Town of Surfside  
Town Commission Meeting  
April 12, 2011  
7 p.m.  
Town Hall Commission Chambers - 9293 Harding Ave, 2nd Floor  
Surfside, FL 33154

1. Opening
   A. Call to Order  
   B. Roll Call of Members  
   C. Pledge of Allegiance  
   D. Mayor and Commission Remarks – Mayor Daniel Dietch  
   E. Agenda and Order of Business Additions, deletions and linkages  
   F. Community Notes – Mayor Daniel Dietch  
      Baynanza Saturday, April 16, 2011  
   G. National Moment of Remembrance – Eliot Pearlson, Rabbi of Temple Menorah  
   H. Recognition of Library Volunteers – Roger M. Carlton, Town Manager and Duncan Tavares, Tourism, Economic Development and Community Services Director  
   I. Special Presentation to Town Commission and Town Employees – Stan Bershad, North Shore Kiwanis  
   J. Employee of the Quarter – Bobby Gabriel, Parks and Recreation presented by Tim Milian, Parks and Recreation Director  
   K. Police Officer of the Month – January and February – January –Diana Dulaney and Craig Lovellette; February, Diana Dulaney

2. Quasi-Judicial Hearings (None)

3. Consent Agenda (Set for approximately 7:45 p.m.)  
All items on the consent agenda are considered routine or status reports by the Town Commission and will be approved by one motion. Any Commission member may request, during item 1E Agenda and Order of Business, that an item be removed from the Consent Agenda and discussed separately.

Recommended Motion: To approve all consent agenda items as presented below.

*Denotes agenda items as “must haves” which means there will be significant impacts if the item is not addressed tonight. If these items have not been heard by 10 p.m., the order of the agenda will be changed to allow them to be heard.
A. Minutes – January 18, 2011 Town Commission Meeting
   February 8, 2011 Town Commission Meeting Page 3-33
B. Budget to Actual Summary as of January 31, 2011 – Martin Sherwood, Finance
   Director Page 34-35
*C. Town Manager’s Report (Points of Light) – Roger M. Carlton, Town Manager
   Page 36-58
*D. Town Attorney’s Report – Lynn M. Dannheisser, Town Attorney Page 59-64
E. Projects Progress Report – Calvin, Giordano and Associates, Inc. Page 65-68
F. Earth Day Resolution – Duncan Tavares, Tourism, Economic Development and
   Community Services Director Page 69-71
   A RESOLUTION OF THE TOWN OF SURFSIDE, FLORIDA
   PROCLAIMING EARTH DAY APRIL 22, 2011 TO RAISE PUBLIC
   AWARENESS ABOUT ENVIRONMENTAL PROTECTION AND
   SUSTAINABILITY.
G. Census Data – Roger Carlton, Town Manager Page 72
H. Code Enforcement Ad Hoc Committee Appointment – Commissioner Michael
   Karukin (*Note – appointment can be rescinded if Code Enforcement
   Committee is Sunset) Page 73 (Linked to Item 8A)
*I. Professional Lobbying Services Agreement Extension - Roger M. Carlton, Town
   Manager Page 74-79
J. Parks and Recreation Committee Appointment – Commissioner Michael
   Karukin Page 80-81

4. Ordinances

   (Set for approximately 8:00 p.m.) (Note: Good and Welfare must begin at 8:15)

A. Second Readings (Ordinances and Public Hearing)

   *1. Ordinance – Joint Meeting Recommendations Ordinance – Roger M. Carlton,
      Town Manager, Lynn M. Dannheisser, Town Attorney, Sarah Sinatra Gould, Town
      Planner Page 82-121
      AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF
      SURFSIDE, FLORIDA AMENDING SECTION 90-2 “DEFINITIONS”,
      AMENDING SECTION 90-20, “DEVELOPMENT REVIEW
      REQUIREMENTS” TO ESTABLISH A DEVELOPMENTAL IMPACT
      COMMITTEE; AMENDING SECTION 90-23 “CONDITIONAL USES”; 90-41
      “REGULATED USES”; 90-45. “SETBACKS.”; 90-45.1 “AGGREGATION OF
      LOTS”; SECTION 90-44 THROUGH SECTION 90-67 RELATING TO
      DESIGN REVIEW GUIDELINES; SECTION 90-73 “PROHIBITED SIGNS.”;
      SECTION 90-87 INSTALLATION OF LANDSCAPING AND IRRIGATION;
      REPEALING ALL ORDINANCES IN CONFLICT; PROVIDING A
      SEVERABILITY CLAUSE; PROVIDING FOR INCLUSION IN THE CODE;
      PROVIDING FOR AN EFFECTIVE DATE.
*2. Master Utility Bond Ordinance – Roger M. Carlton, Town Manager
Page 122-167 (linked to item 5D) [Note: The updated TischlerBise Water and Sewer Rate Study includes 33 pages and is placed separately in the agenda package. It is available on the town website.]
AN ORDINANCE OF THE TOWN OF SURFSIDE, FLORIDA AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $16,000,000 UTILITY SYSTEM REVENUE BONDS, SERIES 2011, TO FINANCE THE COSTS OF WATER, SEWER, STORMWATER AND RELATED CAPITAL IMPROVEMENTS; PLEDGING CERTAIN NET REVENUES OF THE UTILITY SYSTEM FOR THE PAYMENT OF SUCH BONDS; PROVIDING FOR THE RIGHTS OF HOLDERS OF SUCH BONDS; MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION THERewith; AND PROVIDING FOR AN EFFECTIVE DATE.

*3. Ordinance Calling for a Temporary Moratorium, Memo of Law and Report by Town Attorney – Lynn M. Dannheisser, Town Attorney Page 168-185
AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, ESTABLISHING A TEMPORARY MORATORIUM ON THE PROCESSING OF SITE PLANS, BUILDING PERMITS, AND THE ISSUANCE OF CERTIFICATES OF USE OR OCCUPANCY FOR NON-RETAIL, NON-RESTAURANT USES FOR THE PROPERTIES GENERALLY LOCATED BETWEEN 96TH AND 94TH STREET AND HARDING AVENUE, MORE PARTICULARLY DEPICTED ON THE DOWNTOWN BUSINESS DISTRICT AREA ZONING MAP ON EXHIBIT “A’ ATTACHED HERETO; PROVIDING FOR A STUDY; PROVIDING FOR A WAIVER; VESTED RIGHTS, APPEAL; EXHAUSTION OF ADMINISTRATIVE REMEDIES AND TERM; PROVIDING FOR DIRECTIONS TO THE TOWN MANAGER; PROVIDING FOR EXCEPTIONS; PROVIDING FOR ADOPTION OF PRESENTATIONS; REPEALING ALL ORDINANCES IN CONFLICT; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR INCLUSION IN CODE; PROVIDING AN EFFECTIVE DATE.

[This ordinance imposes a temporary moratorium on the issuance of Certificates of Use and Certificates of Occupancy for non-retail, non-restaurant uses]

B. First Readings Ordinances
(Set for approximately 9:00 p.m.) (Note: Good and Welfare must begin at 8:15)

*1. Short Term Rentals – Lynn Dannheisser, Town Attorney Page 186-195
AN ORDINANCE OF THE TOWN OF SURFSIDE, FLORIDA AMENDING ARTICLE IV “DISTRICT REGULATIONS” SECTION 90.41 “REGULATED USES” ADDING A NEW SECTION 90.41.1.5 ENTITLED “SHORT TERM RENTAL OF SINGLE FAMILY DWELLINGS, TWO-FAMILY DWELLINGS, MULTI-FAMILY DWELLINGS, AND TOWNHOMES” REQUIRING REGISTRATION OF SHORT TERM RENTALS IN RESIDENTIAL NEIGHBORHOODS; PROVIDING FOR SEVERABILITY;
PROVIDING FOR REPEALER; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR AN EFFECTIVE DATE.

[This ordinance requires registration of short term rentals for compliance with resort and other taxes. It also limits short term rentals to no more than three per year.]

*2. Resort Tax – Roger M. Carlton, Town Manager and Duncan Tavares, Tourism, Economic Development and Community Services Director  Page 196-223
AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA AMENDING CHAPTER 70 AND SPECIFICALLY ARTICLE IV “RESORT TAX” DIVISION 1 “RESORT TAX” AND DIVISION 2 “RESORT TAX BOARD” SPECIFICALLY AMENDING SECTIONS 70-106 THROUGH 70-111; AND CREATING SECTIONS 70-112 THOUGH 70-127, OF THE TOWN OF SURFSIDE CODE OF ORDINANCES PROVIDING FOR INCLUSION IN THE CODE; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

[Updates resort tax imposition and adds an appeal process]

5. Resolutions and Proclamations
   (Set for approximately 9:30 p.m.) (Note: Depends upon length of Good and Welfare)

   *A. Reappropriation of Resort Tax Reserves – Duncan Tavares, Tourism, Economic Development and Community Services Director  Page 224-240
   A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, AUTHORIZING THE REAPPROPRIATION OF RESORT TAX FUND BALANCE (RESERVES) TO THE TOURISM, ECONOMIC DEVELOPMENT & COMMUNITY SERVICES DIRECTOR FOR THE COMMUNITY CENTER CONSTRUCTION; AMENDING THE TOWN’S BUDGET FOR FISCAL YEAR 2010-2011; AND PROVIDING FOR AN EFFECTIVE DATE.

   *B. VOIP Phone System Replacement – Roger M. Carlton, Town Manager and Debra Eastman, Town Clerk and Director of Administrative Services and Eric Wells and Hector Perez, CGA  Page 241-285
   A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA SELECTING INTERACTIVE SERVICES NETWORK, INC., TO PERFORM PHONE REPLACEMENT SERVICES IN RESPONSE TO RFP NO. 11-01; AUTHORIZING THE TOWN MANAGER OR HIS/HER DESIGNEE TO ENTER INTO A CONTRACT CONTAINED IN EXHIBIT “A” WITH SAID TELEPHONE SERVICE COMPANY PROVIDED SAID CONTRACT IS APPROVED AS TO FORM AND LEGAL SUFFICIENCY BY THE
TOWN ATTORNEY; FURTHER AUTHORIZING THE TOWN MANAGER TO DO ALL THINGS NECESSARY TO EFFECTUATE THIS RESOLUTION; AND PROVIDING FOR AN EFFECTIVE DATE.

*C.  Municipal Code Corporation – Munibills - Roger M. Carlton, Town Manager and Debra Eastman, Town Clerk and Director of Administrative Services  Page 286-317
A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, AUTHORIZING THE TOWN TO ENTER INTO AN AGREEMENT WITH MUNICIPAL CODE CORPORATION FOR MUNIBILLS FOR INVOICING WATER, SEWER AND STORMWATER; AUTHORIZING THE FUNDS TO PAY FOR; AND PROVIDING FOR AN EFFECTIVE DATE.

*D.  Resolution for Master Utility Bond – Roger M. Carlton, Town Manager  Page 318-332  (Linked to Item 4A2)
A RESOLUTION OF THE TOWN OF SURFSIDE, FLORIDA SUPPLEMENTING ORDINANCE NO. __; AUTHORIZING THE NEGOTIATED AND PRIVATE SALE OF THE NOT TO EXCEED $16,000,000 TOWN OF SURFSIDE, FLORIDA UTILITY SYSTEM REVENUE BONDS, SERIES 2011; AWARDING SAID SERIES 2011 BONDS TO THE ORIGINAL PURCHASERS THEREOF; APPROVING THE TERMS OF SAID SERIES 2011 BONDS; PROVIDING FOR THE DELIVERY OF SAID SERIES 2011 BONDS TO THE ORIGINAL PURCHASER; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND SETTING FORTH THE EFFECTIVE DATE OF THIS RESOLUTION.

6.  Good and Welfare (Set for approximately 8:15 p.m.)
   Public comments for subjects or items not on the agenda. Public comment on agenda items will be allowed when agenda item is discussed by the Commission.

7.  Town Manager and Town Attorney Reports
    Town Manager and Town Attorney Reports have been moved to the Consent Agenda – Item 3.
    All items on the Consent Agenda are considered routine or status reports by the Town Commission and will be approved by one motion. Any Commission member may request, during item 1E Agenda and Order of Business, that an item be removed from the consent agenda and discussed separately.

8.  Unfinished Business and New Business (Set for approximately 9:45 p.m.)
    A.  Report of Code Compliance Ad Hoc Committee – Anthony Blake, Chairman  Page 333-341

9.  Mayor, Commission and Staff Communications (Set for approximately 10:00 p.m.)

Page 5
A. Rescheduling of May 10, 2011 Commission Meeting –
   Commissioner Michael Karukin (verbal)
B. Rescheduling of July 12, 2011 Town Commission Meeting – Roger M. Carlton,
   Town Manager  Page 342
*C. Fiscal Year 2009-2010 CAFR [Note: The CAFR report includes 94 pages and
   is placed separately in the agenda package. It is available on the Town website.]
D. Smoking Ban- Vice Mayor Joe Graubart Page 343
E. 9/11 Memorial Ceremony – Vice Mayor Joe Graubart Page 344
F. Grace Period for Parking Citations – Vice Mayor Joe Graubart Page 345
G. FPL, Telephone and Cable Underground Conversion of Existing Overhead
   Service Lines Report – Roger M. Carlton, Town Manager and Bill Evans, Director
   of Public Works  Page 346-366
*H. Professional Concessionaire Services Agreement – Tim Milian, Parks and
   Recreation Director  Page 367
I. Bike Rental Station – Vice Mayor Joe Graubart  Page 368
*J. Crime Prevention Initiatives– Mayor Daniel Dietch  Page 369
*K. Photo/Film Ordinance Update – Roger M. Carlton, Town Manager Page 370-387

10. Adjournment

Respectfully submitted,

Roger M. Carlton

town Manager

THIS MEETING IS OPEN TO THE PUBLIC. IN ACCORDANCE WITH THE AMERICANS WITH
DISABILITIES ACT OF 1990, ALL PERSONS ARE DISABLED; WHO NEED SPECIAL
ACCOMMODATIONS TO PARTICIPATE IN THIS MEETING BECAUSE OF THAT DISABILITY
SHOULD CONTACT THE OFFICE OF THE TOWN CLERK AT 305-893-5511 EXT. 226 NO LATER
THAN FOUR DAYS PRIOR TO SUCH PROCEEDING. HEARING IMPAIRED PERSONS MAY
CONTACT THE TDD LINE AT 305-893-7936.

IN ACCORDANCE WITH THE PROVISIONS OF SECTION 286.0105, FLORIDA STATUTES,
ANYONE WISHING TO APPEAL ANY DECISION MADE BY THE TOWN OF SURFSIDE
COMMISSION, WITH RESPECT TO ANY MATTER CONSIDERED AT THIS MEETING OR
HEARING, WILL NEED A RECORD OF THE PROCEEDINGS AND FOR SUCH PURPOSE, MAY
NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE WHICH
RECORD SHALL INCLUDE THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO
BE BASED.

AGENDA ITEMS MAY BE VIEWED AT THE OFFICE OF THE TOWN CLERK, TOWN OF SURFSIDE
TOWN HALL, 9293 HARDING AVENUE. ANYONE WISHING TO OBTAIN A COPY OF ANY
AGENDA ITEM SHOULD CONTACT THE TOWN CLERK AT 305-861-4863. A COMPLETE
AGENDA PACKET IS ALSO AVAILABLE ON THE TOWN WEBSITE AT www.townofsurfsidefl.gov

TWO OR MORE MEMBERS OF OTHER TOWN BOARDS MAY ATTEND THIS MEETING.

THESE MEETINGS MAY BE CONDUCTED BY MEANS OF OR IN CONJUNCTION WITH
COMMUNICATIONS MEDIA TECHNOLOGY, SPECIFICALLY, A TELEPHONE CONFERENCE
CALL THE LOCATION 9293 HARDING AVENUE, SURFSIDE, FL 33154, WHICH IS OPEN TO THE PUBLIC, SHALL SERVE AS AN ACCESS POINT FOR SUCH COMMUNICATION.
Town of Surfside - Baynanza 2011 Cleanup Sites

You and your family are invited to the biggest shoreline cleanup in Miami-Dade County!

Join thousands of volunteers like you for the largest shoreline cleanup of its kind in South Florida. Last year, more than 7,500 participants had a great time collecting more than 40 tons of garbage from our shores and nearby islands of Biscayne Bay!

Biscayne Bay Cleanup volunteers leave with the satisfaction of knowing they made a tremendous effort on behalf of the environment. There are 31 cleanup sites to choose from, so pack a lunch and bring your friends and family for a great day on the Bay!

Help Make a Difference!

Baynanza 2011 Cleanup will take place on
Saturday, April 16th, 2011
From 9:00 a.m. to noon.
(It is recommended that participants arrive at their designated cleanup site at 8:45 a.m.)
(Surfside Cleanup Site: On the beach @ 94th Street; behind the Best Western)

If you would like to participate in Baynanza 2011 Cleanup. Just go to www.miamidade.gov/derm to register on-line or pick up a brochure/registration form at the Surfside Town Hall.

For more information contact:
Town of Surfside
Jacquelyn Villagran; Parks and Recreation Coordinator; Beach/Aquatics
(305)866-3635 ex 219 - jvillagran@townofsurfsidefl.gov

- register and sign up before April 2nd to receive a free Baynanza 2011 Commemorative T-shirt
- Remember to wear closed toe shoes (such as tennis shoes.)
- We suggest you bring: sunscreen, hat, sunglasses, work gloves, and mosquito repellant.

This annual event is hosted by the
Miami-Dade County Department of Environmental Resources management (DERM).
Baynanza is fun, free, and very fulfilling!
March 30, 2011

Mayor & Commission
Town of Surfside
9293 Harding Avenue
Surfside, FL 33154

RE: Baynanza Biscayne Bay Cleanup Day

Dear Mayor & Commission:

Every year, the Miami-Dade County Department of Environmental Resources Management (DERM) sponsors the Baynanza Biscayne Bay Cleanup Day to educate our community about the impact of litter on the delicate shoreline and spoil islands of Biscayne Bay. This year, the Biscayne Bay Cleanup Day will take place on Saturday, April 16th from 9 a.m. to 12 noon. Representatives from County and City governments, Girl and Boy Scouts, school groups and other community organizations will join together in cleaning up the shoreline. DERM will provide t-shirts, water, trash bags and environmental information to all volunteers.

The Oleta River State Park has been one of our cleanup sites for many years, and I am happy to share with you that this year the site has been selected to host the kick-off event for the Biscayne Bay Cleanup Day. I would like to invite you to participate with me, District 4 staff and families, and hundreds of community volunteers at the park. Please contact Herb Balfour of DERM at (305) 372-6422 to confirm your attendance.

Thank you for your support of Baynanza and Biscayne Bay Cleanup Day.

Sincerely,

Sally Heyman
Commissioner
District 4
1. Opening
   
   A. **Call to Order** – Mayor Daniel Dietch called the meeting to order at 7:00 pm.

   B. **Roll Call of Members** - Town Clerk Debra Eastman called the roll and the following members of the Commission were present upon roll call: Commissioner Michael Karukin, Commissioner Edward Kopelman, Commissioner Marta Olchyk, Vice Mayor Joe Graubart and Mayor Daniel Dietch.

   C. **Pledge of Allegiance** – Police Chief David Allen led the Pledge of Allegiance.

   D. **Mayor and Commission Remarks** – Mayor Daniel Dietch

   Mayor Dietch thanked the residents for their engagement and participation in the community. He also thanked the boards and committees. He commented that the water and sewer project on the agenda is a bitter pill. He added that there are hard decisions to be made and noted that good decisions need to be made for the benefit of the community.

   Vice Mayor Joe Graubart spoke about the Tucson, Arizona tragedy, followed by a moment of silence. The Vice Mayor spoke about the importance of maintaining a civil attitude. He further commented on the history and failures of the previous commission.

   The Vice Mayor presented the Community Notes. He mentioned the North Shore car wash on January 22<sup>nd</sup>. He also spoke about the Parks and Recreation Family Fun Day. He mentioned the Winter Program, the Police Department Program Eye on Surfside and the Dr. Martin Luther King Day Day of Service organized by Richard Iacobacci. He also thanked the police department.

   The Vice Mayor also gave an update on the Tourist Board. He spoke about Jazz on the 3<sup>rd</sup> Thursday of the month. He also mentioned the Kaplan, Iacobacci and Onichini families and their participation in the Holiday Light Contest.
E. **Agenda and Order of Business** Additions, deletions and linkages

Vice Mayor Graubart requested to move up the presentation to Dr. Priscilla Whitehead. Town Manager Roger Carlton requested to add an item and link five items for water and sewer. Commissioner Edward Kopelman asked to include a statement of support for the National Guard under Presentations. Commissioner Marta Olchyk requested to discuss the following from the agenda: Monthly Budget (p. 4), Maranon, auditor for the Tourist Board (p. 7), FEMA Archives (p.16) Credit Cards (p.17), Grant Advisor (p.18), Disaster Debris monitoring service control (p.40).

Vice Mayor Graubart made a motion to amend the agenda as discussed. Commissioner Kopelman seconded the motion. All were in favor and the motion carried unanimously.

F. **Special Presentation – Employee of the Quarter – Duncan Tavares, Tourist Bureau Director** – Roger M. Carlton, Town Manager

Town Manager Roger Carlton presented Tourist Bureau Director Duncan Tavares the “Employee of the Quarter” award.

G. **Special Presentation – Officer of the Month -** Chief David Allen

October, 2010 Officer Jay Matelis and November, 2010 Officer John Gentile

Police Chief David Allen presented the Officer of the Month recognition to Officer Jay Matelis for the month of October 2010. Chief Allen also presented the Officer of the Month recognition to Officer John Gentile for the month of November 2010.

The Chief noted that Officer Matelis is being recognized for his work coordinating MAAD events. He further noted that Officer Gentile is being recognized for his outstanding police work.

Vice Mayor Graubart presented Dr. Priscilla Whitehead with an award of recognition. Dr. Whitehead is leaving the Church by the Sea.

