type offering food and services comparable to that of the better golf course lounge and restaurant bar installations in the area, and will be expected to comply with standards of quality established by the CITY.

ii. **Beverage License:**

TENANT is authorized to engage in the sale of alcoholic beverages for the consumption by restaurant patrons and nonresident guests on the premises only. Ownership of the beverage license belongs to the CITY.

iii. **Vending Machines:**

TENANT may have exclusive right for all vending machines in the leased premises.

e) Ad valorem and non-ad valorem taxes shall be paid to the City of Jacksonville Beach on an annual basis pursuant to paragraph 18(b) of the Standard Lease Provisions for Golf Course Restaurant set forth in Attachment B to this Lease.

f) The TENANT shall have the exclusive right to use the areas designated for receipt, storage, preparation, and other work directly related to this lease during working hours and the said TENANT shall maintain said areas in a clean and orderly condition with said condition being determined by the CITY. The leased property can only be used for the restaurant/lounge and for no other use without the prior written consent of the CITY.

g) **EQUIPMENT and FACILITIES:**

The TENANT shall furnish all linen, cutlery, glassware, tableware, dishes, paper goods, kitchen utensils, silverware, and kitchen pots and pans as well as all similar equipment necessary for proper food services

purposes at the facilities covered by this permit. The sole exception to the above equipment to be furnished by the TENANT is the list of the equipment owned by the CITY attached hereto, marked Attachment "C" and by reference made a part hereof.

Prior to TENANT taking possession of the equipment listed in Attachment "C" to the Agreement, the equipment will be inspected and serviced by a third party service provider selected by the CITY and at the CITY's expense. The service provider hired and paid by the CITY shall certify in writing that the equipment is in good working condition and provide an estimated time period that each piece of equipment has remaining to be fit for use in the clubhouse restaurant. A copy of the written certification is to be provided to the TENANT. Thereafter, the TENANT shall, on at least a quarterly basis, have the equipment cleaned and maintained.

To the extent the TENANT repairs any equipment listed in Attachment "C", TENANT, with the CITY's approval, shall be entitled to deduct the cost of repairing such equipment from the monthly rent, and shall provide a copy of the repair invoice to the CITY. Should the TENANT replace the equipment, TENANT shall be entitled to take such equipment with it at the end of the lease term, but will not be allowed to deduct the replacement cost from any monthly lease payment.

TENANT may use all of the equipment listed on Attachment "C" and shall properly maintain and repair the said equipment and when required by the CITY, at the termination of the agreement, the TENANT shall

return to the CITY all of the equipment listed on Attachment "C" in good and operable condition.

Any equipment listed on Attachment "C" that is not used by the TENANT shall be stored by the TENANT at the TENANT's expense and shall upon the termination of this agreement be returned to the CITY at TENANT's sole cost and expense.

h) **DESIGNATION OF MANAGER**:

If the TENANT shall personally serve in the capacity of manager of the premises, then in that event, the TENANT must be on the premises a minimum of sixty percent (60%) of the time that the premises are open for business. This time may be increased by the CITY, if in the CITY's opinion business warrants such an increase. However, if the TENANT does employ and designate a manger, the manager shall devote full time to managing the premises that are the subject matter of this permit.

i) **PERMITS AND LICENSES**:

TENANT must secure and keep current, at their sole cost, all licenses required to do business in the City of Jacksonville Beach, Duval County and the State of Florida, except the state alcoholic beverage license. The State liquor license will be purchased by the CITY and is owned by the CITY. Copies of all licenses and permits must be supplied to the City Manager's Office and Golf Professional. (License Type Series 11CG – for consumption on the premises only).

j) **HEALTH, FIRE and SAFETY REGULATIONS:**

All persons handling food must at all times have current food handling permits. Copies of all permits shall be filed with the Golf Course Manager. The TENANT must keep all assigned premises clean to the satisfaction of the CITY. All refuse and waste materials created in the exercise of this permit shall be removed by the TENANT to designated collection points to be removed by the CITY. All State, County and City fire, health and safety regulations shall be strictly complied with by the TENANT.

k) **DESTRUCTION OR DAMAGE TO PROPERTY:**

If, during the term of this lease, or any renewal thereof, the demised premises shall be substantially destroyed by fire, the elements or any other cause not the fault of the TENANT, then this permit, at the option of the TENANT and upon notice in writing to the CITY, shall cease and terminate, and each party shall be released from further obligation hereunder, and the CITY shall refund to TENANT any portion of the monthly rent paid in advance and not available at the time of such destruction.

If, however, during the term hereof, the said premises shall be only partly destroyed by fire, the elements or any other cause not the fault of the TENANT, then the CITY shall repair such premises as speedily as possible at the CITY's expense, and until the completion of such repairs TENANT shall be entitled to a reduction of rent in proportion to the amount of floor space of which TENANT is deprived the use while such repairs are being made.

l) **DAYS AND HOURS OF OPERATION:**

TENANT shall keep the restaurant/lounge open daily, including Sundays and holidays. The minimum hours of operation should be 7:00 AM to 7:00 PM each day the Golf Course is open. If the Golf Course closes due to inclement weather, the concession may also close for the same period. Special Events or unusual extended open hours shall be approved by the City Manager or his/her designee, at their sole discretion. TENANT may close the restaurant on Christmas Day.

m) **QUALITY OF GOODS AND SERVICES:**

Service to the public, with goods and merchandise of the best quality at reasonable charges, is of prime concern to the City of Jacksonville Beach and is considered a part of the consideration for this agreement. Therefore, TENANT agrees to operate and manage the restaurant / lounge services and facilities offered in a first-class manner, and comparable to other first-class golf courses in the area as to food, service and condition of facilities and to the satisfaction of the City of Jacksonville Beach. TENANT shall furnish and dispense food and beverages of the best quality and shall maintain a high standard of service without discrimination.

TENANT agrees that the quality of all goods sold and all services rendered by TENANT shall be subject to the approval of the CITY.

n) **STAFF:**

TENANT shall maintain an adequate and proper staff to operate the

restaurant/lounge in a businesslike manner. TENANT shall designate one (1) member of said staff as a Manager with whom the CITY may deal on a daily basis for that operation. Any person selected by TENANT as a Manager shall be skilled in the management of businesses similar to the restaurant/lounge and shall be subject to the approval of the CITY. The Manager shall devote substantial time and attention to the management of the operation and render such services and convenience to the public as required. The Manager shall be fully acquainted with the operation, familiar with the terms and the conditions prescribed therefore by this agreement, and authorized to act and make decisions and to represent TENANT in all matters pertaining to the day-to-day operation and management of the restaurant/lounge.

The CITY may at any time give TENANT written notice to the effect that the conduct or action of a designated employee or the manager of TENANT is, in the reasonable belief of the CITY, detrimental to the interest of the public patronizing the restaurant/lounge premises. TENANT shall immediately replace said employee or manager or make arrangements with the CITY to correct the conduct or action.

The TENANT and/or designated manager and all key employees are required to attend **T.I.P.S**. programs. Verification of attendance and completion certifications are to be given to the City Manager or his designee.

TENANT further agrees that, if requested by the CITY, all non-management personnel of TENANT shall, while on duty, wear a

uniform, badge or other identifying insignia by which they may be known as an employee or representative of TENANT.

o) **MANAGEMENT:**

The City Manager or his designee are empowered to enforce the CITY's interest in this lease and the operation of the restaurant/lounge. The City Manager or his/her designee will oversee day-to-day operations. Any problems, communications, or requests must come through these individuals for proper resolution.

Any attempt by TENANT to avert or circumvent management will be found in violation of this contract and will make said contract subject to cancellation.

p) **CONFLICT OF INTEREST:**

TENANT warrants and covenants that no official or employee or business entity of the City has been employed or retained by TENANT to solicit or aid in the procuring of the permit or will be employed or otherwise benefit from the permit.

q) **ANTI-DISCRIMINATION:**

The TENANT shall not discriminate against any employee or applicant for employment in the performance by this permit with respect to hire, tenure, term, conditions, or privileges or employment or any matter directly or indirectly related to employment, because of sex, race, color, religion, national origin, or ancestry. The TENANT understands and agrees that the Jacksonville Beach Golf Course is primarily for the use

of the public and the public's rights to such use shall not be infringed upon by any activity of the TENANT. The activities of the TENANT shall be such as to render service to the public in a dignified manner; no pressure, coercion, or persuasion shall be done by the TENANT.

r) **GREASE:**

The CITY shall be responsible for the cost of emptying the grease traps and shall provide such service to the leased premises. The services shall be provided on a quarterly basis.

s) **ASSIGNMENT:**

TENANT shall be allowed to transfer its stock and/or assets and change management and those policy making individuals, provided such transfer is made to individuals with at least five (5) years minimum restaurant related experience, at the consent of the CITY which shall not be unreasonably withheld.

6. INTEGRATION; AMENDMENTS.

a) This written Lease Agreement and Attachments "A", "B", "C" and "D" contain the entire Agreement of the undertakings by and between the parties hereto relative to the leasing of the premises. No prior or present agreements, representations, statements, or promises, whether oral or written, made by any party or agent of any party hereto which is not contained herein shall be binding or valid.

b) No provision of this written Lease or Attachments "A", "B", "C" and "D" may be amended, extended or modified except by written instrument executed by all parties to this Lease.

IN WITNESS WHEREOF, we the CITY and TENANT have hereunto affixed our hands and seals.

CITY OF JACKSONVILLE BEACH

ATTEST:

Sign: _____

Print: Laurie Scott
City Clerk

CITY:

Sign: _____

Print: William C. Latham
Mayor

Sign: _____

Print: Karen W. Nelson
Deputy City Manager

STATE OF FLORIDA
COUNTY OF DUVAL

TEE TO GREEN PARTNERS dba SAND TRAP BAR & GRILLE

Sign: _____ Sign: _____

Print: _____ Print: _____
Title: managing member Title:

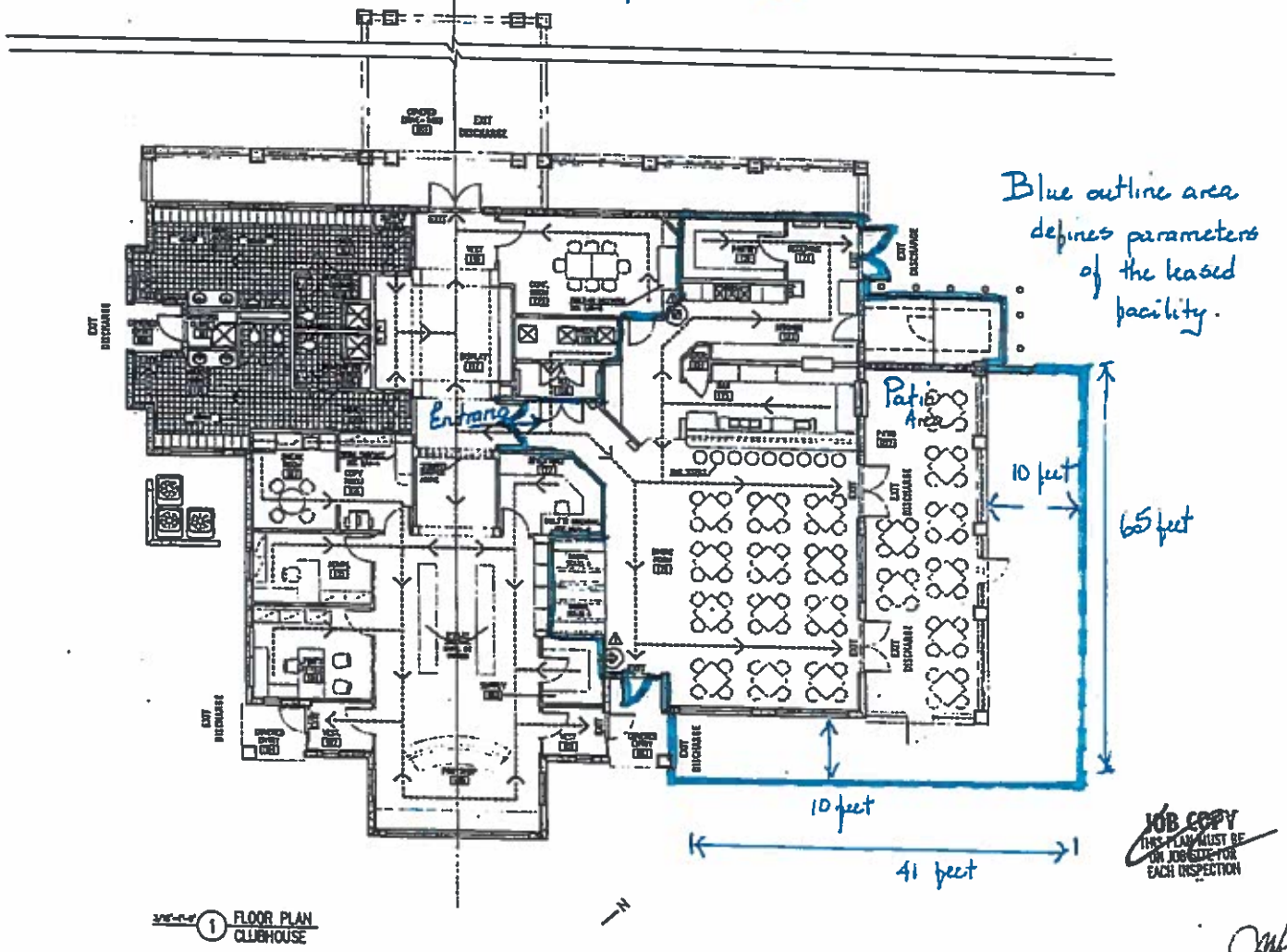
[AFFIX CORPORATE SEAL HERE]
STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this _____ day of ____ _____, 20____, by _____ and _____ on behalf of the City. They are personally known to me or produced _____ as identification and did/did not take an oath.

NOTARY PUBLIC:
Sign: _____
Print: _____
State of Florida at Large [SEAL]
My Commission Expires:

Attachment "A" : to commercial lease agreement

Jacksonville Beach Golf Course Restaurant



City of
Jacksonville Beach
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ATTACHMENT B

STANDARD LEASE PROVISIONS FOR THE GOLF COURSE RESTAURANT

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STANDARD LEASE PROVISIONS FOR GOLF COURSE RESTAURANT

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ATTACHMENT B

STANDARD LEASE PROVISIONS FOR GOLF COURSE RESTAURANT

1. **RENTAL ADJUSTMENT:**

(a) Annual rental adjustment: Beginning on **the month of the following** year in which the Lease is executed, and annually on each **year** thereafter, including any option for renewal exercised under the Lease, the rent shall be increased by **4%**.

2. **ASSIGNMENT:**

TENANT shall not, either directly or indirectly by any means, assign, sublease or transfer the Lease or any interest therein, or any portion of the Leased Premises, including any improvements thereon, without the express prior written consent of the CITY. In no event shall the granting of consent to one or more assignments, subleases or transfers constitute a waiver of CITY's right to refuse consent as to subsequent assignments, subleases or transfers. Stock transfers or asset transfers which change the management or policy making individuals of the corporation shall be considered an "indirect transfer" of the Lease, requiring the express written consent of the CITY.

3. **ALTERATIONS:**

TENANT shall not make any alterations, changes, additions or improvements to the Leased Premises without the express written consent of the CITY. If, because of any act or omission of the TENANT, his successors or assigns, any mechanics, material men, laborers or other liens or other order for payment of money shall be filed against the Leased Premises, or any part thereof, or against the CITY, then the TENANT shall, at TENANT's own cost and expense, cause the same to be canceled and discharged of record, and further shall indemnify and hold harmless the CITY from and against any and all costs, expenses, claims, losses or damages, including reasonable attorney's fees, resulting therefrom or by reason thereof.

4. **CITY'S LIABILITY LIMITATION:**

(a) TENANT represents that TENANT has inspected the Leased Premises, any improvements located thereon, and the roadways and any other means of ingress and egress from the Leased Premises. TENANT accepts the condition of the Leased Premises and fully assumes all risks incidental to the use of the roadways, and the Leased Premises. CITY shall not be liable to TENANT's agents, employees, visitors, guests or invites from any cause or condition whatsoever. CITY makes no warranty of the suitability of the Leased Premises for the use contemplated herein.

(b) CITY shall not be liable to TENANT for any claim for compensation or any losses, damages or injuries sustained by TENANT resulting from failure of any water supply, heat or electrical current, whether on the surface or underground, including stability, moving, shifting, settlement or displacement of materials by fire, water, windstorm, tornado, act or state of war, civilian commotion or riot, or any other cause

beyond the control of the CITY.

5. **INDEMNIFICATION:**

TENANT agrees to indemnify and hold harmless CITY of and from, any and all actions, claims, losses, and litigation including all costs and attorney's fees, arising out of or connected with TENANT's occupancy or use of the Leased Premises, except with respect to any conditions which are in CITY's sole control, or which are caused by CITY's negligent or willful acts. TENANT further agrees to hold CITY harmless for the loss of, or damage or destruction to, any property stored within the Leased Premises. Unless explicitly provided herein, no provision of this Attachment B or any other Lease provision shall abridge, restrict or otherwise modify TENANT's obligation to indemnify and hold harmless CITY as provided herein.

6. **INSURANCE:**

(a) The TENANT shall procure, maintain and pay for a Commercial General Liability insurance policy providing coverage which protects the CITY and TENANT, from claims arising from bodily injury, property damage, operations, premises and fire legal liability. This insurance policy shall have a combined single limit of not less than $1,000,000.00. CITY shall be named as an "additional insured" under said policy. TENANT shall insure that the CITY is provided a minimum of thirty (30) days' notice of any policy change or amendment, including cancellation. TENANT's insurance, including that applicable to the CITY as an additional insured, shall apply on a primary basis and any other insurance maintained by the CITY shall be in excess of and shall not contribute with TENANT's insurance.

(b) TENANT shall provide, maintain and pay for a property insurance policy providing coverage for the demised premises of which any buildings are a part, including any improvements and betterments which may be insurable as part of the realty. Said property insurance shall cover the improvements and betterments from loss due to fire, windstorm, and any other peril included in the broadest available standard form of extended coverage. Coverage shall be in an amount sufficient to meet the co-insurance requirements of the policies, but not less than the full insurable value thereof. Deductibles for all perils shall not be greater than $1,000.00. The policy shall be endorsed to make any loss payments payable jointly to the CITY and TENANT for losses covered under such policies. TENANT shall have the right to use the proceeds of any such policy in the event of loss to repair or replace the damaged or destroyed buildings, improvements, betterments and equipment; otherwise, the entire proceeds of such policy shall become payable to the CITY.

(c) TENANT shall provide the CITY with certificates of insurance stating that the required coverages are in force within ten (10) days after execution of the Lease, and annually thereafter. TENANT shall supply proof of insurance subject to all requirements of this Section to the CITY for any CITY-approved subleases at the inception of the sublease and annually thereafter as long as the sublease remains in effect.

(d) Recognizing the extended term of this contract, TENANT agrees that the CITY shall have the right to periodically review the adequacy of the required insurance and amend the insurance requirements of this section. Factors which may be considered include but are not limited to changes in generally accepted insurance industry standards and practices, changes in TENANT's use of the premises, measurable changes in local

and national economic indicators and changes in City policies and procedures.

7. USE OF LEASED PREMISES; RESTRICTIONS ON USE:

(a) TENANT agrees to observe and obey all laws, ordinances, rules and regulations promulgated and enforced by the CITY and by any other proper authority having jurisdiction over the conduct of operations on the premises. Further, TENANT agrees that TENANT shall not occupy or use or permit or suffer the Leased Premises or any part thereof, to be occupied or used for any unlawful or illegal business or purpose, nor in such manner as to constitute a nuisance of any kind, nor for any purpose or in any way in violation of any laws, rules, requirements, orders, ordinances, regulations of the United States of America, or of the State, County, or City government, or their administrative boards or agencies.

(b) TENANT may use the Leased Premises for uses permitted in the zoning district in which the property is located, and in conformance with a site plan and uses approved by the CITY and subject to applicable laws and ordinances.

(c) TENANT may ONLY use the Leased Premises for a **restaurant/lounge.**

(d) Any and all decorations, pictures, signage, banners, etc. are subject to approval by the City Manager or his designee.

8. CONSTRUCTION OF IMPROVEMENTS:

(a) TENANT shall submit a detailed plan for building improvement within thirty (30) days of the approval of the Lease, and shall diligently pursue site plan approval.

(b) Notwithstanding subsection (a) above, if TENANT fails to receive site plan approval within ninety (90) days after the effective date of the Lease, CITY may elect to terminate the lease. If CITY elects to terminate the Lease due to TENANT's failure to obtain site plan approval:

(1) CITY shall have the right to immediately reenter and take possession of Leased premises; and

(2) All title to and interest in any structures built and improvements made TENANT upon the Leased premises shall vest in CITY.

(c) If the project intended for construction on the Leased Premises is a phased project, all construction and phasing shall be in accordance with the applicable laws and ordinances relating to such construction.

(d) Title to all permanent structures shall vest with the CITY at the expiration of the Lease.

9. RESPONSIBILITY FOR AND MAINTENANCE OF LEASED PREMISES:

TENANT shall be responsible for and shall maintain, repair, or replace all fixtures and shall be responsible for the maintenance and repair of all equipment and appliances that the TENANT owns or uses. For all areas used or occupied by the TENANT, the TENANT shall supply all janitorial services and supplies that are necessary to maintain the facility in the proper state of cleanliness satisfactory to the Owner. If the TENANT fails to maintain the proper repairs, replacements, or cleanliness, the CITY shall give

notice in writing of any violations. The TENANT shall then have twenty-four (24) hours, after notification by the CITY within which to correct violations.

The CITY will only be responsible for repairs to the building, HVAC, electrical and plumbing systems. Any other repairs shall be the responsibility of the TENANT. The sanitary criteria shall be determined by the City and County Health Departments, with TENANT being responsible for any and all penalties incurred for violations.

TENANT shall not make alterations in or to the premises without first obtaining the written consent of the City Manager, said consent at the City Manager sole discretion. All additions or fixtures, except TENANT's movable trade fixtures not attached to the realty, shall thereafter become the property of the CITY.

TENANT shall be responsible for maintaining and cleaning the floor in the lounge and restaurant area; this includes all carpeted and tiled surfaces. Additionally, TENANT shall be responsible for providing supplemental pest control services which shall be in addition to the monthly service the CITY provides to the restaurant and lounge. Due to the preparation and storage of foodstuffs, an intensive pest control effort, evidenced by paid receipts, shall be required.

In addition to the regular State of Florida food service inspections, additional inspections will be made by the CITY, or it's designee, to determine the condition of the premises, equipment, personnel and services. A written report of the findings of any inspection will be furnished to the TENANT. TENANT shall within two (2) days of receiving these reports, furnish to the City Manager's Office or his designee, in writing, all action taken by TENANT to comply with the report, if needed.

The CITY may from time to time hire an outside consultant, knowledgeable in food and beverage service, to conduct a thorough inspection of the facility. This outside consultant will prepare a written report for the City Manager's Office and will provide copies to the Golf Professional and the report and recommendations may be part of the CITY's findings as referred above.

10. REMEDIES:

The CITY's remedies contained in this Lease are in addition to the rights of the CITY under Florida statutes governing nonresidential landlord-tenant relationships and to all other remedies available at law or in equity to the CITY.

(a) Remedies for Nonpayment of Rent or Additional Payments. The CITY has the same remedies for the TENANT's failure to pay rent as for the TENANT's failure to make any other payments required herein.

(b) Abandonment of Premises or Delinquency in Rent. If the TENANT abandons or vacates the Leased Premises before the end of the Lease term, or if the TENANT is in arrears in rent payments, the CITY may cancel this Lease. On cancellation, the CITY is entitled to enter the Leased Premises as the TENANT's agent, whether by force or other means, to re-lease the Leased Premises. The CITY will incur no liability for the entry. As the TENANT's agent, the CITY may re-lease the Leased

Premises with or without any furniture or personal property that may be in it, and the re-leasing may be made at such price, on such terms, and for such duration as the CITY determines and for which the CITY receives rent.

(c) Dispossession on Default. If the TENANT defaults in the performance of any covenant or condition of this Lease, including the TENANT's responsibility for maintenance more fully set forth under Paragraph 9, the CITY may give the TENANT written notice of that default. If the TENANT fails to cure a default in the payment of rent or additional rent within ten (10) days or fails to cure any other default within ten (10) days after written notice is given, the CITY may terminate this Lease. Termination of this Lease may occur only after the CITY gives not less than ten (10) days advance written notice to the TENANT. On the date specified in the notice, the term of this Lease will end, and the TENANT will quit the Leased Premises and surrender the Leased Premises to the CITY, except that the TENANT will remain liable as provided under this Lease. On termination of the Lease, the CITY may reenter the Leased Premises without notice and by force or otherwise to dispossess the TENANT, any legal representative of the TENANT, or any other occupant of the Leased Premises. The CITY may retake possession through summary proceedings or otherwise, and the CITY will then hold the Leased Premises as if this Lease had not been made. The TENANT waives TENANT's right to receive notice of the CITY's intention to reenter and/or institute legal proceedings for repossession of the Leased Premises.

(d) Damages on Default. If the CITY retakes possession the CITY has the following rights:

(1) The CITY is entitled to the rent and any additional amounts that are due and unpaid, and those payments will become due immediately, and will be paid up to the time of the reentry, dispossession, or expiration, plus any expenses that the CITY incurs for legal expenses, attorneys' fees, brokerage costs, returning the Leased Premises to good order, and preparing the Leased Premises for re-rental, plus interest on rent and additional rent then due at the maximum interest rate permitted by law.

(2) The CITY is entitled to re-lease all or any part of the Leased Premises in the CITY's name or otherwise, for any duration, on any terms, including but not limited to any provisions for concessions or free rent, or for any amount of rent that is higher than that in the subject Lease.

(e) Bankruptcy or Insolvency. If the TENANT becomes insolvent or if bankruptcy proceedings are begun by or against the TENANT before the end of the Lease term, the CITY may immediately cancel this Lease as if the TENANT had defaulted. Without affecting the CITY's rights under this Lease, the CITY may accept rent from a receiver, trustee, or other judicial officer who holds the property in a fiduciary capacity. No receiver, trustee, or other judicial officer is entitled to receive any right, title, or interest in or to the Leased Premises under this paragraph. For purposes herein, TENANT shall be considered "insolvent" if:

(1) TENANT shall file in any court, or there shall be filed by or against TENANT in any court pursuant to any statute, either of the United States or any state, an adjudication in bankruptcy or insolvency or for reorganization, or for the appointment of a Receiver of TENANT's property, or if TENANT shall dissolve or

commence any action or proceeding for dissolution or liquidation;

(2) TENANT's property shall be taken by any governmental officer or agent pursuant to statutory authority for the dissolution or liquidation of TENANT;

(3) TENANT shall make an assignment for the benefit of creditors; or

(4) TENANT shall be adjudicated a bankrupt, or a receiver or trustee shall be appointed for the liquidation or reorganization of TENANT.

11. TERMINATION:

At the expiration of this Lease or earlier termination hereof, TENANT shall peaceably and quietly leave, surrender and deliver to CITY the Leased Premises broom-clean, together with any building and improvements, including all alterations, changes, or additions which may have been made upon the Leased Premises, except any unfixed personal property put in at the expense of TENANT, in thorough repair and good order and safe condition. TENANT shall remove all of TENANT's unfixed personal property from the Leased Premises upon termination. If TENANT fails to remove TENANT's unfixed personal property within fifteen (15) days after the CITY's written notice to TENANT, such property shall be deemed to have been abandoned. The CITY may appropriate, sell, store, destroy or otherwise dispose of any abandoned property without notice to TENANT and without obligation to account therefor.

12. HOLDOVER TENANCY:

If the TENANT remains in possession of the Leased Premises after the Lease expires or terminates for any reason:

(a) TENANT will be deemed to be occupying the Leased Premises as a TENANT from month-to-month at the sufferance of the CITY. The TENANT will be subject to all of the provisions of this Lease, except that, at the CITY's discretion, the base rent will be at a monthly rate equal to twice the amount of a single monthly installment of fixed rent at the rate in effect for the last month of the term of this Lease;

(b) TENANT shall reimburse the CITY for any additional damages which the CITY suffers by reason of TENANT's continued occupancy; and

(c) TENANT shall indemnify the CITY from and against all claims made by any succeeding tenant insofar as such delay is occasioned by TENANT's failure to surrender the Leased Premises.