Tourist Bureau Director Duncan Tavares introduced Ms. Maureen Esposito who spoke about the Statement of Support for the National Guard. She spoke about the town’s employees’ participation in the military.

Commissioner Kopelman expressed support for the National Guard.

2. **Quasi-Judicial Hearings (None)**

3. **Consent Agenda**

*All items on the consent agenda are considered routine or status reports by the Town Commission and will be approved by one motion. Any Commission member may request, during item 1E Agenda and Order of Business, that an item be removed from the Consent Agenda and discussed separately.*

A. Resolution Statement of Support for National Guard and Reserve of Florida – Commissioner Edward Kopelman
A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA EXPRESSING A STATEMENT OF SUPPORT FOR THE NATIONAL GUARD AND RESERVE OF FLORIDA AND PROVIDING FOR AN EFFECTIVE DATE.

B. Monthly Budget to Actual Summary as of October 31, 2010 - Martin Sherwood, Finance Support Services Department Head

C. Town Manager’s Report- “Points of Light”

D. Town Attorney’s Report- Lynn M. Dannheisser, Town Attorney


F. Beautification Committee – Replacement of Sandra Argow with Grace Heising – Commissioner Marta Olchyk

G. Resolution Debris Monitoring Agreement – Assistant Police Chief, John DiCenso

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA APPROVING THE CONTRACT RENEWAL WITH O’BRIENS RESPONSE MANAGEMENT, INC. FOR TWO YEARS; AUTHORIZING THE TOWN MANAGER AND TOWN ATTORNEY TO IMPLEMENT THE TERMS AND CONDITIONS OF THE CONTRACT RENEWAL; AUTHORIZING THE TOWN MANAGER TO EXECUTE THE CONTRACT RENEWAL; AND PROVIDING FOR AN EFFECTIVE DATE.

H. Resolution FDLE Grant - Assistant Police Chief, John DiCenso

A RESOLUTION OF THE TOWN COMMISSION FOR THE TOWN OF SURFSIDE, FLORIDA AUTHORIZING THE TOWN MANAGER OF THE TOWN OF SURFSIDE TO APPLY FOR THE FEDERAL JUSTICE ASSISTANCE GRANT ADMINISTERED BY THE FLORIDA DEPARTMENT OF LAW ENFORCEMENT TO RECEIVE, EXPEND AND AMEND BYRNE/JAG FORMULA FUNDS AND EXECUTE AGREEMENTS WITH THE PURPOSE OF CREATING A MOBILE IMPROVEMENT PROGRAM; AND PROVIDING FOR AN EFFECTIVE DATE.

I. Mutual Aid Agreement with Aventura - Assistant Police Chief, John DiCenso

A RESOLUTION OF THE TOWN COMMISSION FOR THE TOWN OF SURFSIDE, FLORIDA AUTHORIZING AND DIRECTING THE TOWN MANAGER AND TOWN CLERK TO EXECUTE A MUTUAL AID AGREEMENT WITH THE CITY OF AVENTURA, FLORIDA POLICE DEPARTMENT AND THE TOWN OF SURFSIDE POLICE DEPARTMENT.

J. Mutual Aid Agreement with North Miami – Assistant Police Chief, John DiCenko

A RESOLUTION OF THE TOWN COMMISSION FOR THE TOWN OF SURFSIDE, FLORIDA, AUTHORIZING AND DIRECTING THE TOWN MANAGER AND TOWN CLERK TO EXECUTE A MUTUAL AID AGREEMENT WITH THE CITY OF NORTH MIAMI, FLORIDA POLICE DEPARTMENT AND THE TOWN OF SURFSIDE POLICE DEPARTMENT.

K. Proclamation for 2011 Martin Luther King, Jr. Day of Service Surfside – Mayor Daniel Dietch

L. Resolution Declaring “Reverend Dr. Priscilla Felisky Whitehead Day” – Vice Mayor Joe Graubart

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA DELCARING JANUARY 18, 2011 AS “REVEREND DR. PRISCILLA FELISKY WHITEHEAD DAY” IN THE TOWN OF
SURFSIDE.

Commissioner Kopelman made a motion to adopt the items on the Consent Agenda. Commissioner Karukin seconded the motion which carried 4 to 1 with Commissioner Olchyk dissenting.

Chief Allen spoke about the red light safety program. He noted that the program is currently in the “warning” period. Mayor Dietch noted possible concerns, but opined that it allows the town to better use police resources. Commissioner Kopelman commended the Chief on the “no turn on red” signs.

Commissioner Olchyk spoke about the monthly budget versus actual.

The Commission then discussed the auditor item on page 13. Manager Carlton mentioned that the item was included in the budget that was approved and explained the audit process. Commissioner Olchyk spoke commented that she does not want to add any new positions and noted that she opposes hiring anyone for that position. Town Manager Roger Carlton mentioned that this is not a city position, but rather an independent auditor with a fee up to $6,000 to perform the audit.

The Commission also discussed the e-mail archives and spam filter project on page 16.

The Commission also discussed credit card use and online item on page 17.

The Commission then discussed the renewal of disaster debris monitoring contract on page 40. The commissioners inquired if the town has to pay for the service even when it is not being utilized. Manager Carlton explained that it is only payable if the service is used.

4. Ordinances

A. Second Readings (Ordinances and Public Hearing)

1. Commercial Vehicle Ordinance – Lynn Dannheisser, Town Attorney

AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA AMENDING CHAPTER 74 AND SPECIFICALLY SECTION 74-1 “COMMERCIAL VEHICLES” CREATING SECTION 74-2 “USE OF COMMERCIAL VEHICLES” AND SECTION 74-3 “ISSUANCE OF COMMERCIAL VEHICLE PARKING PERMIT” OF THE TOWN OF SURFSIDE CODE OF ORDINANCES PROVIDING FOR INCLUSION IN THE CODE; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

[This Ordinance regulates the parking of commercial vehicles on residential streets, allowing one commercial vehicle to be parked in a residential driveway]
provided the resident has obtained a commercial vehicle parking permit from the Town and delineating issuance and revocation procedures.]

Town Clerk Debra Eastman read the ordinance by title into the record.

Commissioner Kopelman made a motion to adopt the ordinance on second reading. Vice Mayor Graubart seconded the motion.

Vice Mayor Graubart opined that this is a great opportunity for the Chief, Town Manager and resident volunteers to discuss a decal system rather than tags. Commissioner Kopelman interjected that the licensed vehicles are easier to identify by placard or decal. Chief Allen opined that the current system is fine. Manager Carlton mentioned that if it is the will of the commission to have staff discuss this item then they will do so and report back to the commission next month.

Town Attorney Lynn Dannheisser mentioned that an ordinance relating to commercial vehicles on the street currently exists on the books.

Mr. Alan Gourme stated that some houses have different commercial vehicles. He noted that there are residents who work at different places. He suggested two hanging tags per family.

Mayor Dietch opened the public hearing.

Mr. Richard Iacobacci inquired if there could only be one commercial vehicle per household. He further inquired about how the vehicles would be classified if there is only one per household parked in the driveway and no commercial vehicle parked on the street. Attorney Dannheisser read information on the size, capacity and sign.

Seeing no other residents wishing to speak, Mayor Dietch closed the public hearing.

Following the discussion, the motion to adopt the ordinance passed unanimously on roll call.

2. Amend Town Code to add Psychic Reading and Consultation As a Permitted Use – Lynn Dannheisser, Town Attorney

AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA AMENDING CHAPTER 90 AND SPECIFICALLY SECTION 90-41 “REGULATED USES” OF THE TOWN OF SURFSIDE CODE OF ORDINANCES TO ADD “PSYCHIC READING AND CONSULTATION” AS PERMITTED USE; PROVIDING FOR INCLUSION IN THE CODE; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

[Per the Settlement Agreement approved at the last Commission meeting, we amend the code to allow psychic reading and consultation as a permitted use in
SD-B40 (Downtown Business) District as a second floor use and subject to all other regulations.

Town Clerk Debra Eastman read the ordinance by title into the record.

Town Attorney Lynn Dannheisser gave an overview of the Ordinance.

Commissioner Olchyk made a motion to adopt the ordinance. Vice Mayor Graubart seconded the motion.

Vice Mayor Graubart expressed concern about possible litigation that might arise. Commissioner Kopelman spoke against the ordinance.

Mayor Dietch opened the public hearing.

Ms. May Sneit spoke against the ordinance and asked the commission to not approve this in this town.

Town Attorney Lynn Dannheisser reminded everyone that litigation was previously discussed and that the town received a Notice of Dismissal based upon including psychic as a permitted use added to the code.

Upon roll call, the motion to adopt the ordinance passed 4 to 1 with Commissioner Kopelman dissenting.

B. First Readings Ordinances

1. Outside Employment Ordinance – Lynn Dannheisser, Town Attorney

   AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA AMENDING CHAPTER 2 “ADMINISTRATION” AND SPECIFICALLY CRATING SECTION 2-152 “OUTSIDE EMPLOYMENT BY TOWN EMPLOYEES” OF THE TOWN OF SURFSIDE CODE OF ORDINANCES PROVIDING FOR INCLUSION IN THE CODE; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

   [This Ordinance prohibits outside employment unless approved by the Town Manager. It is based on the Code of Miami-Dade County.]

   Town Clerk Debra Eastman read the ordinance by title into the record.

   Town Attorney Lynn Dannheisser noted that this ordinance tracks the Miami Dade County ordinance.

   Commissioner Kopelman made a motion to approve the ordinance. Commissioner Karukin seconded the motion.
Commissioner Kopelman inquired about how this affects the Police Department.

Mayor Dietch added that this ordinance should apply equally to both full-time and part-time employees. Commissioner Kopelman suggested amending the ordinance to expand it to part-time employees.

Town Attorney Lynn Dannheisser offered the following amendment:
Section 2-152 – Outside employment by the Town employees, adding section 2 as follows:

“No part-time employee shall accept outside employment during such hours and times that are committed to employment by the Town of Surfside, nor shall equipment or material belonging to the Town of Surfside be used by any part-time employee for employment outside the Town of Surfside.”

Commissioner Karukin seconded the amended motion. The motion carried unanimously.

2. **Curb Cuts** – Sarah Sinatra Gould, Town Planner

   **AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA AMENDING SECTION 90.61 CURB CUTS OF THE TOWN OF SURFSIDE CODE OF ORDINANCES; PROVIDING FOR INCLUSION IN THE CODE; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR AN EFFECTIVE DATE.**

   [This Ordinance places curb cut regulations currently in the building code into the zoning code and allows for additional curb cuts on single family lots.]

   Town Clerk Debra Eastman read the ordinance by title into the record.

   Shelly Eichner, CGA, presented the item and noted that it allows additional curb cuts for lots greater than 100 feet in width. She added that it also moves the building code language to the zoning code so that it all can be in one place.

   Commissioner Kopelman made a motion to adopt the ordinance. Commissioner Karukin seconded the motion.

   The motion to adopt the ordinance passed unanimously. Commissioner Kopelman was absent at the time of vote.

3. **Boat Storage** - Sarah Sinatra Gould, Town Planner

   **AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA AMENDING SECTION 90.65 BOAT STORAGE, INCLUDING ZONING CODE DEFINITIONS OF “SETBACKS” AND “YARDS” OF THE TOWN OF SURFSIDE CODE OF ORDINANCES; PROVIDING FOR INCLUSION IN THE CODE; REPEALING ALL**
ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR AN EFFECTIVE DATE.
[This Ordinance revises boat regulations for parking, annual boat registration, maintenance, and use no less than 12 times a year as evidenced by an owner affidavit.]

Town Clerk Debra Eastman read the ordinance by title into the record.

Town Manager Roger Carlton explained the proposed ordinance. He noted that it allows the boat owner to put the boat in side or rear yard, only if it is in a wide area. He added that if parked in the front yard, the boat must be on a paved surface. If the boat is parked on the side or rear, a wall or hedge will be required to hide the boat from the neighbors. Town Manager Roger Carlton noted that boats and boat trailers shall be removed immediately upon the issuance of a hurricane watch.

Commissioner Kopelman made a motion to approve the ordinance. Vice Mayor Graubart seconded the motion.

Resident Howard Rennert spoke in opposition.

Commissioner Karukin expressed opposition to the new requirements. He added that there are currently enough rules and these new rules are invasive and intrusive.

Vice Mayor Graubart asked staff to provide information on what the surrounding towns of Bay Harbor Islands, Bal Harbour, Miami Shores, Miami Beach do. He proposed to grandfather in all existing boat owners in a way of protecting the town’s residents.

Mayor Dietch noted that if the ordinance is approved on first reading, it will move on Planning and Zoning.

Resident Luis Ramirez spoke in opposition.

Resident Richard Iacobacci agreed with Vice Mayor Graubart and opposes the fee.

The motion carried 3 to 2 with Commissioner Karukin and Commissioner Olchyk voting in opposition.

Mayor Dietch stated that this ordinance will go to P&Z and then come back to the commission. Vice Mayor Graubart noted that the proposal shall also include grandfathering.

5. Resolutions and Proclamations
A. Code Compliance Authority for Police Officers – Police Chief David Allen

Town Manager Roger Carlton spoke about the two options available to the town in terms of code enforcement. He mentioned that the town can make code enforcement more extensive but we have one code enforcement official. He added that under Florida law the police are allowed to enforce code with training. Town Manager Roger Carlton explained option A and option B.

Alternate A
A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA AUTHORIZING THE TOWN MANAGER TO APPOINT CODE ENFORCEMENT OFFICERS FOR THE TOWN WHO MAY INCLUDE LAW ENFORCEMENT OFFICERS TO ADDRESS CODE VIOLATIONS FOR SECTIONS 90-79; SECTION 90-79 ABANDONED OR INOPERABLE VEHICLES; SECTION 90-79 PARKING ON GRASS OR UNPAVED OR UNAPPROVED SURFACES; SECTION 74-1 COMMERCIAL VEHICLE PROHIBITED IN THE RESIDENTIAL AREA; SECTION 54-63 SIDEWALK OR STREET OBSTRUCTION; SECTION 10-28 LEASH LAW; SECTION 10-32 FECAL DISPOSAL; SECTION 10-33 DOGS ON THE BEACH; SECTION 10-36 BARKING OR VICIOUS DOGS; SECTION 54-78 PROHIBITED NOISES; SECTION 34-28 ILLEGAL DEPOSIT OF DEBRIS; SECTION 54-2 HANDBILL DISTRIBUTION; PROVIDING FOR AN EFFECTIVE DATE.

Town Clerk Debra Eastman read the resolution by title into the record.

Alternate B
A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA AUTHORIZING THE TOWN MANAGER TO APPOINT CODE ENFORCEMENT OFFICERS FOR THE TOWN WHO MAY INCLUDE LAW ENFORCEMENT OFFICERS TO ADDRESS CODE VIOLATIONS FOR SECTIONS 90-79; SECTION 90-79 ABANDONED OR INOPERABLE VEHICLES; SECTION 90-79 PARKING ON GRASS OR UNPAVED OR UNAPPROVED SURFACES; SECTION 74-1 COMMERCIAL VEHICLE PROHIBITED IN THE RESIDENTIAL AREA; SECTION 54-63 SIDEWALK OR STREET OBSTRUCTION; SECTION 10-28 LEASH LAW; SECTION 10-32 FECAL DISPOSAL; SECTION 10-33 DOGS ON THE BEACH; SECTION 10-36 BARKING OR VICIOUS DOGS; SECTION 54-78 PROHIBITED NOISES; SECTION 34-28 ILLEGAL DEPOSIT OF DEBRIS; SECTION 54-2 HANDBILL DISTRIBUTION; PROVIDING FOR AN EFFECTIVE DATE.

Town Clerk Debra Eastman read the resolution by title into the record.

Commissioner Kopelman made a motion to approve option B, which included Saturday and Sunday hours of enforcement. Vice Mayor Graubart seconded the
motion. Upon roll call, the motion carried 4 to 1 with Commissioner Karukin voting in opposition.

B. Resolution for Construction Administration and Inspection and Engineering  
– Roger M. Carlton, Town Manager  
A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA APPROVING WORK AUTHORIZATION NUMBER 42 WITH CALVIN, GIORDANO AND ASSOCIATES, INC. AUTHORIZING CONSTRUCTION ADMINISTRATION, CONSTRUCTION INSPECTION AND ENGINEERING DURING CONSTRUCTION OF THE WATER, SEWER, STORM DRAINAGE PROJECT AND PROVIDING FOR AN EFFECTIVE DATE.

Town Clerk Debra Eastman read the resolution by title into the record.

Town Manager Roger Carlton explained five amendments to the Calvin Giordano and Associates agreement, which will finish the project to completion. He stated that the project is so far along that the startup costs, learning curves and reissuance of plans to another firm would be very expensive. He noted that it is a big project and that it is not in the final decision-making point. He added that this stage still allows design to finish, bids to come in and the contract still needs to be awarded. Town Manager Roger Carlton stated that the project still has a long way to go for financing.

Mr. Chris Giordano, of CGA, introduced John Cooper, Shaun Bamforth, Christina Baliera and Chris Bernard. Mr. Giordano did a PowerPoint presentation on the proposed process of replacing the sewer lines, water lines and drainage system.

Commissioner Olchyk inquired about the permitting process and the projected time frame.

Commissioner Karukin inquired if it is possible that the project can come in under the estimated cost. Town Manager Roger Carlton stated that he thinks that the project will come in under $16 million.

Commissioner Kopelman made a motion to approve all five resolutions (Items 5B, 5C, 5D, 5E and 5F). Commissioner Karukin seconded the motion. The motion carried 4 to 1 with Vice Mayor Graubart dissenting.

C. Resolution for Public Relations Utility Replacement Project – Roger M. Carlton, Town Manager  
A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA APPROVING WORK AUTHORIZATION NUMBER 43 WITH CALVIN, GIORDANO AND ASSOCIATES, INC. FOR PUBLIC RELATIONS AND SOCIAL NETWORKING MANAGEMENT FOR THE UTILITY REPLACEMENT PROJECT AND PROVIDING FOR AN EFFECTIVE DATE.
Town Clerk Debra Eastman read the resolution by title into the record.

Commissioner Kopelman made a motion to approve all five resolutions (Items 5B, 5C, 5D, 5E and 5F). Commissioner Karukin seconded the motion. The motion carried 4 to 1 with Vice Mayor Graubart dissenting.

**D. Resolution for Topographic Survey** – Roger M. Carlton, Town Manager

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA APPROVING WORK AUTHORIZATION NUMBER 45 WITH CALVIN, GIORDANO AND ASSOCIATES, INC. AUTHORIZING A TOPOGRAPHIC SURVEY ON ROADS AND PROVIDING FOR AN EFFECTIVE DATE.

Town Clerk Debra Eastman read the resolution by title into the record.

Commissioner Kopelman made a motion to approve all five resolutions (Items 5B, 5C, 5D, 5E and 5F). Commissioner Karukin seconded the motion. The motion carried 4 to 1 with Vice Mayor Graubart dissenting.

**E. Resolution for Dry Sewer Lines** – Roger M. Carlton, Town Manager

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA APPROVING WORK AUTHORIZATION NUMBER 41 WITH CALVIN, GIORDANO AND ASSOCIATES, INC. AUTHORIZING THE PREPARATION OF CONSTRUCTION PLANS FOR SURFSIDE INFRASTRUCTURE IMPROVEMENTS FOR DRY SEWER LINE AND AUTHORIZING THE TOWN MANAGER TO TAKE ANY NECESSARY ACTION AND PROVIDING FOR AN EFFECTIVE DATE.

Town Clerk Debra Eastman read the resolution by title into the record.

Commissioner Kopelman made a motion to approve all five resolutions (Items 5B, 5C, 5D, 5E and 5F). Commissioner Karukin seconded the motion. The motion carried 4 to 1 with Vice Mayor Graubart dissenting.

**F. Resolution for Pavement Restoration Plan** - Roger M. Carlton, Town Manager

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA APPROVING WORK AUTHORIZATION NUMBER 46 WITH CALVIN, GIORDANO AND ASSOCIATES, INC. FOR THE PAVEMENT RESTORATION PLAN AND PROVIDING FOR AN EFFECTIVE DATE.

Town Clerk Debra Eastman read the resolution by title into the record.
Commissioner Kopelman made a motion to approve all five resolutions (Items 5B, 5C, 5D, 5E and 5F). Commissioner Karukin seconded the motion. The motion carried 4 to 1 with Vice Mayor Graubart dissenting.

G. Resolution – Reappropriation of Legal Department Funds– Lynn Dannheisser, Town Attorney

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, AUTHORIZING THE REAPPROPRIATION OF FUND BALANCE (RESERVES) TO THE LEGAL DEPARTMENT BUDGET; AMENDING THE TOWN’S BUDGET FOR FISCAL YEAR 2010-2011; AND PROVIDING FOR AN EFFECTIVE DATE.

Town Clerk Debra Eastman read the resolution by title into the record.

Town Attorney Lynn Dannheisser explained that the resolution appropriates funds into the legal budget and that the town needs to appropriate $35,000 to the legal budget for Young Israel.

Commissioner Kopelman made a motion to approve. Commissioner Karukin seconded the motion.

Mayor Dietch explained that the funds come from roll over from last year’s funds saved from the legal budget.

Upon roll call, the resolution carried unanimously.

H. Resolution Retainer of Houlihan & Partners, P.A. – Lynn Dannheisser, Town Attorney

A RESOLUTION OF THE TOWN COMMISSION FOR THE TOWN OF SURFSIDE, FLORIDA, APPROVING AN AGREEMENT WITH HOULIHAN & PARTNERS, P.A. TO APPEAR AS CO-COUNSEL AND REPRESENT THE TOWN IN THE CASE CAPTIONED YOUNG ISRAEL OF BAL HARBOUR, INC. V. TOWN OF SURFSIDE CASE NO: 10-CV-24392 IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA; PROVIDING FOR AN EFFECTIVE DATE.

Town Clerk Debra Eastman read the resolution by title into the record.

Town Attorney Lynn Dannheisser stated that she recommends Houlihan & Partners be retained because they are experienced federal litigators.

Commissioner Kopelman made a motion to approve the resolution. Commissioner Karukin seconded the motion.
Commissioner Olchyk expressed opposition to retaining Houlihan & Partners. She stated that she is in favor of going at full strength and utilizing everything within power to prove that Surfside is right in this matter. She added that the town has a town attorney on staff and another firm we are retaining and should not hire an additional firm. She added that she does not want for her vote to reflect that she was in favor of hiring another firm when the town might have been able to do it without him.

The Mayor also noted that Houlihan will participate in the initial strategy and in litigation only.

Commissioner Kopelman asked the Town Attorney to address the comments made by Commissioner Olchyk. Town Attorney Lynn Dannheisser stated that Commissioner Olchyk was referring to that she (Dannheisser) has a personal relationship with Mr. Houlihan. She dates Mr. Houlihan. Town Attorney Lynn Dannheisser stated that her job is to recommend and give the best advice and counsel. She added that this issue is a huge exposure to the Town and that the plaintiff is asking for $5 million in damages. She added that prevailing in litigation is very important to the Town and that there is no benefit to her personally. Attorney Dannheisser mentioned that she spoke to the Commission on Ethics to ensure that there is no conflict. There is no conflict and she has given the best advice and counsel. She added that due to her personal relationship, the fees have been reduced from $500 to $250 per hour.

Upon roll call, the motion to approve the resolution carried 4 to 1 with Commissioner Olchyk voting in opposition.

I. Resolution Police Confiscation Fund – Police Chief, David Allen

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, PROVIDING FOR THE FISCAL YEAR 2010/2011 POLICE CONFISCATION FUND EXPENDITURE IN THE AMOUNT OF FORTY-FIVE THOUSAND ($45,000.00) TO BE FUNDED BY PROCEEDS OF CONFISCATED FUNDS.

Town Clerk Debra Eastman read the resolution by title into the record.

Town Manager Roger Carlton that the resolution appropriates the money in the Confiscation fund. Police Chief David Allen added that the auditor recommended that the federal statute be added because forfeiture money is from state and federal.

Vice Mayor Graubart made a motion to approve the resolution. Commissioner Karukin seconded the motion, which carried unanimously.

J. Resolution Approving Contract with Lynx Construction, LLC – Roger M. Carlton, Town Manager
A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA APPROVING THE DESIGN-BUILD CONTRACT WITH LYNX CONSTRUCTION LLC FOR THE DESIGN AND CONSTRUCTION OF THE SURFACE PARKING LOT LOCATED AT 9450 COLLINS AVENUE IN ACCORDANCE WITH THE BID AWARD MADE BY RESOLUTION 10-1980; AND PROVIDING FOR AN EFFECTIVE DATE.

Town Clerk Debra Eastman read the resolution by title into the record.

Town Manager Roger Carlton recommended the award of design-build for parking lot to Lynx Construction.

Commissioner Kopelman made a motion to approve the resolution. Commissioner Karukin seconded the motion.

Upon roll call, the motion carried unanimously.

6. Good and Welfare

Public comments for subjects or items not on the agenda. Public comment on agenda items will be allowed when agenda item is discussed by the Commission.

Mr. Stan Bershad invited all to the car wash on Saturday benefitting the Kiwanis. He added that the cost is $5 per car.

Mr. Lou Cohen spoke about being in favor of the hotel proposed by Sylvia Coltrane and about the status.

Mr. Richard Iacobacci spoke about Team Surfside and Martin Luther King Day Day of Service and thanked Duncan Tavares, the Police Department and the Mayor’s wife for the PTA participation. He added that he would like to see a monthly event.

7. Town Manager and Town Attorney Reports

Town Manager and Town Attorney Reports have been moved to the Consent Agenda – Item 3.

All items on the Consent Agenda are considered routine or status reports by the Town Commission and will be approved by one motion. Any Commission member may request, during item 1E Agenda and Order of Business, that an item be removed from the consent agenda and discussed separately.

8. Unfinished Business and New Business – None

9. Mayor, Commission and Staff Communications

A. Proposed FY 2011-2012 Budget Calendar - Roger M. Carlton, Town Manager
Town Manager Roger Carlton stated that the involvement of the Commission and the Citizens comes in too late in the budget process. He explained the budget calendar and asked the commission to accept the proposed schedule.

Commissioner Kopelman made a motion to approve the proposed budget calendar. Commissioner Karukin seconded the motion, which carried unanimously.

B. Maranon Property Report – Roger M. Carlton, Town Manager

Town Manager Roger Carlton briefly discussed the history of the Maranon property and recommended selling it.

Commissioner Kopelman moved to sell the property. Commissioner Karukin seconded the motion.

Vice Mayor Graubart stated that this matter has been dragged out enough and he does not want to add to the divisiveness. He commented that it is a half million dollar loss. He stated that he agrees with healing the community. The Vice Mayor stated that he would like the Town to consider demolishing the house so they can get tax money.

Upon roll call all were in favor and the motion to sell the property carried.

C. Report on Feral Cats and Dog Feces – Roger M. Carlton, Town Manager

DEFERRED

D. Discussion on Downtown Vision Process – Roger M. Carlton, Town Manager

Town Manager Roger Carlton presented a new approach at looking at what the downtown should be. He added that a consultant will not be used, but rather staff will be used. He stated that if the Commission accepts the report, he will direct staff to start and he will come back to the Commission with recommendations on what should be done. Town Manager Roger Carlton thanked Duncan Tavares for his assistance.

Commissioner Kopelman stated that he is pleased with the Advisory Committee and inquired about when the results will be presented. Town Manager Roger Carlton noted that the first meeting will be February 15th.

Commissioner Olchyk inquired about the possibility that a paid consultant might be needed. Town Manager Roger Carlton stated that in that case, the project would come back to the commission for funding.

Commissioner Kopelman made a motion to proceed with the project as quickly as possible. Commissioner Karukin seconded the motion, which carried unanimously.

E. Discussion of Performance Based Salary Adjustments – Roger M. Carlton, Town Manager
Town Manager Roger Carlton stated that Commissioner Olchyk made the request for this item. He added that this accepts the theory that raises be performance based. He asked the Commission if this is the direction in which they want to proceed.

Commissioner Karukin moved the item. Commissioner Kopelman seconded the motion. All were in favor and the motion to approve carried.

F. Acceptance of Legislative Program for 2011- Roger M. Carlton, Town Manager

Town Manager Roger Carlton noted that this item includes recommendations Town Lobbyist Fausto Gomez.

Commissioner Kopelman made a motion to accept the item. Commissioner Karukin seconded the motion.

The motion carried 4 to 1 with Vice Mayor Graubart voting in opposition.

G. Crossing Barrier at 96th Street and Harding - Roger M. Carlton, Town Manager and Assistant Police Chief John DiCenso

Town Manager Roger Carlton explained the barrier and that he met with the District Engineer who is supportive of doing additional study.

Town Manager Roger Carlton noted he would like authorization to join with Bal Harbour to work with DOT to install a crosswalk at that location and regarding repaving Collins Avenue, adding stamped concrete to the crosswalks and also adding crossings for community center.

Commissioner Kopelman made a motion to approve the Manager’s recommendation. Vice Mayor Graubart seconded the motion, which carried unanimously.

H. Discussion Regarding Adjustment of Solid Waste Collection Service - Roger M. Carlton, Town Manager and Assistant Police Chief John DiCenso

Town Manager Roger Carlton stated that this item relates to a request from Commissioner Olchyk and that he is seeking how the commission would like to go forward to make these decisions part of the budget process.

Commissioner Karukin opined that it was a good idea and suggested redirecting it to the staff.

Vice Mayor Graubart commented that the single family homes have a serious raccoon problem and mentioned that he hopes that part of the study will be that the Town will issue trash cans that can be wheeled to the street. He added that bags can no longer be used.
Mayor Dietch inquired about the current services and that the Town needs to post the recycling schedule there along with the current level of service and landscape waste collection. Town Manager Roger Carlton stated that upgrading the website information will be the priority for the new Public Works Director.

Mr. Jack Shiferal from Choice Environmental spoke that they pick up for other municipalities. Mayor Dietch encouraged him to speak with the Town Manager.

Commissioner Olchyk inquired about the trash containers for the beach. Town Manager Roger Carlton mentioned that they will be available in 30 days.

I. GreenPrint –Our Design for a Sustainable Future – Mayor Daniel Dietch

Town Manager Roger Carlton stated that Mayor Dietch asked for this item to be placed on the agenda and suggested that staff look at what is appropriate for Surfside to become a more green community. He asked for input from the Commission and stated that he will bring back a report for them.

Town Manager Roger Carlton introduced Mr. Bill Evans as the new Public Works Director.

J. Discussion Regarding Proposed Five Year Financial Plan – Roger M. Carlton, Town Manager DEFERRED

10. Adjournment

Mayor Dietch adjourned the meeting at 10:30 pm.

Accepted this ____day of _____. 2011

________________________
Daniel Dietch, Mayor

Attest:

_______________________
Debra E. Eastman, MMC
1. Opening

A. Call to Order – Mayor Dietch called the meeting to order at 7:00 pm.

B. Roll Call of Members Town Clerk Debra Eastman called the roll and the following members of the Commission were present upon roll call: Commissioner Michael Karukin, Commissioner Edward Kopelman, Commissioner Marta Olchyk, Vice Mayor Joe Graubart and Mayor Daniel Dietch.

C. Pledge of Allegiance – Town Clerk Debra Eastman led the Pledge of Allegiance.

D. Mayor and Commission Remarks – Mayor Daniel Dietch

Mayor Dietch spoke about the need for better communication with the residents in the community. He mentioned that the commission is waiting for recommendations from the Communication Committee on ways to enhance the communication. The Mayor encouraged residents to attend the committee meetings and noted that they are open to the public. The Mayor also spoke about all the various communications links that are available to the residents allowing them to become more involved in the community.

Commissioner Kopelman addressed Vice Mayor Graubart’s comments from the last meeting.

Commissioner Karukin spoke about the Communications Committee and noted that some changes have already been put in place such as changes to the Gazette in terms of calendar format and also added that the advertisements section was moved. Commissioner Karukin also thanked the lifeguard staff for the event on the beach Sunday in which they took care of a woman who was in distress.

Commissioner Olchyk mentioned that the commission needs to forget what happened in the past administration and move on. She stated that this current commission cannot change what happened in the past, but they can have an effect on what happens in the future, to a certain degree.
Vice Mayor Graubart addressed the comments made by Commissioner Kopelman about the garage. He stated that the combined wisdom of the community is greater than the any one, two three of them.

Vice Mayor Graubart gave an update on Tourist Board events.

**E. Agenda and Order of Business** Additions, deletions and linkages

Vice Mayor Graubart requested to link Items 9(A), 9(F) and 9(I).

Commissioner Olchyk made a motion to approve linking items 9(A), 9(F) and 9(I). Commissioner Karukin seconded the motion. The motion carried unanimously.

Commissioner Karukin asked to pull items 2 and 21 from points of light.

Commissioner Olchyk asked to pull pages 38, 42 and 44.

Commissioner Karukin made a motion to accept the items that were pulled from the consent agenda. Vice Mayor Graubart seconded the motion, which carried unanimously.

**F. Community Notes – Mayor Daniel Dietch**

The Mayor spoke about the following upcoming events in the community:

- North Shore Kiwanis Charity Dog Show on 02/20,
- Senior trip to the museum of art 02/17,
- Parks and Recreation 5K run on 02/27,
- Senior trip to Hard Rock 03/02,
- And the Legacy Buy a Brick program, in honor of the new Community Center. The Mayor noted that each brick is $250

Dana Kulvin spoke about the Tiles for Technology program.

**G. Special Presentation – Ruth K. Broad Bay Harbor K-8 Center 100th Birthday Celebration** – Roger M. Carlton, Town Manager

Town Manager Roger Carlton introduced Mr. Maurice Broad, son of Shepard Broad, for whom the Broad Causeway is named. Mr. Maurice Broad then introduced his sister, Ms. Ann Bussel, resident of Bay Harbor, and Principal Rodriguez, principal of Ruth Broad Bay Harbor K-8.

Mayor Daniel Dietch presented Mr. Broad and his sister, Ms. Bussel, with a plaque honoring their mother’s 100th birthday. The Mayor spoke about the school’s importance in the community and about Mrs. Broad’s commitment to education.

**H. Special Presentation - Police Civilian of the Year – Elinor Joseph** and Police Officer of the Year – Sgt. Rory Alberto, Police Chief David Allen
The Chief also presented the Police Officer of the Year award to Sgt. Rory Alberto. Chief Allen spoke about Sgt. Alberto’s outstanding police work.

I. **Call for Executive Session** – Lynn Dannheisser, Town Attorney

Town Attorney Lynn Dannheisser mentioned that she is seeking direction from the commission on a litigation strategy for the case *Young Israel of Bal Harbor vs the Town of Surfside*. She proposed Tuesday, February 15th at 5:30 pm as a date and time for the executive session.

J. **Water, Sewer, Drainage Project Plan of Finance Presentation** – Roger M. Carlton, Town Manager

Town Manager Roger Carlton explained the eligibility of State Revolving Fund Loans and the possibility of getting legislature to waive part of the loan if the project is financed. He noted that he is requesting for the commission to accept the short list and authorize to go out to bid.

Chris Giordano of Calvin, Giordano and Associates gave a presentation recapping the steps taken in the planning stages of the project. He also gave a synopsis of the current status of the sewage system and all the problems involved. Mr. Giordano further discussed the cost of the project.

Town financial advisors Sergio Masvidal from Public Financial Management gave a presentation on his firm. Sergio Masvidal spoke about the two sources of funding available to the town.

Jolinda Herring, with the law firm of Bryant, Miller, Olive PA gave a presentation on her firm. Ms. Herring gave a background on the firm and mentioned that they do public finance.

Ms. Herring mentioned that per the town’s charter, the commission will also need to enact an ordinance for the authorization of debt. She also stated that the commission will also need a resolution incorporating rates from the bank that bids.

Vice Mayor Graubart inquired about the fees of associated with both firms. Ms. Herring noted that her firm quoted the town a straight fee of $25,000. Ms. Herring mentioned that her firm will be responsible for all the closing documents and transaction management required by the bank.

Commissioner Olchyk inquired why these firms are needed.

Commissioner Kopelman inquired about what the ballpark figure is on interest rates at this point.
Town Manager Roger Carlton explained the importance of making a decision as soon as possible due to the availability of the state revolving fund loans and the potential increase in the price of oil that would affect the cost of the project.

Commissioner Olchyk inquired if the town owes the firms any money for the work they have done even if the town decides to not go forward with the project. Mr. Masvidal responded that no, they are typically paid out of closing costs.

Commissioner Karukin inquired about what would happen if bids come in under $16 million. Mr. Masvidal mentioned that he is sure there will be no difference in the rate and added that the funds requested will still be up to $16 million.

Vice Mayor Graubart asked about which financing option is best for the residents. Mr. Masvidal responded that the best value would be if the town could fund the project entirely out of SRF, but he added that he has never seen that. Vice Mayor Graubart inquired about the role of these two firms if the town decided to fund the project with and SRF loan. Ms. Herring noted that her firm has worked with SRF loans in the past and they would still be involved in the process. Based on Vice Mayor Graubart’s inquiry about the municipal bond market, a discussion ensued about the recent volatility in that market. Mr. Masvidal noted that a water and sewer project brings with it a stronger credit in the market.

Mayor Dietch noted that the town has a very qualified citizens advisory committee that have been sitting in on meetings and have met with the financial advising team. The Mayor commented that the committee has been very impressed with the caliber of financing advisors in these two firms.

Vice Mayor Graubart inquired if the citizens’ committee has a recommendation on the financing of the project. Manager Carlton noted that the committee saw the bond counsel presentation and were very supportive of it. He added that the committee will be present at future meetings through the process.

Mayor Daniel Dietch opened the public hearing.

Mr. Pablo Casal of Collins Avenue spoke before the commission. Mr. Casal thanked everyone for their presentations, for the Gazette newsletter and for the opportunity to speak. Mr. Casal also asked about the $3.6 million in grant money. Mr. Carlton explained about the possibility of a grant and about maintaining eligibility for grants. Mr. Casal also asked if this project can be completed in stages. Mr. Carlton explained that the plan is to divide the single family neighborhood in 3 sections and complete each section in about four months. He stated that the last step will be the final coat of asphalt. He added the impact on each neighborhood will be kept to a minimum.

Commissioner Karukin noted that the town is looking into specific graphics to determine how each homeowner will be impacted so that the residents understand the moving of meters. He added that a whole communication packet will be prepared over time.
Mr. Sasha Plutno of Harding Avenue spoke before the commission. He spoke about the town hiring a firm to do loans and commented that that is the reason why the town hired a town manager and a finance director.

Seeing no further residents wishing to speak, the Mayor closed the public hearing.

2. Quasi-Judicial Hearings (None)

3. Consent Agenda
   All items on the consent agenda are considered routine or status reports by the Town Commission and will be approved by one motion. Any Commission member may request, during item 1E Agenda and Order of Business, that an item be removed from the Consent Agenda and discussed separately.

   Commissioner Karukin made a motion to approve the consent agenda minus the items that were pulled. Vice Mayor Graubart seconded the motion, which carried unanimously.

   A. Minutes – December 14, 2010 Regular Commission Meeting

   Commissioner Olchyk asked to make a correction on the December minutes. Town Clerk Debra Eastman mentioned that she has made a correction to the minutes as follows: the first sentence in Item 9(D) will be stricken and replaced with - Commissioner Olchyk suggested that in order to assign staff to do beach clean-up on one day per week, that perhaps Wednesday garbage could be eliminated.

   B. Resolution Unsafe Structures – Paul Gioia, Building Official
      A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA DECLINING THE ESTABLISHMENT OF ADMINISTRATIVE PROCESSES TO ADDRESS UNSAFE STRUCTURES WITHIN MUNICIPAL BOUNDARIES AND TO CONTINUE TO PROCESS UNSAFE STRUCTURES THROUGH THE MIAMI-DADE COUNTY UNSAFE STRUCTURES BOARD AND PROCESSES PURSUANT TO SECTION 8-5 OF THE MIAMI-DADE COUNTY CODE; PROVIDING FOR AN EFFECTIVE DATE.

   C. Parks and Recreation Committee Appointment – Barbara McLaughlin – Commissioner Edward Kopelman

   D. Budget to Actual Summary as of November 30, 2010 – Martin Sherwood, Finance Director

   E. Town Manager’s Report (Points of Light) – Roger M. Carlton, Town Manager

   F. Town Attorney’s Report – Lynn M. Dannheisser, Town Attorney

Commissioner Karukin inquired if Manager Carlton has been in touch with UM Historian Dr. Baken for the visioning process. Mr. Carlton mentioned that he has not, but he will be.

Commissioner Karukin noted that he is withdrawing the item since there is no further need for research. He asked that this item be closed out and eliminated from Points of Light.

Commissioner Olchyk had questions about the budget to actual. Mayor Dietch noted that this was part of the Consent Agenda and has already been adopted, but he added that there will be discussion on it.

Mr. Martin Sherwood, Town Finance Director spoke about the general fund and the expenditures.

Commissioner Olchyk spoke about Item 4 on page 37 of the Points of Light regarding vacant lots. She inquired why the town has made the decision to purchase this land and noted that she was not aware of the town’s offer. Manager Carlton noted that this item has been on the agenda before and that the commission has had discussion on it.

Commissioner Olchyk spoke about the maintenance of the collection parking meters. Town Manager Roger Carlton explained that he is disappointed in LAZ’ implementation of the meters. He added that it is his intent to send them a default letter, a cure period will be given and if they do not make corrections, the town will take over the process.

Commissioner Olchyk inquired about the interior and exterior painting of town hall. She also asked about the $5,600 that was spent to clean up an additional space in town hall. She expressed concern about going over budget. Mr. Carlton noted that the cost of painting the inside and outside of town hall are within the budgeted amounts. He added that they found that the trusses that hold the roof in the additional space Commissioner Olchyk mentioned were rusting badly. He noted that it is important to have a safe working environment. Public Works Director Bill Evans noted that the garage area Commissioner Olchyk is referring to has been repaired and reiterated that it was in a state of disrepair.

Commissioner Olchyk asked the Manager to explain the Public related solicitations. Mr. Carlton mentioned that the town has an ordinance in which priority is given to the businesses in town when services are solicited.

Commissioner Kopelman made a motion to adopt the Points of Light discussed. Vice Mayor Graubart seconded the motion. The motion carried unanimously (Commissioner Karukin was not present for the vote).
4. Ordinances

A. Second Readings (Ordinances and Public Hearing)

1. Outside Employment Ordinance – Lynn Dannheisser, Town Attorney

AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA AMENDING CHAPTER 2 “ADMINISTRATION” AND SPECIFICALLY CRATING SECTION 2-152 “OUTSIDE EMPLOYMENT BY TOWN EMPLOYEES” OF THE TOWN OF SURFSIDE CODE OF ORDINANCES PROVIDING FOR INCLUSION IN THE CODE; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

[This Ordinance prohibits outside employment unless approved by the Town Manager. It is based on the Code of Miami-Dade County.]

Town Clerk Debra Eastman read the Ordinance by title into the record.

Attorney Lynn Dannheisser explained that this ordinance prohibits the town employees from accepting outside employment where the Town’s time, equipment or materials will be used. She noted that the provision for part-time employees was included per the commission’s request.

Commissioner Kopelman made a motion to adopt the ordinance. Commissioner Karukin seconded the motion.

Mayor Dietch opened the public hearing. Seeing no residents wishing to speak on the item, the Mayor closed the public hearing.

The motion carried unanimously on roll call.

2. Curb Cuts – Sarah Sinatra Gould, Town Planner

AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA AMENDING SECTION 90.61 CURB CUTS OF THE TOWN OF SURFSIDE CODE OF ORDINANCES; PROVIDING FOR INCLUSION IN THE CODE; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR AN EFFECTIVE DATE.