13. ENVIRONMENTAL PROVISIONS:

(a) The TENANT shall be solely responsible for all such costs and expenses which arise out of environmental contamination for which the CITY may be held liable caused by the TENANT, the TENANT's agents, employees, contractors, or invites during any prior or current tenancy or occupancy of the Leased Premises or any portion thereof.

(b) The parties' responsibilities, obligations, and liabilities pursuant to this Lease shall survive the expiration or early termination of this Lease.

(c) Nothing in this Lease shall be deemed to be a waiver of the CITY's right to take action against responsible parties for remediation of or payment for environmental contamination on the Leased Premises, nor be deemed to be an assumption by the CITY of the responsibility for such remediation or payment, except as may be imposed on the

CITY as a matter of law.

(d) The TENANT acknowledges that remediation steps taken to correct any environmental contamination may extend over a number of years and may cause inconvenience and business interruption to the TENANT. The CITY shall not be liable to the TENANT in any manner for such inconvenience and disruption.

(e) Except as properly permitted under federal, state and local laws and rules and regulations, TENANT shall not conduct nor permit or authorize to any other person, the generation, storage, treatment, or disposal of any hazardous materials (as defined under federal, state, and local environmental laws), on or in any location that might adversely affect or contaminate the Leased Premises. This paragraph shall not apply to properly permitted storage, if any, allowed under the terms of this Lease.

(f) The TENANT shall store, utilize and dispose of all industrial, domestic, hazardous, and solid wastes permitted under the terms of this Lease in accordance with applicable federal, state, and local laws, rules, and regulations.

(g) TENANT shall promptly provide the CITY written notice of any spill or release of hazardous materials at or from the Leased Premises

(h) TENANT shall not install or utilize any irrigation wells on the Leased Premises without the written permission of the CITY.

(i) In the event that any environmental condition or any hazardous materials prohibited by or actionable under applicable law should now or hereafter arise from, contaminate, or be located on the Leased Premises (regardless of the source of such condition or materials), TENANT hereby agrees, at its expense, to forthwith (1) remove said materials from the Leased Premises; (2) comply with any and all orders or directives of any federal, state, city or local agency or department relative thereof; and (3) return the Leased Premises to proper condition without any diminution in the value thereof.

(j) Failure of TENANT to comply with the obligations of this section shall constitute a default under the Lease.

14. NOTICES:

(a) The CITY hereby designates the City Manager or his/her designee as its official representative with the full power to represent the CITY in all dealings with TENANT in connection with the Leased Premises. CITY may designate by notice in writing, addressed to TENANT, other representatives from time to time and such notice shall have the same effect as if included in the terms of the Lease.

(b) Notice to the CITY as herein provided shall be sufficient if sent by registered mail, postage paid, to the Parks and Recreation Department, City of Jacksonville Beach, 2508 South Beach Parkway, Jacksonville Beach, Florida 32250, and notice to TENANT in the same manner shall likewise be sufficient if addressed to TENANT at the address of the Leased Premises or such other addresses as may be designated by the CITY or TENANT in writing from time to time.

15. REAL ESTATE COMMISSION:

The CITY and TENANT each covenant and warrant to the other that they have not authorized any person, firm, or corporation as a real estate agent or broker to deal on behalf of such party with respect to the Lease. TENANT agrees to indemnify and hold

harmless CITY from any claim for remuneration, commissions or broker's fees arising out of this transaction and Lease.

16. ENTRY OF LANDLORD:

The CITY may enter the Leased Premises for the following purposes:

(a) To inspect or protect the Leased Premises;

(b) To determine whether TENANT is complying with the applicable laws, orders or regulations of any lawful authority having jurisdiction over the Leased Premises or any business conducted therein; or

(c) To exhibit the Leased Premises to any prospective tenant when TENANT is in default of the Lease or has notified the CITY of intention to terminate the Lease or during the last six (6) months of the term of the Lease. No authorized entry by CITY shall constitute an eviction of TENANT or deprivation of TENANT's rights under the Lease; nor shall such entry alter CITY'S obligations hereunder or create any right in CITY averse to TENANT's interest hereunder.

17. CONSTRUCTION:

The Lease shall be governed by and construed in accordance with the laws of, or applicable to, the State of Florida.

18. MISCELLANEOUS PROVISIONS:

(a) TENANT agrees that no signs or advertising matter may be erected on the Leased Premises without the consent of the City Manager or his/her designee and the issuance of a sign permit by the City of Jacksonville Beach Planning & Development Department.

(b) TENANT shall pay all legal taxes of any nature, including but not limited to, ad valorem and non-ad valorem taxes, impact fees, and assessments against the Leased Premises and the buildings placed on the premises by the TENANT accruing during the term of this Agreement or any renewal thereof. All ad valorem and non-ad valorem taxes shall be paid to the City of Jacksonville Beach on an annual basis.

(c) TENANT expressly agrees for TENANT and TENANT's successors and assigns, that no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; that in the construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination; that the TENANT and TENANT's successors and assigns shall use the premises in compliance with all other requirements imposed by City, State or Federal laws; That in the event of breach of any of the above mentioned nondiscrimination laws, the CITY shall have the right to terminate the Lease and to reenter and as if said Lease had never been made or issued.

(d) TENANT shall be responsible for furnishing and paying for all utility services used by TENANT. TENANT agrees that all utility services or other energy management services shall be purchased from the City of Jacksonville Beach.

JACKSONVILLE BEACH

City of
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Jacksonville Beach
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Fax: 904.270.1639

www.jacksonvillebeach.org

ATTACHMENT C

Qty.	DESCRIPTION	LOCATION
1	Combo, Walk-in Cooler Freezer Unit	Kitchen
1	Small Work Table	Kitchen
1	Small-Single Hand Sink	Kitchen
1	Large Work Table	Kitchen
1	Food Slicer	Kitchen
1	Microwave Oven	Kitchen
1	Microwave Shelf	Kitchen
1	Refrigerator (Sandwich/Salad Prep.)	Kitchen
1	Small Work Table	Outside Storage
1	Hot Dog Grill	Bar Area
1	Gas Fryar (Deep Fat)	Kitchen
1	Gas Griddle	Kitchen
1	Gas Broiler (Under-Fired)	Kitchen
1	Refrigerator (Shorty)	Kitchen (under Grill)
1	Exhaust Hood	Kitchen
1	Kitchen Sink (Large 3 compartment)	Kitchen
1	Wall Mount Shelf	Kitchen (over sink)
1	Refrigerated Glass Front Display Case	Bar Area
1	Froster / Chiller, Glass/Mug/Plate	Bar Area
1	Beer Dispenser	Bar Area
1	Popcorn Machine	Bar Area
1	Bottle Cooler	Bar Area
1	Cocktail Station/Blender Module	Bar Area
1	Under Bar Sink (small 3 compartment)	Bar Area
1	Under Bar Add-On Unit	Bar Area
1	Large Work Table	Kitchen/Bar Area

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ATTACHMENT D

The following renovations and capital improvements are planned for the Golf Course restaurant facility:

1. Construct a half wall, five (5) feet high, approximately twenty (20) feet long, to separate the grill room from the bar area. The wall will include a counter-top on the bar side and bench seating running the length of the wall on the grill room side.

2. Refinish the current bar top and front wall at the bar with reclaimed wood. Bar counter to include resin finish.

3. Construct shelving for liqueur storage on the bar wall.

4. Build a staging area to fit the current enclave area, to include three electric outlets and new lights.

5. Refinish grill room wall space with stone paneling.

6. Refinish interior patio walls with reclaimed wood.

7. Remove all bushes from the patio perimeter.

8. Invest in the following equipment and accessories:

   a) Dishwasher
   b) Ice Machine
   c) Pizza Conveyor Oven
   d) POS System
   e) Beer Cooler and Sink
   f) Keg Dispenser System
   g) Bar Stools, booths, tables and chairs
   h) TV sets and Stereo System

The CITY and TENANT agree to equivalent participation in the above described improvements. However, the CITY's participation shall be limited to a maximum matching contribution of $25,000. The TENANT agrees to purchase the equipment and accessories listed above. After the first year, this equipment shall be incorporated in Attachment "C" and ownership will vest with the CITY.

JACKSONVILLE BEACH

City of
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Fax: 904.247.6143

www.jacksonvillebeach.org

MEMORANDUM

TO: Michael J. Staffopoulos, City Manager

FROM: Jason Phitides, Director Parks & Recreation

SUBJECT: Great Atlantic Music Festival Extension

DATE: March 26, 2020

BACKGROUND

The Great Atlantic Music Festival is a popular annual country music festival that has a long history in Jacksonville Beach. By tradition, it is held in late spring each year. This year the festival is scheduled for Saturday, June 13. The event is produced by Jax Beach Festivals, who also produce Springing the Blues Music Festival.

Springing the Blues (also produced by Jax Beach Festivals) was canceled this year due to the COVID-19 pandemic. It would have been the 30th anniversary of one of the City's most popular events. The event producer, along with many sponsors, vendors and others associated with the festival, suffered financial hardship due to its cancellation.

In order to partially mitigate hardships associated with the cancellation of Springing the Blues, Jax Beach Festivals is requesting a one-time exception to the Special Events Policy, to allow an additional day to be added to the Great Atlantic Music Festival in June this year.

The City's Special Events policy restricts the length of festivals to the following:

- Two (2) days from October through February.
- One (1) day from March through September.

An exception was provided for Springing the Blues due to the City's long-standing sponsorship and history with this festival. The policy permits three (3) days for this event, which usually occurs in early April.

If approved, the event would take place on Saturday, June 13 and Sunday, June 14, 2020. Jax Beach Festivals would be responsible for all additional costs associated with the additional day and for having all necessary permits and insurance in place for the full 2-day Festival.

REQUESTED ACTION

Approve/Disapprove a one-time exception to the Special Events policy to allow the Great Atlantic Music Festival to add one (1) additional day, Sunday, June 14 to the event currently scheduled on June 13, 2020.

03/25/20

To: Mayor Latham and members of the City Council

From: Sam Veal, Executive Director

Re: Request for second day for June 13th Festival (Great Atlantic Music Fest)

Dear Mayor Latham and Council Members,

As we all are aware, the 30th Annual Springing the Blues Festival has been canceled by order of the City due to the Coronavirus pandemic. Although necessary, this has resulted in the loss of many thousands of dollars of revenue, and millions in economic impact to the City of Jacksonville Beach.

After receiving favorable indications from several members of City Staff, I am writing to you all to request your consideration in granting Jax Beach Festivals a "one time" exemption to the Special Event Policy to allow for a second day of the Great Atlantic Music Fest scheduled for Saturday June 13th.

By adding Sunday June 14th to the Great Atlantic Music Fest, it would allow Jax Beach Festivals to satisfy

Its obligations to its Springing the Blues Sponsors, replace income to vendors that was lost, recoup lost revenue, and provide an additional day for the Community to come together to celebrate a return to normalcy.

Thank you for your consideration.

Sincerely,

Sam Veal

Executive Director

MEMORANDUM

TO: Michael J. Staffopoulos, City Manager
FROM: Chris Ambrosio, City Attorney
SUBJECT: Motion to allow variation of the Council meetings start time of 7:00 p.m. as set forth in City Code Sec. 2-16, to allow earlier start times as necessary during the duration of the COVID-19 state of emergency.
DATE: April 1, 2020

BACKGROUND

The COVID-19 global pandemic crisis, and Federal, State and Local emergency orders and declarations, have infinitely transformed City of Jacksonville Beach business operations. The March 16, 2020, City Council meeting was cancelled which caused postponement of many scheduled Council agenda items. The April 6, 2020, Council meeting agenda was reduced to include only time-sensitive and immediately necessary agenda items, causing postponement of additional Council agenda items. Meanwhile, City business continues and new agenda items have and will be created that need Council approval. Emergency measures could likely lead to an increase in agenda items.

City Code Sec. Sec. 2-16 states: The regular meetings of the City Council shall be held at 7:00 p.m. on the first and third Monday of each month, with the exception of the months of January and July. In the months of January and July there will be one regular city council meeting held on the third Monday at 7:00 p.m. In the event the regular council meeting falls on a holiday, that meeting shall be held on the following working day at 7:00 p.m. unless directed otherwise by city council.

As the number of agenda items continues to grow, it would be beneficial for City Council and staff to begin Council meetings earlier than 7:00 p.m., in order for all of the items to properly be addressed, and to prevent meetings from going too late in the evening.

RECOMMENDATION

Approve/Disapprove a motion to allow a variation of the Council meetings start time of 7:00 p.m. as set forth in City Code Sec. 2-16, to allow earlier start times as necessary during the duration of the COVID-19 state of emergency.

JACKSONVILLE BEACH

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MEMORANDUM

To: Mike Staffopoulos, City Manager

From: Heather Ireland, Senior Planner

Subject: Resolution 2057-2020, tentatively approving text amendments to the City of Jacksonville Beach 2030 Comprehensive Plan to add objectives and policies to the Coastal Management Element to meet "Peril of Flood" requirements of Florida Statutes, and authorizing transmittal of the proposed amendments to the Florida Department of Economic Opportunity for review.

Date: March 10, 2020

BACKGROUND

In September of 2019, the City of Jacksonville Beach was awarded a grant from the Florida Department of Environmental Protection (FDEP) to analyze the City's vulnerability to sea level rise, spring tides, and storm surge. The City contracted with a consultant to carry out the grant requirements of conducting the technical analysis, summarizing the results, and identifying potential policy implications.

The grant project was split into two phases. Phase I involved gathering data from different sources and modeling the impacts over time of sea level rise, spring tide, storm surge, and collective events, such as sea level rise combined with storm surge. The modeling results were joined with parcel data, future land use, structure values, habitats, and major infrastructure to identify potential future vulnerability. The first public workshop was held on December 19, 2019, to present the findings and obtain public input. The results of Phase I are documented in the Phase One Summary Report.

Phase II involved evaluating potential options to mitigate or reduce the impacts from sea level rise and prepare comprehensive plan amendments to address the "peril of flood" requirement of Florida Statutes 163.3178(2)(f). New objectives and policies are proposed for addition under Goal CM.3 of the Coastal Management Element of the 2030 Comprehensive Plan. A second public workshop was held on February 24, 2020, to discuss the proposed amendments and obtain additional public input.

Florida Statutes 163.3178(2)(f) states that the Coastal Management Element of a Comprehensive Plan must contain a redevelopment component that outlines principles that must be used to address and eliminate inappropriate and unsafe development in the coastal areas when opportunities arise.

Land use strategies identified statewide for potential policy options include the following:

- Retreat (not feasible)
- Density / Intensity Reduction (limited opportunities)
- Elevate / Vertical Mitigation (primary option)
- Increase open space / reduce impervious surfaces
- Increase retention capacity
- Limited shoreline hardening / revetment

The City's consultant for the grant will be providing additional details on the grant project and presenting the proposed Comprehensive Plan Amendments that are provided as Exhibit A to the resolution.

The Planning Commission, serving as the City's Land Planning Agency (LPA), considered the proposed amendments at their meeting on March 9, 2020. After some discussion, the Planning Commission recommended one addition to the proposed Comprehensive Plan amendments, and unanimously voted to recommend approval by City Council to transmit to the State of Florida Department of Economic Opportunity for review. The recommended addition is in red and underlined.

Following approval by City Council, the proposed Comprehensive Plan amendments will be transmitted to State agencies for review and comment. Once approved, the proposed amendments will be again presented to the City Council for consideration and final adoption into the 2030 Comprehensive Plan.

REQUESTED ACTION

Adopt/Deny Resolution No. 2057-2020, tentatively approving text amendments to the Jacksonville Beach 2030 Comprehensive Plan, related to the "Peril of Flood" requirements of Florida Statutes, and authorizing transmittal of the amended elements to the Florida Department of Economic Opportunity for review.

TASK #7
PHASE ONE SUMMARY REPORT
Flood Vulnerability Analysis for City of Jacksonville Beach, Florida and Preliminary Evaluation of Policy Implications

Prepared For: City of Jacksonville Beach, Florida Pursuant to Contract Agreement R-1912 between City of Jacksonville Beach and Florida Department of Environmental Protection

December 26, 2019

Prepared by:

Kenneth B. Metcalf, AICP

Kenneth B. Metcalf, AICP
Planning Director
Stearns Weaver Miller Weissler
Alhadeff & Sitterson, P.A.

Acknowledgments

This Report has been funded through a Coastal Resiliency grant provided by the Florida Department of Environmental Protection and the National Oceanic and Atmospheric Administration to the City of Jacksonville Beach pursuant to Contract R-1912. The City of Jacksonville Beach and Stearns Weaver Miller gratefully acknowledge the continued assistance provided by Ms. Angel Baratta and Ms. Whitney Gray in working with the City.

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1.0 Introduction

The Florida Department of Environmental Protection approved a Coastal Resiliency Grant ("Grant") for the City of Jacksonville Beach, Florida for FY 2019-2020. The Scope of Work for the approved Grant includes two major phases of work:

> Phase I - a risk assessment to spatially model and quantify the City's vulnerability to flooding from sea level rise (SLR), spring tides, storm surge and other events, the presentation of the results in a public workshop, and the preparation of this Phase I Report;
>
> Phase II - an evaluation of policies, regulations and other strategies to reduce the City's potential vulnerability and increase its resiliency to withstand and recover from the impacts of flooding, culminating with public hearings to adopt amendments to the City of Jacksonville Beach Comprehensive Plan to address the requirements set forth in s. 163.3178(2)(f), Florida Statutes, known as the "Peril of Flood" amendments.

Phase I included extensive modeling, spatial analysis and mapping utilizing Geographic Information System (GIS) methodologies to build a comprehensive parcel-based data set and related series of maps to spatially depict the extent of flooding forecast to occur in 2040 and 2060 under various scenarios. The maps are designed to provide a user-friendly graphic depiction of flood risk so that the City Commission, City Departments, and the public can visually ascertain and easily understand the areas of the City most vulnerable to flooding and the potential water depths forecasted to occur within those areas. The GIS analysis joined the flood modeling data layers to the Future Land Use Map and the Duval County Property Appraiser parcel data set to allow for the quantification of flood impacts cross-tabulated by different variables, such as acreage, number of buildings, assessed building value, age of buildings, existing land use and future land use, which form the basis for the vulnerability assessment. The Technical Appendix includes the resulting map series (CD) and summary charts and tables.

1.1 Inundation Scenarios

SLR represents the forecasted increase in the mean sea level due to global warming, taking into account elevation changes (erosion and accretion) occurring in the region where the tide gauge is located. Several climate models have been developed for the purpose of forecasting SLR, including models by the Army Corps of Engineers (ACOE) in 2013 and the National Oceanic Atmospheric Administration (NOAA) in 2012. These two models utilize the following risk or probability levels in forecasting SLR:

C1 = ACOE Low/NOAA Low
C2 = ACOE Intermediate/NOAA Intermediate Low
C3 = NOAA Intermediate High
C4 = ACOE High
C5 = NOAA High

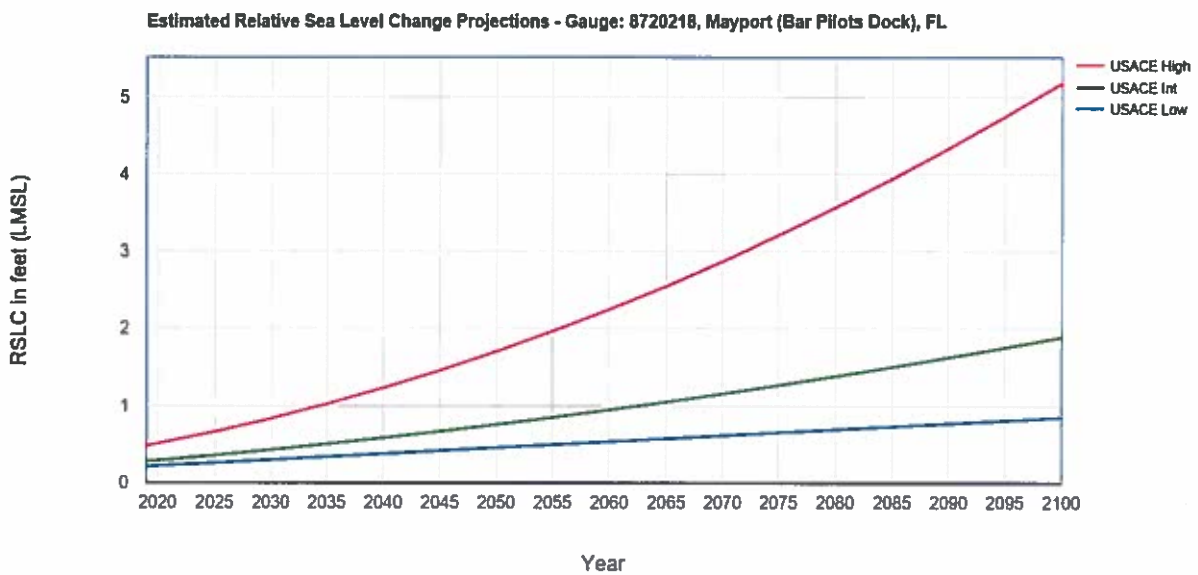
This evaluation utilized the ACOE C2 and C4 scenarios, which result in the following forecasts for SLR (relative to NAVD 88) based on the nearest NOAA Tidal gauge at the Mayport (8720218) (Bar Pilots Dock) located roughly six miles north of the City at the mouth of the St. Johns River:

Table 1.1.1. SLR Increase at Mayport

Scenario	SLR 2040 (feet)	SLR 2060 (feet)
ACOE C2	.6	1.2
ACOE C4	.9	2.2

The following graph compares the ACOE scenarios. As evident from the graph, the low projection is linear, and the intermediate and high projection curves account for a change in the rate of change, resulting in non-linear curves with the high projection curve reflecting a greater rate of change as compared to the intermediate curve.

Figure 1.1.1 (ACOE Sea Level Rise Calculator)



As previously noted, the "Peril of Flood" statutory provisions require local governments to evaluate the potential impacts of flooding from SLR as well as spring tides and Category 1 storm surge. The SRL water depth modeling forms the foundation for evaluating those additional scenarios. Based on the Scope of Work, the following scenarios were developed, analyzed and spatially mapped to determine the extent and depth of inundation:

- Spring tide water depths in 2019;
- Category 1 storm surge in 2019;
- SLR C2 and C4 in 2040 and 2060;
- SLR C2 and C4 combined with spring tides in 2040 and 2060; and
- SLR C2 and C4 combined with Category 1 storm surge.

These inundation layers were joined with other GIS data layers to allow for an evaluation of how the forecasted inundation would potentially impact Jacksonville Beach. These additional layers include:

- Future Land Use Map categories from the adopted Jacksonville Beach Comprehensive Plan;
- Duval County Property Appraiser parcel data set;
- Infrastructure layers including roads, stormwater, potable water and sanitary sewer.

The GIS analysis resulted in a customized, comprehensive database integrating all of the data sets to allow for spatial analysis and cross-tabulation analysis to produce maps, summary tables and charts documenting:

- the extent and depth of flooding within the future land use categories;
- existing land uses impacted by flooding;
- the number, age and assessed value of the impacted buildings;
- the location and types of infrastructure impacted; and
- the soil and habitat types impacted.

These outputs were generated for the current and future scenarios referenced above and provide the basis for the vulnerability assessment presented in this Phase I report.

1.2 Methodology

This section briefly summarizes the modeling approach, data sources and limitations inherent in forecasting water depths and in conducting the spatial analysis at the parcel level.

1.2.1 Bathtub Model

For the purpose of evaluating the potential flooding impact on local communities, the Digital Elevation Model (DEM) was utilized in conjunction with the SLR data to determine the extent and depth of inundation. Commonly referred to as the "bathtub model," the model fills ground elevations that are below the sea level as though it were filling a bathtub. Water depths are calculated as between the sea level and the ground elevation. If the ground elevation is lower, then flooding occurs and fills the low spots to the elevation of the water level. The DEM is based on highly accurate topographic elevations derived from Light Detection and Ranging (LIDAR) technology. However, it is a raster form of data, which means that the data is presented in grid cells or pixels, which for this model is a 3m x 3m grid resolution, with each cell providing a single, average elevation for the cell. The DEM for Jacksonville Beach includes over 2.2 million pixels, of which under 12,000 are located within the impacted area. The modeling process determined water depth for each cell based on the ground elevation relative to the sea level. This process resulted in forecasted water depths in one-inch increments that were converted to one-foot increments in the GIS analysis to allow the data to be analyzed and mapped in a format that is more easily comprehended.

1.2.2 SLOSH Model

The Category 1 storm surge data were obtained from the *Sea Lake and Overland Surges from Hurricanes (SLOSH)* model. SLOSH is a complex model that runs thousands of scenarios, accounting for the direction and forward speed of a hurricane, tide conditions, topographic elevations and other factors to map the geographic area that would be flooded by storm surge from a Category 1 hurricane. SLOSH produces a conservative or worst-case scenario by utilizing a concept known as the Maximums of Maximums, whereby the model iterations account for the maximum values for each variable in the model. In order to determine the combined effect of SLR and storm surge, the spatial extent of the Category 1 storm surge reach was analyzed to determine the corresponding elevation contour. This method allowed for the Category 1 storm surge to be added to the SLR contour to provide a combined spatial extent, which was then utilized to run the bathtub water depth calculations in the same manner as for SLR as described above.

1.2.3 Spring Tides

Spring tides, also referred to as king tides, occur twice each month all year, regardless of season. Spring refers to the "springing" forth of the tide and not the season, which is a common misperception. To estimate the spring tide increment to be added to the SLR increment, the highest spring tide elevations were obtained for each month as recorded at the Mayport tide gauge from 2001-2019. The average spring tide was calculated for this time period after removing statistical outliers, resulting in a spring tide elevation of 3.02' relative to the NAVD 88 datum. To put this into perspective, the Mean Higher-High Water (MHHW) elevation at Mayport is 2.01'. Thus, the spring tides increase the typical MHHW elevation by about one foot.

The accepted convention for modeling and mapping SLR has been to show the results for a MHHW tide, which is the higher of the MHW tide elevations at locations experiencing two high tides each day (i.e., diurnal tides). MHHW has been selected since it represents the highest daily tide experienced by the community. Therefore, in mapping the spring tide elevation, the spring tide increment effectively adds one foot to the SLR water depth, which is depicted at MHHW.

1.2.4 Duval County Property Appraiser Parcel Data Set

The Duval County Property Appraiser parcel data set provides parcel level information, including existing land use codified by the property appraiser, as well as the number of buildings on each parcel, assessed building value and the effective year built of each building. The effective year built was utilized in this analysis, as it reflects the year that a building underwent structural improvements. Assessed value is generally considered to be 80-85% of actual market value. Therefore, the assessed values presented in this report are expressed in 2019 dollars and should be increased by about 20% to obtain market value. However, the assessed and market values in the target years of 2040 and 2060 would be substantially higher as a result of inflation.

1.2.5 Limitations

Models attempt to simulate complex real world conditions. As such, all models include certain inherent limitations and are not perfect representations of complex conditions. Similarly, the GIS

methodology also has certain limitations as do the data sets, such as just described for the parcel data set. The following limitations are acknowledged in regard to the Phase I modeling and evaluation:

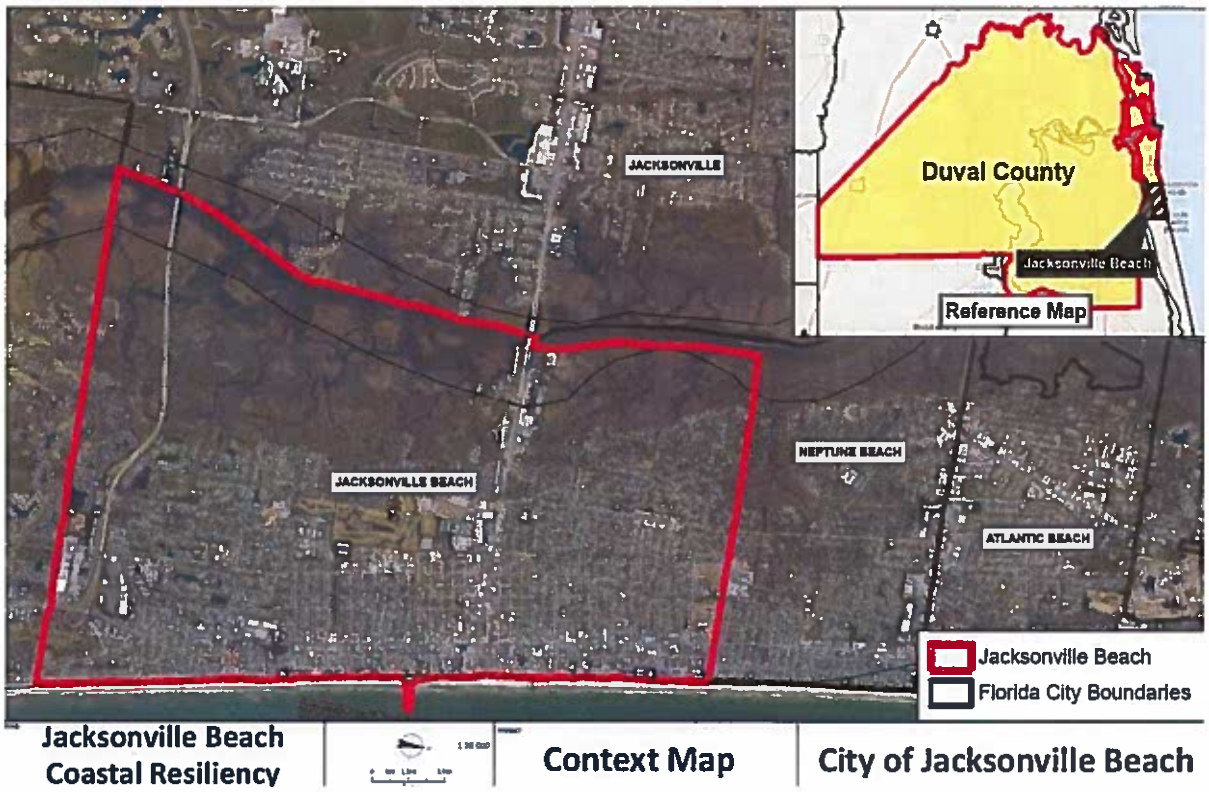
1) The SLR forecast is based on the datum from the Mayport tide gauge, which is the nearest station to Jacksonville Beach. The sea level conditions at Mayport will differ marginally from the City of Jacksonville Beach.
2) The model grid resolution (3m x 3m) results in a uniform elevation for each cell and does not account for all topographic conditions within the cell.
3) The 2001-2018 spring tide data were averaged as previously described. This time period was selected in order to provide more recent data rather than utilizing the 1983-2001 epoch.
4) The parcel data set provides existing land use, assessed values and effective age of structures. However, some parcel records are missing one or more of the three variables. As a result, the total building count affected by inundation for a given scenario may differ somewhat from the breakdown by land use, age and assessed value. However, those data set omissions do not impact the overall trends as summarized in the table and charts, which are aggregated.
5) The 2040 and 2060 scenarios combining SLR and Category 1 required the conversion of the impacted geographic area to provide a uniform controlling elevation (46") in order to add the SLR increment. Aerials were examined to ensure that the 46" contour captured impacted parcels in the developed portions of subdivisions, while excluding parcels where flooding was marginal or insignificant.
6) Stormwater management will significantly impact potential flood conditions in the City. As part of this Phase I work, the City's stormwater system components, such as outfalls and manholes, have been identified and mapped in relation to the flood scenarios. While a general vulnerability assessment has been conducted in accordance with the Scope of Work, detailed engineering studies are beyond the scope of this effort. However, Phase II will include recommendations regarding the future need for more detailed engineering analysis and potential engineering solutions.

These limitations do not impact the validity of the analysis or overall results. Please note that **the maps produced for this exercise are not intended, and should not be relied upon, to determine the potential flooding that may occur on any given parcel or even within individual neighborhoods.** Rather, the purpose of the analysis is to provide an overall "community" level vulnerability assessment, which can be utilized to guide strategies to reduce flood risk and increase the resiliency of Jacksonville Beach to recover from such events. Phase II of this effort will evaluate and develop potential intervention strategies for consideration by the City of Jacksonville.

1.3 Context of Jacksonville Beach

The City of Jacksonville Beach is located on the Atlantic Ocean between the City of Neptune Beach to the north and Duval/St. Johns County to south. The Intracoastal Waterway (ICW) runs along the west side of the City and functions as more of a natural tributary at this location, which is less channelized than the ICW farther to the south of the City. As shown by the context map below, the ICW at this location includes many tributary creeks that extend eastward toward the City. The City benefits from significant marshlands that provide a buffer ranging from one-quarter

mile to almost a mile at some locations between the ICW and developed lands. These marshlands or "lowlands" attenuate flooding to some degree, but may transition over time to support different benthic communities as water depth increases due to SLR.



The City encompasses over 5,000 acres and is essentially built out. The western-most areas of the City abutting the marshlands and the ICW tributaries primarily consist of low density, single-family residential neighborhoods. Existing multi-family, commercial and industrial development will also be impacted, but to a lesser degree as further discussed in the land use evaluation, which provides summary statistics regarding impacts on future land use categories. The parcel data base also provides existing land uses for each parcel and closely tracks the future land use categories. Therefore, the land use analysis presented is based on the City's adopted Future Land Use Map, as it also reflects existing land use conditions.

The following general findings are presented in more detail in the following sections of this report:

- Flooding occurs from the intracoastal waterway in all scenarios and not from the Atlantic Ocean;
- 2060 storm surge results in the greatest inundation, impacting over one-third of the City (excluding right-of-way);
- Impacts occur primarily within the Conservation and Recreation future land use categories followed by impacts to the Low Density Residential and Medium Density Residential neighborhoods west of the City's historic ridge;

- Non-residential impacts occur at limited locations along the western-most frontages of Beach Boulevard and Butler Boulevard.
- More than 90% of impacted structures in the worst-case 2060 scenarios are inundated by less than three feet of water.
- More than 75% of impacted structures were built prior to the adoption of more stringent Florida Building Code standards following Hurricane Andrew;
- 2060 storm surge results in the most significant risk in terms of the assessed value of impacted structures at over $155 million (2019 dollars);
- Consistent with the land use finding, residential accounts for most of the assessed value at risk in all of the scenarios;
- Stormwater and road impacts pose the most significant infrastructure concerns;
- Flooding impacts on roadways are similar in extent and in water depth to the impacts within the neighborhoods;
- Stormwater management will be impacted due to the inability to achieve positive outfall discharge and as a result of saturated soils reducing percolation rates;
- Water and sewer treatment plants are not impacted, but the collection/distribution system and related system components will be impacted, which will increase utility maintenance costs; and
- The extent of benthic communities, salt marsh, estuaries and freshwater wetlands will be marginally affected due to changes in water depth.

2.0 Vulnerability Analysis

The purpose of the Vulnerability Analysis is to identify the relative vulnerability of existing and future development to inundation due to the existing spring tide and Category 1 storm surge and the forecasted SLR, SLR+Spring Tide, SLR+Category 1 scenarios through 2040 and 2060. The risk analysis forms the basis for evaluating policy options to reduce the vulnerability of property, structures and infrastructure to SLR flooding. The following analysis examines future land uses within the forecasted inundation areas as well as the age and value of affected structures. The analysis quantifies the potential impact in terms of the extent of affected acreage and number of buildings, and presents summary findings in regard to the land use and structural analysis as well as the type and extent of affected infrastructure.

2.1 Overall Impact on Jacksonville Beach

The City encompasses over 5,000 gross acres. However, for the purpose of calculating summary statistics and comparing the impact of the inundation scenarios, all calculations are based on the net acreage of the City excluding rights-of-way based on the parcel data base. Table 2.1.1 confirms that SLR impacts a relatively low percentage of the City compared to all other scenarios, while the 2060 C4 scenario for spring tide and Category 1 storm surge confirm the greatest impact, inundating over one-third of the City.

Table 2.1.1 Acres/Percent[1] of City Inundated By Sea Level Rise

	2040 C2	2040 C4	2060 C2	2060 C4
Acreage	60.81	173.97	126.80	719.48
Percent	1.54%	4.42%	3.22%	18.26%

Table 2.1.2 Acres/Percent[1] of City Inundated by Current Spring Tide and Cat. 1 Storm Surge

	Spring Tide	Cat. 1 Storm Surge
Acreage	1,020.87	1,121.80
Percent	25.91%	28.47%

Table 2.1.3 Acres/Percent[1] of City Inundated By Sea Level Rise/Spring Tide

	2040 C2	2040 C4	2060 C2	2060 C4
Acreage	1,137.92	1,232.64	1,190.05	1,377.37
Percent	28.88%	31.29%	30.21%	34.96%

Table 2.1.4 Acres/Percent[1] of City Inundated By Sea Level Rise/Category 1 Storm Surge

	2040 C2	2040 C4	2060 C2	2060 C4
Acreage	1,188.23	1,307.56	1,259.29	1,438.37
Percent	30.16%	33.19%	31.96%	36.51%

1. **Excludes rights-of-way**

The Category 1 storm surge scenarios' impacts are marginally higher than the spring tide scenarios for each year (2019, 2040 and 2060). The spatial patterns are also similar as confirmed in comparing the Category 1 and Spring Tide Maps in the Appendix, Task I subfolder. At its most-eastern reach south of Beach Boulevard, Category 1 Storm Surge (2060 C4) impacts occur west of S. 15th, well west of Fairway Lane and approach America Avenue only at a few locations. North of Beach Boulevard, impacts do not extend as far east and are generally confined to the first couple of blocks from the current shoreline, except for a significant inland area occurring south of Seagate Avenue between Tanglewood Road and Oakwood Road/Lakeside Drive where drainage ditches overflow in the neighborhood.

2.2 Future Land Use

Chapter 163, Part II, Florida Statutes, requires all local governments to adopt a comprehensive plan, which must include a future land use map (FLUM) showing the location of all planned future land use categories. The City of Jacksonville Beach Comprehensive Plan designates the following future land use categories on the FLUM:

- Conservation (CON)
- Recreation and Open Space (ROS)
- Low Density Residential (LDR)
- Medium Density Residential (MDR)
- High Density Residential (HDR)

- Commercial (C)
- Industrial (I)
- Mixed Use (MU)

As previously noted, impacts occur primarily within the Conservation and Recreation land use categories, which together account for 90% of the impacted acreage for the 2019 Category 1 storm surge, followed by the Low Density Residential category as indicated by ***Figure 2.1.1***:

Figure 2.2.1 2019 Category 1 Storm Surge

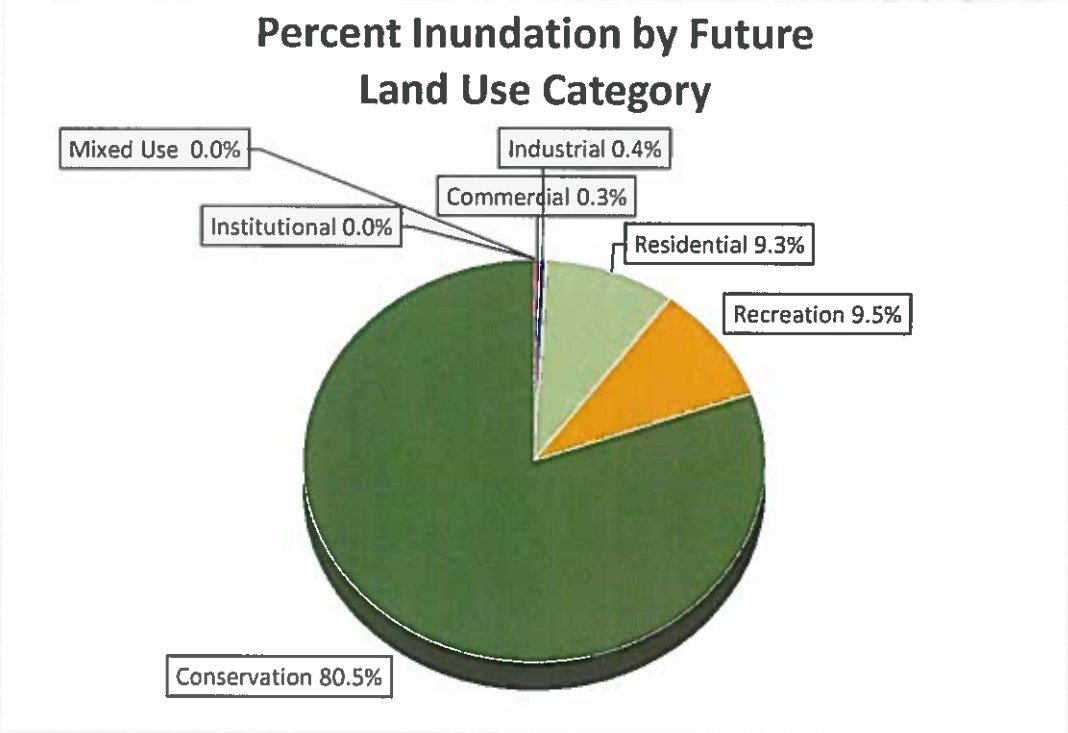
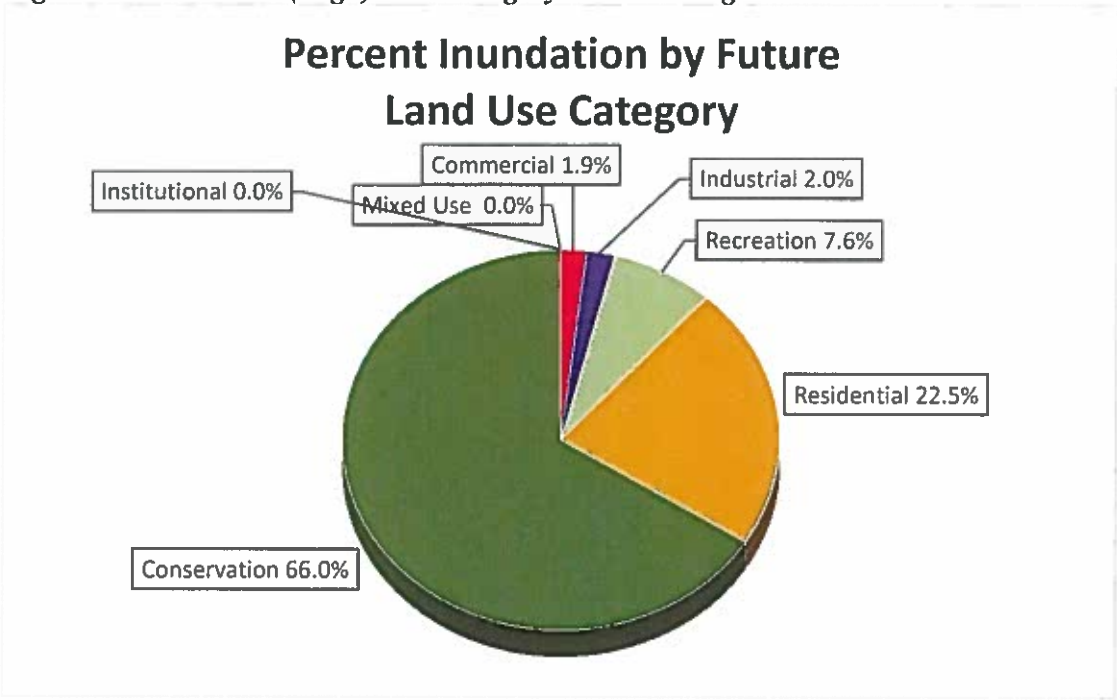


Figure 2.2.2 confirms that Category 1 storm surge impacts to developable future land use categories (i.e., residential, commercial and industrial) increases to 34% by 2060 due to the SLR increment. The same relative increase occurs in comparing the impacts for 2019 spring tide and 2060 spring tide accounting for SLR. The technical appendix provides the complete series of pie charts confirming how the percentages change in 2040 and 2060 for the C2 (intermediate) and C4 (high).

Figure 2.2.2 2060 C4 (High) SLR/Category 1 Storm Surge



The future land use categories were also evaluated to determine the extent of flooding within each land use category as indicated by the following bar chart comparison of the 2019 Storm Surge and 2060 Storm Surge. As expected, the extent of flooding within each land use category increases over time due to the additional impact of SLR. Significant increases in the percentage of impact occur in all of the developed future land use categories, except for Institutional and Mixed Use, which are not impacted by any scenarios through 2060.

Figure 2.2.3 2019 Category 1 Storm Surge

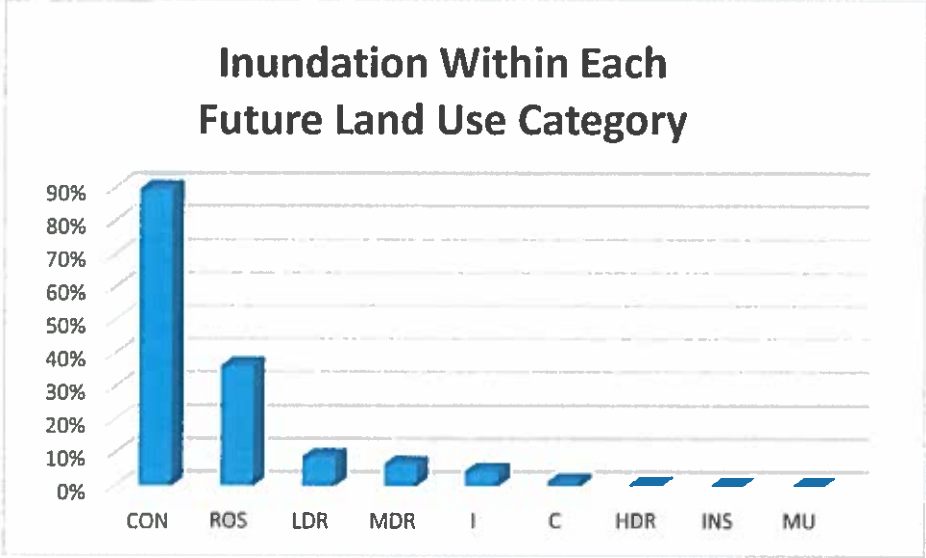
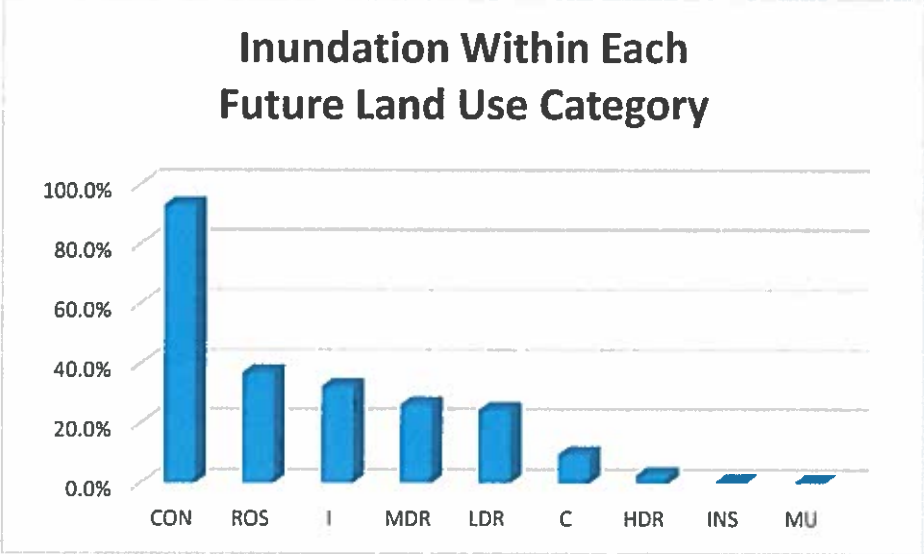


Figure 2.2.4 2060 C4 (High) SLR/Category 1 Storm Surge



As would be expected, the same pattern occurs in comparing 2019 Spring Tide to 2060 Spring Tide impacts due to SLR. The Technical Appendix provides the full series of bar charts to allow for a comparison of the incremental change over time for the intermediate and high scenarios.

The spatial patterns are consistent across all scenarios. The map series confirms:

- Most inundation occurs within the Conservation/Recreation future land use categories followed by the Low Density Residential and Medium Density Residential categories (i.e., single-family neighborhoods);

- Low density residential neighborhoods account for 70-76% of residential impacts, depending on the scenario;
- Medium density accounts for the balance, except for one impacted high density site (Pablo Hamlet elderly housing complex) south of Beach Boulevard on Shetter Avenue;
- Impacts to commercial and industrial land use occur along Beach Boulevard, which is mostly comprised of one-story buildings;
- Industrial land use is shown on the FLUM south of Butler Boulevard, but this area is actually developed with commercial uses along the frontage and also includes Marsh Landing residential to the rear of the commercial uses. This appears to be the only impacted area where the uses are nonconforming to the land use category.

2.3 Impacts Forecasted by Water Depth

The next step in the vulnerability analysis forecasts and evaluates the severity of flooding by cross-tabulating acreage by water depth in one-foot increments. In interpreting the tables below, higher water depths are typically located nearer to the shoreline, although exceptions occur where creeks and drainage ditches extend landward. The lowest water depths would occur at higher elevations and at greater distances from the source of water (i.e., ICW, creeks/drainage districts and retention areas) where the inundation disperses until the topographic elevation equals the water elevation.

Table 2.3.1 compares the current spring tide and Category 1 storm surge inundation and confirms the total impacted area and water depths are marginally greater for the storm surge scenario. Table 2.3.2 confirms that SLR has limited overall impacts in terms of acreage as compared to the current spring tides and storm surge. This is consistent with the comparative increases whereby spring tide is 3.01' (NAVD-88), while 2060 SLR (high scenario) is only 1.72' (NAVD-88).

Table 2.3.1 Inundated Acreage by Water Depth (Current)

Scenario	> 0' to 1'	> 1' to 2'	> 2' to 3'	> 3' to 4'	Total
Spring Tide	456.81	436.40	127.66	0.00	1020.87
Percent	45%	43%	13%	0%	100%
Category 1 Storm Surge	104.55	454.29	435.05	127.87	1121.76
Percent	9%	40%	39%	11%	100%

Table 2.3.2 Inundated Acreage by Water Depth (SLR)

Scenario	> 0' to 1'	> 1' to 2'	> 2' to 3'	Total
2060 C4 Acreage	141.27	443.97	134.24	719.48
2060 C4 Percent	20%	62%	19%	100%
2060 C2 Acreage	126.80	0.00	0.00	126.80
2060 C2 Percent	100%	0%	0%	100%
2040 C4 Acreage	141.27	32.70	0.00	173.97
2040 C4 Percent	81%	19%	0%	100%
2040 C2 Acreage	60.80	0.00	0.00	60.80
2040 C2 Percent	100%	0%	0%	100%

Tables 2.3.3 and 2.3.4 provide the forecasted inundated acreage for the 2040 and 2060 SLR/Spring Tide and SLR/Category 1 Storm Surge scenarios, respectively. The tables confirm the SLR/Category 1 Storm Surge results in a marginally higher percentage of acreage in the higher water depths overall results are fairly comparable between the tables for all of the scenarios. Both 2060 scenarios confirm that water depths will

Table 2.3.3 Inundated Acreage by Water Depth (SLR/Spring Tide)

Scenario	> 0' to 1'	> 1' to 2'	> 2' to 3'	> 3' to 4'	> 4' to 5'	> 5' to 6'	Total
2060 C4 Acreage	38.58	137.88	142.43	472.71	443.90	141.27	1376.76
2060 C4 Percent	3%	10%	10%	34%	32%	10%	100%
2060 C2 Acreage	132.05	472.76	443.97	141.27	0	0	1190.05
2060 C2 Percent	11%	40%	37%	12%	0%	0%	100%
2040 C4 Acreage	32.11	142.46	472.73	443.96	141.27	0	1232.54
2040 C4 Percent	3%	12%	38%	36%	11%	0%	100%
2040 C2 Acreage	79.93	472.76	443.97	141.26	0	0	1137.92
2040 C2 Percent	7%	42%	39%	12%	0%	0%	100%

Table 2.3.4 Inundated Acreage by Water Depth (SLR/Category 1 Storm Surge)

Scenario	> 0' to 1'	> 1' to 2'	> 2' to 3'	> 3' to 4'	> 4' to 5'	> 5' to 6'	Total
2060 C4 Acreage	124.33	128.98	138.90	464.48	440.87	140.72	1438.29
2060 C4 Percent	9%	9%	10%	32%	31%	10%	100%
2060 C2 Acreage	83.50	137.09	462.05	439.76	136.85	0	1259.247
2060 C2 Percent	7%	11%	37%	35%	11%	0%	100%
2040 C4 Acreage	127.35	138.35	464.15	440.25	137.38	0	1307.48
2040 C4 Percent	10%	11%	35%	34%	11%	0%	100%
2040 C2 Acreage	35.75	130.07	455.56	436.19	130.62	0	1188.19
2040 C2 Percent	3%	11%	38%	37%	11%	0%	100%

The GIS analysis also identified the location of structures within affected parcels to forecast water depths at the primary structure. Table 2.3.5 confirms that SLR has a limited impact. However, when combined with spring tide and Category 1 storm surge, the 2060 worst case scenario impacts up to 516 and 647 structures by 2060 as shown by Tables 2.3.6 and 2.3.7, respectively.

Table 2.3.5 Number of Buildings Impacted by Water Depth (SLR)

Scenario	> 0' to 1'	> 1' to 2'	> 2' to 3'	Total
2060 C4 Buildings	0	5	10	15
2060 C4 Percent	0%	33%	67%	100%
2060 C2 Buildings	3	0	0	3
2060 C2 Percent	100%	0%	0%	100%
2040 C4 Buildings	1	3	0	4
2040 C4 Percent	25%	75%	0%	100%
2040 C2 Buildings	3	0	0	3
2040 C2 Percent	100%	0%	0%	100%

Table 2.3.6 Number of Buildings Impacted by Water Depth (SLR/Spring Tide)

Scenario	> 0' to 1'	> 1' to 2'	> 2' to 3'	> 3' to 4'	> 4' to 5'	> 5' to 6'	Total
2060 C4 Buildings	66	286	120	31	9	4	516
2060 C4 Percent	13%	55%	23%	6%	2%	1%	100%
2060 C2 Buildings	105	31	9	4	0	0	149
2060 C2 Percent	70%	21%	6%	3%	0%	0%	100%
2040 C4 Buildings	51	120	31	9	4	0	215
2040 C4 Percent	24%	56%	14%	4%	2%	0%	100%
2040 C2 Buildings	51	31	9	4	0	0	95
2040 C2 Percent	54%	33%	9%	4%	0%	0%	100%

Table 2.3.7 Number of Buildings Impacted by Water Depth (SLR/Category 1 Storm Surge)[1]

Scenario	> 0' to 1'	> 1' to 2'	> 2' to 3'	> 3' to 4'	> 4' to 5'	>8 to 9'	Total
2060 C4 Buildings	205	270	114	27	8	3	627
2060 C4 Percent	33%	43%	18%	4%	1%	0%	100%
2060 C2 Buildings	157	113	27	8	3	0	308
2060 C2 Percent	51%	37%	9%	3%	1%	0%	100%
2040 C4 Buildings	263	113	27	8	3	0	414
2040 C4 Percent	64%	27%	7%	2%	1%	0%	100%
2040 C2 Buildings	0	4	178	8	3	0	193
2040 C2 Percent	0%	2%	92%	4%	2%	0%	100%

1. No buildings are located in 6' to 8' depth in 2060 C4 scenario.

The tables confirm over 90% of impacted buildings will experience water depths of less than 3' in all 2040 and 2060 scenarios. By 2060, spring tides occurring once per month will cause water depths of 2-3 feet impacting 120 buildings or nearly one-quarter of all affected buildings. These would typically include homes located on the first block from the current shoreline or immediately adjacent to creeks. At the lowest scenario (2040 C2), spring tides impact fewer than 100 buildings with more than half at one foot or lower, while storm surge impacts 193 structures with nearly all occurring between 2-3' of water depth. The 2040 SLR scenario adds approximately one foot. Therefore, current spring tides and storm surge impacted buildings are roughly estimated by shifting the number of buildings one column to the left as compared to the 2040 C4 scenarios (e.g., > 2' to 3' would shift to > 1' to 2'). For example, the current storm surge would impact approximately 113 buildings with water depths of one foot or less.

2.4 Age of Structures

The analysis classifies the age of structures into three categories. Structures built prior to 1977 pre-dated the City's participation in the NFIP program and would typically mean that the structures are located below base flood elevation. Structures built between 1970 and 2001 were built pursuant to the City's floodplain ordinance requirements, but pre-date the amendments to the Florida Building Code in 2001 following the post storm assessment from Hurricane Andrew. Structures built in 2002 or later would typically incorporate the code improvements. Tables 2.4.1 and 2.4.2 confirm that over three-fourths of the impacted buildings were constructed or substantially improved under the NFIP program, but pre-dated the FBC improvements. Few impacted buildings show an effective age pre-dating the NFIP.