[This Ordinance places curb cut regulations currently in the building code into the zoning code and allows for additional curb cuts on large single family lots.]

Town Clerk Debra Eastman read the Ordinance by title into the record.

Town Planner Sarah Sinatra, with Calvin, Giordano spoke. She noted that there is no change for properties whose width is less than 100 feet. She stated that if the width is greater, the proposal is to increase the width of curb cut for driveways.

Commissioner Kopelman made a motion to approve the ordinance. Commissioner Karukin seconded the motion.
Mayor Dietch opened the public hearing. Seeing no residents wishing to speak on the item, the Mayor closed the public hearing.

The motion carried unanimously on roll call.

B. First Readings Ordinance

1. Boat Storage - Sarah Sinatra Gould, Town Planner

AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA AMENDING SECTION 90.65 BOAT STORAGE, INCLUDING ZONING CODE DEFINITIONS OF “SETBACKS” AND “YARDS” OF THE TOWN OF SURFSIDE CODE OF ORDINANCES; PROVIDING FOR INCLUSION IN THE CODE; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR AN EFFECTIVE DATE.

[This Ordinance permits boats to be parked in the front, side and rear yards of a lot, but not in the side or rear setbacks and requires screening of boats in the side or rear yard from neighboring properties.]

Town Clerk Debra Eastman read the Ordinance by title into the record.

Town Planner Sarah Sinatra gave a history of the item. She noted that changes and modifications have been made since the first reading of the ordinance on January 18th to include the public’s desired changes.

Commissioner Kopelman moved to adopt the ordinance. Vice Mayor Graubart seconded the motion.

Vice Mayor Graubart read how the town code regarding boats read for many years. He noted that the code was never enforced. He gave the information to the Town Clerk for anyone who would like to see it.

Ms. Sinatra, Town Planner, noted that as long as the setback is respected and the boat does not project into the right-of-way, they boat can be parked in the front.

Resident Sasha Plutno suggested that the ordinance be amended to allow parking of the boat in side or rear setback of the property. He also commented that screening the boats is an additional expense to the owner.

Resident Ken Arnold inquired about how the code addresses boats that are sitting in disrepair in front of a property. Mayor Dietch read the provision in the ordinance that requires the parked boats to be in a presentable condition.

The motion carried unanimously on roll call.

5. Resolutions and Proclamations

A. Resolution Approving Copier Lease – Debra Eastman, Town Clerk

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, WAIVING THE BID PROCESS AND APPROVING A
PURCHASE ORDER FOR A 36 MONTH TERM WITH DELTA BUSINESS SOLUTIONS, PIGGYBACKING ON THE STATE OF FLORIDA CONTRACT NO. 600-000-11-1, AUTHORIZING EXECUTION OF PURCHASE ORDERS; AND PROVIDING FOR AN EFFECTIVE DATE.

Town Clerk Debra Eastman read the resolution by title.

Commissioner Karukin made a motion to approve the resolution. Commissioner Kopelman seconded the motion.

Resident Sasha Plutno spoke against piggybacking on someone else’s contract.

The motion carried unanimously.

B. Resolution Approving List of Pre Qualified Contractors and Authorization to Continue the Bid Process – Roger M. Carlton, Town Manager

A RESOLUTION OF THE TOWN OF SURFSIDE, FLORIDA APPROVING THE LIST OF PRE QUALIFIED CONTRACTORS FOR THE INFRASTRUCTURE REHABILITATION PROJECT; AND AUTHORIZE THE TOWN MANAGER TO SEEK COMPETITIVE BIDS; AND PROVIDING FOR AN EFFECTIVE DATE.

Town Clerk Debra Eastman read the correct title of the resolution into the record.

Chris Giordano distributed an updated list of top contractors to the commission. He noted the changes made to the list.

Commissioner Kopelman made a motion to accept the list of prequalified contractors as amended. Commissioner Karukin seconded the motion. Motion carried 4-1 with Vice Mayor Graubart opposed.

C. Infrastructure Rehabilitation Project Public Meeting – Chris Giordano, Calvin, Giordano & Associates, Inc.

A RESOLUTION OF THE TOWN OF SURFSIDE, FLORIDA APPROVING THE WATER, SEWER AND STORMWATER FACILITIES PLAN AFTER A PUBLIC MEETING ON SAME.

Town Clerk Debra Eastman read the Resolution by title.

Commissioner Karukin made a motion to approve the facilities plan. Commissioner Kopelman seconded the motion, which carried unanimously.

6. Good and Welfare

Public comments for subjects or items not on the agenda. Public comment on agenda items will be allowed when agenda item is discussed by the Commission.
Mr. Jerry Kahn, President of the Regent Palace on Collins Avenue, spoke before the commission. Mr. Kahn complained about the red light camera that is facing his home. He mentioned that the camera flashes like a strobe light into his home. Mr. Kahn read portions of the contract with American Traffic Solutions and noted that he was never contacted by this company for the placement of the system equipment. Mr. Kahn stated that he wants to meet with the vendor’s project manager and added that he wants the lights turned off at night until they fix the problem.

Police Chief David Allen stated he has received complaints on the light Mr. Kahn is referring to. He noted that he contacted the company, which came out and installed strobe shields to alleviate the problem, but the lower apartments are still being affected. The Chief explained that the company will be coming back to adjust the camera angle. Mayor Dietch asked Chief Allen to keep Mr. Kahn updated on the status of the situation.

Mr. Sasha Plutno thanked the Chief and the commission for solving the crossing problem on Harding Avenue with the poles on the street. Mr. Plutno also spoke in favor of the CVS expansion and opined that it is in the town’s best interest. Mr. Plutno spoke about the Young Israel case and gave a brief background.

Mr. Stan Bershad, of Bay Drive invited everyone to the North Shore Kiwanis 3rd annual Dog Show that will take place on February 20th at 10:00 am behind the Best Western.

The Mayor closed Good and Welfare.

7. **Town Manager and Town Attorney Reports**

   Town Manager and Town Attorney Reports have been moved to the Consent Agenda – Item 3.

   *All items on the Consent Agenda are considered routine or status reports by the Town Commission and will be approved by one motion. Any Commission member may request, during item 1E Agenda and Order of Business, that an item be removed from the consent agenda and discussed separately.*

   Town Attorney Lynn Dannheisser spoke about the issue of solar collectors, which was brought up at the Planning and Zoning Board meeting. She noted that there are no regulations in the town’s code books relating to it. She further noted that Florida statute prohibits municipalities from prohibiting residents from installing energy devices. Ms. Dannheisser stated that her research on the matter indicates that regulations can be enacted to ensure that the solar collectors conform to the town codes without prohibiting the device.

   Commissioner Kopelman spoke about the appearance of solar collectors on the roofs of homes. Mayor Dietch noted that the commission’s decision on the matter must be based on what is best for the community. He directed Attorney Dannheisser to present possible resolutions on the matter to the Planning and Zoning Board.
8. **Unfinished Business and New Business – None**

9. **Mayor, Commission and Staff Communications**
   
   **A. Bottle Bill Resolution –** Vice Mayor Joe Graubart

   Vice Mayor Graubart spoke about the bottle bill deposit system. He suggested that the town pass a bottle bill resolution. He noted that states with deposit laws have higher residential recycling rates and less litter. Commissioner Kopelman noted that bottle bill deposits are adopted on the state level.

   Mayor Dietch suggested sending it to the appropriate state agency.

   Commissioner Olchyk expressed concern that this system will take up more valuable time away from the town’s employees. She opined that it is too big for the town to tackle. Commissioner Karukin agreed with Commissioner Olchyk.

   Mayor Dietch asked Attorney Dannheisser about how long it would take her to draft a bottle bill resolution. Ms. Dannheisser noted that it can be quickly prepared.

   **B. Five Year Financial Forecast for the Town of Surfside -** Roger M. Carlton, Town Manager

   Town Manager Roger Carlton explained that the Five Year Forecast looks at what will happen to the taxation levels in the town for 5 years based upon different strategies causing the remaining major parcels to be developed. He noted that currently 80% of the town’s property taxes come from residential homes, which is a high percentage based on comparable communities. He noted that if the town does not do good development on the sites, that percentage could rise to 90%. Mr. Carlton mentioned that one issue is equity and the other is that the town does not know what the millage will go to. He spoke about the 5 different scenarios. He noted that there are scenarios in which the millage can be held down significantly.

   Commissioner Kopelman mentioned that he has read through the manager’s report and suggests a workshop to review it due to its complexity. The Mayor agreed that a workshop is necessary. He noted that this is an opportunity to analyze the undeveloped parcels in town and decide what can be developed to be harmonious with the rest of town.

   The Mayor thanked Town Manager Roger Carlton and the town’s staff for coordinating this report that looks beyond one year into the future for planning purposes.

   Town Manager Carlton mentioned that EWM prepared the report pro bono and he thanked Martin Sherwood, Finance Director, and Budget Consultant Carl Berkey-Abbott for their work. The Manager also noted that this type of report can easily cost $75,000 to $100,000.
Town Manager Carlton mentioned that it is his intent is to make available a decision tree, for the commission following the workshop, that will help the commission give direction to staff on what to do. The Mayor asked that, wherever possible, there be a benefit-cost analysis.

C. Land Acquisition of Two Parcels Immediately South of Town Hall - Assistant Police Chief John DiCenso

Town Manager Carlton spoke about Atkins property and the Delgado property that runs from Collins Ave to Harding Avenue. He gave a history of the Delgado Property.

Mr. Carlton mentioned that this is a wonderful opportunity for the town to purchase a property directly to the south of it. He noted that this year’s budget contains $1.025 million for land acquisition. He asked the commission for authority to begin the process of purchasing this property. He noted that any purchase price would come back to the commission for approval. Mr. Sherwood mentioned that the appraised value of the Delgado property is about $1.25 million.

Mr. Carlton spoke about the Atkins property. He mentioned that the town made an offer and the deal fell through. He noted that the current status of the deal is $320,000 with 3-year financing included. He added that the town would pay 25% up front and in each of the 3 years pay 25% more. He added that the interest is included in the $320,000. He noted that the Atkins family will accept this deal.

Commissioner Kopelman made a motion to accept the Atkins deal right away. Commissioner Karukin seconded the motion.

Mr. Carlton spoke about the possibility of using the other property as a parking garage for the community center. He added that the town could enter into an agreement with the owners of the Delgado property or the other property located on 9256 Collins Ave. for an exchange in land for the town to have parking rights.

Commissioner Olchyk asked what the town will be doing with the lots. Mr. Carlton mentioned that soon the library trailers will be gone and added that a larger complex with incorporated parking for the community center and town hall making it an extraordinary complex. He noted that this parcels of land are a very limited commodity in Surfside and opined that it will never be cheaper than it is right now.

Vice Mayor Graubart asked about zoning issues with the Delgado property. Mr. Carlton stated that he will get clarification.

Commissioner Olchyk spoke about the experience with the Maranon property and inquired if perhaps it is more beneficial to the town for someone else to purchase these properties and the town collect the tax revenues. Mr. Carlton noted that there is a trade off in the revenues and mentioned that he will have a memo with the
information for the commission. He added that the town would be getting an extraordinary complex as trade off for tax revenues.

Mayor Dietch mentioned that the town has to be careful in how it will proceed with the land acquisitions because it will limit the available funds.

On roll call, the motion passed 4 to 1 with Commissioner Olchyk voting against it and noting, for the record, that she is voting no because she does not feel that the town should get into real estate business when the community is in dire need for additional taxation. She added that she is not against additional space for parking, but is against spending the money, right now, to buy all these lots, when these lots may be purchased by a private individual that could give revenue to the town.

D. Acquisition of Single Family Home at 9333 Harding Avenue Property – Roger M. Carlton, Town Manager

Manager Carlton explained the location of the home and that the asking price is $298,000. He noted that he has spoken with the real estate agent, but currently has no recommendation to the commission. Commissioner Olchyk expressed opposition for the same reason she noted in the previous item.

Vice Mayor Graubart opined that the property’s best use might be to the town and spoke in favor of purchasing it. Commissioner Kopelman agreed. Commissioner Olchyk also expressed concern that the property could become an expense to the town if it falls into disrepair if the town does not find a use for it. Commissioner Olchyk also noted that the town should not spend the money in the budget to just get rid of it.

Town Manager Carlton noted that the house on the property north of town all is in perfect condition and the town could rent it to make more money than it would get in taxes. He added that the Atkins property does not have house on it.

E. Surfside Beach Maintenance – Tim Milian, Parks and Recreation Director and Bill Evans, Director of Public Works

Mr. Tim Milian from Parks and Recreation spoke about the increased maintenance program. He noted that it will stay within budget and meet FDEP guidelines.

F. Household Dry Cell Battery Recycling at Town Hall – Bill Evans, Director of Public Works

Public Works Director Bill Evans directed the Commission to the picture of the dry cell container he provided. He noted that it is a good measure and that it complies with the commission’s direction of becoming more environmentally friendly. He proposed having a single station, underneath the steps at city hall. Mr. Evans noted that each container costs $107 and if 5 are purchased, the shipping back to them is free. He suggests that 5 be purchased.
Mayor Dietch recommended updating the website with this information.

Commissioner Kopelman made a motion to purchase the five Dry Cell Battery Recycling containers. Vice Mayor Graubart seconded the motion. The motion carried unanimously.

G. Budget High Level Direction – Roger M. Carlton, Town Manager

H. (i) Report from Esslinger-Wooten- Maxwell (EWM) Realty Report on Sales in The Town of Surfside
(ii) Report from Esslinger-Wooten- Maxwell (EWM) Realty Report on Short Sales in Surfside
(iii) Report from Esslinger-Wooten- Maxwell (EWM) Report on Foreclosures In Surfside – Roger M. Carlton, Town Manager

I. Sustainable Initiatives – Bill Evans, Director of Public Works  Page 146-149

Mr. Shaun Bamforth, Lead AP with Calvin Giordano spoke before the commission regarding his report and snapshots on sustainable options for the town.

Commissioner Kopelman made a motion to accept the report from Calvin Giordano. Vice Mayor Graubart seconded the motion. The motion passed 4 to 1 with Commissioner Karukin dissenting.

Commissioner Kopelman recognized Barbara McLaughlin for her work on code enforcement and noted that he is appointing her to Parks and Recreation.

10. Adjournment

The meeting adjourned at 10:15 p.m.

Accepted this ____day of _____, 2011

________________________
Daniel Dietch, Mayor

Attest:

_______________________
Debra E. Eastman, MMC
Town Clerk
## TOWN OF SURFSIDE, FLORIDA

**MONTHLY BUDGET TO ACTUAL SUMMARY**

**FISCAL YEAR 2010/2011**

As of **JANUARY 31, 2011**

**33% OF YEAR EXPIRED (BENCHMARK)**

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### GOVERNMENTAL FUNDS

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### NOTES:

A. Timing Difference - FY 2011 ad valorem property tax revenues are remitted to the Town primarily from mid-November to March

B. Timing Difference - Includes only the Oct-Dec resort taxes. The January is collected in February

C. Timing Difference - Tourist Promotional events are scheduled for later in fiscal year

D. Forfeiture revenue fluctuates widely-the Town received a $15,036 payment during January

E. Timing Difference - Includes only the Oct-Dec CITT revenues. The January is not received until late April 2011
### ENTERPRISE FUNDS

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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$764,368</td>
<td>$1,291,343</td>
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<td>Expenditures</td>
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<th>STORMWATER</th>
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<tr>
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<td>$125,877</td>
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**NOTES:** (con't)

* the change in net assets excludes financial impact from Capital Assets
F. Underage due to delay in commencement of Infrastructure/Capital Outlay projects ($8.1 mill for water/sewer, $1.4 mill for stormwater, $2.1 mill for parking)
G. Timing difference: Billing (and the resulting revenue) for the entire fiscal year pertaining to Residential (non-condominium) customers are recorded in October
Town of Surfside
Town Commission Meeting
April 12, 2011 - 7:00 p.m.
Town Hall Commission Chambers - 9293 Harding Ave, 2nd Fl
Surfside, FL 33154

AFTER ACTION ITEMS
“Points of Light”

1. City of Excellence: At the request of Mayor Daniel Dietch, Town Manager, Roger Carlton designated Tourist Bureau Director, Duncan Tavares and Parks and Recreation Director, Tim Milian, to prepare a report on the process the Town will take to become a “City of Excellence”. The report is to be on the agenda for the November Town Commission meeting. Dennis Giordano, CGA, offered to assist Mr. Tavares. Town Clerk, Debra Eastman will help prepare the draft.

Current Status: The Florida League of Cities has completed revamping this program. It will now be the Municipal Achievement Awards. While the application deadline is May 23, 2011, information regarding the process and subsequent requirements was recently delivered. Staff has reviewed the material and determined that the Town will not meet the priorities this year. Other potential awards will be reviewed and applications filed if appropriate. Item completed.

2. Downtown Vision project: Tourist Bureau Director, Duncan Tavares will prepare a report for the November Commission agenda with recommendations on how to move the Downtown Vision project forward.

Current Status: The Advisory Committee met for the third time on March 22, 2011. The adopted minutes for the first two meetings are attached.

3. Maranon property: In order to accelerate the sale of the Maranon property as previously directed by the Town Commission, Finance Director, Martin Sherwood and Building Official, Paul Gioia will order an update to the appraisal of the Maranon property. Town Manager, Roger Carlton will move forward with the sale process subject to final approval of the sale when the bids are received.

Current Status: The Town Commission approved the sale in the amount of $188,000 during the January 18, 2011 Town Commission meeting. As mentioned during the March 8, 2011 Town Commission meeting, the sole bidder requested a 45 day extension until May 2, 2011 to close. That extension was granted. If the sole bidder does not close, a number of persons have expressed interest and Staff will reopen the bid process with a very short time schedule. The bid deposit by the original bidder will be retained.

4. Land Acquisition: Finance Director, Martin Sherwood and Building Official, Paul Gioia will order a new appraisal of the two pieces of property south of the Town Hall trailers and an updated appraisal of the vacant lot which the Town currently rents and is used for the parking of police cars. A strategy recommendation will appear on the November 9, 2010 Town Commission meeting agenda.

Current Status: The Adkin property closed on March 25, 2011 at the purchase price of $320,000 plus $3722 in closing costs. The transition included three promissory notes of $80,000 each in February 2012,
2013 and 2014 at no interest. Regarding the Delgado property (south of Town Hall), the court has granted BankUnited a final judgment authorizing a foreclosure sale. An auction is scheduled for April 6, 2011. Based on the value established in the first appraisal ($1.060 million) a second appraisal has been ordered. Regarding the single family home on Harding between the 93rd and 94th Street lots, the situation has become complicated as the Magen David Congregation across Harding now wishes to acquire the house for sale and the house to the south. We will keep the Town Commission aware of this situation. The Town Commission should be aware that all acquisitions are subject to your final approval.

5. Town Commission and Planning and Zoning Board joint meeting: A resolution of the Town of Surfside, Florida, calling for a joint meeting between the Town Commission and Planning and Zoning Board to create a process to identify the issues to be reconsidered in the Zoning Code (Ordinance no. 10-1558); authorizing Commissioner Michael Karukin to enter into negotiations with the Petition Committee challenging Ordinance No. 10-1558; authorizing the Town Manager and Town Attorney to do all things necessary to effectuate the terms of this resolution; providing for an effective date.

Current Status: The first joint meeting was held November 4, 2010. After substantial discussion, the Town Manager, Town Attorney and Town Planner were directed to prepare specific recommendations for action at the second joint meeting scheduled for December 9, 2010. The detailed changes to the code resulting from the joint meeting were presented to the Planning and Zoning Board during their January 27, 2011 meeting. The result was a deferral to the February 24, 2011 meeting in order to allow Staff time to answer questions presented by citizens and Board members at the Planning and Zoning meeting. The Planning and Zoning Board stated that they wanted to make their final recommendations to the Town Commission in February 2011. In fact, the Planning and Zoning Board approved the recommendation on a 3/2 vote with modifications and forwarded them to the Town Commission for the March 8, 2011 agenda for first reading. The item was deferred to a Special Town Commission meeting on March 23, 2011 and was approved on a 3/1 vote. Second reading is scheduled for the April 12, 2011 Town Commission meeting.

6. Water, Sewer and Storm Drainage project: Town Manager, Roger Carlton will report to the Town Commission at the November 9, 2010 meeting on financing the water, sewer and storm drainage project. Mayor, Vice Mayor and Commissioners to provide names for a citizen review committee to assist the Town Manager in the review of the alternatives.

Current Status: The third meeting of the Water/Sewer/Storm Drainage Project Citizen Oversight Committee (Gerard Chenevert, Walter Lugo, Irving Levine, Jason Nevader, Marty Oppenheim, Pete Hernandez, and Bertha Goldenberg) was held March 3, 2011 and the focus was the first reading of the bond ordinance as well as the detail of the additive alternatives for street trees, traffic calming devices, street signs and possible underground utilities. The Town Commission approved the bond ordinance on first reading during the March 8, 2011 Town Commission meeting and will review the ordinance on second reading as well as the resolution setting the terms of the bonds during the April 12, 2011 Town Commission meeting.

We are also working with Bal Harbour to determine the feasibility of cooperating with the Village in the construction of a new sewer force main on Collins Ave from the Bal Harbour town limit to the northern limit of Miami Beach. This project will allow interconnection of the existing sewer force main on Byron Avenue to provide a back up in the event of a major disruption as recently occurred in a Miami Beach water main. A more detailed report on this will be made to the Town Commission in the near future.
7. Concession stand: Town Manager Roger Carlton provided an advertisement for an RFP for a concession stand to Parks and Recreation Director, Tim Milian for review. The timing of the procurement will coincide with the planned opening of the facility.

Current Status: Retaining a vendor for operating the concession stand with Town employees was recommended by the Parks and Recreation Committee in their December 2010 meeting. The RFP was advertised and the pre-bid conference was held March 10, 2011. Three vendors attended. One proposal was submitted by the deadline on March 31, 2011. The proposal will be reviewed by Staff and a recommendation will be made in the April 12, 2011 Town Commission meeting in order to allow sufficient time for the vendor to be ready for the opening.

8. Red light cameras and Multi-Space Meters: Police Chief David Allen and Assistant Chief John DiCenso manage the implementation of red light cameras and Multi-Space Meters.

Current Status: The following implementation requirements have been completed or are underway:

Red Light Camera Safety Program

Awareness seminars

- March 15, 2011 - Eye on Surfside - discussed crime prevention issues and Red Light Camera Program
- March 21, 2011 – Champlain Towers condominium association meeting – Red Light Camera Program – right on red statute
- March 24, 2011 – A desktop kiosk was placed in lobby for citizens to review their red light violations on line
- March 25, 2011 – Solimar Condominium Association meeting – Red Light Camera Program – right on red statute

Total Citations issued by month - 2168

- February 2011 – 1,143
- March 1-24, 2011 – 1,025

Total Citations issued by intersection - 2168

- 88th St. and Harding Ave. – 544
- 88th St. and Collins Ave. – 211
- 90th St. and Collins Ave. – 281
- 93rd St. and Collins Ave. – 827
- 96th St. and Collins Ave. - 305

Revenues are received approximately 45 days after the citation is issued due to procedures required by the enabling State Law. It appears that the revenues to be received in FY 10/11 will exceed projections and that the cost of the cameras will be more than covered.
Multi-Space Meters – Status Report

This project has been in place for three months. Adjustments have been made as needed and the meters are functioning quite well. A modification will be made to the LAZ parking contract which will save the Town $11,760 per year by reducing their services to collection only and a one time refurbishment of the remaining 53 single space meters. Item completed.

9. Bal Harbour Comprehensive Plan Amendment hearing: Town Manager, Roger Carlton and Commissioner Edward Kopelman will attend the Comprehensive Plan Amendment hearing at the Village of Bal Harbour on October 19, 2010 at 7 pm. A report to the Town Commission will be made after the Bal Harbour meeting.

Current Status: A public workshop to discuss the project was held by Bal Harbour on March 7, 2011 at 7 p.m. at the Sea View Hotel. Calvin Giordano and Associates planner, Shelley Eichner attended as well as Mayor Daniel Dietz. Subsequently, Commissioner Michael Karukin and Roger Carlton, Town Manager met with Stanley Whitman and Matthew Whitman Lazenby to discuss Surfside concerns. When review of the traffic study is completed a detailed report regarding the project impacts will be made.

10. Photo/film permit program: Town Manager, Roger Carlton will prepare a policy for the photo/film permit program in conjunction with input from Surfside citizens. A report will be prepared by Parks and Recreation Director Tim Milian, Police Chief David Allen and Tourist Bureau Director, Duncan Tavares for the December 14, 2010, Town Commission agenda.

Current Status: A meeting with Peter Glynn and the Town Manager was held on Monday, January 10, 2011 regarding moving the process forward. The outcome of this meeting was the suggested formation of a three person Advisory Committee to review a proposed ordinance and corresponding guidelines and permitting applications. Peter Glynn, Andy LaBrada and Bera Kalhan have agreed to constitute the Advisory Committee subject to Town Commission confirmation which will be presented with this ordinance in May 2011. This Committee will work with staff on Photo/Film Permit reviews upon adoption of a Town ordinance.

11. Circulator bus: Town Manager, Roger Carlton will review the potential linking of the Surfside circulator bus with other communities to allow residents transportation to the Sunny Isles library and possible other destinations. A report will be made to the Town Commission at their November meeting.

Current Status: The Managers of Bal Harbour, Surfside, Bay Harbor Islands and Sunny Isles Beach met in December 2010 to discuss potential linkages of their respective bus systems. The consensus was that a coordinated routing system would benefit all communities. Data allowing for operational improvements and improved linkages has been received. A recommendation will be made during the May 10, 2011 Town Commission meeting.

12. Water saving program: Town Manager, Roger Carlton instructed former Public Works Director, Fernando Rodriguez with the assistance of John Messarian, Engineer with Calvin, Giordano and Associates to obtain information regarding a water saving program that would provide reduced water usage in toilets. A report will be presented to the Town Commission at their November meeting.
Current Status: The program has been expanded to include other “green” issues. A report from the Town’s consultant, Calvin Giordano and Associates was accepted by the Town Commission during the February 8, 2011 Town Commission meeting. Public Works Director Bill Evans will begin to bring specific recommendations in the near future. Item completed.

13. Prepare a Five Year Financial Plan

Current Status: The Five Year Financial Plan appeared on the February 8, 2011 Town Commission meeting agenda. A Commission workshop was held on March 1, 2011 and direction was given that will help support the FY 11/12 budget process. Item completed.

14. Community Garden

Current Status: A meeting was conducted with Dylan Terry of Ready-To-Grow Gardens on February 2, 2011 and an inspection of a potential site for a Community Garden at Dickens Avenue and 88th Street was explored. An initial proposal was recently received from Mr. Terry. A review of this proposal to move this initiative forward was held March 2, 2011 with the Directors of the Tourist Bureau, Parks & Recreation and Public Works. There was a notice in the March Gazette to gauge interest in this endeavor which did not engender a significant response. A meeting is scheduled on April 14, 2011 with interested residents to discuss the formation of a Garden Club that could oversee the ongoing maintenance and programming for the garden. Staff will make a final recommendation during the May 10, 2011 Town Commission meeting.

15. Farmers Market

Current Status: The Tourist Bureau Director met with the Miami-Dade County Office of Community Health and Planning on December 21, 2010. The County has received a Federal Stimulus Grant to initiate Community Gardens and Farmers Markets. On December 23, 2010 the Tourist Bureau Director met with The Green Market Management Company about the possibility of reinstituting the Surfside Farmers Market. A proposal was received in mid-January. Outreach was conducted to both Bal Harbour and Bay Harbor Islands in an attempt to create a tri-community sponsorship of the market. Both neighboring communities are in support of this initiative. The Tourist Bureau Director met with the Assistant Town Manager of Bay Harbour Islands (BHI) on February 22, 2011 to discuss the logistics of having the market alternate weekends in BHI and Surfside. If approved by BHI Council in March, the year round Surf-Bal-Bay market could be operational in May. A final recommendation will be made during the May 10, 2011 Town Commission meeting.

16. Fresh Produce Buyers Club

Current Status: Discussions are on-going with Farm Fresh Miami produce buying club about a possible Surfside branch. The club distributes fresh produce from area farms to a fee paying subscriber base. A visit and review of an existing program in Miami Beach was held Thursday, March 3, 2011. There was a notice in the March Gazette to gauge interest in this endeavor which did not engender significant response. A possible distribution site could be the breeze way of the new Community Center. A final recommendation on this subject will be made in the May 10, 2011 Town Commission meeting.

17. Feral cat and dog feces concerns

Current Status: A report is included in the Town Commission March 8, 2011 agenda. The Town Manager will begin to develop ordinances and meet with stakeholders regarding the dual issues.
18. Canine feces bag receptacles installation

**Current Status:** Duncan Tavares will coordinate the process to obtain sponsorships. Receptacles have been placed in Veterans Park and at the 93rd Street entrance to the beach behind the Community Center. In the clean-up of the Public Works storage area by then Acting Director John DiCenso, four additional new receptacles were found. These receptacles have been installed, two at the lift station at 93rd and Byron Avenue and 89th and Dickens and one at the Hawthorne tot lot. One more will be installed at a beach entrance to be determined. Consideration will be given to funding additional stations in the FY 11/12 Budget process. Item completed.

19. Establish a reserve policy for all fund types for capital outlay projects and smoothing rate increases

**Current Status:** This has been analyzed in the Five Year Financial Plan. The Town Commission Workshop was held on March 1, 2011 and direction was given to Town staff as required to prepare the FY 11/12 budget. Item completed.

20. Complete open permit closeout in the Building Department

**Current Status:** Staff will report regarding the open permit program as well as the new Downtown enforcement program and the FEMA permit closeout and the amnesty program from time to time. Item completed.

21. Tourist Resort Tax Auditor program received a $6000 allocation in the FY 10/11 Budget

**Current Status:** After consulting with the Finance Director and the Town’s Audit firm, three proposals were sought in the beginning of February for an ‘Agreed Upon Procedure Audit’ to commence as soon as possible. Based on the feedback from the potential proposers, the Town’s process required reassessment. The collection of Resort Tax in the future is related to the proposed changes to the Town’s Resort Tax Ordinance and the issue of Short Term Rentals which are currently under review by the Town Attorney the Tourist Board and the Code Enforcement Committee which has completed its final report for review by the Town Commission on the April 12, 2011 agenda. Once the revised ordinance is approved by the Town Commission, the process to select the auditors will begin.

22. Municipal parking lot renovation program: $428,000 has been allocated in the FY 10/11 Budget for paving, sealing, restriping, concrete curb repairs, litter receptacles, improved lighting and landscaping and drainage services.

**Current Status:** This project design will be awarded to the new pre-qualified engineering/architectural vendor(s) after a mini competition. The RFP has been reviewed and a recommendation to award will be made during the May 10, 2011 Town Commission meeting.

23. Interior and exterior repainting of Town Hall

**Current Status:** The exterior painting is complete with a slight delay to refurbish the planter on 93rd Street by Town Staff. Skateboard prevention devices have been installed where appropriate and a notice has been posted on the Town website. Item completed.
24. Document imaging and scanner software: This $26,500 project was funded in the FY 10/11 Budget

Current Status: Due to more pressing procurement items, (VOIP, Maranon property and expiration of photocopier lease) this project has been delayed until Summer 2011.

25. Bike Racks/Bus Benches/Shelters

Current Status: Town Manager Roger Carlton and Parks and Recreation Director Tim Milian have met to discuss the development of a comprehensive bicycle program for Surfside. We also have the bus benches and shelters on our horizon and will report on all three amenities within 60 days.

26. Whitefly

Current Status: An inspection of Surfside was conducted on January 7, 2011 with the Commercial Urban Horticulture agent for Miami-Dade. The Vice Mayor attended. The determination: Surfside presently does not have whitefly but could in the near future. Public Works Director Bill Evans is including an inspection and treatment clause in the Town’s landscaping RFP which will be advertised in the near future. Lukes-Sawgrass Landscape will provide training for Public Works and Parks and Recreation Staff to recognize and handle any of these types of infestations on public property. Training will be provided at no cost to the Town as part of their community outreach program. Item completed.

27. Library Assets Disposition

Current Status: This project has been finished under the leadership of Duncan Tavares and with the help of various departments and volunteers. The trailers have been removed. We will now move forward to establish the “Kindle” library in the new Community Center reading area. Appropriate furniture has been ordered. Recognition of the volunteers is scheduled for the April 12, 2011 Town Commission agenda. Item completed.

28. Set a “Meet the Town Manager” date

Current Status: The meeting was held on March 24, 2011 and a lively discussion was held with the attendees. Item completed.

29. FAQ's related to what a resident can expect during the building permit process

Current Status: The document is attached to this report. Item completed.

30. Clean up/update/enhance Town Website content

Current Status: Staff is using the work of the Communication Committee which was accepted by the Town Commission during the March 8, 2011 meeting to develop an RFP to obtain new web management services.
31. Future of independent Employee Holiday Fund

Current Status: Town Manager Roger Carlton met with Julia Magnani on January 21, 2011 to discuss alternative methods to reward Town Employees during the holiday season. The existing process will remain in place. Item completed.

32. Electric car charging stations

Current Status: Staff has obtained the City of Sunny Isles Beach RFP and will meet with the selected vendor to determine if we should use the Sunny Isles Beach process.

33. Crossing Barrier at 96th and Harding

Current Status: Meetings have been held with FDOT District Engineer Gus Pego as well as field staff from Miami Dade County and FDOT. The project will continue based on upstream traffic impacts on 96th Street and right turn movements on Byron Avenue. Item completed.

34. Crossing Safely at 93rd and Collins/Harding

Current Status: Assistant Chief of Police John DiCenso, Public Works Director Bill Evans and Town Manager Roger Carlton met with FDOT pedestrian safety coordinator Carlos Sarmeinto to seek an immediate pedestrian safety upgrade to the two intersections prior to opening of the Community Center. The request was well received and a project is being planned which will include Bal Harbour and Bay Harbor. Staff has met with FDOT District Engineer Gus Pego on April 1, 2011 to ensure that pedestrian safety improvements are installed on Collins and Harding at 93rd Street before the Community Center opens. A follow-up meeting will be held with Miami-Dade County officials to ensure the project has all necessary approvals.

35. Mayor Daniel Dietch requested a suggestion box be installed at Town Hall

Current Status: The box has been installed on the counter in the lobby. Item completed.

36. Vice Mayor Joe Graubart requested Staff to meet with FPL and AT&T to review poles that are leaning in several areas.

Current Status: A meeting was held with FPL. Their policy is that a pole may lean up to 17 degrees unless it is in danger of falling. Apparently, the aesthetics are not the issue. A report regarding undergrounding all utilities in Surfside appears on the April 12, 2011 Town Commission agenda. Staff will await direction from Town Commission review of the report.

37. Government Academy: This program is similar to the Police Academy in that Surfside residents are given the opportunity to learn the roles and responsibilities of each department in an interactive and informal setting over a series of evening sessions.

Current Status: Detailed information will be presented during the May 10, 2011 Town Commission meeting.
38. Building Relationships between the Condo Residents and Single Family Homes

Current Status: The Tourist Bureau Director will work with Commission Kopelman to create programs and activities in the new Community Center that will bring the Town’s two distinct communities together.

39. Seniors’ Assistance Program

Current Status: Based on a suggestion from Surfside resident Richard Iacobacci and the success of Surfside’s first Day of Service on Martin Luther King Jr’s Birthday January 17, 2011, the Tourist Bureau Director will coordinate a resident driven, on-going monthly program utilizing volunteers, and students completing community service, to assist Surfside seniors with their chores. A meeting is was held on April 6, 2011 with Mr. Iacobacci and the Police Department to formulate a plan of action. The Commission will be advised of the outcome.

40. Earth Day April 22

Current Status: Initial contact was made with organizers of Earth Day. A resolution of support is on the April 12, 2011 Town Commission agenda. More information on Surfside being a part of the “conversation” event that is due to occur on April 22, 2011 is included in the resolution.

41. New Recognition Program

Current Status: Based on a request from Vice Mayor Joe Graubart, Town Clerk Debbie Eastman is in the process of revamping the look and format of the certificates of recognition that are distributed at Commission meetings and other occasions. An example of the proposed recognition is attached. If accepted by the Town Commission, the recognitions will be presented in wooden frames. There are sufficient funds in the Office Supply budget line item remaining for FY 10/11 to implement the program.

42. Mayor Daniel Dietch has requested that the feasibility of Surfside sharing Bal Harbour’s street sweeper be explored.

Current Status: The first cost estimate submitted by Bal Harbour seems high and we are in the process of negotiating a more equitable price.

The following items have been completed. These items have been deleted from the March 2011 Points of Light report.

14. Study of Impact Fees

Current Status: Based on the outcome of the combined Planning and Zoning/Town Commission meeting, it may be more appropriate to have the proposed Development Impact Committee negotiate the off-site improvements to be funded by significant developments. Item completed.

15. Seek permission to use Bal Harbour basketball court and Sunny Isles skate park

Current Status: Town Manager Roger Carlton will add this goal to the discussions mentioned in earlier items regarding cooperative opportunities for the bus systems and a sewer force main. With the resignation of the Sunny Isles city manager, the skate park item will be deferred for a brief time. Item completed.
17. Explore broadcasting Channel 77 on ATT U-Verse

Current Status: Town Manager Roger Carlton met with AT&T officials to discuss bringing ATT U-verse to the Town. This will be a long process that may require more detailed discussion with the Town Commission in the future. Item completed until AT&T responds.

19. Recycle containers for glass and aluminum in downtown and beach areas and a used small battery container at Town Hall

Current Status: Eight recycle containers have been installed downtown. Staff will work on an expanded public information program to ensure that the containers are not used for non recyclables. The Town Commission approved placing a household battery recycling box in the Town Hall lobby. The box should be available on March 15, 2011. Item completed.

21. PILOTS – Payments In Lieu of Taxes

Current Status: Based on legal advice from Town Attorney Lynn Dannheisser, this item is no longer active. Item completed.

22. Mobility Study: This project is allocated $75,000 in the FY 10/11 Budget

Current Status: The Mobility Study requirement came from Senate Bill 360. However, the Court found Senate Bill 360 unconstitutional. It is now going through the appeal process and all municipalities are waiting to hear the decision of the Appellate Court. If they uphold the decision that SB 360 is unconstitutional, then the Mobility Study will not be applicable. Until further information becomes available this item will not appear on the Points of Light report. Item completed.

23. Community Center Supporters “Buy a Brick” program

Current Status: A sample brick was shown to the Town Commission during the December 14, 2010 meeting. Residents Cheryl Arnold and Pamela Behar agreed to volunteer to head up this program with Commissioner Karukin as the Town Commission liaison. Since this item is underway and all policy decisions have been made, this item will no longer appear on the Points of Light report. Item completed.

29. Solid waste collection vehicles: Staff was directed to prepare the RFB for October 2011 delivery of a new collection vehicle.

Current Status: Commissioner Olchyk requested the Town Manager to review the frequency of solid waste collection on the December 14, 2011 agenda. A report appeared on the February 8, 2011 Town Commission agenda and a more detailed review of service levels will be incorporated in the FY 11/12 Budget development process. Item completed. Budget discussions still remain.

38. Status of Surfside’s Santa Claus (currently at the Log Cabin Nursery)

Current Status: Investigation completed. The Town Commission approved “loaning” the Santa Claus to the Log Cabin Nursery. The Town Manager recommends that the loan become permanent and if funds become available, we update our holiday decorations. Item completed.
39. Explore development of local preference provision in service-related solicitations

Current Status: There is already a procedure in place which will be reinforced. Town Clerk/Procurement Director Debbie Eastman will be responsible to ensure that this requirement is met whenever practical. Item completed.
TOWN of SURFSIDE
Building Department

Your Building Department

Information & Frequently Asked Questions

• How can I contact someone in the Building Department?

• The Building Department receives an average of 100 calls per day.

• In order to regulate the calls and provide the customers easy access to employees, a directory telephone system has been installed.

• An operator directs the calls to the proper person utilizing a touch tone system. Each individual is assigned an extension.

• If the employee is unavailable, the caller is able to leave a message on the machine.

• The operator automatically notifies the employee that it is holding a message. The number is: 305-861-4863

• Why do I need a Building Permit?

• Not only is it the law, but building permits can also protect you. With a building permit you get the advice of reviewers and inspectors who will approve each phase of your project, checking to see that the work is done in accordance with the Florida Building Code, Zoning laws and the approved plans.

• Additionally, a building permit is required to show compliance with sanitary, safety and welfare concerns including required setbacks from property lines and adjacent structures.

• Working without a permit, when one is required, can result in fines and can cause problems when you sell your home. And, probably more importantly, you lose the assurance that the work you're paying for is built to code, a minimum standard for safety.

• What types of work needs a Building Permit?
Information & Frequently Asked Questions

- Section 101.4.2 of the Florida Building Code states:

- It shall be unlawful to construct, enlarge, alter, repair, move, remove or demolish any building structure, or any part thereof;

- Or any equipment, device or facility therein or thereon;

- Or to change the Occupancy of a building from one use Group to another requiring greater strength, means of egress, fire and sanitary provisions;

- Or to change to an unauthorized or prohibited use;

- Or to install or alter any equipment for which provision is made or the installation of which is regulated by this code;

- Without first having filed application and obtained a permit thereof, from the Building Official, validated by payment thereof.

- EXCEPTION: No permit shall be required, in this or any of the following sections, for general maintenance or repairs which to not change the occupancy, and the value of which does not exceed five hundred dollars ($500.00) in labor and material as determined by the Building Official. HOWEVER: No repairs maybe made without prior approval of the Building Official.

- The most common types of projects that permits are requested for are listed below:

- Single Family Residence And Duplex

- One and two-story additions

- Minor repairs, remodeling and alterations

- Accessory structures such as sheds, gazebos, chickees

- Carports

- Pools and spas

- Fences and walls
Information & Frequently Asked Questions

- Decks (wood or concrete)
- Screened porch, patios, enclosures
  Awnings and canopies
- How do I get a building permit?
  Building permits are issued in the name of the person performing the work.
- Only licensed contractors or owner/builder may obtain a permit.
- What are the contractor requirements?
- Copy of State Certification with an occupational license for place of business or
  Copy of Certificate of Competency with a Municipal Contractors Occupational
  License; and Certificate of Insurance made out to: Town of Surfside Building
  Department.
- Liability with no less than $300,000 per accident or occurrence for bodily injury
  and $50,000 per accident for property damage. Worker's Compensation. Must
  show name of insurer, type of policy issued, policy number, date of inception and
  expiration, type of insurance, and that no material change or cancellation of the
  insurance shall be effective without 30 days written notice by registered or
  certified mail.
- All permits will be issued to contractors with an affidavit of authorization from
  the owner on all buildings.
- What are the requirements for owner builders?
- Owner-builder applicants making application for a building permit should be
  advised of the following provisions and requirements that apply to owner-builders:

Proof of Ownership Prior to a building permit being issued to you, your must submit proof
of ownership of the land concerned in the application in a form of a recorded deed,
showing you own the property, or a copy of mortgage or warranty deed of the land,
showing you are obligated to purchase the property, or a Dade County tax receipt,
statement to contain legal description of property and indicate
property is in your name.

- Page-3
Information & Frequently Asked Questions

- Legal description and name on document of proof must correspond to the name and legal description on the application or as defined in the Florida Building Code.

- Disclosure Statement State law requires construction to be done by a licensed contractor.

- You have applied for a permit under and exemption to that law. The exemption allows you, as the owner of your property, to act as your own contractor even though you do not have a license. You must supervise the construction yourself.