Table 2.4.1 Age of Buildings Impacted (SLR/Spring Tide)

Scenario	Pre-NIFP	1977-2001	2002-Present	Total
2060 C4 Buildings	13	415	88	516
2060 C4 Percent	2.5%	80.4%	17.1%	100%
2060 C2 Buildings	2	116	34	152
2060 C2 Percent	1.3%	76.3%	22.4%	100.0%
2040 C4 Buildings	2	170	42	214
2040 C4 Percent	0.9%	79.4%	19.6%	100%
2040 C2 Buildings	0	75	20	95
2040 C2 Percent	0%	79%	21%	100%

Table 2.4.2 Age of Buildings Impacted (Sea Level Rise/Category 1 Storm Surge)

Scenario	Pre-NIFP	1977-2001	2002-Present	Total
2060 C4 Buildings	22	509	96	627
2060 C4 Percent	3.5%	81.2%	15.3%	100%
2060 C2 Buildings	4	259	45	308
2060 C2 Percent	1%	84%	15%	100%
2040 C4 Buildings	8	341	65	414
2040 C4 Percent	1.9%	82.4%	15.7%	100%
2040 C2 Buildings	3	161	29	193
2040 C2 Percent	2%	83%	15%	100%

2.5 Value of Structures

The parcel database was also analyzed to document the assessed value of impacted buildings by existing land use (i.e., residential, commercial and industrial) for the C-2 and C-4 scenarios in 2040 and 2060. The worst case scenario (2060 Category 1 storm surge) confirms 647 buildings at risk with an aggregate assessed building value of over $155 million dollars, while the 2060 spring tide scenario generates an aggregate assessed building value roughly 10% lower.

Residential buildings account for the vast majority of impacted buildings and total assessed value in all scenarios. The Pablo Hamlet elderly facility accounts for the maximum residential assessed value, while the median residential value is more indicative of single family residential assessed building values. The 2040 scenarios, which do not include the elderly facility, show a maximum value ranging from $988K to $1.2MM, with median values that are similar to the 2060 scenarios, confirming that the median value is driven by the value of single family homes.

Commercial and industrial buildings are higher valued as compared to residential buildings overall. For example, even though commercial buildings account for only 2.9% of the total number of impacted buildings in the 2060 Category 1 storm surge scenario, they account for 13.4% of the aggregate at risk assessed value for that scenario. These patterns are consistent across all scenarios.

Table 2.5.1 Impacted Buildings by Use by Assessed Value (2060 SLR/Spring Tide)

Scenario	Existing Land Use	Buildings	Minimum	Maximum	Median Value	Total Building Value
2060 C4	Residential	481	$62,036	$3,923,339	$184,043	$113,754,169
	Commercial	14	$141,115	$6,539,398	$976,143	$19,749,815
	Industrial	12	$58,300	$1,132,354	$385,246	$5,981,843
Total		**507**				**$139,485,827**
2060 C2	Residential	138	$85,658	$1,201,113	$193,564	$37,539,228
	Commercial	6	$266,584	$3,140,458	$1,784,745	$9,319,662
	Industrial	2	$833,729	$941,841	$887,785	$1,775,570
Total		**146**				**$48,634,460**

Table 2.5.2 Impacted Buildings by Use by Assessed Value (2040 SLR/Spring Tide)

Scenario	Land Use	Buildings	Minimum	Maximum	Median Value	Total Building Value
2040 C4	Residential	199	$73,282	$1,201,113	$188,958	$50,659,551
	Commercial	6	$266,584	$3,140,458	$1,784,745	$9,319,662
	Industrial	5	$790,675	$1,132,354	$941,841	$4,693,048
Total		**210**				**$64,672,261**
2040 C2	Residential	90	$104,875	$1,201,113	$191,663	$24,307,130
	Commercial	3	$266,584	$3,140,458	$1,818,437	$5,225,479
	Industrial	0				
Total		**93**				**$29,532,609**

Table 2.5.3 Impacted Buildings by Use by Assessed Value (2060 SLR/Category 1 Storm Surge)

Scenario	Land Use	Buildings	Minimum	Maximum	Median Value	Total Building Value
2060 C4	Residential	590	$36,342	$3,923,339	$180,031	$128,320,053
	Commercial	18	$68,746	$6,539,398	$536,973	$20,843,985
	Industrial	12	$58,300	$1,132,354	$385,246	$6,065,519
Total		**620**				**$155,229,557**
2060 C2	Residential	286	$73,282	$987,931	$186,489	$67,559,202
	Commercial	6	$243,166	$3,140,458	$1,131,368	$7,731,381
	Industrial	11	$58,300	$1,132,354	$369,856	$5,664,883
Total		**303**				**$80,955,466**

Table 2.5.4 Impacted Buildings by Use by Assessed Value (2040 SLR/Category 1 Storm Surge)

Scenario	Land Use	Buildings	Minimum	Maximum	Median Value	Total Building Value
2040 C4	Residential	385	$73,282	$987,931	$185,808	$88,133,904
	Commercial	11	$243,166	$3,140,458	$971,703	$12,694,379
	Industrial	12	$58,300	$1,132,354	$385,246	$6,065,519
Total		**408**				**$106,893,802**
2040 C2	Residential	187	$104,875	$987,931	$188,131	$46,562,094
	Commercial	1	$3,140,458	$3,140,458	$3,140,458	$3,140,458
	Industrial	0				$0
Total		**188**				**$49,702,552**

2.6 Infrastructure

The four major components of the City's infrastructure are roads, stormwater, wastewater and potable water.

A. Roads

Local road inundation generally tracks the extent and water depths indicated within the neighborhoods served. Table 2.6.1 provides road acreage by water depth and resulting percent distribution. Consistent with the land use findings, the current Category 1 storm surge results in slightly greater inundation and water depths as compared to spring tides with water depths primarily occurring in 0-1' for spring tides and 1-2' for storm surge.

Table 2.6.1 Local Road Inundation (Current Spring Tide and Category 1 Storm Surge)

	> 0' to 1')	> 1' to 2')	> 2' to 3')	> 3' to 4')	Total
Spring Tide Acres	*5.3*	*1.2*	*0.4*	*0.0*	*6.9*
Percent	*76.1%*	*17.5%*	*6.4%*	*0.0%*	*100.0%*
Category 1 Acres	*1.3*	*4.8*	*1.2*	*0.4*	*7.7*
Percent	*16.5%*	*62.2%*	*15.6%*	*5.8%*	*100.0%*

Tables 2.6.2 and 2.6.3 provide forecasted road inundation for spring tides and Category 1 storm surge, respectively, for 2040 and 2060. These tables also show the same relative pattern with storm surge resulting in greater inundation. By 2060, both C4 scenarios indicate significant flooding in 2-3' and 3-4' of water depths spring and both reaching 5'-6' in limited areas.

Table 2.6.2 Local Road Inundation (SLR/Spring Tide)

SLR/ Spring Tide	> 0' to 1'	> 1' to 2'	> 2' to 3'	> 3' to 4'	> 4' to 5'	> 5' to 6'	Total
2040 C2 Acres	1.0	4.8	1.2	0.4	0.0	0.0	7.5
Percent	13.3%	64.6%	16.2%	6.0%	0.0%	0.0%	100.0%
2040 C4 Acres	1.6	4.2	4.8	1.2	0.5	0.0	12.3
Percent	13.4%	33.9%	39.2%	9.8%	3.7%	0.0%	100.0%
2060 C2 Acres	3.7	4.8	1.2	0.5	0.0	0.0	10.2
Percent	36.1%	47.5%	11.9%	4.5%	0.0%	0.0%	100.0%
2060 C4 Acres	1.6	6.8	4.2	4.8	1.2	0.5	19.1
Percent	8.6%	35.6%	21.9%	25.3%	6.3%	2.4%	100.0%

Table 2.6.3 Local Road Inundation (SLR/Category 1 Storm Surge)

SLR/Category 1	> 0' to 1'	> 1' to 2'	> 2' to 3'	> 3' to 4'	> 4' to 5'	> 5' to 6'	Total
2040 C2 Acres	1.6	3.7	4.8	1.2	0.4	0.0	11.8
Percent	13.4%	31.7%	40.9%	10.2%	3.8%	0.0%	100.0%
2040 C4 Acres	6.6	4.2	4.8	1.2	0.4	0.0	17.2
Percent	38.2%	24.3%	28.0%	7.0%	2.6%	0.0%	100.0%
2060 C2 Acres	3.7	4.0	4.8	1.2	0.4	0.0	14.2
Percent	26.0%	28.4%	33.9%	8.5%	3.1%	0.0%	100.0%
2060 C4 Acres	5.3	6.8	4.2	4.8	1.2	0.4	22.8
Percent	23.5%	29.8%	18.4%	21.1%	5.3%	2.0%	100.0%

B. Stormwater

The Stormwater Management Element of the Comprehensive Plan confirms that the historic, north south ridge runs roughly along 10th Street at an elevation of 20'. Three drainage basins exist on the east side of the City, but extend west of the ridge. The Stormwater Management Element makes several findings that should be considered in evaluating the risk of future inundation scenarios:

- The basins generally experience greater flooding issues than the area west of the basins;
- The central and south basins experience greater flooding issues than the north basin;
- The basins primarily discharge to the ICW through drainage ditches and culverts;
- The older parts of the stormwater system were designed for only a three-year, one-hour rainfall event and the City has undertaken improvements to improve the level of service to receive runoff from a 5-year, 24-hour event; and
- The City has required private stormwater systems to comply with a 25-year, 24-hour storm event.

The City's stormwater system consists of transmission pipes, manholes, catch basins/drains and outfalls. Table 2.6. confirms the linear feet of the stormwater transmission network within the forecasted inundation areas for the 2060 C4 scenarios.

Table 2.6.4 Linear Feet of Pipes within Inundation Areas (2060 C4)

	Stormwater
SRL/Spring Tide	**19,691**
SLR/Category 1 Storm Surge	**25,569**

The Appendix includes a map series showing the location of all components within the forecasted inundation area for the higher intensity (C4) 2040 and 2060 scenarios. Engineering studies will be required to evaluate options for maintenance where manholes are submerged. Submerged outfall locations pose the most significant concern to the extent that positive discharge may not be feasible, which may cause stormwater runoff to back into retention areas and drainage ditches. This condition would be worse still where the water table elevation increases and permanently saturates soils beneath retention areas, which could potentially reduce percolation rates, resulting in a compounding effect over time due to SLR. Phase II of the work program will further evaluate options that can be considered to reduce or mitigate these problems.

C. Sanitary Sewer and Potable Water Systems

The City's sanitary sewer and potable water treatment plants/wells are located outside of the forecasted inundation areas. However, transmission lines and other system components are located within the forecasted inundation areas. Table 2.6.4 summarizes the linear feet of the transmission networks within the 2060 C4 forecasted inundation area:

Table 2.6.5 Linear Feet of Transmission Network within Inundation Areas (2060 C4)

	Sanitary Sewer	**Potable Water**
SRL/Spring Tide	**58,713**	**52,668**
SLR/Category 1	**75,100**	**68,143**

The water system includes the following additional components, which are located in the forecasted inundation areas: hydrants, meter boxes and valves. These components are located

along the transmission network as shown on the potable water map series, which depict the network for the 2040 and 2060 C4 scenarios.

The sanitary sewer system includes the following additional components, which are located in the forecasted inundation areas: clean outs, lift stations and manholes. These components are located along the transmission network as shown on the sanitary sewer map series, which depicts the network for the 2040 and 2060 C4 scenarios.

These systems will remain necessary as they serve existing neighborhoods. While the transmission network can operate in a submerged condition, engineering studies will be required in order to evaluate options for providing service where manholes are submerged and cannot otherwise be floodproofed. Similarly, engineering options must be evaluated in regard to hydrants to ensure proper operation. Lift stations utilize submersible pumps, which would not be significantly impacted, but engineering analysis should be undertaken to determine the extent of improvements that may be required from an operational perspective.

Please refer to Appendix for infrastructure maps and tables.

2.7 Flash Floods

The National Weather Service describes flash floods as:

> Flooding that begins within 6 hours, or often 3 hours of the heavy rainfall…Flash floods can be caused by a number of things, but is most often due to extremely heavy rainfall from thunderstorms… The intensity of the rainfall, the location and distribution of the rainfall, the land use and topography, vegetation types and growth/density, soil type, and soil water-content all determine just how quickly the flash flooding may occur, and influence where it may occur.
>
> Urban Areas are also prone to flooding in short time-spans and, sometimes, rainfall (from the same storm) over an urban area will cause flooding faster and more-severe than in the suburbs or countryside. The impervious surfaces in the urban areas do not allow water to infiltrate the ground, and the water runs off to the low spots very quickly.

The NWS does not maintain a database of flash floods due in part to the difficulty in precisely defining the event. However, Jacksonville Beach, like much of Florida, is prone to flash floods due to the intensity of the thunderstorms, extent of impervious surfaces and the limitations of the City's stormwater management system. As previously noted, an analysis of engineering options is beyond the scope of this evaluation; however, it is clear that stormwater improvements should be considered a high priority and will be addressed in conjunction with recommendations addressing intervention strategies for responding to SLR, spring tides and Category 1 storm surge events.

2.8 Habitat Succession and Soil Conditions

SLR will also impact habitat and soil conditions within and near the forecasted inundated areas. The Appendix includes a Cooperative Land Cover map which provides the breakdown of habitat conditions within the City. The teal color primarily represents salt marsh and estuary habitats, which can be further distinguished based on the assigned codes. These habitats would be expected to potentially expand as sea level rise submerges additional acreage landward of these habitats. As previously noted, SLR is forecast to increase by 2.2' by 2060 in the worst case, high projection scenario, while the 2040 C4 and 2060 C2 scenarios are forecast to increase by closer to one foot. Each of these scenarios would be expected to reduce the size of islands within the ICW as the submerged area expands. As referenced on the map, the islands are comprised of various wetlands depicted in dark green, which are primarily comprised of wet flatwoods and mixed wetland hardwoods. These wetlands also occur as a buffer between the marine/estuary and many developed subdivisions. The size of these buffers would also be expected to diminish as the submerged area increases. Finally, the lime green color on the map represents mesic flatwoods, mixed hardwood/coniferous and shrub/brushland. These habitats occur on ICW islands and as buffers along the edge of subdivisions and would be expected to diminish in size as well as the submerged area increases.

The soil map aggregates soil types into very poorly drained (red), poorly drained (orange) and somewhat poorly drained (yellow), which generally correspond with the habitat classification. The very poorly drained soils are characterized by mucky peat conditions and correspond with the salt marsh/estuarine areas. Orange areas are comprised of fine sandy soils (#14 and #32) which occur on some of the islands. The balance of the orange areas are urban soils occurring with developed subdivisions, particularly subdivisions abutting shorelines in the south part of the City. The yellow areas comprise the balance of the subdivisions within the forecasted inundation areas near the shoreline, particularly north of Beach Boulevard. These are also urban soils, which drain somewhat better than the orange areas.

Subdivision lots would be expected to develop salt tolerant vegetation where the slope is relatively flat. Where the elevation increases more significantly where urban fill occurs, subdivision would be impacted to a lesser degree. As previously noted, the SLR acreages are relatively modest, except for the significant increase forecasted for the 2060 C4 scenario.

3.0 Policy Implications

The Vulnerability Analysis set forth above indicates the need for a multi-prong strategy. Due to the built out conditions of Jacksonville Beach, the most feasible options include:

- **Incentives or regulations to:**
  - elevate structures (i.e., vertical mitigation) as redevelopment occurs;
  - reduce the maximum impervious area permitted;
  - increase drainage retention capacity on private lands.

- **Select engineering solutions, which may include:**
  - limited fill/bulkheads/seawalls;
  - increasing the conveyance capacity of the City's stormwater management system;
  - elevating local roads in conjunction with stormwater improvements;
  - floodproofing infrastructure components where feasible.

These strategies will be evaluating in greater detail in Phase II of this effort.

Land use strategies should also be considered, even though they are inherently difficult to effectively implement in built out communities. Land use strategies would seek to reduce the extent of existing development within the forecasted inundation areas and would be prioritized based on those areas most susceptible to flooding, which are generally located within the first few blocks from the shoreline. Vertical mitigation will not likely provide an adequate solution for the most susceptible neighborhoods. While the structures could be elevated during reconstruction in these areas, it may not be possible to solve the stormwater management challenge to achieve a relatively safe and healthy condition. Locations that are forecasted to flood from sea level rise alone would be first priority since those areas would experience sustained flood conditions.

Land use strategies would potentially incorporate a combination of land acquisition and incentives/regulations to transfer development rights to locations outside of the forecasted flood areas. Ideally, a cost-benefit analysis should be performed to compare the cost and effectiveness of maintaining existing subdivisions within the most flood prone neighborhoods versus the cost and effectiveness of implementing land use strategies. Even where vertical mitigation is feasible, it may not be cost effective to maintain infrastructure within the most flood prone areas, and it may not be feasible or desirable to implement engineering solutions, such as seawalls, along the ICW. Selective land acquisition may be feasible for limited areas, but would typically not provide sufficient funding for acquiring lots within established subdivisions. Given the demand and pressure on acquisition programs, a transferable development rights (TDR) program may provide the best land use option. However, for a TDR program to work effectively, market conditions must create demand for the purchase of transferable densities/development rights. Therefore, a TDR program would require significant increases in density at potential receiver sites. Phase II will further evaluate the feasibility of TDR strategies, including whether sufficient receiver sites could be designated and whether such higher-density receiver sites would be compatible with the City's objectives regarding community character.

Phase II will provide a more comprehensive evaluation of all potential options, culminating in a public workshop to obtain public input on recommended strategies to reduce and mitigate the impacts of flooding. This will be followed by drafting proposed amendments to the City's Comprehensive Plan to address the "peril of flood" planning requirements set forth in s 163.3178(2), Florida Statutes.

APPENDIX

IMPACTED ACREAGE BY FUTURE LAND USE CATEGORY

Figure A-1, Category 1 Storm Surge (Current)

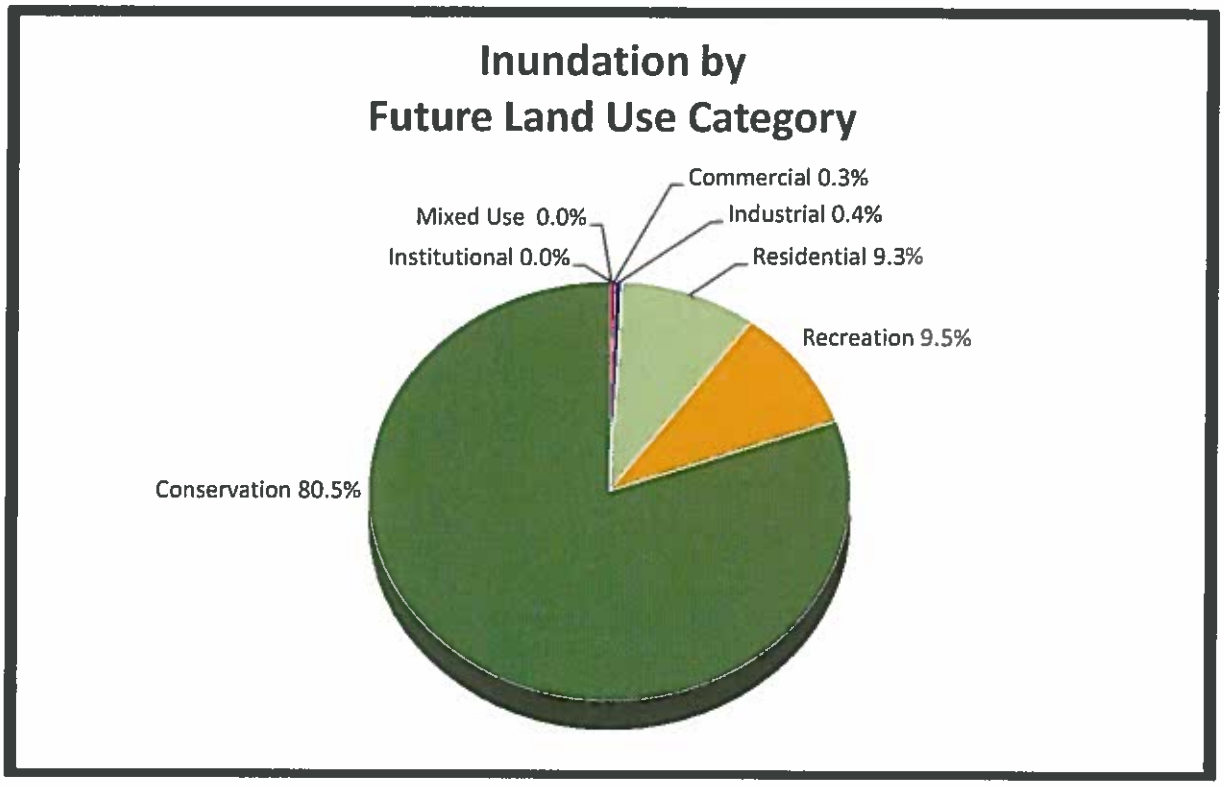


Figure A-2, Category 1 Storm Surge (2040 C2)

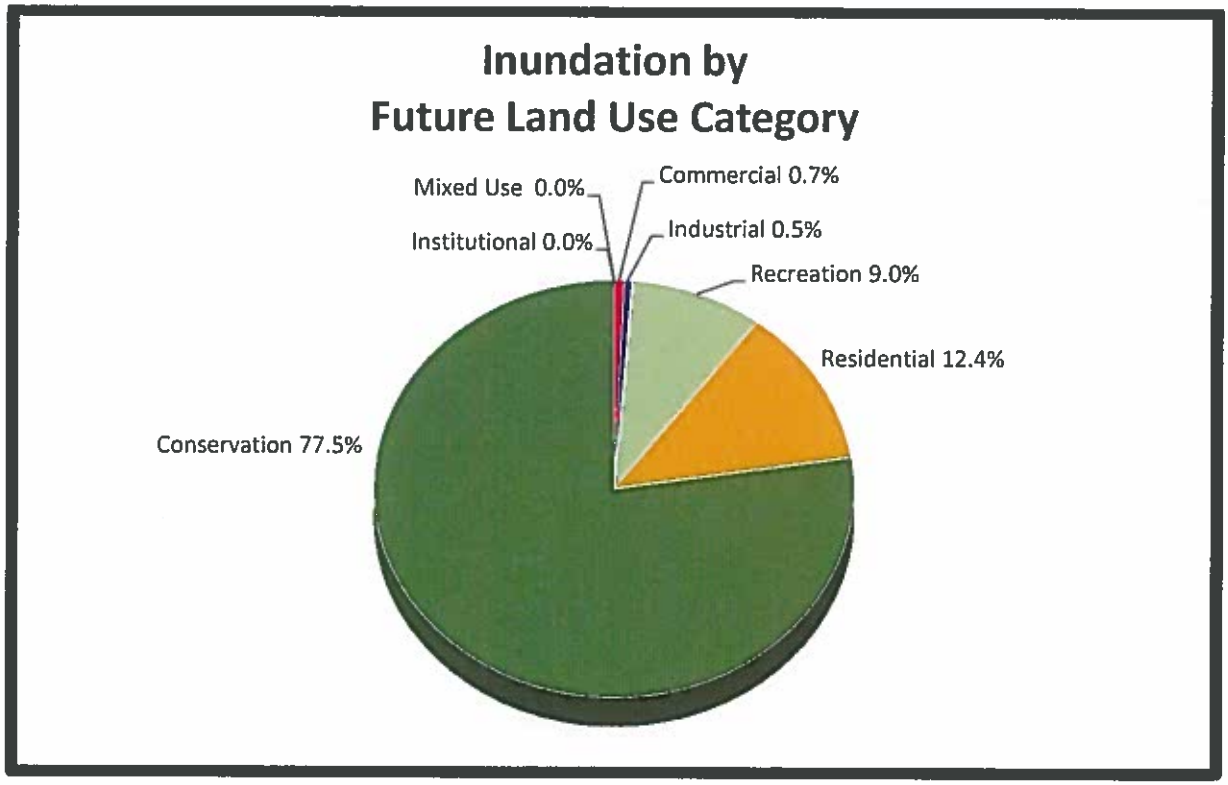


Figure A-3, Category 1 Storm Surge (2040 C4)

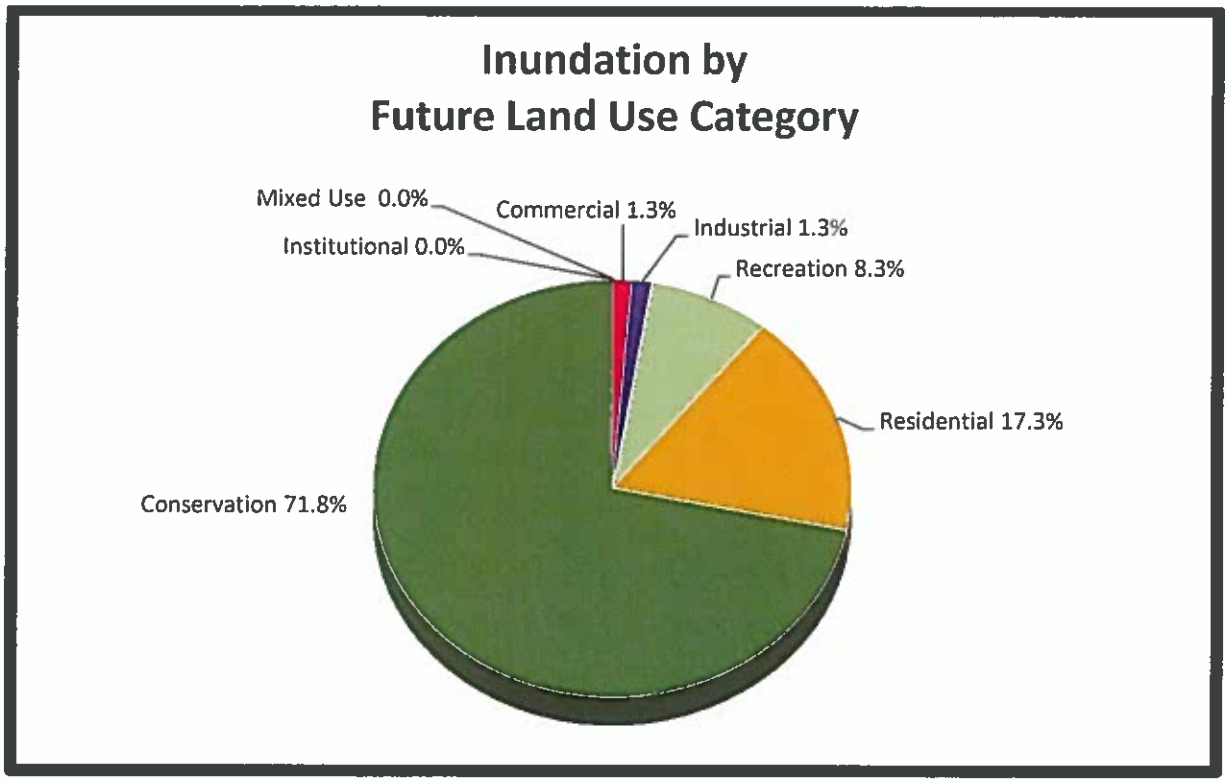


Figure A-4, Category 1 Storm Surge (2060 C2)

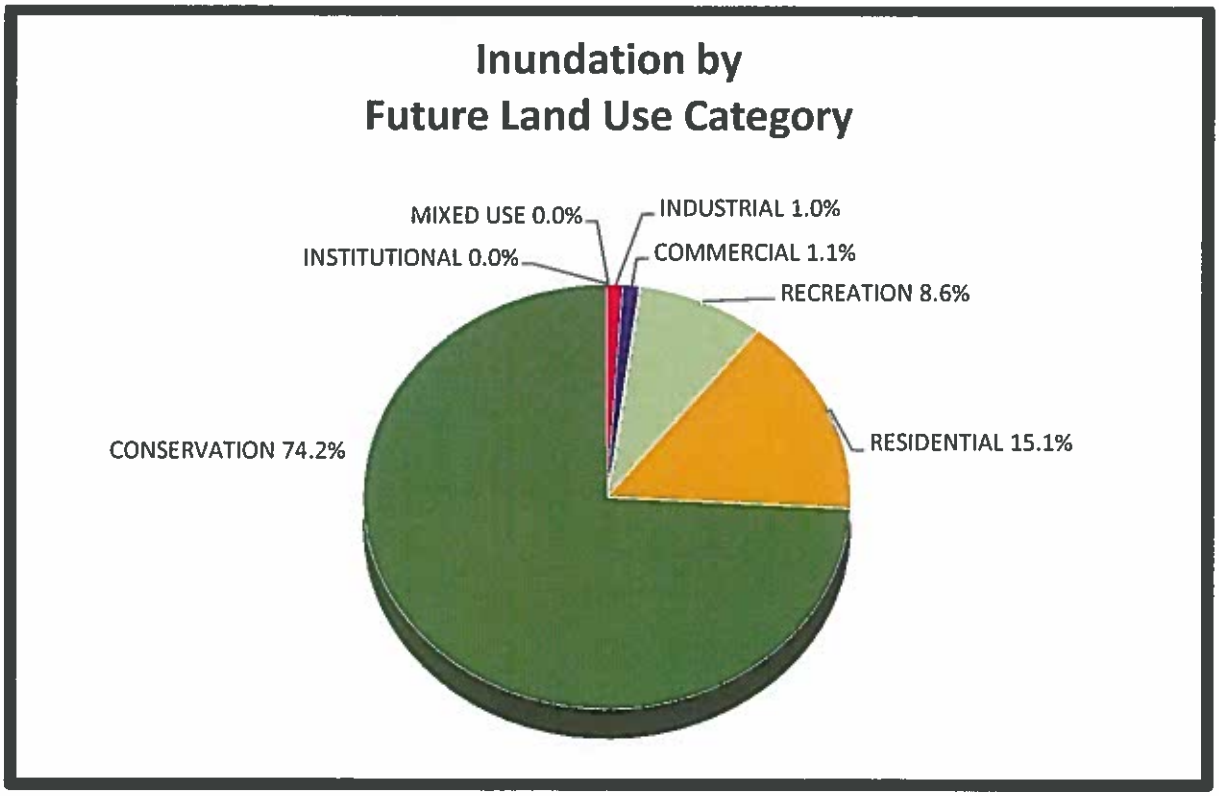


Figure A-5, Category 1 Storm Surge (2060 C4)

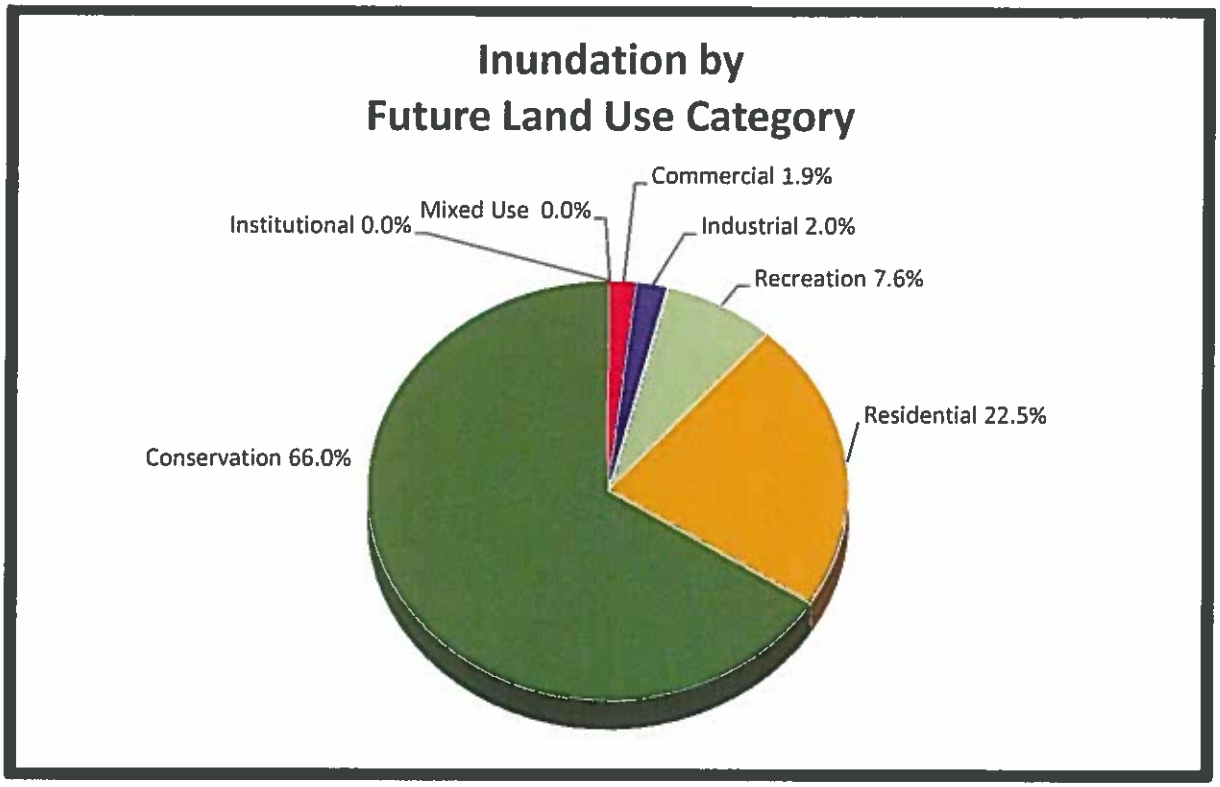


Figure A-6, Spring Tide (Current)

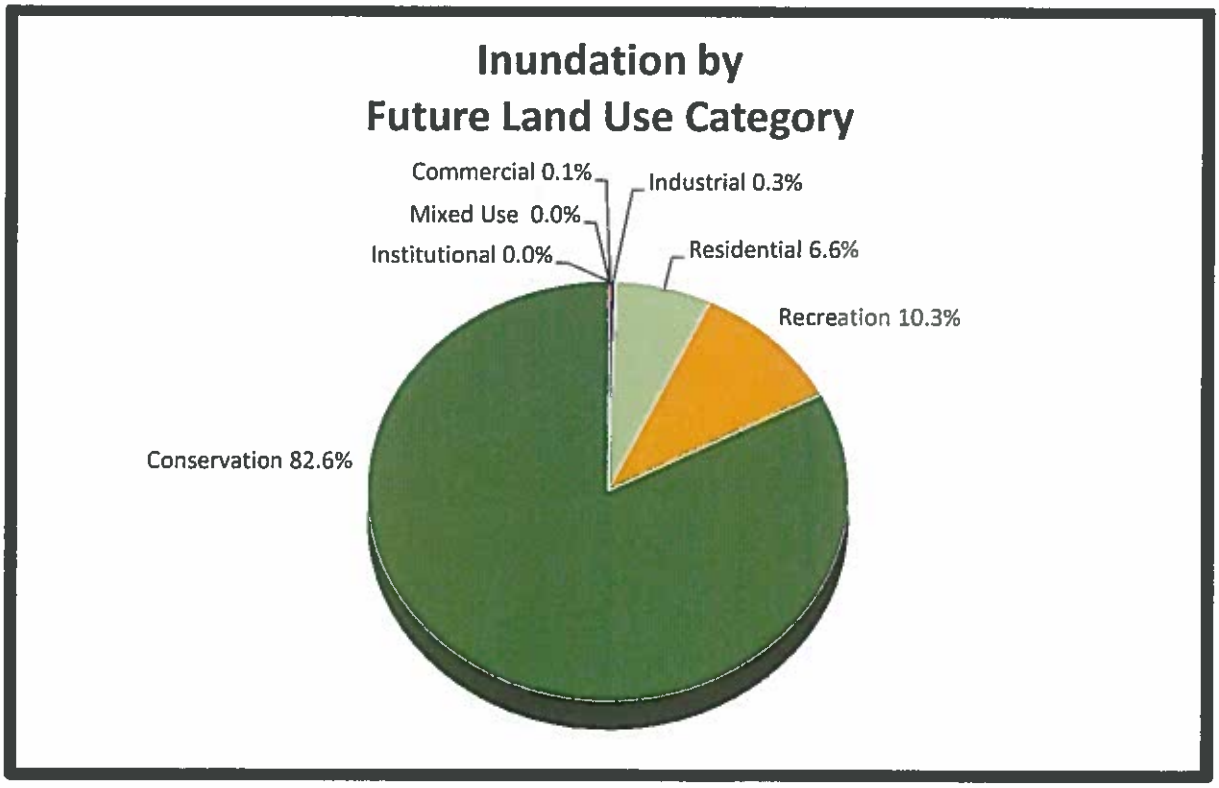


Figure A-7, Spring Tide (2040 C2)

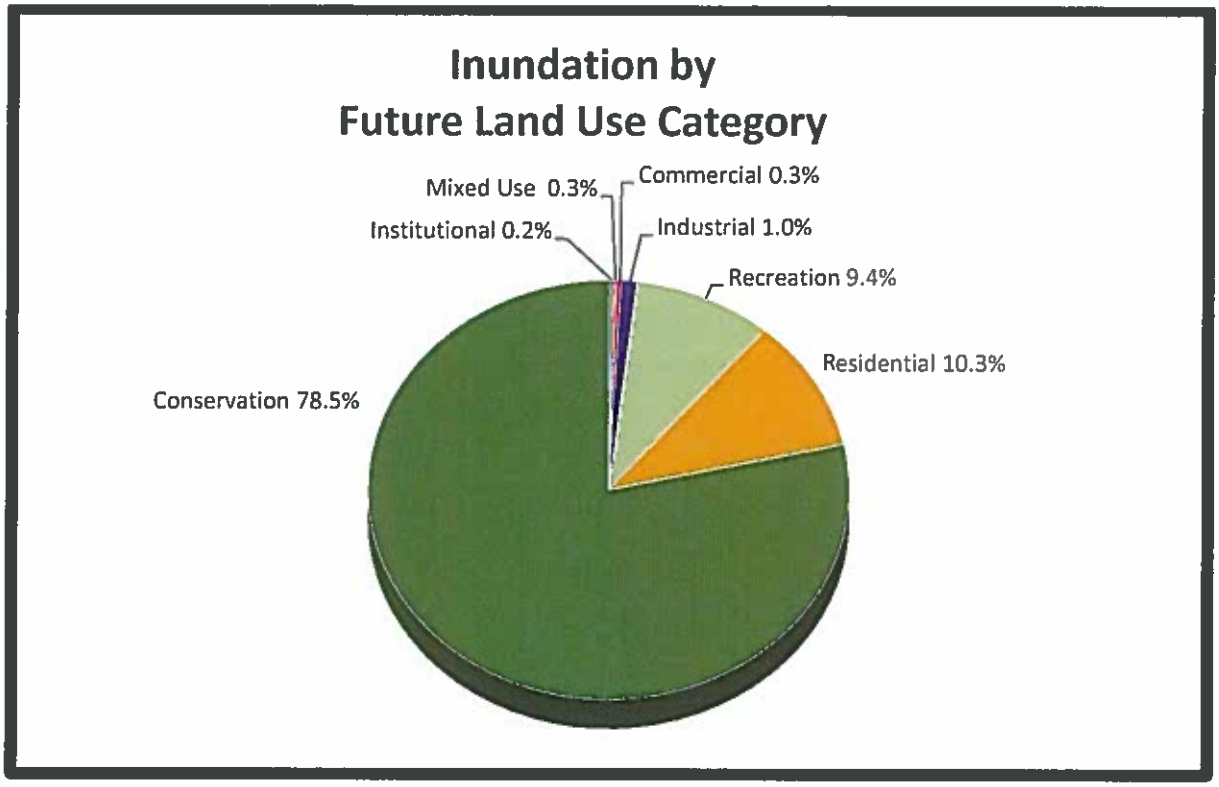


Figure A-8, Spring Tide (2040 C4)

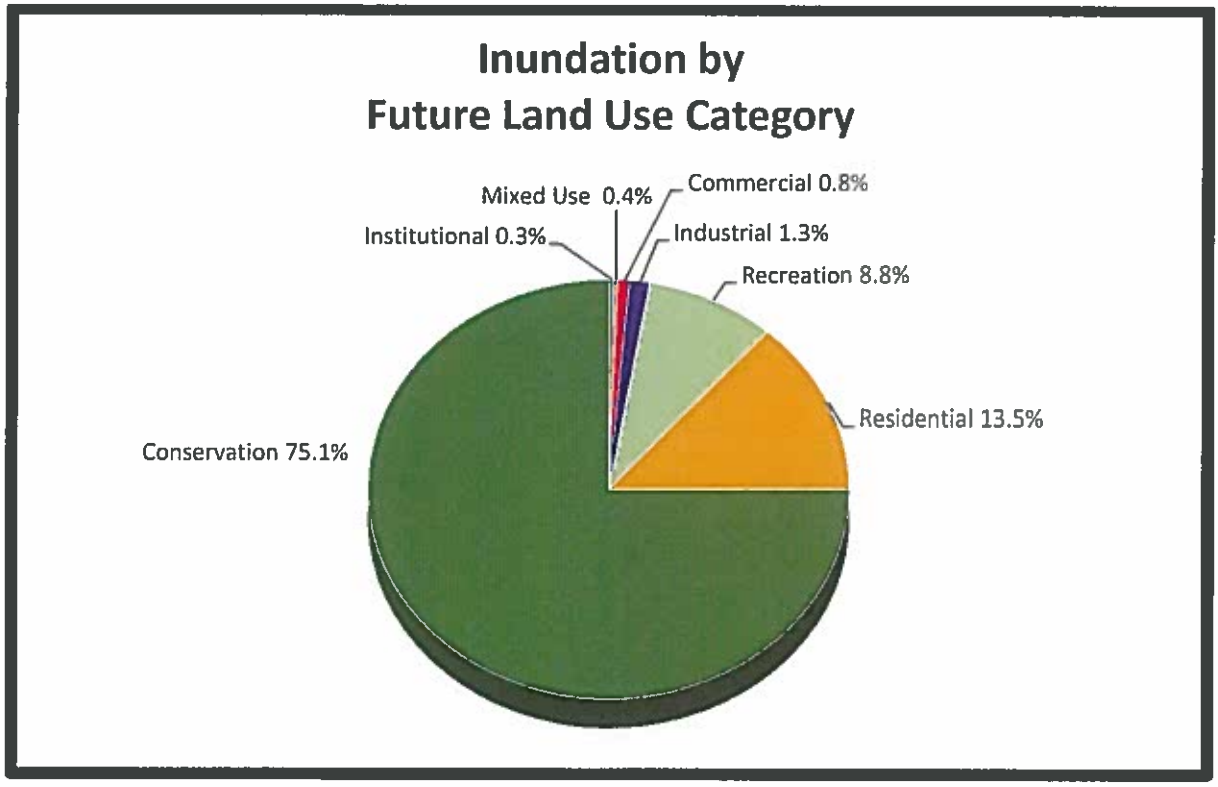


Figure A-9, Spring Tide (2060 C2)

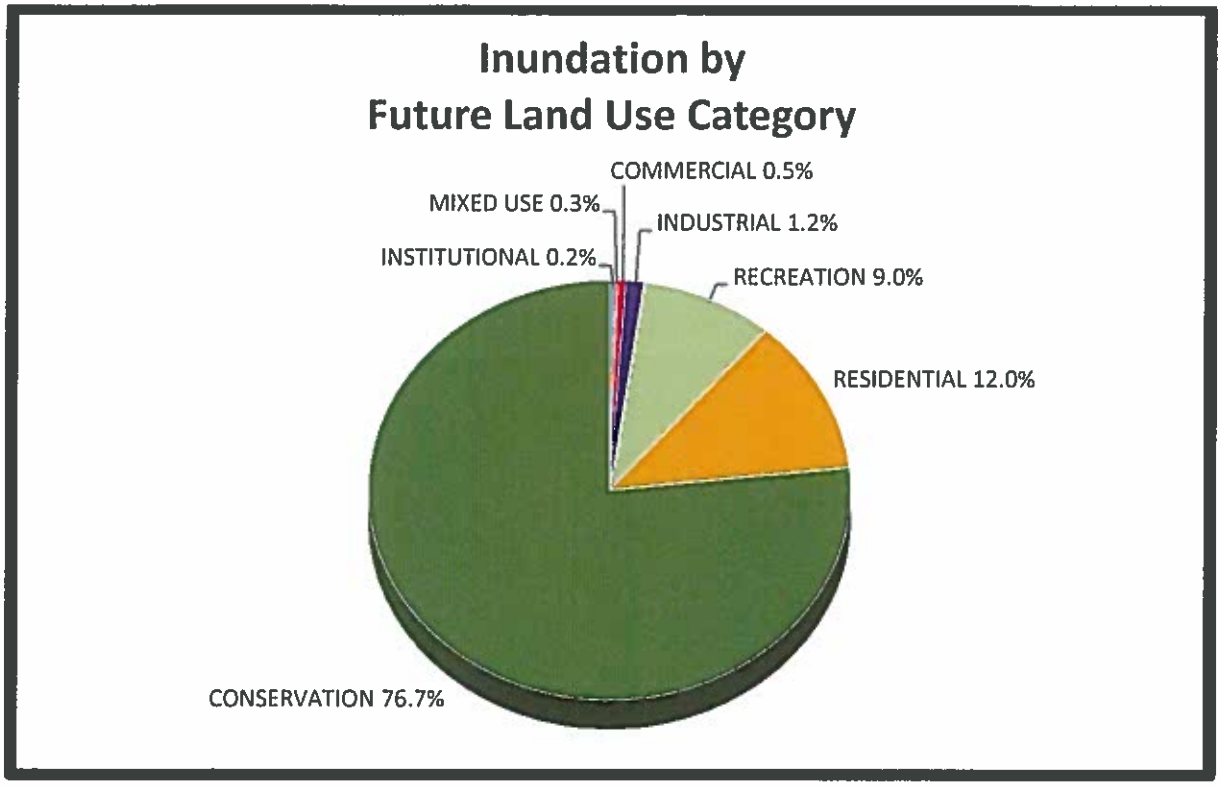
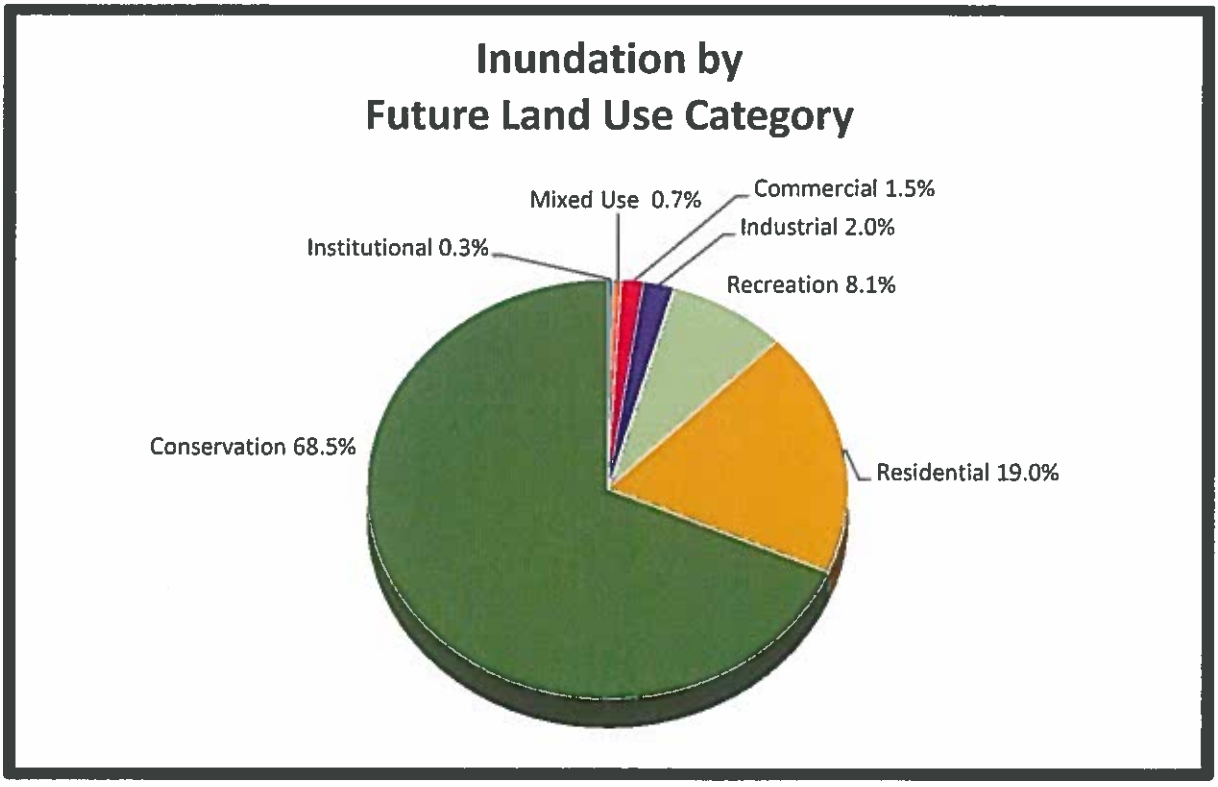


Figure A-10, Spring Tide (2060 C4)



INUNDATION WITHIN FUTURE LAND USE CATEGORIES

Figure A-11, Category 1 Storm Surge (Current)

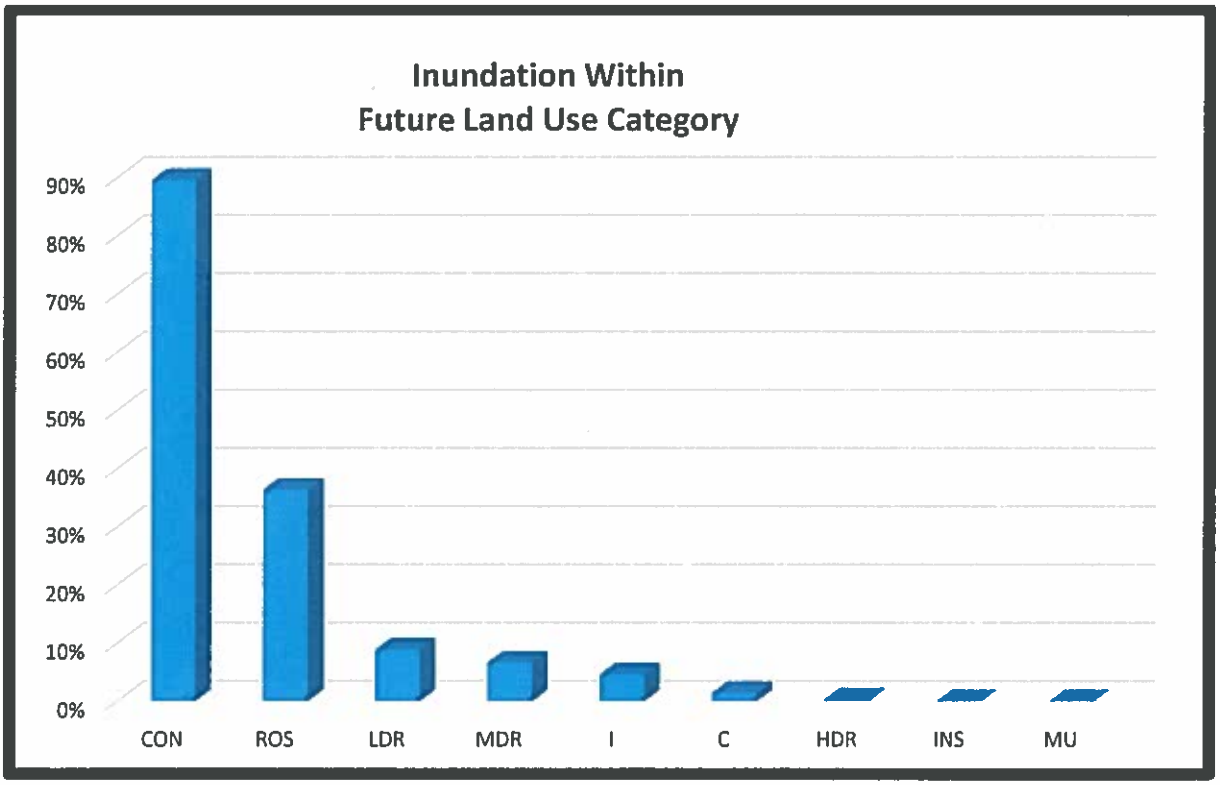


Figure A-12, Category 1 Storm Surge (2040 C2)

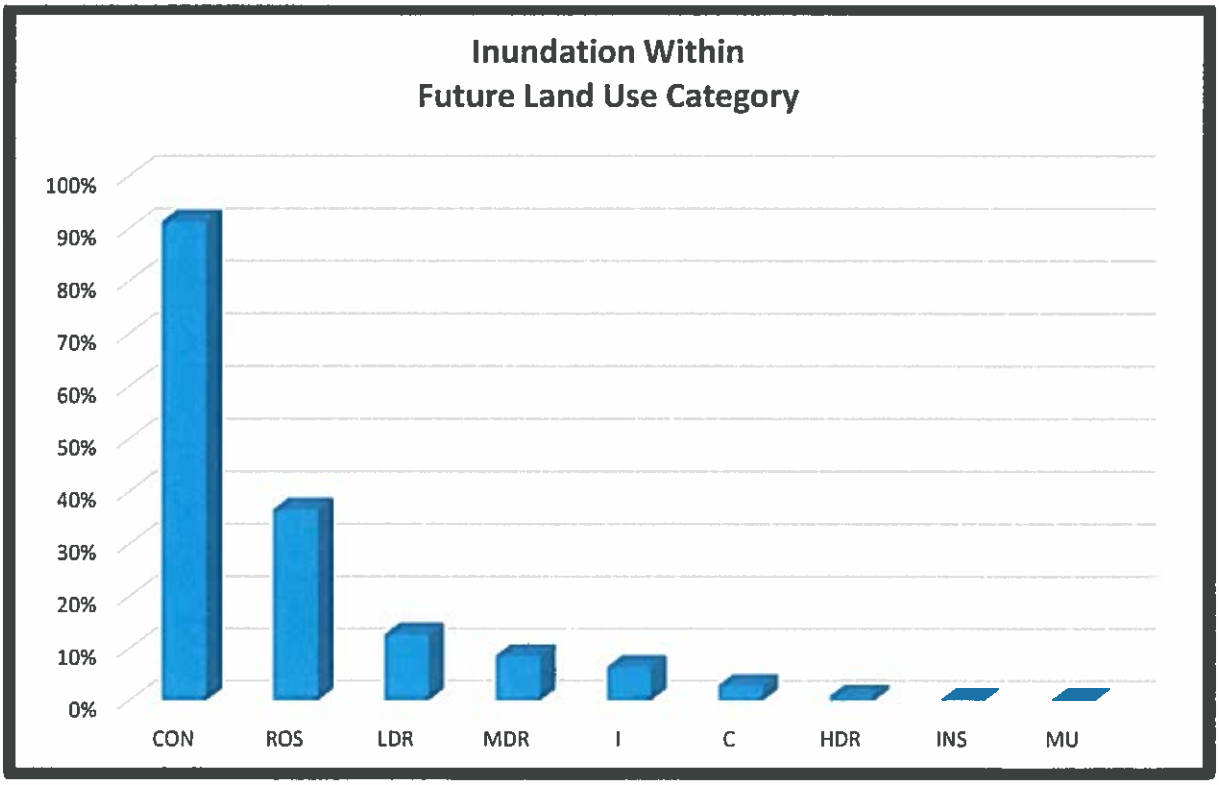


Figure A-13, Category 1 Storm Surge (2040 C4)