- You may build or improve a one-family or two-family residence or a farm outbuilding. You may also build or improve a commercial building at cost of $5,000.00 or less.

- The building must be done for your own use or occupancy.

- It may not be built for sale or lease.

- If you sell or lease more than one building you have built yourself within one (1) year after the construction is complete, the law will presume that you built it for sale or lease, which is a violation of this exemption.

- You may not hire an unlicensed person as your contractor.

- Your construction must be done according to building codes and zoning regulations.

- It is your responsibility to make sure that people employed by you have licenses required by state law and by county or municipal licensing ordinances.

- Insurance:

  - You should be advised that your day labor employees cause any damage to persons or property, or if any of your day labor employees are injured on the job, you are liable.

  - Your regular home insurance policy ordinarily does not cover this type of liability. Withholding Taxes, Etc.:

Page-4
Information & Frequently Asked Questions

- You should be advised to investigate your responsibility for withholding Social Security, Federal and State Unemployment Insurance Taxes and Federal Income Taxes from the wages of employees working for you on the proposed construction, and for making returns thereof to the proper agencies.

- Restrictions for Owner-Builders:

- An owner-builder, subject to the foregoing provisions and requirements, is limited to constructing one single family or duplex residence each year for his/her own

- Or erecting a one story building of not more than 500 square feet for commercial or industrial use, or adding a first floor addition of not more than 500 square feet to a commercial or industrial building;

- Or maintenance or repairs and non-structural alterations, not to exceed $5,000.00 on any building which him/her owners or leases.

- Notice: Separate permits required for Electrical, Plumbing, Roofing, and Mechanical work.

- Applicants may pick up the plans and pay fee balance the following day.

- The requirements for each permit application are different depending on whether the property is zoned commercial or residential.

- Residential projects may be undertaken by either the owner or a contractor whereas commercial project must be undertaken by contractors

- What is a walk-through process?

- The "walk-through" process has been designed to make the application for building permits easier for applicants and more efficient for the city.
Information & Frequently Asked Questions

- The system employs a plan processing clerk who serves as controller and coordinator of the process. The plans processing clerk guides the applicant through the review process in order to get most plans approved within ninety minutes.

- The process begins with the receipt of approval from all necessary outside agencies, i.e. Fire Department, Department of Environmental Resource Management, Dade County Health Department.

- Once these approvals have been obtained, the applicant may complete a building permit application.

- What is an over-the-counter permit?

- Over the counter permit include the following: interior painting and painting a roof only.

- Building work permit application: Qualifier of contracting company must sign and have notarized this document.

- Owner's affidavit Owner must sign and have notarized this document.

- If the property shows in Dade County Tax Assessors Office under a Corporation name, it is required back up documents to support the signer on the affidavit (e.g. Annual Report filed with the State of Florida, Corporate Documents or a letter from your lawyer.)

- What are Plan Requirements? (See separate Document Plan Submittal)

- If a new structure or building is other than a single family home, Site Plan Review is required.

- If plans are for a restaurant, whether the restaurant is part of a multi-family hotel use, plans shall bear the seal of approval of the Dade County Health Department, as well as the Florida Restaurant and Hotel Commission.

- If plans are for a hospital, doctor's office or any other type of activity where x-ray equipment or any other radioactive equipment is used, said plans shall bear the seal of approval of the Dade County Health Department.

See separate documents entitled:
Plans Processing Check List Commercial & Residential, Plan Submittal Requirements Commercial & Residential
Downtown Vision Advisory Committee

Meeting Minutes

March 10, 2011

The meeting was called to order at 7:00pm in the Manny Crawford Conference Room, 2nd Floor Town Hall.

In Attendance:

Committee Members: Scarlet Hammons, David Steinfeld, Ken Arnold, Sergio Castion, Andy LaBrada, Leann Roth, Robert Andai, Julia Magnani, Louis Cohen, Jackie Murphy, Julie Gordon, Barbara Cohen (representing the Tourist Board in Eli Tourganman’s absence).

Town Staff: Roger Carlton, Sarah Sinatra, Duncan Tavares.

Town Commissioner: Commissioner Karukin.

Town Manager Welcome: The Town Manager informed the Committee of the proposed expansion of the Bal Harbour Shops and the potential impact on Surfside’s downtown, traffic and overall quality of life. He will be negotiating with the owners of the mall and the Village Council to address Surfside’s concerns. The Committee will be kept informed of this process. Recently he was successful in convincing CVS to change their plans for their expanded store on Harding Avenue. Their windows will now be more inviting. It is hoped that through similar dialogue there will be a mutually beneficial outcome to the proposed expansion of the Bal Harbour Shops.

Review of February 15, 2011 Meeting Minutes: Minutes were approved as presented.

Downtown Code Enforcement Status Report: Based on consensus from the Committee at the last meeting, and the resulting Actionable Item, the Town Code Enforcer identified all external code violations in the downtown business district. Courtesy notices were sent to all applicable business owners/property owners. The Committee was presented with a report listing all of the properties in the downtown business district that received the initial courtesy notice. The Town Manager assured the Committee that all violations would be addressed through the Code Enforcement process and that the Committee would receive subsequent updates.

Temporary Building Moratorium Update: The Town Manger described the Temporary Moratorium Ordinance that is going before Commission at a special meeting on Wednesday March 23, 2011. This ordinance will allow time to address future business use on the ground floor of buildings downtown.
Downtown Maintenance: On March 8, 2011 the Commission approved the purchase of a power washer on March 8, 2011. This power washer has the ability to remove gum from the sidewalks downtown. The Public Works Director will be notified of concerns regarding water from the power washer running beneath store front doors. He will also notify WSI regarding leaving the recycling containers in a neat manor and the picking up of any loose items left behind the businesses.

Coral Gables Presentation: Scarlet Hammons, along with a team from Corzo Castella Carballo Thompson Salman, P.A. (C3TS) who work with the Coral Gables Business Improvement District, presented on the March 4, 2011 tour of Miracle Mile in Coral Gables that was attended by several committee members. There was a discussion on that city’s plan for sidewalk redesign to enhance the pedestrian experience.

Covering Vacant Windows: The Committee would like better covering material in vacant store windows. There should be a Town approved graphic that is required with space for a For Rent sign. There should also be an option to display art work, other stores items etc. See Key Action Item below.

Permitted/Encouraged Uses (Types of Businesses): From this discussion the following emerged:
- Possible consultant to bring business to town.
- Focus on small businesses not chain stores.
- The number of Banks (eg) and similar businesses located in Surfside.
- Enhancing the pedestrian and tourist experiences when visiting Surfside.
- Leveraging the wonderful restaurants located in Surfside.
- Making Surfside as unique as possible.
- The possible need for a Parking Garage.
- Limiting the first level of businesses to retail and restaurants only.
- Identify what businesses would be successful downtown.
- Encourage good retail and restaurants.
- The positive impact of key anchor buildings/businesses on each corner including the Post Office.

The Committee would like to address Surfside’s identity/image before recommending the types of businesses desired and how to attract them. The members felt that the Town needed to address other issues such as the condition of the downtown area (eg) before trying to bring new businesses to Town.

Next meeting: Discuss downtown Surfside’s identity; marketing to desired new businesses.

Key Action Item: the Town Staff will draft an amendment to the current Town Ordinance addressing window displays in the downtown business district. The amendment will require the installation of a Town approved covering on vacant windows and retain the provision for displaying items and a For Rent Sign. The Commission will review this at their next meeting on April 12, 2011.

Public Comment: Members of the public in attendance introduced themselves, offered their assistance to this process. Their comments are included above.

The meeting adjourned at 8:45 pm.

Respectfully submitted,

[Signature]

Name of signor
Downtown Vision Advisory Committee

Meeting Minutes

February 15, 2011

The meeting was called to order at 7:00pm in the Manny Crawford Conference Room, 2nd Floor Town Hall.

In Attendance:

Committee Members: Scarlet Hammons, Eli Tourgeman, David Steinfeld, Ken Arnold, Sergio Castion, Shep Edelstein, Julie Edelstein, Andy LaBrada, Jessica Weiss, Leann Roth, Robert Andai, Julia Magnani, Sharon Levy, Louis Cohen, Jackie Murphy, Julie Gordon.

Town Staff: Roger Carlton, Sarah Sinatra, Duncan Tavares.

Town Commission in attendance: Mayor Dietch, Vice Mayor Graubart, Commissioners Karukiin and Kopelman.

The following items were listed as consideration items on the Agenda:

Possible Initiatives:

1) Forming a public-private partnership
   - Partnering with neighboring communities
2) Completing a downtown vision
3) Produce a market driven business plan
   - Identify your customer base and potential new customers
   - Identify their wants and needs today and in the future
4) Develop and market your downtown’s unique niche
5) Attract new targeted businesses through outreach and hosting/site visits
6) Counsel existing businesses on their business plans
7) Conduct on-going focus groups to provide direction
8) Create small scale downtown housing
9) Create on-going formal marketing and public relations campaigns
10) Incorporate management techniques from the malls – managing a downtown as a business:
    - Forge partnerships
    - Assign someone as a liaison
    - Produce a leasing plan including minimum standards for hours of operation
    - Focus on maintenance issues
    - Identify funding sources
- Provide sufficient parking and other public services

**Design Preferences:**
Buildings: What is attractive? What to change?
Colors
Signage
Landscaping / Pedestrian friendly additions
Sidewalks
Crosswalks
Create a central theme or brand
Are there motivational factors to assist in compliance?
Should a "demonstration" building façade be created?
Forging a partnership with neighboring communities
Pedestrian friendly vs high visibility
Traffic calming

**Possible Economic Development Objectives:**
Stimulate new activity / Encourage new businesses that will generate Resort and Sales Tax for the Town
Preserve and stimulate existing businesses
Diversify the economic base
Evaluate barriers for change/growth and create sensible and sensitive regulations
Encourage new businesses that broaden the service offering
Create an organization that is well funded to enhance the vision

**Town Manager Welcome:** The Town Manager thanked the committee members for dedicating the time to this process. He shared his experience with downtown revitalization initiatives throughout his career including the Lincoln Road project on Miami Beach. The feedback he has received on the selection of the varied committee members has been extremely positive. He is confident in the abilities of the Town staff assisting with this initiative including Duncan Tavares and Sarah Sinatra. It is hoped that at least one action item will emerge from each meeting that the Town can initiate if not implement by the next meeting.

**Introductions around the room:** The Committee Members introduced themselves, gave a brief description of their background and connection to Surfside. Members also discussed in general terms their vision for downtown.

**Common themes from the discussion emerged:**
- The timely need to focus on Surfside's downtown
- The condition of the buildings and streetscape/landscaping
- The overall "look" of the district is not cohesive
- Enhancing the pedestrian experience
- Investigate traffic calming measures
- The lack of identity (brand)
- The economic viability of the district is tied to appropriate hotel development
**Key Action Item:** the Town Manager will assign the Town's Code Enforcer to investigate all exterior code violations within the downtown district and report back to the Committee at the next meeting.

**Process Discussion:** The Committee agreed to meet twice a month for the next three to four months. Each meeting will address several issues and provide both short term and long term action items. Members will be informed of a meeting schedule and discussion items.

**Public Comment:** Members of the public in attendance, including the Town Commission in attendance, introduced themselves, thanked the committee members for their commitment and encouraged other stakeholders to become involved in the process.

The meeting adjourned at 9:20 pm.

Respectfully submitted,

[Signature]

Name of signor
CERTIFICATE OF APPRECIATION
PRESENTED TO

JACQUELINE ELLIOTT
IN RECOGNITION OF HER COMMITMENT TO COMMUNITY SERVICE
SIGNED AND SEALED AT TOWN HALL SURFSIDE, FLORIDA, THIS 12TH DAY OF APRIL, 2011

________________________________________
MAYOR
MEMORANDUM

TO:        Town Commission

FROM:      Lynn M. Dannheisser, Town Attorney

CC:        Roger M. Carlton, Town Manager
            Debra E. Eastman, M.M.C., Town Clerk

DATE:      April 12, 2011

SUBJECT:  Town Attorney Monthly Update for April, 2011

This month the Town Attorney has drafted, reviewed and/or revised seven (7) ordinances, nine (9) resolutions, twelve (12) contracts/agreements and addendum; researched issues involving zoning, Bert J. Harris, procurement issues, code enforcement and lien issues; notice requirements and public records issues; executive session, property foreclosure, acquisition and eminent domain issues; impact fees issues; construction contract issues and free speech issues; attended five public meetings; attended twenty-five (25) office meetings; and answered 25-50 emails and approximate 8-10 telephone calls per day this month alone. Specifically, the following was handled:

Ordinances:

Ordinance Calling for a Temporary Moratorium
Joint Meeting Recommendations Ordinance
Master Utility Bond Ordinance.
Short Term Rental Ordinance
Resort Tax Ordinance
Draft Exemption of Town from Zoning Ordinance Notices
Draft Solar Collector Ordinance

Resolutions:

Easement for FPL re: Community Center
Easement for Grass Maintenance
Reappropriation of Resort Tax Reserves
Resodding 96th Street Park
Professional Concessionaire Services Agreement
Earth Day
VOIP Phone System Agreement and Addendum
Municode Document Imaging and Addendum
Municode Utility Billing Agreement and Addendum

The Town Attorney has attended and advised at the following meetings:

February Downtown Vision Committee Meeting
March 8, 2011 Commission Meeting
March 23, 2011 Executive Session
March 23, 2011 Special Commission Meeting
March 31, 2011 Planning & Zoning Meeting Agenda:
1. 9476 Harding Avenue - Miami Subs
2. 8867 Dickens Avenue – Carport Enclosure
3. 9173 Carlyle Avenue – Garage Enclosure
4. 1355 Biscaya Drive – Addition
LPA : Moratorium Ordinance for Downtown Business District
P & Z Discussions:
1. Hotel density discussion
2. Window tint

Town Manager and Town Clerk Issues

Property acquisitions and foreclosure and research eminent domain issues
Potential private public partnership issues
Hotel density and other zoning inquiries from hotels and other property owners
Work with Manager and Planner on studies necessary for downtown revitalization
Water/sewer/stormwater infrastructure capital improvement issues and financing
Issues related to Bal Harbour shops expansion
Maranon rebid
Parking and parking study issues townwide and relative to town parking lots
Magen David, Surf Club, Beach House and other property owner inquiries
Construction of community center/engineering, rfp issues, change orders, beach and sand issues
Lien foreclosure and code enforcement special master issues
Notice and advertising on zoning issues
Document imaging, phone, codification, public records requests, IT issues
Follow up on recording of liens

Building Department/Code Enforcement:

The Town Attorney continues to work with the Building Official relating to Code Enforcement Violations and preparation for upcoming hearings before Special Master, historic preservation issues, issuance of zoning permits under the current zoning code, parking lot requirements, monitor lien issues violations, continues to give advice and handle calls from staff and residents relative to Community Center issues, boat storage and the feral cat concerns and banners. Research is underway relating to regulations on solar collectors and panels and ordinance has been prepared for discussion at the March 31, 2011 Planning & Zoning meeting, zoning research on Magen David,
location and distancing separation issues; work on studies related to downtown. Closing of psychic business. Signs and banner research.

**Human Resources Department:**

The Town Attorney has worked with the Town Manager and Human Resource director on several issues relating to Town personnel and policies and procedures; prepare termination letters and research last chance issues for J. Perea

**Finance Department:**

Review of bond ordinance/ budget issues  
Preparation of Audit Letters re: legal issues and secure updates  
Preparation for 2011/2012 Legal Department Budget.  
Notice of proposed SEC rules

**Police Department:**

Analysis and advise regarding FOP Collective Bargaining Agreement Wage Re-opener  
Assist, advise and preparation of resolutions for IT services and computer equipment.  
Red Light Camera Liability Analysis  
Parking Lot issues.  
Work with Chief DiCenso on contract issues

**Public Works:**

Assist and advise Public Works Director on any new issues.  
RFP for Infrastructure Rehabilitation Project.  
Parking Lot maintenance issues  
Revise engineering contracts

**Parks and Recreation and Community Center issues:**

Review issues relative to Community Center and construction requirements included but not limited to:  
1. IT issues  
2. West Construction’s commitment to complete  
3. RFP review, analysis and prepare substantial revisions to Community Center Concession Stand and Agreement  
4. RECTEC  
5. Community Center Change Orders  

**Tourist Bureau:**

Follow-up with Tourist Bureau and Downtown Visionary Committee.  
Analysis and advice re: Tourist Bureau Downtown Development issues.  
Analysis of documents for preparation of film permitting ordinance.  
Review and research resort tax/revenue sources for preparation of Resort Tax Ordinance.
Review and revise RFP for Resort Tax Audit.
Review and revisions to short-term rental ordinance
Film permitting ordinance

Litigation:

John Davis v. Town of Surfside Case No. 07-17286 CA 08, Circuit Court of the Eleventh Judicial Circuit in and for Miami-Dade County, Florida. This case has been consolidated with a previous case filed by a former sergeant in the Town’s police department. Settlement discussions have been unfruitful. The Town has recently filed a Motion to Consolidate both cases for trial and this has been set for hearing. The Court had ordered consolidation of both cases for purposes of discovery only. The Town believes it is unnecessary to incur additional legal fees and costs in defending two separate trials when the same legal issues will be determined in both cases. Trial preparation is ongoing. Exhibit and witness lists have been filed by Davis’ lawyers.

Candy Miller v Surfside Case No. 10- 49676 filed in Circuit Court of the Eleventh Judicial Circuit in and for Miami-Dade County, Florida. This case alleges the Town has prohibited Candy Miller from operating a business and revoked her occupation license for failure to disclose her occupation engaging in astrological consultation, tarot card reading, psychic reading and palmistry. Per the Settlement Agreement approved at the November 9, 2010 Commission meeting, we have amended the code to allow psychic reading and consultation as a permitted use in SD-B40 (Downtown Business) District as a second floor use and subject to all other regulations. Ms. Miller’s business application has been approved, her business tax receipt has been issued and she will submit a sign for approval at the March 31, 2011 P & Z meeting.

Young Israel of Bal Harbour, Inc. v. Town of Surfside Civil Action No. 1:10-cv-24392 in the United States District Court for the Southern District of Florida. On December 10, 2010, Young Israel served a complaint alleging the Town Zoning Code imposes a substantial burden on Young Israel in violation of the Religious Land Use and Institutionalized Persons Act of 2000 ("RLUIPA"). Young Israel asks the Court to grant the following: a preliminary and permanent injunction against the Town and to enjoin the Town from taking any action to prevent, hinder or interfere in any manner with construction of the proposed synagogue; a permanent injunction ordering the Town to adopt amendments to the Town Zoning Code and to issue permits and licenses as are necessary to permit construction of the proposed synagogue; a judgment for $5,000,000 plus interest and costs for actual and punitive damages; a judgment for attorney’s fees; and any further relief the Court deems just and proper.

Recently, we requested and received approval for coverage by The Florida League of Cities. The League has approved counsel to assist in the defense of this case. The Town’s lawyers filed a Motion to Strike and Motion to Dismiss. Plaintiff, Young Israel filed a Memorandum in Opposition to Defendant’s Motion to Strike and a Memorandum in Opposition to Motion to Dismiss. The Town reviewed and revised in consultation with outside counsel Replies to Plaintiff’s opposition memes. The Court denied the Motion to Strike and the Town has filed a Request for Oral Argument.

American Enterprise Bank v Bishop Partners, LLC, Surfside et al Case No. 11-07139 CA 04 filed in Circuit Court of the Eleventh Judicial Circuit in and for Miami-Dade County, Florida. The case involves a mortgage foreclosure action against Defendants who owned property in Surfside. It appears that Surfside has been named as a defendant due to an unsatisfied lien on a Surfside
property due to a code violation relating to a failure to pull a building permit. Investigation is on-going.

**Florida League of City Cases:**

We monitor, coordinate witnesses and assist with requests for discovery with League counsel on cases that are covered by the FMIT. In addition to Young Israel (see above), we assist counsel with the following FMIT cases:

**Warren Blum v. Town of Surfside Case No. 02-19134 CA 08**

This action commenced in 2001 against the Town, former Town Manager, Rodriguez and former Police Chief, Boemler. Blum, a former police officer alleges breach of contract, violation of policeman’s bill of rights and fraud in the inducement. A Motion for Continuance has been filed and we await a new trial order. Pursuant to the FMIT policy, the Town is responsible for only the $5,000 deductible. FMLA counsel and the Town Attorney’s office have been in frequent contact to discuss this matter and as of this date, no settlement has been reached.

**Dina Agin v. Town of Surfside Case No. 07-41974 CA 30**

Dina Agin filed a complaint seeking damages for injuries allegedly arising from a trip and fall accident due to a defective condition on the property/premises/sidewalk near the corner of 96th Street and Bay Drive in the Town of Surfside. We have assisted League counsel with discovery and document requests and on-going case development issues. Bal Harbour Village has been dismissed as a party. Trial has been scheduled for June 27, 2011. Discovery is on-going.