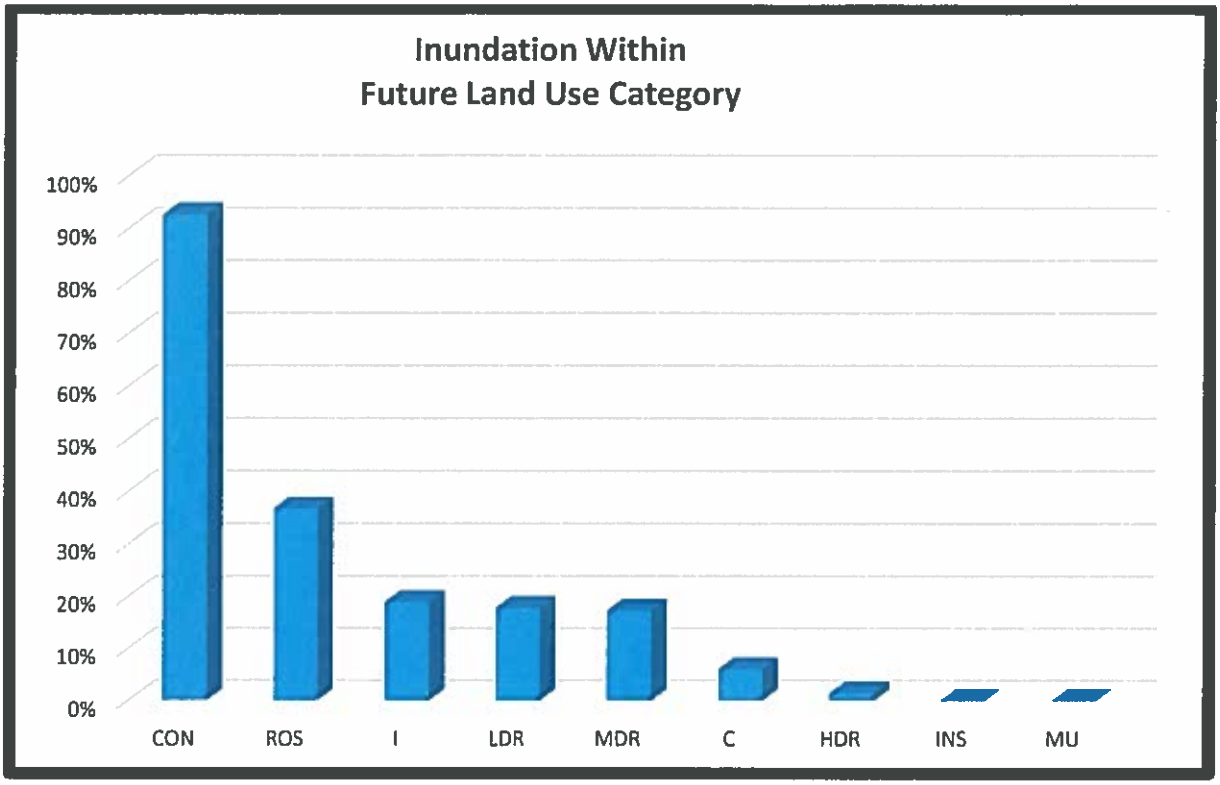


Figure A-14, Category 1 Storm Surge (2060 C2)

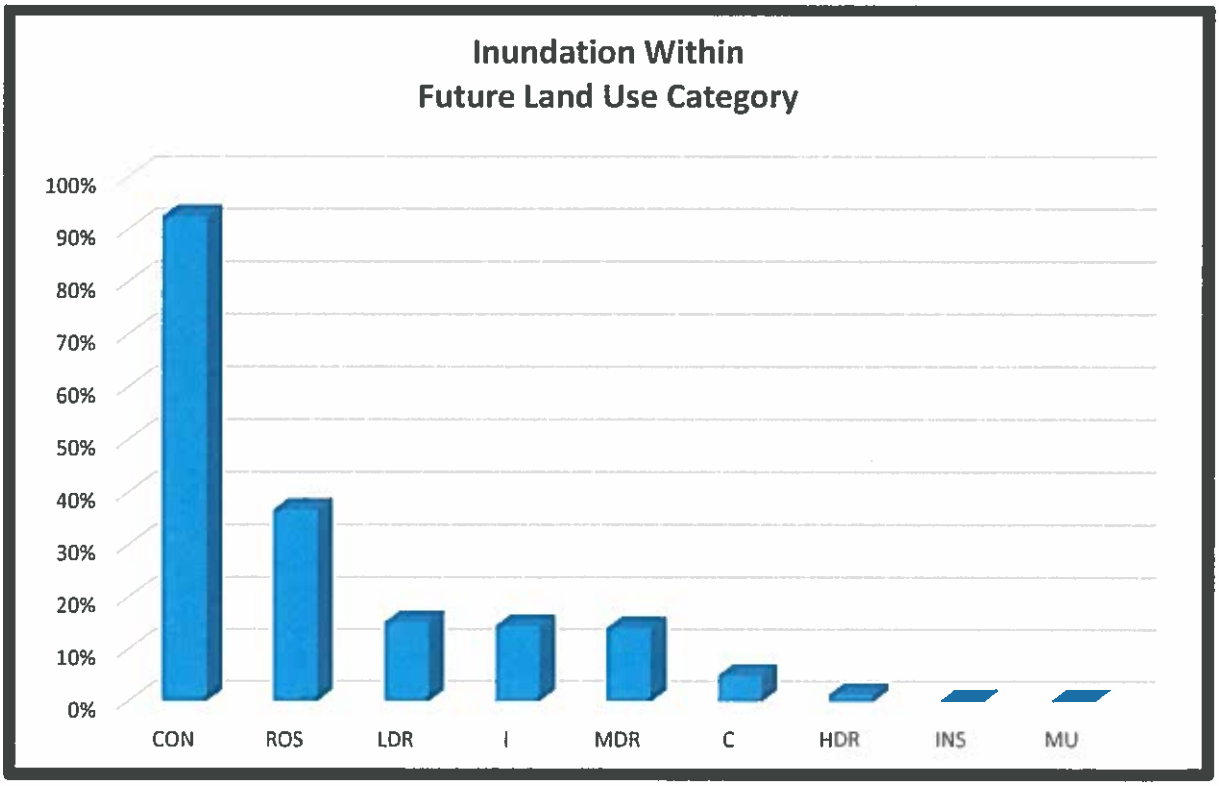


Figure A-15, Category 1 Storm Surge (2060 C4)

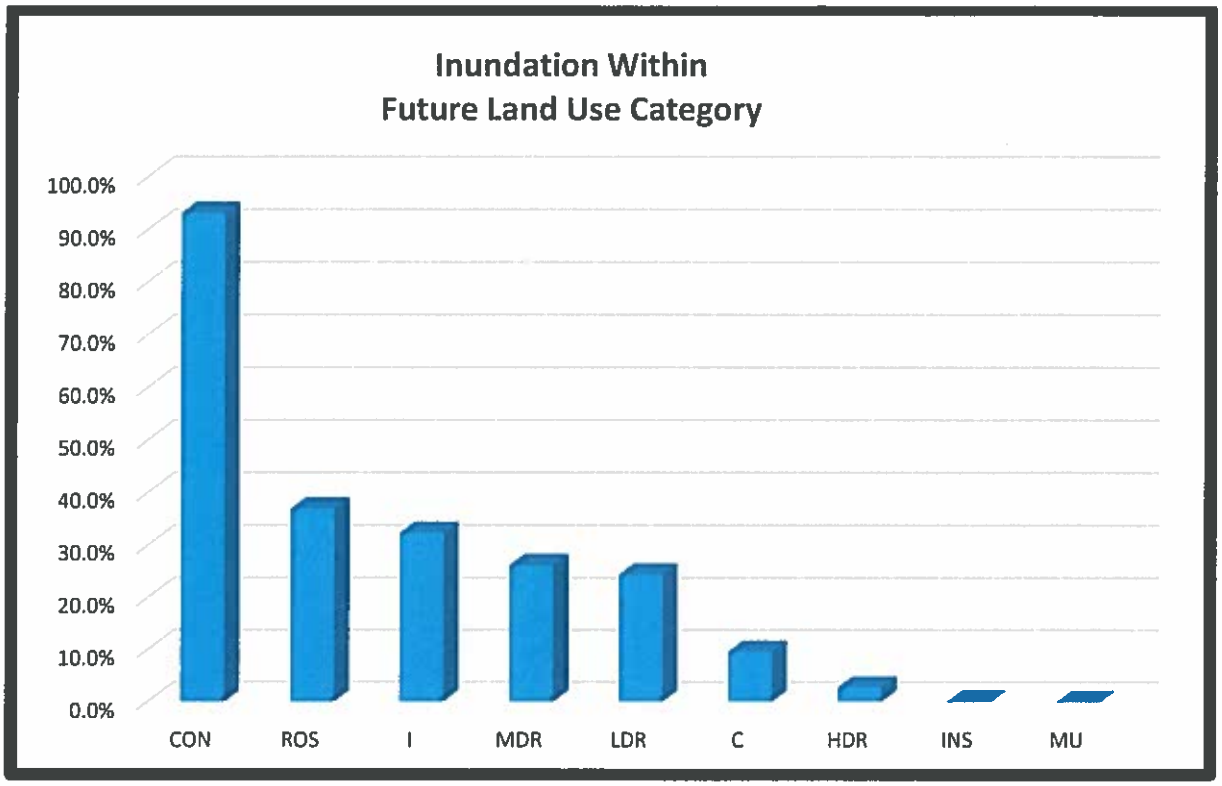


Figure A-16, Spring Tide (Current)

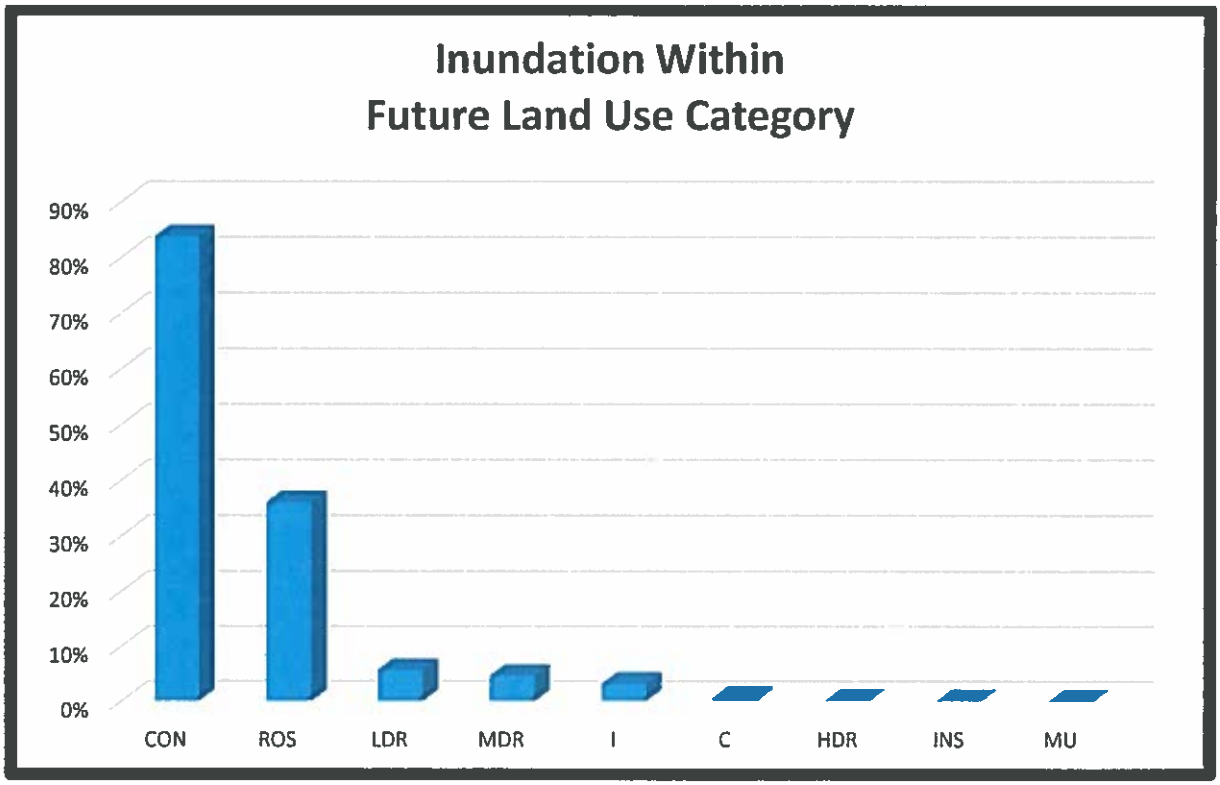


Figure A-17, Spring Tide (2040 C2)

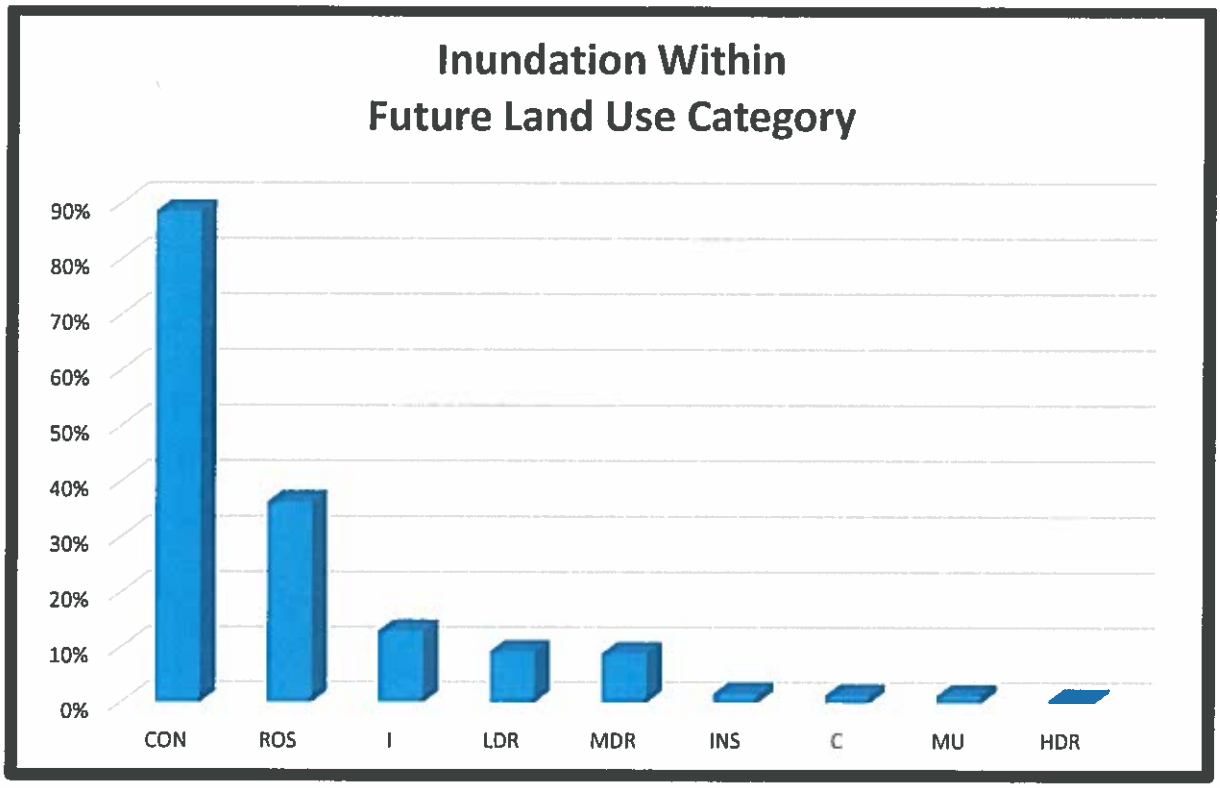


Figure A-18, Spring Tide (2040 C4)

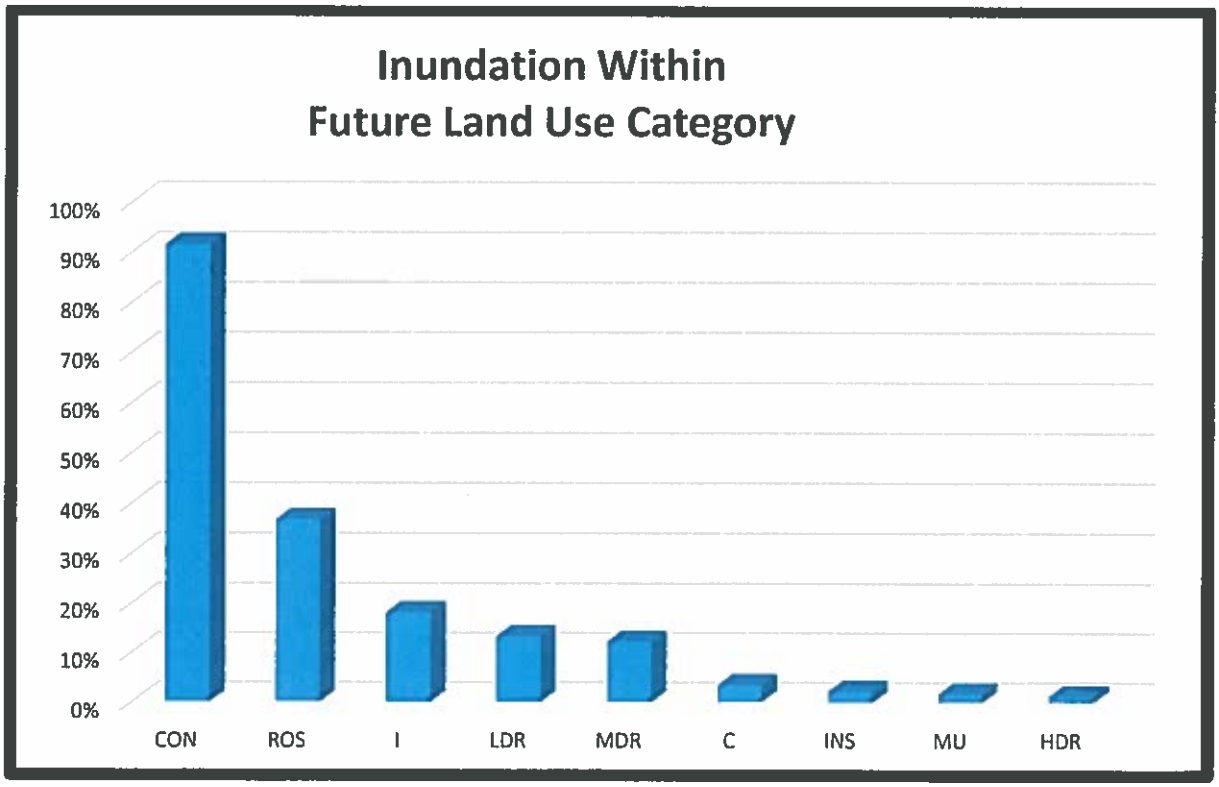


Figure A-19, Spring Tide (2060 C2)

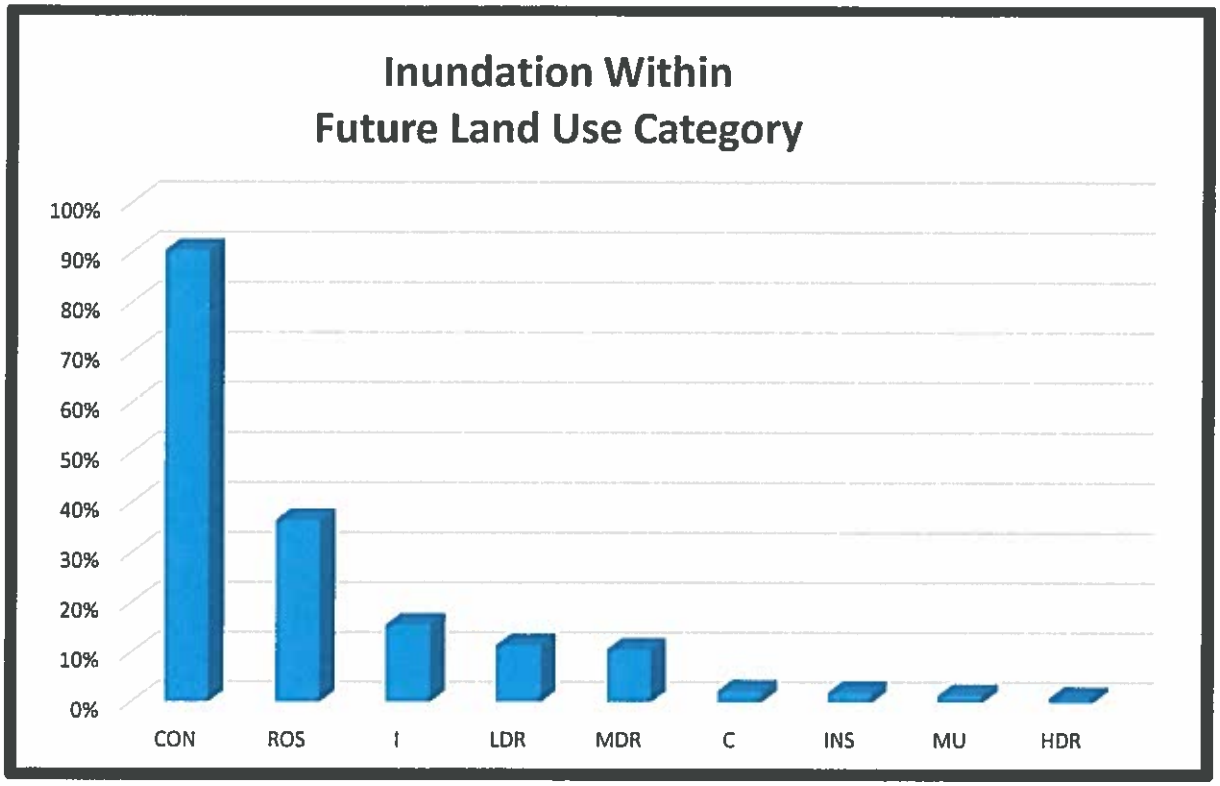
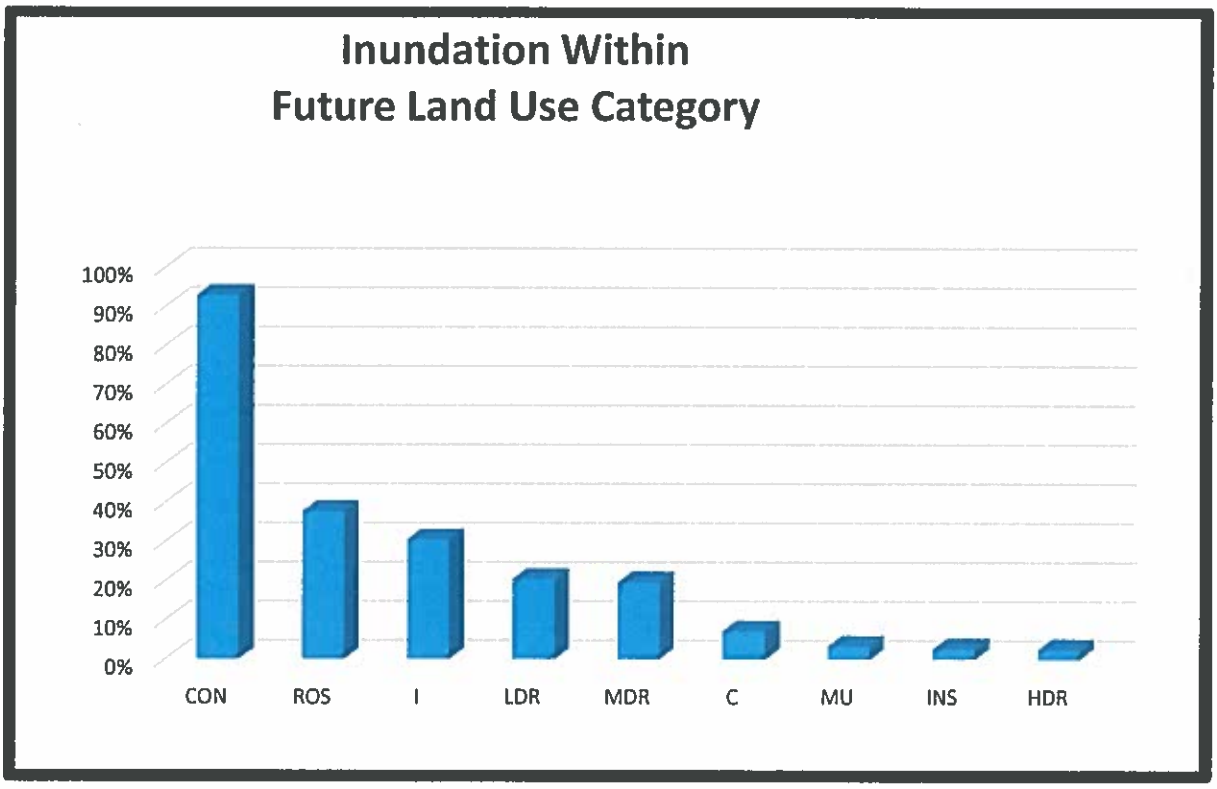


Figure A-20, Spring Tide (2060 C4)



Introduced by: _____
Adopted: _____

RESOLUTION NO. 2057-2020

A RESOLUTION OF THE CITY OF JACKSONVILLE BEACH, FLORIDA, TO TENTATIVELY APPROVE AMENDMENTS TO THE COASTAL MANAGEMENT ELEMENT OF THE 2030 COMPREHENSIVE PLAN AND ADOPT THE PERIL OF FLOOD REQUIREMENTS OF SECTION 163.3178(2)(f), FLORIDA STATUTES, ADDING NEW OBJECTIVES AND POLICIES, AND AUTHORIZING TRANSMITTAL OF THE AMENDMENTS TO THE REVIEWING AGENCIES PURSUANT TO SECTION 163.3184(3)(b)1., FLORIDA STATUTES; AND SETTING AN EFFECTIVE DATE.

WHEREAS, the City of Jacksonville Beach ("City") City Council adopted a Comprehensive Plan for the City by Ordinance No. 7474; and

WHEREAS, pursuant to Section 163.3178(2)(f), Florida Statues, the City is required to amend the adopted Comprehensive Plan Coastal Management Element to include "Peril of Flood" policies that provide a redevelopment component that outlines principles that must be used to eliminate inappropriate and unsafe development in coastal areas when opportunities arise; and

WHEREAS, the City has initiated an amendment to the 2030 Comprehensive Plan in order to incorporate new objectives and policies to the Coastal Management Element of the Comprehensive Plan to meet the "Peril of Flood" requirements of Section 163.3178, Florida Statues; and

WHEREAS, Section 163.3184(2)&(3), Florida Statutes, requires a local government to hold an initial public hearing and by affirmative vote of not less than a majority of the members of the governing body present at the hearing, vote to transmit the proposed comprehensive plan amendments to the applicable reviewing agencies and local governments; and

WHEREAS, after receiving comments from the reviewing agencies, Section 163.3184(3)(c)1., Florida Statutes, requires a local government to hold a second public hearing to decide whether to adopt one or more comprehensive plan amendments; and

WHEREAS, on March 9, 2020, at a public hearing, the City Planning Commission acting as the Local Planning Agency, unanimously recommended to the City Council that the proposed amendments to the Coastal Management Element of the 2030 Comprehensive Plan be transmitted to the reviewing agencies and local governments.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF JACKSONVILLE BEACH AS FOLLOWS:

SECTION 1. The City Council of the City of Jacksonville Beach held an initial public hearing pursuant to Section 163.3184(3)(b)1., Florida Statutes. The City has taken all appropriate and required action necessary to the processing and majority vote approval of this Resolution. That the proposed amendments to the Coastal Management Element of the 2030 Comprehensive Plan, as set forth in Exhibit A to this Resolution, are hereby approved. Such approval is subject to the

review by and receipt of any objectives, recommendations, and comments from, the reviewing agencies.

SECTION 2. The Planning and Development Director is authorized and instructed to transmit the Coastal Management Element of the 2030 Comprehensive Plan, as set forth in Exhibit A to this Resolution and any support documents that may be required to the reviewing agencies pursuant to Section 163.3184(3), Florida Statutes.

SECTION 3. Effective Date. This Resolution shall become effective immediately upon its adoption.

AUTHENTICATED THIS _____ DAY OF _____, 2020.

_____
William C. Latham, MAYOR

_____
Laurie Scott, CITY CLERK

Draft City of Jacksonville Beach Comprehensive Plan Amendment Responding to Peril of Flood Statutory Requirements (s. 163.3178(2)(f), Florida Statutes)

Goal CM.3 (existing)
The vulnerability of the people and property of Jacksonville Beach to coastal hazards such as hurricane damage and coastal flooding shall be minimized.

Objective CM 3.4 (proposed)

The City shall adopt and implement policies, regulatory standards, administrative procedures, incentives or other strategies to reduce vulnerability to sea level rise, high-tide events, storm surge, stormwater runoff and flash floods.

Policy CM3.4.1 (proposed)
The City shall consider in all decision-making processes whether the action or decision will increase, reduce or mitigate flood potential from sea level rise, high tide and storm surge, including:

1. Comprehensive Plan and Land Development Code amendments. The City shall evaluate its policies and regulations on a periodic basis to consider amendments to reduce and/or mitigate flooding impacts and shall ensure amendments do not increase the extent and depth of flood potential.

2. Land use and zoning amendment decisions. Density offsets in the Coastal High Hazard Area shall not result in an increase in density or intensity within areas forecasted to flood due to sea level rise or high tide events forecasted through 2060 based on high risk scenario.

3. Subdivision, Planned Unit Development and Site Plan reviews. The City shall ensure all applicable policies and regulations are enforced during development review procedures, shall encourage approaches to

reduce and/or mitigate flood impacts, and shall evaluate opportunities for offering incentives for exceeding minimum standards.

4. Budgetary Process, Strategic Plans and Departments. The City shall consider opportunities to reduce and/or mitigate flood impacts in preparing its budget, evaluating public projects and determining priorities by Department.