**Special Matters:**

- Service of Process Memorandum
- Analysis and continued research of historic preservation tax issue.
- Parking Trust Fund; review of other cities handling of this issue
- Land Acquisition of Two Parcels Immediately South of Town Hall
- Potential Acquisition of 9333 and Harding Avenue Property
- Surfside Beach Dune Maintenance
- Sustainability Initiatives
- Municipal regulation of solar collector panels
- Charter School Land Use Regulations
- Atkins Property
- Amnesty permits (Special Master)
- Follow-up recording liens
- Resort tax/Revenue sources follow-up
- Follow-up Delgado property – outside counsel
- Prepare performance measures for budget
- Sidewalk Ordinance
- Newsrack
- Notice of Proposed SEC rule
- 9501 Collins
- Surf Club
- 9522 Abbott
- Location and Distance Separation
- Beach House 9419 Collins Avenue
Continue discussions with outside counsel. (Young Israel counsel, Jeff Hochman, Harold Rifas, Steve Zelkowitz, Richard Sarafan, J. Hiley Wicks, Nancy Stroud)
Bert Harris Claim (9349-9379 Collins) (Successfully resolved.)
American Enterprise Bank v Surfside, et.al (Richard Sarafan)
Review Community Center Change Orders and other issues
Red Light Camera Issues
Downtown Development Vision Issues
Film Ordinance
Resort tax ordinance
Resort tax RFP for Resort Tax Auditor
Short Term Rental issues
Parks and Recreation Magen David Congregation
Moratorium Ordinance/Joint P&Z Commission Ordinance
Psychic/crystal/botanica store issues
Research issues with condo hotels
Chanel ERA, LLC / Tacku Investments, LLC documents/issues
Sylvia Coltrane and attorneys re: 9200 Collins
BUDGET 2011-2012 preparation
Code Enforcement – Preparation for Special Master Hearing re-scheduled for May 12, 2011
Prepare notice ordinance
Municipal Promissory Note research
Follow-up recording liens
Continued monitoring of legislation out of Tallahassee and Miami Dade County.
TOWN OF SURFSIDE
PROJECTS PROGRESS REPORT
CALVIN, GIORDANO & ASSOCIATES, INC.
APRIL, 2011

1. **Community Center** – Work continues to occur seven days per week approximately 11 hours per day, depending on daylight. The first shipment of glass was received on March 28, 2011. However, West Construction will be weatherproofing the building utilizing temporary means to allow interior work to continue prior to the complete delivery and installation of the glass. The Construction oversight committee continues to meet weekly at a minimum. Town Staff tours the project site multiple times each day.

March Activities
This month the spa was installed and all underground pool plumbing for all three pools were completed.
The exterior framing and metal soffit are being installed.
The north beach walk pavers have been installed.
Traffic control bollards were installed.
Interior HVAC, framing, plumbing and electric continued this month.
The main pool deck area has been graded and paver base material has been installed. Paver installation will begin this month.
Pool coping and tile installation began.
Curtain wall framing was delivered and installed.

2. **Planning and Community Development** – Planning and Community Development – Staff prepared the ordinance text for the zoning changes resulting from the two Joint Meeting. This was presented to the Planning and Zoning Board on February 24, 2011 and to the Town Commission on March 23, 2011 for first reading. The second reading will be presented to Town Commission on April 12, 2011. The Town Commission has also passed a moratorium ordinance on first reading. Second reading of this ordinance is on April 12, 2011. This ordinance halts the issuance of business licenses for all uses other than restaurant or retail in the business district. Downtown Vision Process Advisory Committee (DVPA) is studying the appropriate uses in the downtown. The intent of the moratorium is to temporarily stop new service and office uses until the DVPA can provide a recommendation to the Town Commission. Per the direction of the Planning and Zoning Board, staff also prepared a memorandum to the Board describing the process for analyzing density of hotels on the beach. Planning staff continues to answer general zoning calls and emails from the public and to review building permits for conformance with the zoning code.
3. **Website, Information Technology, TV Broadcasts** - The IT Department has been working closely with the Town Clerk to develop all budgetary items for the 2012 budget. In addition, the IT Dept. has been providing specs and cost proposals for new equipment expected to be implemented from this fiscal year's budget. These projects include the Document Management System, On-line payment and VOIP. The Request for Proposals submitted for RFP#11-01 Turnkey VOIP (Voice Over Internet Protocol) have been evaluated and a recommendation will be presented at the April 12, 2011 Town Commission Meeting. The IT staff has deployed a kiosk at the front counter for residents to review red light traffic infractions. New hardware is being specified out for the Police Department and will be ordered next week – the equipment includes 26 laptops and one server. The issues with the SCALA system have been resolved. It was a faulty connection that seems to have deteriorated after several of the power outages occurred last week. The new copier was set up and integrated with SunGard and all users have been added and are able to print required documents. Finally, all Town cells phones are being upgraded and the IT Department is currently transitioning to the new equipment.

4. **Public Utilities / Engineering**

Plans for all phases of the Utility Rehabilitation Project have been distributed to the Pre-Qualified Contractors. The Mandatory Pre-Bid Date is at 2:00 P.M. on April 5, 2011 and Bids are due at 2:00 P.M. on April 28, 2011.

**Stormwater System**

Construction plans and specifications – 100% complete. Plans have been reviewed by staff and oversight committee and are currently out to bid.

Permits – All permits obtained except contractor DERM permit and contractor FDEP well permit.

Construction schedule – Advertisement goal of March 2011 with anticipated construction duration goal of 16.5 months. CGA and staff are including an “early bonus system” to achieve this ambitious schedule.

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<thead>
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<th>Status</th>
<th>Probability</th>
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<tr>
<td>FDEP Grant $873,500</td>
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<tr>
<td>State Revolving Fund Loan $2,771,000</td>
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**Sanitary Sewer Collection System**

Construction plans and specifications – 100% complete. Plans have been reviewed by staff and oversight committee and are currently out to bid. The Improvements being completed on the Sanitary Sewer System are required per a consent decree with Miami-Dade County.
Permits – All permits related to the Sanitary Sewer System Improvements have been applied for and issued with the exception of the permit for the Dry Sewer Line, which was a late addition to this project. A permit for this work has been submitted to the proper agencies for review and approval.

Construction schedule – Advertisement goal of March 2011 with anticipated construction duration goal of 16.5 months. CGA and staff are including an “early bonus system” to achieve this ambitious schedule.

Water Distribution System

Construction plans and specifications – 100% complete. Plans have been reviewed by staff and oversight committee and are currently out to bid.

Permits – WASD, DERM and HRS approvals have been obtained.

Construction schedule – Advertisement goal of March 2011 with anticipated construction duration goal of 16.5 months. CGA and staff are including an “early bonus system” to achieve this ambitious schedule.

Grant status - Building Better Community Bonds $829,000 – In place

Stormwater Master Maintenance

The stormwater drainage system is being cleaned and maintained on a yearly basis as required by the National Pollution Discharge Elimination System Permit. Repairs and replacement program coincide with the Florida Department of Environmental Protection Stormwater project and grants.

Florida Department of Transportation Local Agency Program

CGA assisted the Town with the Florida Department of Transportation Local Agency Program (LAP), which allows access to additional funding within the State right of ways, such as the replacement of handicap ramps, bus stop pads and solar lights along 92nd Street between Harding and Collins Avenue. This project is under construction with no matching funds required from the Town.

5. **Neighborhood Improvements** - CGA prepared initial cost summaries and preliminary strategies for implementing a street tree/tree canopying program for the Town. The goal is to enhance the quality of the residential districts by employing the benefits of street trees, including added property values, shade, and micro-climate/heat island impacts. The provision of street trees have been conceptualized so that they also provide for opportunities with traffic calming, particularly at the street corners and at the mid-blocks, so as to further the livability of the streets and potentially protect both pedestrians and children. The initial, suggested strategy seeks to use trees as a neighborhood wayfinding, and community branding element, where specific trees would be used as typical plantings on north-south streets, different from those east-west and potentially flowering trees at the intersections. These, essentially, will constitute the fundamentals of a tree master plan that seeks to continue and further the neighborhood enhancement goals developed in
an early study and already begun through zoning and design guidelines regulation adoptions. The approach will be further developed pending a walk-through with Town Staff to assess the existing conditions, existing constraints, and potential opportunities. The project will be presented to the Town Commission before the bid documents for the water/sewer/storm drain project were completed and will be implemented if funds are available in the bond issue.

CGA is also developing designs for more attractive street signs and improvements to the traffic calming devices throughout the single family neighborhood. The possibility of an undergrounding of FPL and other above ground lines is being reviewed. All these improvements are included as additive alternates to the water, sewer, storm drainage project or the undergrounding project could be done with other sources of funds. The final bid prices for the basic project will determine if funds are available for the additive alternates. Award is anticipated during the June or July Town Commission Meeting.
Town of Surfside
Commission Communication

Agenda Item # 3F

Agenda Date: April 12, 2011

Subject: Earth Day Friday April 22, 2011

Background: Earth Day Network (EDN) was founded on the premise that all people, regardless of race, gender, income, or geography, have a right to a healthy and sustainable environment. Their core programs today focus on: Greening Schools and Promoting Environmental Education, Accelerating the Global Green Economy, and A Billion Acts of Green (the theme for 2011). Each year Earth Day, observed on April 22, marks the anniversary of what many consider the birth of the modern environmental movement in 1970. Three of the major outcomes of the first Earth Day were the creation of the United States Environmental Protection Agency and the passage of the Clean Air, Clean Water, and Endangered Species Acts. EDN now works with over 22,000 partners in 192 countries. More than one billion people participate in Earth Day activities each year, making it the largest civic observance in the world: www.earthday.org

Analysis: In an effort to raise public awareness about environmental protection and sustainability issues, recognizing this day as Earth Day, and commemorating the day with a tree planting on the grounds of the new Community Center, will serve as Surfside’s contribution to this internationally recognized day at a location that all Surfside residents will soon enjoy.

Budget Impact: Existing staff resources will be utilized to accommodate the ceremony. The tree for the planting ceremony is already part of the Community Center landscaping plan and was not purchased for this event.

Staff Impact: Staff will coordinate the tree planting ceremony at the Community Center grounds as part of their regularly scheduled hours.

Recommendation: Staff recommends that the Town Commission approve this proclamation.

[Signatures]
Department Head
Town Manager
RESOLUTION NO. 2011- ___

A RESOLUTION OF THE TOWN OF SURFSIDE, FLORIDA
PROCLAIMING EARTH DAY APRIL 22, 2011 TO RAISE
PUBLIC AWARENESS ABOUT ENVIRONMENTAL
PROTECTION AND SUSTAINABILITY.

WHEREAS, the Town of Surfside Town Commission wishes to join the Earth Day
Network and communities across the nation, and internationally, in proclaiming April 22, 2011
as Earth Day and;

WHEREAS, For over forty years, Earth Day—April 22—has inspired and mobilized
individuals and organizations worldwide to demonstrate their commitment to environmental
protection and sustainability and;

WHEREAS, the Town of Surfside pledges the planting of trees during a ceremony at
the Community Center on April 22, 2011 as an Earth Day event and;

WHEREAS, this Earth Day event will constitute part of Earth Day Network’s 2011 goal
of A Billion Acts of Green, a global initiative to register one billion environmental protection
and sustainability actions.

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF
THE TOWN OF SURFSIDE, FLORIDA, AS FOLLOWS:

Section 1. That April 22, 2011 is proclaimed Earth Day in the Town of Surfside,
Florida.

Section 2. That the Town Clerk is authorized to send a copy of this resolution to the
Earth Day Network.

Section 3. That this resolution shall be effective immediately upon its passage and
adoption.
PASSED AND ADOPTED this 12th day of April, 2011.

Motion by Commissioner ____________, second by Commissioner ____________.

FINAL VOTE ON ADOPTION

Commissioner Michael Karukin
Commissioner Edward Kopelman
Commissioner Marta Olchyk
Vice Mayor Joseph Graubart
Mayor Daniel Dietch

Daniel Dietch, Mayor

ATTEST:

________________________
Debra E. Eastman, MMC
Town Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY FOR
THE TOWN OF SURFside ONLY:

________________________
Lynn M. Dannheisser
Town Attorney
Race, Hispanic or Latino, Age, and Housing Occupancy: 2010

2010 Census Redistricting Data (Public Law 94-171) Summary File

NOTE: Change to the Virginia 2010 P.L. 94-171 Summary File data as delivered
NOTE: For information on confidentiality protection, nonsampling error, and definitions, see http://www.census.gov/prod/cen2010/pl94-171.pdf

GEO: Surfside town, Florida

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(X) Not applicable

Source: U.S. Census Bureau, 2010 Census.
2010 Census Redistricting Data (Public Law 94-171) Summary File, Tables P1, P2, P3, P4, H1.
Debra Eastman

From: Michael Karukin
Sent: Thursday, March 17, 2011 4:20 PM
To: Roger Carlton
Cc: Debra Eastman; Anthony Blake
Subject: code compliance committee appointment

Roger,

I heard there is an opening on the code compliance committee. I hereby nominate Mr. Alan Gorme to fill the position. Here is his contact information.

Alan Gorme
305-861-2433
Alan@gorme.net

Thanks
Michael

Thank you,

Michael Karukin, PA., PhD.

Commissioner

Town of Surfside

9293 Harding Ave

Surfside, FL 33154

Tel: (305) 861-4863 / Fax: (305) 993-5097 / Cell: (305) 710-5894

Email: mkarukin@townofsurfsidefl.gov

www.townofsurfsidefl.gov
Agenda Item # 31

Agenda Date: April 12, 2011

Subject: Professional Lobbying Services

Background: While working on the FY 11/12 budget, staff reviewed the contract for Professional Lobbying Services. The term of the contract indicates that the agreement should have been renewed on August 1, 2006, upon the same terms and conditions for an additional one year period. Unfortunately, this did not occur.

Although the contract calls for annual compensation of $42,000, the FY 10/11 line item budget is in the amount of $36,000 and includes a notation indicating that the previous Town Manager negotiated the fee downward. The services provided by this firm have been excellent and the return in terms of grants or avoidance of negative budget impacts makes the relationship extremely beneficial to the Town. Recently, Fausto Gomez was a key contributor to the resolution of the excess sand issue for the Community Center.

Analysis: N/A

Budget Impact: Continuation for FY11/12 and FY 12/13 at the same rate.

Staff Impact: N/A

Recommendation:
It is recommended that the Town Commission retroactively approve the payments (which have already been issued) to Gomez Barker in accordance with the budgeted amount. It is also recommended that the Town Commission approve the current compensation prospectively to Gomez Barker in the amount of $36,000 for an additional two years FY 11/12 and FY 12/13.

[Signatures]

Department Head

Town Manager
AGREEMENT
FOR
PROFESSIONAL SERVICES

This Agreement is made and entered into this _/______ day of August, 2005 between
the Town of Surfside ("Town") and Gomez Barker Associates, Inc., a Florida corporation
with its principal place of business at 2350 Coral Way, Suite 301, Miami, Florida 33145,
("Gomez Barker").

WHEREAS, the Town desires to retain Gomez Barker to provide professional
services for coordination of the Town’s legislative and governmental relations and for
lobbying services; and

WHEREAS, Gomez Barker is qualified to provide such services to the Town.

NOW, THEREFORE, the parties mutually agree as follows:

1. Term.

This Agreement shall take effect upon execution by the parties and continue in full
force and effect through July 31, 2006. This Agreement will automatically renew on
August 1, 2006, upon the same terms and conditions for an additional one-year period
unless earlier terminated by either party upon thirty (30) days written notice to the other
party.

2. Services.

Gomez Barker believes that effective lobbying is based on a series of interrelated
elements and these constitute the best comprehensive approach to meet the objectives of
the Town. Accordingly, Gomez Barker agrees to provide the following services to the
Town:

A. Intelligence and Communication -- Fundamental to the ability to impact
state policy is a basic comprehension of the law and administrative rules
and the ability to learn of the existence and content of proposals to modify
them. By knowing how government works, and having access to
information and the competency to evaluate it, Gomez Barker will identify
opportunities or potential problems and evaluate their impact on the Town.

The staff of Gomez Barker will regularly review interim legislative reports
and meet with legislators, legislative staff, and agency personnel in order to
determine what issues are on the agenda, which issues are being informally
discussed, and which have the potential to become State policy. This will
allow Gomez Barker the opportunity to develop an appreciation of the
potential for securing favorable changes to the law and/or resources

Page 82
available and is crucial for understanding the policy and budgetary context in which decisions are likely. Information is a key element in formulating a successful legislative strategy. Prior to the beginning of the legislative calendar, Gomez Barker will "trial balloon" the Town's legislative plan in order to learn how various decision-makers might view and receive it and what modifications, if any, may need to be made.

B. Preparation -- The legislative requirements of the Town should be reflected its public policy goals in light of the information obtained by Gomez Barker through the process described above. In order for it to be viable, the Town's program must have concise and defined goals and every item must be specific, measurable, achievable, and reasonable. Gomez Barker will prepare a legislative program for the Town which will include proposed substantive changes to law, budget requests, draft legislation and presentation materials, a legislative strategy, and a focused political message.

C. Presentation - Gomez Barker will present the legislative program of the Town to the appropriate committees in both the House and Senate as well as meet individually with key legislators. The firm will testify and articulate the Town's interests during the drafting and deliberation process and will monitor legislative sessions and committee meetings. Monitoring occurs through day-to-day participation in legislative sessions, pertinent committee meetings, and discussions with individual legislators and staff, and through a subscription to a legislative data service that provides the most comprehensive monitoring capability currently available.

D. Involvement and Coordination -- The Town's officials will be encouraged to communicate with policy-makers and to visit Tallahassee during the legislative session. These communications and meetings will be planned and coordinated by Gomez Barker who will schedule meetings, prepare review materials and correspondence, and brief the Town officials and other participants prior to any meetings.

E. Collateral Support - Gomez Barker will identify other organizations that share common legislative goals and, as appropriate, coordinate lobbying strategy with them. This is intended to broaden the reach and legislative base of support for the Town. In addition, prior to and during the legislative session, Gomez Barker will meet with and/or arrange meetings with entities such as insurance companies, labor unions, business groups, professional organizations, and rating agencies to promote Town and its legislative program. Gomez Barker will also review the legislative goals of these other entities and, when necessary, work to stop any legislation or initiative that may have a negative impact on the Town's interests.
F. **Lobbying and Monitoring** - Gomez Barker will provide year-round, full-time, lobbying and representation at both the legislative and executive agency level. Gomez Barker will provide such services through its fully staffed offices in Miami and Tallahassee from which lobbying, review of agency actions, monitoring, and follow-up will occur.

G. **Reporting** - Gomez Barker will provide focused and accurate communication to the Town about the status of legislation, budget requests, or any other important issue through written progress reports, meetings, and/or telephone contact.

H. **Public Affairs** - Gomez Barker will promote the Town’s agenda to legislators, legislative staff, and executive officials so that a complete understanding of the Town and its capabilities will facilitate approval of the Town's legislative requests.

3. **Compensation.**

A. **Fee.** For all professional services by Gomez Barker as set forth in paragraph 2 above, the Town shall pay Gomez Barker annual compensation of $42,000.00 per year, payable in equal monthly installments on or before the 15th day of each month for the term of this Agreement. $3,500.00

B. **Costs.** The Town agrees to reimburse Gomez Barker for any reasonable and appropriate costs and expenses. Gomez Barker will provide any and all documentation in connection with any reimbursable expenses incurred, not to exceed $4,000.00, during the course of any annual period.

4. **Standard of Care.**

Gomez Barker agrees to perform its services with that standard of care, skill, and diligence normally provided by a professional organization in the performance of similar services. It is understood that Gomez Barker must perform the services based, in part, on information provided by the Town and Gomez Barker shall be entitled to rely on such information. Gomez Barker agrees that any such information provided to it shall only be used for the performance of this engagement and shall not be divulged to a third-party.

5. **Independent Contractor.**

It is understood and agreed that Gomez Barker is acting as an independent contractor and not as an employee of The Town. Gomez Barker agrees that all acts to be
performed by it in connection with this Agreement must be performed in strict conformity with all applicable federal, state, and local laws and regulations.

6. **Assignment and Delegation.**

This Agreement may not be assigned or transferred, in whole or part, without prior written consent of the Town.

7. **Priority.**

Gomez Barker shall not be prohibited from representing or providing like services to other persons and entities beside the Town, so long as Gomez Barker avoids any representation or relation that would create an adversarial conflict of interest to the Town, as determined by the Town Attorney and the Town Commission. Further Gomez Barker shall not take on any client or matter which would jeopardize Gomez Barker's ability to devote the time, resources, and effort necessary to fulfill its obligations to the Town under this Agreement.

8. **Attorneys' Fees.**

If either party is required to retain an attorney (including general counsel or house counsel) in order to enforce this Agreement, the non-prevailing party in any litigation shall pay all of the other party's reasonable trial and appellate attorneys' fees, costs and expenses. The provisions of this paragraph shall survive termination of this Agreement.

9. **Waiver.**

A waiver by either party of any of the terms and conditions, provisions, or covenants of this Agreement in any instance shall not be deemed or construed to be a waiver of any such term, condition, provision, or covenant for the future, or of any subsequent breach of same.

10. ** Entire Agreement.**

This Agreement constitutes the entire agreement between the parties and supersedes all other agreements or understandings, written or oral, prior to the signing of this Agreement.
11. **Venue and Governing Law.**

The laws of the State of Florida govern all questions with respect to this Agreement, and the rights and liabilities of the parties. Venue for any litigation or disputes arising hereunder shall be in Miami-Dade County, Florida.

**IN WITNESS WHEREOF,** the parties have caused this Agreement to be duly executed the day and year first above written.

**THE TOWN OF SURFSIDE**

By: [Signature]

Jeff Smilansky, Town Manager

**GOMEZ-BARKER ASSOCIATES, INC.**

By: [Signature]

Fausto Gomez, President

Attest:

[Signature]

Town Clerk

Approved as to Form and Legal Sufficiency:

[Signature]

Town Attorney
Debra Eastman

From: Michael Karukin
Sent: Tuesday, April 05, 2011 4:21 PM
To: Debra Eastman
Cc: Tim Milian
Subject: park and rec appointment

To fill the vacancy from Pillar's resignation, I would like to appoint.....

Retta Logan,
9141 Dickens Ave,
Surfside, Fl 33154
305 796-2348
retta@aaafleg.com
rettalu@gmail.com

Thank you,

Michael Karukin, PA., PhD.

Commissioner

Town of Surfside

9293 Harding Ave

Surfside, Fl. 33154

Tel: (305) 861-4863 / Fax: (305) 993-5097 / Cell: (305) 710-5894

Email: mkarukin@townofsurfsidefl.gov

www.townofsurfsidefl.gov
Pilar Bretos Carvajal
9525 Bay Drive
Surfside, FL 33154

Town of Surfside
9293 Harding Avenue
Surfside, FL 33154

March 14, 2011

Dear Mr. Milian,

As a result of the sale of my house and my relocation to the Miami Beach area as of April 1, 2011, I am resigning as the Chairperson of the Parks and Recreation Board.