5. Infrastructure Improvements. The City shall give high priority to infrastructure improvements and other engineering solutions that will increase public health and safety by improving flood resiliency. The City shall evaluate the use of green infrastructure designs, such as low impact stormwater designs, where deemed feasible and effective.

Policy CM3.4.2 (proposed)
The City shall implement the following redevelopment and development principles, strategies and engineering solutions to reduce the extent of real property and structures located in designated flood zones:

1. The City shall evaluate land acquisition opportunities based on the following guiding principles:

    a. Identify and prioritize sites that are determined most susceptible to flooding based on modeling and/or recorded repetitive structural damage.
    b. Prioritize sites that maximize public benefits, including shoreline access, recreation, conservation and other objectives of the Comprehensive Plan.
    c. Reduce acquisition costs by seeking out willing sellers through voluntary land acquisition.
    d. Coordinate with regional, state and federal agencies and non-profit programs on funding acquisition priorities.
    e. Pursue options to aggregate acquisition lands to maximize effectiveness and reduce infrastructure demands.
    f. Identify properties with higher vulnerability populations such as elderly and low income.

2. The City shall identify opportunities to reduce density/intensity of development in flood zones:

    a. Prioritize potential sites appropriate for less than fee simple purchase of partial development rights following the same principles as for fee simple acquisition.
    b. Prioritize sites that are suitable for conversion to less susceptible and or lower value land uses (i.e., commercial to light industrial) in conjunction with fee simple purchase of partial development rights.
    c. Evaluate opportunities for public/private partnerships to implement drainage improvements, selective seawall construction or other engineering solutions in conjunction with reduction of density/intensity.

3. The City shall amend its floodplain regulations to require the elevation of new structures and substantially repaired/improved structures located in flood zones to a minimum of 1.5 feet above applicable base flood elevation standards.

4. The City shall amend its floodplain regulations to require a cumulative calculation of improvement costs over a two-year period in determining whether improvements result in a substantial improvement to a nonconforming structure below required base floor elevation.

5. The City shall limit public expenditures that would facilitate development within areas susceptible to projected flooding from sea level rise through 2060 and high tides, and shall encourage local governments, agencies and service providers to implement the same strategy.

6. The City shall ensure that drainage swales, ditches, stormwater retention areas and urban conveyance systems are maintained to achieve maximum design capacity and flow. The City shall conduct periodic inspections of private drainage systems under its

regulatory jurisdiction to ensure enforcement of permitting conditions relating to operation and maintenance of drainage systems, and shall encourage the St. Johns Water Management District to conduct inspections for systems under its jurisdiction.

7. The City shall coordinate with the Florida Department of Transportation, Duval County, the Duval County School District and other government agencies that own development sites, control right-of-way or provide services in order to evaluate opportunities for partnering on drainage improvements and to encourage designs that minimize and mitigate flood impacts.

Policy CM3.4.3 (proposed)
The City shall evaluate and adopt regulations to require or incentivize the following site development techniques and best management practices to reduce losses due to flooding and resulting insurance claims:

a. Evaluate the feasibility of adopting more stringent drainage level-of-service standards as related to duration, frequency and recovery design criteria.

b. Evaluate the feasibility of revising regulations to reduce the extent of required impervious surfaces, including minimum and maximum off-street parking ratios, options for compact parking spaces, bicycle storage parking credits, specific shared parking ratios for uses with different peak periods, and use of pervious materials for driveways, parking and sidewalks.

c. Require shared access points and cross-connections between developments where feasible and where result would reduce impervious surfaces.

d. Reduce minimum pavement width requirements for curb and gutter roads to 22' plus 1.5' curb and gutter for collector and local roads.

e. Support regulatory and financial incentives for elevating the first floor of structures on pilings in A-zones to allow for parking beneath the structure. Implement the same strategy for elevating the first floor structures above minimum regulatory requirements in V-zones as necessary to locate parking below structures.

f. The City shall coordinate with the UF/IFAS Extension office to seek assistance in amending the City's development standards and landscaping standards to increase flood attenuation.

g. The City shall continue to provide public education on flood protection, best management practices and the National Flood Insurance Program via its website, pamphlets workshops, and other outreach methods.

Policy CM3.4.4 (proposed)
The City shall maintain flood-resistant construction requirements that are consistent with, or more stringent, than the Florida Building Code and applicable flood plain management regulations set forth in 44 C.F.R., Part 60.

Policy CM3.4.5 (proposed)
Construction activities seaward of the coastal construction control lines established pursuant to s. 161.053 shall be consistent with Chapter 161, Florida Statutes.

Policy CM3.4.6 (proposed)
The City shall continue to participate in the National Flood Insurance Program Community Rating System and shall periodically evaluate program options for improving its rating to maximum insurance premium discounts.

MEMORANDUM

TO: Michael J. Staffopoulos, City Manager

FROM: Chris Ambrosio, City Attorney

SUBJECT: Ordinance No. 2020-8136 amending City Code Ch. 28, Art. IV to adopt new Florida Statute requirements, regulations and standards of wireless communications facilities within the public right-of-way.

DATE: March 18, 2020

BACKGROUND

In City Code Ch. 28, Art. IV "Communications Rights-Of-Way Ordinance" and Sec. 34-409 through Sec. 34-410 for "Personal Wireless Service Facilities", the City has regulations for placement, maintenance, design standards, spacing and location requirements of wireless communications facilities within the public right-of-way (ROW).

In 2017, Section 337.401, Florida Statutes "Use of right-of-way for utilities subject to regulation; permit; fees" was amended. The law regulates the placing of new utility poles in the City's ROW to support small wireless facilities and micro wireless facilities. In response to that act, the City adopted the Communications Rights-of-Way Ordinances (Ordinance No. 2017-8099 and Ordinance No. 2017-8101).

In 2019, the Florida Legislature adopted additional modifications to the 2017 law that prohibit, restrict, specify, and create exemptions to the City's ability to protect municipal proprietary property. These amendments took effect on July 1, 2019. Since that time, the Florida League of Cities and three member cities have challenged the constitutionality of significant portions of the 2017 and 2019 laws. This legal challenge has not been resolved. While there are unresolved matters, the City nevertheless needs to be able to work with applicants in a manner consistent with the new statutory changes.

Key points of the 2019 state law are:

1. Prohibits adoption of local regulations or imposition of fees upon the placement of communications facilities in public the ROW.
2. Prohibits registration fees.
3. Increases public notice requirements prior to adopting new city rules that impact communication facilities.

4. Limits what local governments can require and what information may be requested when reviewing communications facilities applications for work in the public the ROW.
5. Mandates that all renewals be for no less than 5 years.
6. Shortens local government review time frames for the review of communication facilities.
7. Makes it easier to permit the construction of new utility poles in the ROW.
8. Prohibits moratoria or other delays in the issuance of permits.
9. Sets statewide criteria for small wireless facilities sizing.
10. Prohibits local government performance bonds or security funds and limits the terms of construction bonds.
11. Creates a new cause of action against cities that violate the new law, including the assessment of attorney's fees.
12. Preempts many issues that were once within the purview of cities to require.

Ordinance No. 2020-8136 implements the changes contained in the 2019 law by amending City Code Ch. 28, Art. IV, Sections 28-71, 28-72, 28-73, 28-75, 28-76, and 28-84. The objective of the City Code update is to manage the growth of wireless communications facilities within the City limits in the best interests of the public in safety, health and prudent land use, including the limited resource of the ROW, in a manner to bring City Code current with statutes.

REQUESTED ACTION

Adopt/Deny Ordinance No. 2020-8136 amending City Code Ch. 28, Art. IV to adopt new Florida Statute requirements, regulations and standards of wireless communications facilities within the public right-of-way.

Introduced by: _____
1st Reading: _____
2nd Reading: _____

ORDINANCE NO. 2020-8136

AN ORDINANCE AMENDING CHAPTER 28, ARTICLE IV OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH, FLORIDA; REVISING ARTICLE IV TO BE CONSISTENT WITH AMENDMENTS TO SECTION 337.401, FLORIDA STATUTES ADOPTING REGULATIONS OF WIRELESS COMMUNICATIONS FACILITIES IN THE PUBLIC RIGHTS-OF-WAY; PROVIDING FOR LEGISLATIVE FINDINGS, SEVERABILITY, REPEAL OF CONFLICTS, AND AN EFFECTIVE DATE.

WHEREAS, pursuant to Section 337.401, Florida Statutes "Use of right-of-way for utilities subject to regulation; permit; fees", local governments may grant the use of the public right-of-way ("ROW") to support small wireless and micro wireless facilities in accordance with regulations as the local government may adopt; and

WHEREAS, local governments having jurisdiction of the public ROW are authorized to prescribe and enforce reasonable regulations over the placing and maintaining across, on, or within the ROW limits, any electric transmission or other communications services lines or wireless facilities, pole lines, poles, or other structures; and

WHEREAS, the City of Jacksonville Beach ("City") adopted reasonable regulations, standards, spacing and location requirements for placement and maintenance of communications facilities within the public ROW by the passage of Ordinance No. 2017-8099 and Ordinance No. 2017-8101, as contained in City Code of Ordinances Chapter 28, Article IV known as "Communications Rights-Of-Way Ordinance" and Sections 34-409 through 34-410 for "Personal Wireless Service Facilities"; and

WHEREAS, Florida Legislature 2019 amendments to Section, 337.401, Florida Statutes prohibit, restrict, specify, and create exemptions to the City's ability and authority to regulate small and micro wireless communications facilities within the public ROW that necessitates that the City amend Chapter 28, Article IV, to comply with new state laws; and

WHEREAS, the City Council desires to manage the growth of wireless communications facilities within the City limits in the best interests of the public safety, health and prudent land use of the limited resource of the ROW, in a manner consistent with new 2019 state laws; and

WHEREAS, the City complied with statutory notice requirements concerning the adoption of this Ordinance to amend City Code consistent with new Florida laws related to wireless facilities and utilities activities in the ROW; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JACKSONVILLE BEACH, FLORIDA:

SECTION 1. RECITALS AND LEGISLATIVE FINDINGS. The above recitals and legislative findings are ratified, correct and made a part of this Ordinance.

SECTION 2. AMENDMENTS TO SECTION 28-71, CODE OF ORDINANCES. That Section 28-71, Chapter 28, Article IV, Communications Rights-of-Way, of the Code of Ordinances of the City of Jacksonville Beach, Florida, is hereby amended to read as follows:

Sec. 28-71. - Intent and purpose.

(a) The City hereby makes and declares the following findings and declares its legislative intent as follows:

(1) The public rights-of-way within the City of Jacksonville Beach are a unique and physically limited resource and important amenity that are critical to the travel and transport of persons and property in the City.

(2) The demand for telecommunications services has grown exponentially in recent years, requiring the continual upgrading of telecommunications equipment and services to satisfy such demand.

(3) The placement of telecommunications equipment and facilities in the public rights-of-way to satisfy the demand for telecommunications services raises important issues with respect to the City's responsibility to manage its public rights-of-way.

(4) The public rights-of-way must be managed and controlled in a manner that enhances the health, safety and general welfare of the City and its citizens.

(5) The use and occupancy of the public rights-of-way by providers of communications services must be subject to regulation, which can ensure minimal inconvenience to the public, coordinate users, maximize available space, reduce maintenance and costs to the public, and facilitate entry of an optimal number of providers of cable, telecommunications, and other services in the public interest.

(6) Section 166.041, Florida Statutes, provides for procedures for adoption of an ordinance which is a regulation of general and permanent nature and enforceable as local law.

(7) Section 337.401, Florida Statutes, addresses the authority of municipalities to regulate the placement and maintenance of communication facilities, and other utilities, in the public rights-of-way.

(8) In 2017, Florida passed Chapter 2017-136, Laws of Florida, which among other things, amends § 337.401, Florida Statutes, to create the new Subsection (7) known as the Advanced Wireless Infrastructure Deployment Act ("Wireless Deployment Act"), effective July 1, 2017, to address municipalities' regulation of access to the

public rights-of-way for wireless communications facilities and wireless support structures.

(9) The Wireless Deployment Act provided that municipalities may require a registration process in accordance with § 337.401~~(3)~~, Florida Statutes, may adopt by ordinance provisions for insurance coverage, indemnification, performance bonds, security funds, force majeure, abandonment, municipality liability or municipal warranties and further provides that, for any applications filed before the effective date of ordinances implementing this subsection, an authority may apply current ordinances relating to the placement of communications facilities in the rights-of-way related to registration, permitting, insurance coverage, indemnification, performance bonds, security funds, force majeure, abandonment, municipality liability or municipal warranties.

(10) The City is exempt under 47 U.S.C. § 224 from federal pole attachment requirements, and finds that it is a "municipal electric utility" such that the City utility poles are not subject to the Wireless Deployment Act's "Collocation" requirements as stated in § 337.401(7)(1), Florida Statutes, currently set forth in Chapter 2017-136, Laws of Florida.

(11) The communication industry is in a constant state of emerging technology that includes the infrastructure required to support the increased demand and capacity to receive and to transmit increased data and voice communications.

(12) A new network of wireless communications infrastructure has emerged comprised of a series of small individual antenna ("Small Cells"), or nodes ("Distributed Antenna Systems" or "DAS"), and wireless backhaul networks that are linked to a larger hub site.

(13) The City has received requests to place new utility poles, wireless communications facilities, and wireless support structures within the public rights-of-way.

(14) The current City Code contains requirements for registration, insurance, permitting, insurance coverage, indemnification, ~~performance bonds, security funds~~, construction bonds, force majeure, abandonment, municipality liability or municipal warranties that address sufficiently the placement or maintenance within the public rights-of-way for wireline and wireless communications facilities or wireless support structures~~, but needs to be updated to incorporate state law changes since the adoption of the original ordinance in 2001~~.

(15) Consistent with state law, the City finds that, to promote the public health, safety and general welfare, and as a prudent land use, including the limited resource of the right-of-way, it is necessary to:

i. Provide for the placement or maintenance of Communications Facilities in the public rights-of-way within the City limits,

ii. Adopt and administer reasonable rules, regulations and general conditions not inconsistent with applicable state and federal law,
iii. Manage the placement and maintenance of Communications Facilities in the public rights-of-way by all communications services providers,
iv. Minimize disruption to the public rights-of-way, and
v. Require the restoration of the public rights-of-way to original condition.

(16) ~~It is the intent of the City to require that the placement or maintenance of any wireline or wireless communications facility or wireless support structure in the public rights-of-way must have an effective registration which satisfies the requirements set forth herein for such registration, to the extent not inconsistent with applicable federal and state laws and regulations.~~ The City's intent is that these rules and regulations must be generally applicable to all providers of communications services, taking into account the distinct engineering, construction, operation, maintenance, public works, and safety requirements of the provider's facilities, and, notwithstanding any other law, may not require a provider of communications services to apply for or enter into an individual license, franchise, or other agreement with the City as a condition of placing or maintaining communications facilities in its roads or rights-of-way.

(17) It is also the City's intent to exercise the City's retained authority to regulate and manage the City's roads and rights-of-way in exercising its police power over communications services providers' placement and maintenance of facilities in the public rights-of-way in a nondiscriminatory and competitively neutral manner.

(18) Since the adoption of amendments to § 337.401, Florida Statutes, in 2017 by Chapter 2017-136, Laws of Florida (the "Advanced Wireless Infrastructure Deployment Act"), the Florida Legislature adopted in 2019 additional modifications that prohibit, restrict, specify, and create exemptions to the City's ability to protect municipal proprietary property held in trust for the benefit of the City's taxpayers and citizens under threat of the imposition of lawsuits, attorneys' fees, and the suspension of local legislative power.

(19) Based upon the additional modifications that took effect on July 1, 2019, the City now seeks to amend the Jacksonville Beach Communications Rights-of-Way Ordinance consistent with both the legislative intent of these amendments and consistent with the provisions of the Florida Constitution as interpreted by the courts of the State of Florida.

(20) It is the City's express legislative intention that it shall take no action or issue no permit that is not subject to and conditioned upon this reserved authority of the Florida Legislature and the Florida Constitution as interpreted by the courts of the State of Florida, and in the event of a conflict, the Florida Constitution as interpreted by the courts of the State of Florida shall control.

(b) This Article IV of City Code Chapter 28 shall apply to any public or private entity who seeks to construct, place, install, maintain or operate a communications system or facilities, as such terms are defined herein, in the public rights-of-way, unless otherwise exempt by operation of applicable state or federal law. Notwithstanding the above, this Article IV of City Code Chapter 28 shall not apply whatsoever to a City owned or controlled communications system.

SECTION 3. AMENDMENTS TO SECTION 28-72, CODE OF ORDINANCES. That Section 28-72, Chapter 28, Article IV, Communications Rights-of-Way, of the Code of Ordinances of the City of Jacksonville Beach, Florida, is hereby amended to read as follows:

Sec. 28-72. - Definitions.

For purposes of this article, the following terms, phrases, words, and their derivations shall have the meanings given. Where not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number. The words "shall" and "will" are mandatory, and the word "may" is permissive. Words not otherwise defined shall be given the meaning set forth in the Communications Act of 1934, 47 U.S.C. §§ 151 et seq., as amended (collectively the "Communications Act"), and, if not defined therein, as defined by Chapter 202, Florida Statutes, or Chapter 337, Florida Statutes, and, if not defined therein, be construed to mean the common and ordinary meaning.

.....

Wireless Support Structure means a freestanding structure, such as a monopole, a guyed or self-supporting tower, or another existing or proposed structure designed to support or capable of supporting wireless facilities. The term does not include a utility pole<u>, pedestal, or other support structures for ground-based equipment not mounted on a Utility Pole and less than 5 feet in height</u>.

SECTION 4. AMENDMENTS TO SECTION 28-73, CODE OF ORDINANCES. That Section 28-73, Chapter 28, Article IV, Communications Rights-of-Way, of the Code of Ordinances of the City of Jacksonville Beach, Florida, is hereby amended to read as follows:

Sec. 28-73. Registration.

(a) A communications services company or provider that desires to place or maintain a communications facility in public rights-of-way in the City shall first register with the City in accordance with this article. Subject to the terms and conditions prescribed in this section, as amended, a Registrant may place and maintain communications facilities in public rights-of-way.

(b) The act of registration shall not convey any title, equitable or legal, to the Registrant in the City's public rights-of-way. Registration under this article embodies only the placement or maintenance of communications facilities in public rights-of-way. Other ordinances, codes, or regulations apply to the placement or maintenance in the public rights-of-way of facilities, which are not communications facilities. Registration does not excuse a communications services company or provider from obtaining appropriate and required

access or pole attachment agreements before locating communication facilities on the City's facilities or another person's facilities. Registration does not excuse a communications services company or provider from complying with all applicable City ordinances, codes, or regulations including this section.

(c) Each communications services company or provider that desires to place or maintain a communications facility in public rights-of-way in the City shall file a registration with the City, which shall include the following information:

(1) Name of the applicant;

(2) Name, address, and telephone number of the applicant's primary contact person in connection with the registration, and the name, address, and telephone number of the person to contact in case of an emergency;

~~(3) Registrations submitted prior to December 18, 2017, shall state if the applicant provides local service, toll service, or both;~~

(3~~4~~) Evidence of the insurance coverage required under this section and acknowledgment that applicant has received and reviewed a copy of this section; however, the acknowledgment of the receipt of this section shall not be deemed an agreement;

(4~~5~~) The type of communications services that the applicant intends to provide within the corporate limits of the City (if more than one, state all that apply), or, if none, state that the applicant is a pass-through provider or is intending only to place and maintain pass-through facilities, as the case may be;

~~(6) For registrations submitted on or after December 18, 2017, a copy of both the applicant's resale certificate and certificate of registration issued by the Florida Department of Revenue to engage in the business of providing communications services in the State of Florida; and~~

(5~~7~~) The applicant's certificate of authorization or license number to provide communications services issued by the state public service commission, the Federal Communications Commission, or other federal or state authority, if any, having jurisdiction; and

(6~~8~~) For an applicant that does not provide a state public service commission certificate of authorization number, if the applicant is a corporation, proof of authority to conduct business in the state. A certificate number from, or filing with, the Florida Department of State will be acceptable.

~~(9) For an applicant that is a pass-through provider, in lieu of paragraphs (5), (6), (7) and (8) above, the applicant shall provide a certified copy of the certificate or~~

~~license issued by the Florida Department of State, or other appropriate state agency or department, authorizing the company to do business in the State of Florida~~

(d) The City shall review the information submitted by the applicant. The City Manager or the City Manager's designee shall conduct such review. If the applicant submits information in accordance with this article, the registration shall be effective and the City shall notify the applicant in writing of the effectiveness of the registration. If the City determines that the information has not been submitted in accordance with this article, the City shall notify the applicant in writing of the non-effectiveness of the registration, and reasons for the non-effectiveness. The City shall notify an applicant within thirty (30) calendar days after receipt of the registration information from the applicant. Non-effectiveness of registration shall not preclude an applicant from filing subsequent applications for registration.

(e) A Registrant may cancel a registration upon written notice to the City stating that Registrant will no longer place or maintain any communications facilities in public rights-of-way within the City and Registrant will no longer require permits to perform work in public rights-of-way. A Registrant shall not cancel a registration if the Registrant continues to place or maintain any communications facilities in public rights-of-way.

(f) Registration does not establish a right or provide authority to place and maintain or establish priority for the future placement or maintenance of a communications facility in public rights-of-way within the City, but shall establish for the Registrant, a right to apply for a permit from the City. Registrations are expressly subject to any future amendment to or replacement of this article and further subject to any new or existing City laws, as well as any new or existing federal or state laws, rules, and regulations which may be enacted or which have been enacted.

(g) A Registrant shall renew its registration with the City by the first day of April of the fifth year following Registration (i.e., 2024 if registered in 2019, and so forth) ~~of even numbered years~~ in accordance with the registration requirements in this section.~~, except that a Registrant that initially registers during the even numbered year when renewal would be due or the odd numbered year immediately preceding such even numbered year shall not be required to renew until the next even numbered year.~~ Within ninety ~~thirty~~ (9~~3~~0) calendar days of any change in the information required herein, a Registrant shall provide updated information to the City. If the information in the then-existing registration has not changed, the renewal may provide that no information has changed. Failure to renew a Registration may result in the City restricting the issuance of additional permits until the communications services company or provider has complied with the registration requirements of this article.

(h) In accordance with applicable City ordinances, codes, regulations, or policies a permit shall be required of a communications services company or provider that desires to place or maintain a communications facility in public rights-of-way unless otherwise exempt by state statute or this ordinance. An acceptable and approved registration shall be a condition precedent to requesting and obtaining a permit. Notwithstanding an acceptable and approved registration, permitting requirements shall always apply. A permit may be

obtained by a Registrant having an acceptable and approved registration if all permitting requirements are met.

SECTION 5. AMENDMENTS TO SECTION 28-75, CODE OF ORDINANCES. That Section 28-75, Chapter 28, Article IV, Communications Rights-of-Way, of the Code of Ordinances of the City of Jacksonville Beach, Florida, is hereby amended to read as follows:

Sec. 28-75. - Placement or maintenance of communications facilities.

As a condition of allowing the placement or maintenance of a communications system or any communications facility in the public rights-of-way, and under additional authority granted pursuant to Chapter 337, Florida Statutes, the City hereby imposes the following rules, regulations and general conditions. Unless otherwise provided in this Article IV, these rules, regulations and general conditions shall apply to all communications services providers, including those that are pass-through providers irrespective of whether they place and maintain only conduit, dark fiber or pass-through facilities. Any permit application required hereunder for the placement of communications facilities shall be processed and acted upon in accordance with the following:

(a) Within 14 days after receiving an application, the City shall determine and notify the applicant by electronic mail as to whether the application is complete. If an application is deemed incomplete, the authority must specifically identify the missing information. An application is deemed complete if the City fails to provide notification to the applicant within 14 days.

(b) An application must be processed on a nondiscriminatory basis. A complete application is deemed approved if the City fails to approve or deny the application within 60 days after receipt of the application. A permit issued pursuant to an approved application shall remain effective for 1 year unless extended by the City.

(c) The City must notify the applicant of approval or denial by electronic mail. The City shall approve a complete application unless it does not meet the authority's applicable codes. If the application is denied, the City must specify in writing the basis for denial, including the specific code provisions on which the denial was based, and send the documentation to the applicant by electronic mail on the day the City denies the application. The applicant may cure the deficiencies identified by the authority and resubmit the application within 30 days after notice of the denial is sent to the applicant. The City shall approve or deny the revised application within 30 days after receipt or the application is deemed approved. Any subsequent review shall be limited to the deficiencies cited in the denial.

(d~~a~~) A Registrant shall, at all times, comply with and abide by all applicable provisions of federal and state laws, regulations, rules and the City ordinances, codes, regulations, and policies in placing and maintaining a communications facility in public rights-of-way.

(e~~b~~) Neither a Registrant nor a communications service provider shall commence to place or maintain a communications facility in public rights-of-way until all applicable permits, if any, have been issued by the City and other appropriate authorities. Registrant

acknowledges and accepts, that as a condition of granting any permits, the City may impose reasonable rules, regulations, and policies governing the location, placement, and maintenance of a communications facility in public rights-of-way. The communications services provider shall provide prompt notice to the City of the placement or maintenance of a Communications Facility in the public rights-of-way in the event of an emergency and shall, after-the-fact, be required to submit plans and Record Drawings and As-Built Surveys, if required by the City Manager or his designee, showing the placement or relocation of a communications facility undertaken in connection with the emergency.

(f~~e~~) As part of the permit application to place a new ~~or replace or maintain an existing~~ communications facility in public rights-of-way, the Registrant shall, unless otherwise exempt pursuant to this ordinance or state statute, provide not less than the following:

~~(1) A description of the location of the proposed facilities including a narrative description and a sealed pictorial drawing of the facilities to be installed, where the facilities are to be located, and the size of facilities to be located in public rights-of-way; and~~

~~(2) A description of the construction methods or techniques which will be used to install the facilities; and~~

(1~~3~~) A maintenance plan for disruption of traffic; and

(2~~4~~) A statement concerning the ability of the public rights-of-way to accommodate the proposed facility; and

(3~~5~~) An estimate of the cost of the restoration to the public rights-of-way; and

~~(6) A timetable for project construction and each phase thereof, and the areas within the City which will be affected; and~~

(4~~7~~) Such additional information as the City finds necessary with respect to the placement or maintenance of the communications facility that is the subject of the permit application.

(5) Such information shall not include an inventory of communications facilities, maps, locations of such facilities, or other information by an applicant, but the City requires as part of a permit application that the applicant identify at-grade communications facilities within fifty (50) feet of the proposed installation location for the placement of at-grade communications facilities. Notwithstanding anything to the contrary set forth in this ordinance, the City, as mandated by state statute, hereby exempts communications service providers from the requirement to obtain a permit for the acts of maintenance, repair, replacement, extension, or upgrade of existing aerial wireline communications facilities between existing wireline communications facility attachments on utility poles.

(g~~d~~) To the extent not otherwise prohibited by federal or state laws, the City shall have the power to prohibit or limit the placement of new or additional communications facilities within particular areas of all public rights-of-way.

(h~~e~~) All communications facilities shall be placed and maintained so as not to interfere with the use of the public rights-of-way by the public and with the rights and convenience of property owners who adjoin the public rights-of-way. The use of trenchless technology, joint trenching, and co-locating of facilities in existing conduit in the public rights-of-way is encouraged and shall be employed when feasible. The City Manager or the City Manager's designee may promulgate rules, regulations, and policies concerning the placement and maintenance of a communications facility in public rights-of-way consistent with this article and other applicable federal and state laws.

(i~~f~~) All safety practices required by applicable municipal, state, and federal laws or accepted industry practices and standards, shall be used during the placement or maintenance of communications facilities in public rights-of-way.

(j~~g~~) After the completion of any placement or maintenance of a communications facility in public rights-of-way or each phase thereof, the Registrant shall at the Registrant's expense, restore the public rights-of-way to the original condition, or superior to the original condition, which existed before such placement or maintenance. If the Registrant fails to complete the restoration within thirty (30) calendar days, following the completion of such placement or maintenance, the City may perform the restoration and charge the total costs of the restoration to the Registrant in accordance with §337.402, Florida Statutes as amended. For twelve (12) calendar months following the original completion date of the work, the Registrant shall guarantee the restoration work and shall correct, at the Registrant's expense, any restoration work, which does not satisfy the requirements of the City.

(k~~h~~) Removal or relocation, at the direction of the City of a Registrant's existing communications facility in public rights-of-way, shall be governed by the provisions of §337.403 and §337.404, Florida Statutes, as amended.

(l~~i~~) An approved permit from the City shall constitute authorization to undertake only certain activities in public rights-of-way in accordance with this article, and the permit does not create a property right or grant authority to impinge upon the rights of others who have an interest in the public rights-of-way.

(m~~j~~) A Registrant shall maintain its communications facility in public rights-of-way in a manner consistent with accepted industry practice and applicable law.

(n~~k~~) In connection with excavation in the public rights-of-way, a Registrant shall where applicable, comply with the Underground Facility Damage Prevention and Safety Act set forth in Ch. 556, Florida Statutes, as amended.

(o~~l~~) A Registrant shall use and exercise due caution, care, and skill in performing work in the public rights-of-way and shall take all reasonable and necessary steps to safeguard the entire work area and the general public.

(p~~m~~) Upon request of the City, and as notified by the City of the other work, construction, installation, or repairs, a Registrant may be required to coordinate all placement and all maintenance activities with any other work, construction, installation, or repairs which may be occurring, or scheduled to occur, in public rights-of-way. A Registrant may be required to alter an installation and maintenance schedule to minimize disruptions and disturbance in the public rights-of-way.

(q~~n~~) A Registrant shall not place or maintain communications facilities, which interfere with, displace, damage, or destroy other facilities including, but not limited to, sewer mains, gas mains, water mains, electric facilities, stormwater drains, pipes, cables, conduits, and all other facilities occupying the public rights-of-way.

(r~~o~~) The City makes no expressed or implied warranties or representations regarding the fitness, suitability, or availability of the City public rights-of-way for the Registrant's communications facilities and any performance of work, costs incurred, or services provided by Registrant shall be at Registrant's exclusive risk. Nothing in this article shall affect the City authority to add, increase, vacate, or abandon public rights-of-way, and the City makes no expressed or implied warranties or representations regarding the availability of any added, increased, vacated, or abandoned public rights-of-way for communications facilities.

(s~~p~~) The City shall have the right and authority to make any inspections, at any time, of communications facilities placed or maintained in public rights-of-way as the City determines necessary to ensure compliance with this article.

(t~~q~~) A permit application to place a new ~~or maintain~~ ~~an existing~~ communications facility in public rights-of-way shall include plan and profile drawings, which show the actual location of the facilities in the public rights-of-way. If the drawings require revision based upon actual installation, the Registrant shall promptly provide the revised as-built drawings to the City. The City prefers as-built drawings ~~shall~~ be in a hard copy format and an electronic format specified by the City. All such drawings, data and information shall be provided at no cost to the City.

(u~~r~~) The City reserves, without limitation, the exclusive right to place, maintain, and permit to be placed or maintained, all sewer, gas, water, electric, stormwater drainage, communications, all other types of facilities, cables, or conduits and to do, and to permit to be done, any underground and overhead installations or improvements which may be deemed necessary or proper by the City in public rights-of-way that may be occupied by a Registrant. The City further reserves, without limitation, the exclusive right to alter, change, or cause to be altered or changed the grading, installation, relocation, or width of the public rights-of-way within the limits of the City and within said limits as the limits may, from time to time, be altered.

(vs) A Registrant shall, upon request of any person holding a permit issued by the City, temporarily adjust any communications facilities to allow for work authorized by other permits. The expense of such temporary adjustments of facilities shall be paid by the person requesting the adjustment and the Registrant shall have the right to request such payment of expense in advance. If the City requests temporary or permanent adjustments of a Registrant's existing or proposed facilities to allow for work to be done by the City, its contractors, or its agents, however, all expenses and costs related to the adjustments of the Registrant's temporary or permanent facilities, shall be the responsibility of and shall be paid by the Registrant. The Registrant shall be given not less than fifteen (15) calendar days advance written notice to arrange for such temporary or permanent adjustments.

(wt) Any communications facilities placed in the public rights-of-way by the communications services provider without first having obtained the required communications facilities development permits shall be removed within thirty (30) days of written notice by the City to remove the same and in default of compliance with such notice, such facilities may be removed by order of the City Manager or his designee and the cost of removal shall be borne and paid by the communications services provider upon demand.

(xu) The placement or maintenance of all communications facilities shall be underground unless otherwise approved in writing and in compliance with the most current version of the provisions of Article IV, City Code Chapter 28. Communications facilities shall be placed between the property line and the curb line of all streets and avenues and shall not be within the roadway or the roadway recovery area unless specifically approved in writing by the City Manager or his designee. All communications facilities shall have consistent alignment parallel with the edge of pavement, a thirty-six inch (36") minimum depth of cover for and shall have a minimum of two feet (2') of horizontal clearance from other underground utilities and their appurtenances. Where approved by the City Manager or his designee, facilities to be placed in the street shall be laid according to the permanent grade of the street and at a depth below the surface of the permanent grade as each is determined by the City Manager or his designee. The City retains the final decision on vertical depth and/or height location and horizontal location within the right-of-way of communications facilities and appurtenances.

(yv) The placement or maintenance of facilities aboveground, including new utility poles and aerial wires, is subject to written approval and to compliance with the most current version of the provisions of Article IV, City Code Chapter 28. Attachment to any pole or other aboveground structure must be pursuant to a valid and effective pole attachment agreement or similar instrument. Location on any utility pole or other above-ground structure shall not be considered a vested interest of the communications services provider and such Utility Poles or structures, if owned by the communications services provider, shall be removed or modified by the communications services provider at its own expense whenever the City or other governmental authority determines that the public convenience would be enhanced thereby. The communications services provider shall, at such time as the electric utility facilities or other communications facilities are placed underground or are required by the City to be placed underground, concurrently place its communications

facilities underground without cost to the City. The City retains the final decision on vertical depth and/or height location and horizontal location within the right-of-way of communications facilities and appurtenances.

(z~~w~~) The placing of any new utility pole or other aboveground structure to support communications facilities is subject to written approval and to compliance with the most current version of the provisions of Article IV, City Code Chapter 28 and shall be done under the supervision of the City Manager or his designee. No such utility pole or other aboveground structure shall be placed in any gutter or drainage area and must be behind the curb to avoid damage to any sidewalk. In areas of the City where either electric utility wires or other communications facilities are aboveground and such facilities are moved, either voluntarily or at the direction of the City, to a new utility pole or other above-ground structure, the communications services provider or wireless infrastructure provider shall likewise move all its above-ground facilities on such utility poles or structures to such new utility pole or structure within thirty (30) days after receipt of written notice from either the City or the owner of the new utility pole or structure, without cost to the City. New utility poles installed by wireless infrastructure providers shall also be subject to and may avail themselves of the requirements and process set forth in § 28-76 hereof. The City retains the final decision on vertical depth and/or height location and horizontal location within the rights-of-way of communications facilities and appurtenances.

(aa~~x~~) A communications services provider, in an effort to minimize the adverse impact on the useful life of the public rights-of-way, shall, whenever possible, enter into joint use agreements with the City and other parties who have registered with, or who are expressly authorized by, the City to use its public rights-of-way; provided that the terms of such agreements are satisfactory to the communications services provider. Nothing herein contained shall mandate that the communications services provider enter into joint use agreements with parties other than the City or an agency of the City. However, prior to placement of any new or additional underground conduit in the public rights-of-way, a communications services provider is required to certify in writing to the City Manager or his designee that it has made appropriate inquiry to all existing utilities and other entities possessing a right to occupy the public rights-of-way as to the availability of existing or planned conduit that the particular communications services provider could reasonably utilize to meet its needs, and that no such conduit is available or planned at a reasonable cost by any other entity on the time schedule reasonably needed. The communications services provider shall not be permitted to perform any placement or maintenance of facilities in those segments of the public rights-of-way where there exists vacant or available conduit, dark fiber or surplus fiber owned by the City, an agency of the City or another governmental body which is or, through a reasonable amount of effort and expense, can be made compatible with the communications services provider's system or network. Under such circumstances the communications services provider shall have the opportunity to enter into a use agreement or lease arrangement with the City or an agency of the City at or below reasonable and prevailing market rates for such conduit or fiber or, where owned by another governmental body, shall, in good faith, first exhaust all means of obtaining use of such conduit or fiber before applying for a communications facilities development permit from the City. The City retains the final decision on vertical depth

and/or height location and horizontal location within the rights-of-way of communications facilities and appurtenances.

(bb) Provision and Form of Record Drawings and As-Built Surveys. Within forty-five (45) days after completion of any placement or maintenance of a Communications Facility in the Public Rights-of-Way, the Communications Services Provider shall provide the City with identification by means of Record Drawings showing the final location of any constructed at-grade such Facility in the Public Rights-of-Way. Upon request by the City Manager or his designee, the Communications Services Provider shall also provide the City with As-Built Surveys of such constructed Communications Facilities within forty-five (45) days after completion of any placement or maintenance of the at-grade a Communications Facility in the Public Rights-of-Way. The Record Drawings and As-Built Surveys shall be provided to the City at no cost.

SECTION 6. AMENDMENTS TO SECTION 28-76, CODE OF ORDINANCES. That Section 28-76, Chapter 28, Article IV, Communications Rights-of-Way, of the Code of Ordinances of the City of Jacksonville Beach, Florida, is hereby amended to read as follows:

Sec. 28-76. —Wireless facilities.

(a) Generally. The placement of telecommunication towers and antennae anywhere in the corporate limits of the City shall in all cases be subject to the City's zoning and land use regulations, including those set forth in the most current version of §§ 34-409 and 34-410 in the City's Land Development Code, which is a part of the City Code. Where placement of a wireless antenna in the public rights-of-way has been approved by the City and to the extent not inconsistent with any City zoning and land use regulations, a wireless antenna attached to a permitted and legally maintained vertical structure in the public rights-of-way, such as a light pole or utility pole, shall, unless otherwise agreed to by the City in writing:

(1) Not extend more than 10 feet above the highest point of the vertical structure;

(2) Not have any type of lighted signal, lights, or illuminations unless required by an applicable federal, state, or local rule, regulation or law;

(3) Comply with any applicable Federal Communications Commission Emissions Standards;

(4) Comply with any applicable local building codes in terms of design, construction and installation; and

(5) Not contain any commercial advertising thereon.

(b) Small Wireless Facilities in Public Rights-of Way. The City is exempt under 47 U.S.C. § 224 from federal pole attachment requirements, and finds that it is a "municipal electric utility" such that the City utility poles are not subject to the Wireless Deployment Act's

"Collocation" requirements as stated in §337.401(7)~~(i)~~, Florida Statutes, ~~currently set forth in Chapter 2017-136, Laws of Florida~~. Unless and until the City adopts an ordinance regulating pole attachments, the City reserves the right to approve or deny individual requests for pole attachments to City utility poles within its sole discretion.

(c) Placement of Utility Poles in the Public Rights-of-Way in Support of Collocation of Small Wireless Facilities. A wireless infrastructure provider may apply to the City to place utility poles in the public rights-of-way to support the collocation of small wireless facilities. The application must include an attestation that small wireless facilities will be collocated on the utility pole or structure and will be used by a wireless services provider to provide service within 9 months after the date the application is approved by the City, and the application must contain an attestation that the applicant cannot find a leasable site for the utility pole on private property within the City. The City shall accept and process the application in accordance with the procedure set forth below and any applicable codes and other local codes governing the placement of utility poles in the public rights-of-way. Applicants seeking permission to install new utility poles within public rights-of-way shall comply with the registration, insurance coverage, indemnification, ~~performance bonds, security funds,~~ force majeure, abandonment, City liability, and City warranties provisions contained in this Chapter 28.

(1) Filing, Review, and Processing of Applications. The City shall accept applications for permits and shall process and issue permits for the placement of utility poles in the public rights-of-way in support of collocation of small wireless facilities subject to the following requirements:

a. Prior to filing any such application, the applicant shall notify the City ~~and schedule a pre-application conference~~ for the purpose of notifying and disclosing all information relevant to the City's assessment of any application to be filed hereunder. ~~No such application may be filed until the pre-application meeting has been scheduled and conducted. The pre-application meeting shall be scheduled and held at least fourteen (14) days prior to the filing of any such application.~~

b. The applicant shall as a part of its application provide information necessary to demonstrate the applicant's compliance with §337.401(7), Florida Statutes, the applicable provisions of Chapter 28 and other applicable provisions of the City Code for the placement of a new utility pole in the locations identified in the application, and shall bear the burden of demonstrating compliance therewith.

c. Within fourteen (14) days after receiving an application, the City must determine and notify the applicant by electronic mail as to whether the application is complete. If an application is deemed incomplete, the City must specifically identify the missing information. An application is deemed complete if the City fails to provide notification to the applicant within fourteen (14) days. If the applicant fails to complete the application

within thirty (30) days after receiving a notice from the City that the application is deemed incomplete, then the City may deny the application.

d. The City shall process all applications on a nondiscriminatory basis. If the City fails to approve or deny a complete application within 60 days after receipt of the application, the application is deemed approved. The parties may mutually agree to extend the 60-day application review period. The City shall grant or deny the application at the end of the extended period.

e. A permit issued pursuant to an approved application shall remain effective for 1 year unless extended by the City.

f. The City shall notify the applicant of approval or denial by electronic mail. The City shall approve a complete application unless it does not meet the applicable provisions of § 337.401(7), Florida Statutes, this Chapter 28, and other applicable provisions of the City Code.

g. If the application is denied, the City shall specify in writing the basis for denial, including the specific statutory or code provisions on which the denial is based, and shall send the documentation to the applicant by electronic mail on the day the City denies the application.

h. The applicant may cure the deficiencies identified by the City and resubmit the application within 30 days after notice of the denial is sent to the applicant. Failure by the applicant to resubmit the application timely shall result in a final denial of the application. The City shall approve or deny a timely filed revised application within 30 days after receipt or the application is deemed approved. Any subsequent review shall be limited to the deficiencies cited in the denial. <u>If the City provides for administrative review of the denial of an application, the review must be complete and a written decision issued within 45 days after a written request for review is made. A denial must identify the specific code provisions on which the denial is based.</u>

(2) The City may deny a proposed new utility pole in the public rights-of-way if the proposed new utility pole violates or fails to comply with one or more of the following:

a. Violates or fails to comply with any provision of §337.401(7), Florida Statutes.

b. Violates or fails to comply with any provision of Chapter 28, City Code, as amended from time to time.

c. Violates or fails to comply with any provision of § 34-409 and § 34-410 in the City's Land Development Code.

d. Violates or fails to comply with any provision related to historic preservation set forth in the City Code, as amended from time to time.

e. Materially interferes with the safe operation of traffic control equipment.

f. Materially interferes with sight lines or clear zones for transportation, pedestrians, or public safety purposes.

g. Materially interferes with compliance with the Americans with Disabilities Act or similar federal or state standards regarding pedestrian access or movement.

SECTION 7. AMENDMENTS TO SECTION 28-84, CODE OF ORDINANCES. That Section 28-84, Chapter 28, Article IV, Communications Rights-of-Way, of the Code of Ordinances of the City of Jacksonville Beach, Florida, is hereby amended to read as follows:

Sec. 28-84. - ~~Security account~~ Construction bond; Communications Facilities.

~~At or prior to the time a Registrant receives the initial permit to place or maintain a communications facility in public rights-of-way after the effective date of this section, the Registrant shall, at the sole discretion of the City, be required to file with the City, for the City approval, an annual bond, cash deposit, or irrevocable letter of credit in the sum of one hundred thousand dollars ($100,000.00) having as a surety a company qualified to do business in the state, and shall be referred to as the "security account." The security account shall be maintained from such time through the: (a) transfer, sale, assignment, or removal of all communications facilities in the public rights-of-way; or (b) twelve (12) calendar months after the termination or cancellation of any registration. The security account shall be conditioned upon the full and faithful performance by the Registrant of all requirements, duties, and obligations imposed upon Registrant by the provisions of this section and other ordinances, as amended. The security account shall be furnished annually or as frequently as necessary to provide a continuing guarantee of the Registrant's full and faithful performance at all times. In the event a Registrant fails to perform the duties and obligations imposed upon the Registrant by the provisions of this section, there shall be recoverable, jointly and severally from the principal and surety of the security account, any damages or loss suffered by the City as a result, including the full amount of any compensation, indemnification, cost of removal, relocation, or abandonment of any facilities of the Registrant in public rights-of-way, including a reasonable allowance for attorneys' fees, up to the full amount of the security account. The City shall not pay Registrants interest on any monies held by the City in a Registrant's security account.~~

(a) Except in the case of an emergency, which shall include without limitation an out of service condition affecting 911 service, prior to performing any work in the public rights-of-way, a Registrant shall establish in the City's favor a construction bond in an amount specified in an engineering permit or other authorization as necessary to ensure the Registrant's faithful performance of the construction or other work in the public rights-of-way, in accordance with the City code and/or regulations. The amount of the construction bond shall be as set forth in the engineering permit, and may be modified in the City Manager's reasonable discretion, based on

the cost of the restoration to take place in the public rights-of-way, and any previous history of the Registrant concerning construction within the public rights-of-way of the City.

(b) In the event a Registrant subject to such a construction bond fails to complete the work in a safe, timely and competent manner in accordance with the provisions of the permit, there shall be recoverable, jointly and severally from the principal and surety of the bond, any damages or loss suffered by the City as a result, including the full amount of any compensation, indemnification or cost of removal or abandonment of any property of the Registrant, or the cost of completing the work, plus a reasonable allowance for attorneys' fees, up to the full amount of the bond.

(c) No less than 12 months after the completion of the construction of the telecommunications facility and satisfaction of all obligations in accordance with the bond, the City may eliminate the bond. However, the City may subsequently require a new bond for any subsequent work in the public rights-of-way.

(d) The construction bond shall be issued by a surety having a minimum rating of A-1 in Best's Key Rating Guide, Property-Casualty Edition; shall be subject to the approval of the City Attorney; and shall provide that:

"This bond may not be canceled, or allowed to lapse, until 60 days after receipt by the City, by certified mail, return receipt requested, of a written notice from the issuer of the bond of intent to cancel or not to renew."

(e) The rights reserved by the City with respect to any construction bond established pursuant to this section are in addition to all other rights and remedies the City may have under this Chapter, or at law or equity.

(f) The rights reserved to the City under this section are in addition to all other rights of the City, whether reserved in this chapter, or authorized by other law, and no action, proceeding or exercise of a right with respect to the construction bond will affect any other right the City may have.

SECTION 8. SEVERABILITY. It is the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this Code are severable, and if any phrase, clause, sentence paragraph or section of this Code shall be declared unconstitutional by the valid judgement or decree of a court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Code.

SECTION 9. CONFLICTING ORDINANCES. All ordinances or parts of ordinances in conflict with this ordinance are, to the extent that the same may conflict, hereby repealed.

SECTION 10. EFFECTIVE DATE. This Ordinance shall take effect upon its final adoption in accordance with applicable law.

AUTHENTICATED THIS _____ DAY OF _____, A.D., 2020.

_____
William C. Latham, Mayor

_____
Laurie Scott, City Clerk

MEMORANDUM

TO: Michael J. Staffopoulos, City Manager
FROM: Chris Ambrosio, City Attorney
SUBJECT: Ordinance No. 2020-8138 to create a new Sec. 31-61 of Ch. 31 of the City Code, to codify elements of the City's Paid Parking Program.
DATE: March 4, 2020

BACKGROUND

In 2019, the City of Jacksonville Beach established a Paid Parking Program ("Program") at four City parking lots ("parking lots") as authorized by Resolution No. 1987-2017. The City and SP PLUS Corporation ("SP PLUS") entered into a Parking Management Services Agreement for SP PLUS to provide parking facility management services and create the Program for an initial services period from March 15, 2019, through October 27, 2019, at the parking lots ("Services Agreement"). Recently, City Council approved Resolution No. 2050-2020 which continued the Program, and amended and extended the SP PLUS Services Agreement, and approved a First Amendment that established a parking fees schedule, resident fee policy, issuance of citations, violation fees and collections process. These aspects of the Program are not codified as enforceable local laws.

Also in Resolution No. 2050-2020, City Council directed staff to prepare and submit to Council an Ordinance that will revise the City Code of Ordinances Ch. 31 - Traffic and Motor Vehicles; Art. III – Stopping, Standing and Parking; Div. 3 – Parking Regulations, and any other Sections necessary to codify the elements of and objectives of the Program and the Services Agreement.

The proposed Ordinance No. 2020-8138 will create a new Sec. 31-61 of Ch. 31 of the City Code of Ordinances to provide for designation of the Paid Parking Program, parking and violation fees, issuance of citations, collections, enforcement and dispute resolution as enforceable local laws.

REQUESTED ACTION

Adopt/Deny Ordinance No. 2020-8138 to create a new Section 31-61 of Chapter 31 of the City Code of Ordinances to codify elements of the City's Paid Parking Program as enforceable local laws.

Introduced by: _____
1st Reading: _____
2nd Reading: _____

ORDINANCE NO. 2020-8138

AN ORDINANCE TO CREATE A NEW SECTION 31-61 - PAID PARKING PROGRAM IN CHAPTER 31 – TRAFFIC AND MOTOR VEHICLES, ARTICLE III – STOPPING, STANDING AND PARKING, DIVISION 3 – PARKING REGULATIONS, OF THE CITY OF JACKSONVILLE BEACH CODE OF ORDINANCES, TO CODIFY ELEMENTS OF THE CITY'S PAID PARKING PROGRAM IN CERTAIN CITY LOTS; PROVIDING FOR LEGISLATIVE FINDINGS, REPEAL OF CONFLICTS, SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE.

WHEREAS, the City of Jacksonville Beach ("City") has the authority to adopt this Ordinance pursuant to Art. VIII, § 2 of the Constitution of the State of Florida; and Chapter 166, Florida Statutes; and

WHEREAS, Section 162.021(1) and (2), Florida Statutes, authorizes a municipality to exercise any power for municipal purposes, except when expressly prohibited by law, consisting of any activity or power which may be exercised by the state or its political subdivisions; and

WHEREAS, Section 125.01(1), Florida Statutes, grants counties, political subdivisions, the power and authority to provide and regulate parking facilities, so a municipality holds this power and authority as well; and

WHEREAS, Sections 162.22 and 125.01, Florida Statutes, authorize the City Council to designate enforcement methods and penalties to be imposed for the violation of City ordinances, which may include, but are not limited to, issuance of a citation, summons, or a notice to appear in court; and

WHEREAS, in 2019, the City established a Paid Parking Program (the "Program") at four City parking lots ("parking lots") as authorized by Resolution No. 1987-2017; and

WHEREAS, in March of 2019, the City and SP PLUS Corporation ("SP PLUS") entered into a Parking Management Services Agreement for SP PLUS to provide parking facility management services and create the Program for an initial services period from March 15, 2019 through October 27, 2019, at the designated parking lots ("Services Agreement"); and

WHEREAS, City staff evaluated the Program and SP PLUS's performance under the Services Agreement, and staff advised and recommended to City Council that the City continue the Program and amend and extend the Services Agreement with SP PLUS; and

WHEREAS, on March 2, 2020, City Council approved Resolution No. 2050-2020 for the continuation of the Services Agreement and approval of a First Amendment that extended the

Agreement and amended the parking fees schedule, resident fee policy, issuance of citations, violation fees, collections and enforcement; and

WHEREAS, also in Resolution No. 2050-2020, City Council directed staff to prepare and submit to Council an Ordinance that will revise the City Code of Ordinances Chapter 31 - Traffic and Motor Vehicles; Article III – Stopping, Standing and Parking; Division. 3 – Parking Regulations, and any other Sections necessary to codify elements of the Program as enforceable local laws; and

WHEREAS, the City Council deems it beneficial and in the City's best interests to continue the Program as it generates public revenue that benefits the City's residents, communities, businesses, and funds some City operations; and

WHEREAS, the City Council desires to create a new Section 31-61 of the City Code of Ordinances to create local laws that govern the Program; and

WHEREAS, the City Council, after notice and public hearing, has considered this Ordinance, staff reports, information provided and any public testimony given at public hearings; and

WHEREAS, the City Council hereby finds that this Ordinance serves legitimate government purposes, it is a permissible exercise of the City's powers and authority, and benefits the public health, safety, and welfare of the citizens of the City of Jacksonville Beach.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF JACKSONVILLE BEACH, FLORIDA:

SECTION 1. RECITALS AND LEGISLATIVE FINDINGS. The above recitals and legislative findings are ratified, correct and made a part of this Ordinance.

SECTION 2. THE CODE OF ORDINANCES, CITY OF JACKSONVILLE BEACH, FLORIDA, IS HEREBY AMENDED BY ADDING A SECTION, TO BE NUMBERED SEC. 31-61, WHICH SAID SECTION SHALL READ AS FOLLOWS. [1] Chapter 31, Traffic and Motor Vehicles, Article III. – Stopping, Standing and Parking, Division 3. – Parking Regulations:

<u>Sec. 31-61. - Paid Parking Program.</u>

(1) <u>The City of Jacksonville Beach established a Paid Parking Program at four City parking lots located at the Pier Parking Lot, the Third Avenue North Parking Lot, the Second Street North Lot and the Latham Plaza Parking Lot. The City established a parking fee schedule and residential registration free parking program, as well as a citation and violation fees schedule, and collections and enforcement program. The City determined that it is reasonably necessary and appropriate to engage the services of an experienced vendor to provide Paid Parking Program parking facility management services and to empower that vendor to collect parking fees, issue citations, collect violation fees, handle enforcement, administer, and manage the collections and dispute resolution processes for the City.</u>

[1] Code additions are indicated with <u>underline</u> text to designate the new Sec. 31-61 to the City Code of Ordinances.

(2) Fees are to be paid for parking in any of the Paid Parking Program parking lot facilities located at the Pier Parking Lot, the Third Avenue North Parking Lot, the Second Street North Parking Lot and the Latham Plaza Parking Lot.

a. All vehicles parked in any of the designated Paid Parking Program parking lots at any time shall pay the applicable hourly or daily fees at the designated kiosks as follows:

Less than 2 hours	$3.00.
Over 2 hours	Additional $1.00 per hour up to max parking rate.
Max Parking Rate	$7.00 All day parking.
Holiday/Special Event Rate	$12.00 All day parking.

b. All fees charged for the use of the parking facilities shall be collected via electronic payment at the parking facility kiosks. Evidence of the proper parking fee payment will be made through a confirmation check using the vehicle license plate. The City's vendor has exclusive authority to administer, manage and collect all parking fees, fines, and charges.

(3) Parking violations fees and charges.

a. The City's vendor has authority to issue parking citations and charge violation and administration fees to any vehicle that has not paid the proper parking fee or that remains parked after exceeding the permissible time paid for. The following violation and administrative fees are to be charged in the event of a parking violation:

Regular Parking Fee	$3.00	$4.00	$5.00	$6.00	$7.00	$12.00
City Parking Violation Fee	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00
Vendor Administrative Fee	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00
TOTAL VIOLATION FEE	$38.00	$39.00	$40.00	$41.00	$42.00	$47.00

b. A registered owner or operator of a vehicle who believes a parking citation has been issued in error or in an improper manner may request an administrative dispute review of the conditions for issuance of the citation in accordance with and as set forth on the vendor's parking violation citation. The City's vendor has exclusive authority to engage and enforce fees collections efforts and to review and resolve all disputes concerning parking violation collections and disputes as relates to the Paid Parking Program.

c. Residents of the City of Jacksonville Beach may park at no charge in the City's paid parking lots by registering their vehicles in the Residential Parking Program. Residents' vehicles must be registered through Florida Department of Highway Safety and Motor Vehicles to an address within the Jacksonville Beach municipal boundaries. In order to qualify for this free parking benefit, residents must submit a request either in person or on-line. In-person requests are received at the Jacksonville Beach Police Department, 101 Penman Rd. S. Jacksonville Beach, FL 32250 or at Utility Billing in City Hall, 11 North Third Street, Jacksonville Beach, FL

32250. Online requests are available to be made at www.jacksonvillebeach.org by searching, "Residential Parking Program."

SECTION 3. CONFLICTING ORDINANCES AND ACTS. All ordinances, resolutions, official determinations or parts thereof previously adopted or entered into by the City or any of its officials and that are in conflict with this ordinance are repealed to the extent inconsistent herewith

SECTION 4. SEVERABILITY. If any section, subsection, clause or provision of this ordinance is held invalid, the remainder shall not be affected by such invalidity

SECTION 5. CODIFICATION. The City Council intends that this Ordinance will be made a part of and codified in the City of Jacksonville Beach Code of Ordinances.

SECTION 6. EFFECTIVE DATE. This Ordinance will immediately take effect upon its adoption by the City Council.

AUTHENTICATED THIS _____ DAY OF _____, A.D., 2020.

_____
William C. Latham, Mayor

_____
Laurie Scott, City Clerk