I wanted to thank you, the board and the commissioner for their time and dedication to the board.

Sincerely,

Pilar Bretos Carvajal
Town of Surfside
Commission Communication

Agenda Item #: 4A1

Agenda Date: April 12, 2011

Subject: Joint Meeting Recommendations Ordinance

From: Roger M. Carlton, Town Manager
      Sarah Sinatra Gould, Town Planner
      Lynn Dannheisser, Town Attorney

Background:

The Town Commission and Planning and Zoning Board held a Joint Meeting on November 4, 2010 to discuss potential changes to the Zoning Code. At the end of the four hour meeting, staff was directed to process the input and prepare recommended changes. Town staff analyzed the code and provided solutions to the challenges presented at the Joint Meeting by preparing recommendations, which were presented at the December 9, 2011 Joint Meeting. Staff believes that the proposed changes add or expand layers of protection, increase focus on the major issues of concern to our citizens and will help to preserve the unique flavor and lifestyle of Surfside.

It was clear to staff that the desired outcome of both Joint Meetings was to create an expanded level of protection for the quality of life issues of concern to our community while encouraging the positive income generating aspects of certain commercial development. The recommendations in this report achieve those goals through the evolution of Design Guidelines to Zoning Code requirements; the creation of a staff driven required site plan review process which will subsequently be reviewed by the Development Impact Committee, the Planning and Zoning Board and Town Commission, all three of these in public meetings; and, the creation of a Conditional Use annual permitting process for certain outdoor facilities, which if not responsibly operated, could be viewed as intrusive by neighbors.

The ordinance addressing the recommendations was presented to the Planning and Zoning Board at their January 27, 2011 meeting. There was much discussion by the Board members and the public. The outcome of the meeting was to direct the meeting attendees to forward written questions to staff. Town staff was requested to respond to the questions in a report forwarded to the Planning and Zoning Board. There were approximately 35 questions, with many sub points in each question, submitted by attendees at the January Planning and Zoning Board meeting. Staff reviewed and responded in writing to the questions and made changes to the ordinance based on this input.
The revised ordinance was then presented to the Planning and Zoning Board at their February 24, 2011 meeting. Town Staff, the Planning and Zoning Board and the Town Commission have struggled for a number of years with balancing the clear goal of maintaining quality of life, good design principles, environmental sensitivity and the rights of property owners. A recent analysis by the Town Manager titled, the *Five Year Financial Forecast*, demonstrates the clear impact on the Town that various development strategies have on property taxes borne by our residents. The proposed amendments to the Town Code balance these seemingly conflicting, but clearly related goals. It is clear from recent activity in ownership change in major parcels that we must be prepared to guide the development process in a way which is open, professional and based on a modern code. The amendments proposed take the Town of Surfside into a better prepared status to guide the clearly impending development which includes the Beach House site, 9501 Collins Avenue, the Best Western property, the boutique hotel at 9200 Collins Avenue and the Surf Club project.

The Town Commission heard this item on first reading on March 23, 2011. At the meeting, members of the public indicated they had some concerns with three provisions in the code. Staff was instructed to analyze these changes and recommend changes to the Town Commission as needed. Staff reviewed the requests and discussed the concerns with the participants in length. After much review, staff is proposing the following changes:

1. **Section 90-49.4 a. (2), for every one-hundred (100) feet of a building wall parallel to the public right of way, there shall be a minimum eight (8) ten (10) foot wide and minimum fifteen (15)-three (3) foot deep separation of wall plane.**

This change preserves parking spaces while maintaining the goal of varying the wall plane of the building. It should be kept in mind that the three foot “indent” is in addition to the ten (10) foot required landscape buffer. It is also important to note that the code currently provides a three (3) foot minimum change in wall plane for structure parking garages. This modification provides further consistency in the code.

2. **Section 90-2, Gross Acre: The acreage within the perimeter of a lot plus one-half the right-of-way of adjacent streets and alleys. For properties east of Collins Avenue, the lot area shall also include the area up to the Erosion Control Line.**

The definition of *Gross Acre* in the Definitions section of the code, 90-2, is consistent with the existing definition of *Lot Area* in the code and the previous application of usable lot area in the Town

3. **Section 90-45.1 (2): Two or more lots of record shall be considered one undivided parcel for the purpose of use density and/or intensity if there is a recorded unity of title demonstrating single ownership of two or more parcels. However, the underlying land use or zoning shall prevail as to the permitted use on each of the lots.**

The proposed revisions in Section 91-45.1 (2) clarifies that it is the density and/or intensity only that may be dispersed throughout a lot. The use is governed by the underlying zoning district.

Lastly, staff recognized a useful cross-reference that should be added to the *Frontages* section of the code. The following is the proposed change from first reading:

4. **Section 90-51.1 (4) Structured parking garages: see Section 90-49.4.**
The following are staff’s recommendations that have been drafted in a zoning code text in the attached Ordinance:

1. Create parking garage standards to achieve the goal of concealing a parking garage with architectural features, facades and landscaping compatible to the surrounding buildings.

2. Modify the Zoning Code to provide for Developer’s Agreements which address not only onsite issues, but offsite issues as well.

3. In exchange for the benefits of lot aggregation, which provides for greater flexibility in design, the maximum permitted density shall be limited to 85% of what is permitted by the land use category in the Comprehensive Plan. Existing properties with a unity of title, a covenant in lieu of unity of title, or have been aggregated through the platting process will be exempted from this requirement if any of the forms of aggregation stated above occurred prior to the effective date of this ordinance.

4. Amend the design guideline section of the Zoning Code to include the current Design Guidelines as mandatory requirements, except for single family homes.

5. The Planning and Zoning Board also requested staff to review the code to determine if changes are necessary to make hotel development more financially feasible. That process is underway.

**Proposed Changes to the Code:**

Based on the above recommendations, the Planning and Zoning Board are proposing modifications to the Zoning Code. The following are the proposed changes:

**Section 90-20 Development review requirements for submittals other than single-family and two-family.** The proposed ordinance establishes a Development Impact Committee (DIC). The DIC will consist of seven (7) department representatives with the goal of reviewing development proposals to ensure high quality structures and consideration for all impacts not only on the site, but also in the environs of the project. This process will be public with an opportunity for public participation. The DIC will prepare a Development Order report for review by the Planning and Zoning Board and Town Commission. The Development Order becomes a covenant running with the land to ensure its constant viability.

**Section 90-23 Conditional uses.** Currently, the Conditional Use section provides for a list of uses that require conditional use approval, but did not provide clear criteria for the Town Commission to analyze the use. The existing uses requiring Conditional Use approval include the following:

1) Institutions, educational or philanthropic, including museums, but not including nursing homes or hospitals.
2) Off-street parking lots and garages.
3) Public and governmental buildings.
4) Public utilities or public service uses, buildings, structures and appurtenances thereto.
5) A bar accessible from the pool or pool deck for use solely by guests of hotels and their guests in the H120 district. In all cases, it shall be the exclusive responsibility of the owner, operator, tenant or user of the property to assure that neither the sale nor consumption of
beverages shall occur or be allowed to occur off the property or on any portion of the property lying east of the bulkhead line.

Staff is recommending including these uses in the use charts as Conditional Uses. This clarifies the code by providing all uses in one location. Also Staff is recommending removing "public and governmental buildings" as a Conditional Use since there is no clear justification for the inclusion of this use.

Lastly, Conditional Uses, unless exempted from this requirement, shall annually apply for a permit. The Town Manager shall review the application and determine if the Conditional Use continues to comply with the proposed Standards of Review. If the use fails to meet the Standards of Review, the permit may be rescinded. This item received quite a bit of discussion. The bottom line is that the language of the Conditional Use approval must be crafted to allow enforcement for violations, giving the Town the clout of rescinding the permit without restricting the ability of the owner from obtaining financing. Further, there will be an appeal process if the Conditional Use continuation is denied by the Town Manager.

Section 90-41 Regulated uses. The Conditional Uses, except public and governmental buildings, are proposed to be included in the use charts as Conditional Uses.

Section 90-45 Setbacks. The setback tables provide setbacks for H40 based on width equal to or less than 50 feet and wider than 50 feet. However, the reference to Harding Avenue was found to be unnecessary, therefore Staff is recommending removing the reference, so that the setbacks clearly apply to both Harding and Collins Avenues.

Section 90-45.1 Aggregation of lots. The Planning and Zoning Board and the Town Commission expressed concerns over lot aggregation. Staff analyzed this issue and is proposing a density reduction of 85% of the total gross density permitted by the Comprehensive Plan when lots are aggregated. Existing properties with a unity of title, a covenant in lieu of unity of title, or have been aggregated through the platting process will be exempted from this requirement.

Section 90-44 – Section 90-67. The Ordinance includes Design Guidelines which consist of prohibited buildings with one continuous height and requiring at least 5 feet in height variation, permitting awnings to encroach into the public sidewalks not more than 6 feet, storefront and entrance requirements for windows, awning and canopy regulations, requirements for materials, finishes, outdoor lighting, utilities, service areas, mechanical equipment and structured parking garage specifications.

Section 90-73 Prohibited Signs. The Ordinance prohibits electronic signs.

Section 90-87 Installation of landscaping and irrigation. The Ordinance removes garage and rooftop landscaping from this section and utilizes the proposed requirements in Section 90-49.4, Structured Parking Garages.

Recommendation:

The combined Planning and Zoning Board and Town Commission meetings intent was to direct staff to present an ordinance based on these recommendations to the Planning and Zoning Board at the January 27, 2011 meeting. The Planning and Zoning Board requested an additional month to analyze the ordinance. The Board heard the item at their February 24, 2011
meeting and voted 3 to 2 to recommend approval of the ordinance with amendments to the Town Commission. The Town Commission approved the ordinance on first reading on March 8, 2011 and your approval on second reading with the proposed amendments is recommended.

**Budget Impact:** Planning Staff's time was funded under the general services contract between the Town and CGA. Therefore the Town did not incur an additional budget impact for CGA's time.

**Growth Impact:** The proposed Ordinance does not encourage growth. It provides guidance to staff and project owners, while ensuring that major projects receive adequate review in multiple public forums.

**Staff Impact:** N/A

Sarah Sinatra Gould, Town Planner  
Roger M. Carlton, Town Manager
ORDINANCE NO. 2011 _____

AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA AMENDING SECTION 90-2 “DEFINITIONS”, AMENDING SECTION 90-20. “DEVELOPMENT REVIEW REQUIREMENTS” TO ESTABLISH A DEVELOPMENTAL IMPACT COMMITTEE; AMENDING SECTION 90-23 “CONDITIONAL USES”; 90-41 “REGULATED USES”; 90-45. “SETBACKS.”; 90-45.1 “AGGREGATION OF LOTS”; SECTION 90-44 THROUGH SECTION 90-67 RELATING TO DESIGN REVIEW GUIDELINES; SECTION 90-73 “PROHIBITED SIGNS.”; SECTION 90-87 INSTALLATION OF LANDSCAPING AND IRRIGATION; REPEALING ALL ORDINANCES IN CONFLICT; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, The Town Commission and Planning & Zoning Board held a Joint Meeting on November 4, 2010 to discuss potential changes to the Zoning Code; and

WHEREAS, Town staff analyzed the code and provided solutions to the challenges presented at the Joint Meeting by preparing recommendations for code changes; and

 Whereas the changes were presented at the December 9, 2010 Joint Meeting at which it was determined by consensus that the proposed changes would add or expand layers of protection, increase focus on the major issues of concern to our citizens and will help to preserve the unique flavor and lifestyle of Surfside; and

Whereas, the proposed code changes were presented for discussion to the Planning and Zoning Board at their January 27, 2011 meeting. Suggested amendments were prepared and presented finally to the Planning and Zoning Board at their February 24, 2011 meeting sitting as the Local Planning Agency with due public notice and input; and
WHEREAS, the Town Commission held its first public reading on March 8, 2011 and recommended approval of the proposed amendments to the Code of Ordinances having complied with the notice requirements by the Florida Statutes; and

WHEREAS, the Town Commission has conducted a second reading on April 12, 2011 and further finds the proposed change to the Code necessary and in the best interest of the community.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA AS FOLLOWS:

Section 1. Recitals. The foregoing “WHEREAS” clauses are ratified and confirmed as being true and correct and are made a specific part of this Ordinance.

Section 2. Code Amendment. The code of the Town of Surfside, Florida is hereby amended as follows:

ARTICLE I. IN GENERAL

ARTICLE I. IN GENERAL

Sec. 90-2. Definitions.

Aggregation: The combining of lots through a unity of title or the platting process.

Contiguous: Next to, abutting, or touching and having a boundary, property line or portion thereof that is common to both properties.

Density: The number of dwelling units per gross acre of land.

Gross Acre: The acreage within the perimeter of a lot plus one-half the right-of-way of adjacent streets and alleys. For properties east of Collins Avenue, the calculation of gross acreage shall also include the area up to the Erosion Control Line.

Unity of Title: An agreement executed by and between one or more property owners of more than one lot, which shall not be conveyed, sold, mortgaged, etc. apart from each other and shall be held together as one tract. Such unity of title shall be recorded in the public records of Miami-Dade County, Florida and shall run with the land and shall be binding upon the property owner(s), successors and assigns.
Sec. 90-20. Development review requirements for submittals other than single-family and two-family.

(1) Generally. Review and approval of a site plan by staff reviewing agencies, the design review board, and the Development Impact Committee, the planning and zoning board, and the Town Commission is required prior to any development of land in the town.

***

(4) Developmental Impact Committee,

(a) There is hereby established a Developmental Impact Committee composed of seven (7) members representing the following Town departments and disciplines:
   i. Town Manager
   ii. Town Attorney
   iii. Public Works / Landscape
   iv. Planning and Zoning
   v. Park and Recreation Department
   vi. Engineering and Traffic Engineering
   vii. Building

(b) The Developmental Impact Committee shall review all developments (except single family and two-family homes) and recommend where applicable, whether, and the extent to which:
   i. The development, as proposed, conforms to the Comprehensive Plan and the Zoning Code;
   ii. The development, as proposed, will have a favorable or unfavorable impact on the environment and natural resources, including a consideration of the means and estimated cost necessary to minimize the adverse impacts, if any;
   iii. The development, as proposed, will have a favorable or unfavorable impact on the economy of the Town of Surfside;
   iv. The development, as proposed, will efficiently use or unduly burden water, sewer, solid waste disposal, education, recreation or other necessary public facilities which have been constructed or planned and budgeted for construction in the area;
   v. The development, as proposed, will efficiently use or unduly burden or affect public transportation facilities, including mass transit, public streets, and roads, which have been planned and budgeted for construction in the area, and if the development is or will be accessible by private or public roads or streets.
   vi. The development, as proposed, is consistent with the community character of the immediate neighborhood. In addition to consistency there must be congruity between the subject development and neighboring improvements and surroundings including but not limited to form, spacing, heights, setbacks,
materials, color, rhythm and pattern of architectural or aesthetic interest or value as well as with any overlays and other development schemes or legislation.

vii. In the event of redevelopment, applicant shall also submit a detailed plan for demolition.

c. The Committee shall meet prior to the Planning and Zoning Board’s hearing on the application. The Committee shall be chaired by the Town Manager. The Town Manager or designee shall prepare a summary report of the development application to be distributed to and reviewed by the Development Impact Committee prior to the Committee meeting.

d. The Town Manager or designee shall prepare a summary report of the results of the Development Impact Committee to be transmitted to the Planning and Zoning Board and Town Commission upon their review of the development application.

e. The Committee shall review and make recommendations pursuant to the criteria stated in (2) to the Planning and Zoning Board and Town Commission whether, and to the extent to which, the development will efficiently use or unduly burden water, sewer, solid waste disposal, education, recreation or other necessary public facilities or public transportation facilities, including roads and streets, which have been constructed or planned and budgeted for construction in the area, and whether the proposed development will have a favorable or unfavorable impact on the economy of the Town of Surfside.

f. No public hearing shall be held by any board on any application subject to review by the Developmental Impact Committee until the Committee has made its recommendations with regard thereto.

g. Development Impact Committee Meetings shall be noticed on the Town website and shall be open to the public who may comment during a specific time scheduled on the agenda.

ARTICLE II. ADMINISTRATION AND ENFORCEMENT

DIVISION 1. PLANNING AND ZONING BOARD

Sec. 90-23. Conditional uses.

90-23.1 Purpose. Conditional Uses are generally compatible with the other land uses permitted in a zoning district but, because of their unique characteristics or potential impacts on the surrounding neighborhood and the Town as a whole, require individual review as to their
location, design, configuration, and/or operation for the particular use at the particular location proposed, as well as the imposition of individualized conditions in order to ensure that the use is compatible with the surrounding neighborhoods and appropriate at a particular location. The purpose of this section is to provide a process which is designed to determine if certain uses, hereafter referred to as conditional uses, should be permitted. Special review of conditional uses is required because such uses are generally of a public or semipublic character and are essential and desirable for the general convenience and welfare of the community, but because of the nature of the use and possible impact on neighboring properties, require the exercise of planning judgment on location and site plan.

90-23.2 Standards of review. In addition to the standards set forth in this zoning code for the particular use, all proposed Conditional Uses shall meet each of the following standards:

1. The proposed use shall be consistent with the Comprehensive Plan and the Zoning Code;
2. The establishment, maintenance or operation of the proposed use shall not be detrimental to or endanger the public health, safety, or general welfare;
3. The proposed use shall be compatible with the community character of the immediate neighborhood. In addition to compatibility there must be congruity between the subject development and neighboring improvements and surroundings including but not limited to form, spacing, heights, setbacks, materials, color, rhythm and pattern of architectural or aesthetic interest or value as well as with any overlays and other development schemes or legislation.
4. Adequate provisions shall be included for safe traffic movement, both vehicular and pedestrian, both internal to the use and in the area which will serve the use;
5. Adequate measures exist including landscaping or other buffering measures or shall be taken to mitigate any adverse effects of noise, light or other potential nuisances; and
6. The establishment of the Conditional Use shall not impede the development of surrounding properties for uses permitted in the zoning district; and
7. Any other condition imposed by the Design Review Board and/or the Development Impact Committee.

Conditional uses enumerated. The following uses may be approved by the town commission as conditional uses in any district in which they are specifically allowed, as indicated within the provisions for individual zoning districts. Approval of such conditional use(s) in accordance with the procedures and standards of this section shall only be granted where it has been clearly shown that the public health, safety, morals, and general welfare will not be adversely affected; that adequate off-street parking facilities, in accordance with this chapter, will be provided; and that necessary safeguards will be provided for the protection of surrounding property:
1. Institutions, educational or philanthropic, including museums, but not including nursing homes or hospitals.
2. Off-street parking lots and garages.
4. Public utilities or public service uses, buildings, structures and appurtenances thereto.
5. A bar accessible from the pool or pool deck for use solely by guests of hotels and their guests in the H120 district. In all cases, it shall be the exclusive responsibility of the owner,
operator, tenant or user of the property to assure that neither the sale nor consumption of
beverages shall occur or be allowed to occur off the property or on any portion of the property
lying east of the bulkhead line.

90-23.3 Applications requirements. No use designated, as a Conditional Use shall be established
until after such use has received approval under the provisions of this section and has received all
other permits required by the Town. An application for conditional use approval shall be filed
with the Town. The application shall include:

1. An illustrative site plan
2. An application fee, as established by the Town Commission.
3. A written summary of the proposed project.
4. Ownership affidavit and owner's sworn statement to consent, if applicable.
5. A survey less than one year old including owner's affidavit that no changes have occurred
   since the date of the survey

Site plan required. Each application for approval for a conditional use shall be accompanied by
a site plan. Such site plan shall be prepared in accordance with the provisions of subsection 90-
20(3)b. In addition, each application shall be accompanied by a letter and survey indicating
compliance with all of the provisions of subsection 90-20(3)b., and any additional information as
may be required to permit a determination of the exact nature of the proposed use and its effect
on surrounding properties, the adjacent neighborhood, and its consistency with the town's
adopted comprehensive plan.

90-23.4 Procedures; eConditional uUses. Application and fee shall be submitted to the tTown
for a eConditional uUse review and are subject to the requirements of section 90-23. Applications for approval of a eConditional uUse shall be heard by the pPlanning and zZoning
board for a recommendation to the tTown eComission. The pPlanning and zZoning board's
report may contain recommendations regarding conditions which should be imposed by to the
tTown eComission in approving the eConditional uUse. The tTown eComission may
establish these and/or additional conditions for an approval by a simple majority vote. Outdoor
dining facilities, hotel swimming pools, etc. shall be required to obtain an annual Conditional
Use permit. The permit will dictate hours of activity and other conditions necessary to provide
compatibility with the surrounding neighborhood.

90-23.5 Conditional Use Expiration. The approval of a eConditional uUse shall be void if the
applicant does not obtain a building permit or other permit required to implement the
eConditional uUse within 24 months after the granting of the eConditional uUse. An applicant
who has obtained approval of a eConditional uUse may request an extension of this time period
within the original approval period. The tTown eComission, at its discretion, may grant one or
more extensions for a period of up to a total of six months for good cause shown by the
applicant.
90-23.6 **Annual Permit Requirements.** After approval by the Town Commission, a Conditional Use shall be required to obtain an annual permit. The Town Manager or designee shall review the annual permit application to determine if the Conditional Use continues to comply with the Standards of Review in Section 90-23.2 and any additional conditions approved by the Town Commission. This permit shall include a fee as established by the Town Commission. The permit shall be submitted for and proceed concurrently with the annual Business Tax Receipt.

90-23.7 **Revocation.** If the Conditional Use fails to meet the Standards of Review in Section 90-23.2 or the conditions approved by the Town Commission, a Conditional Use permit may be rescinded after the Conditional Use permit holder has been notified of these deficiencies. An administrative decision to revoke by the Town may be appealed to the Town Manager within thirty (30) days of the revocation. The Town Manager shall schedule an informal hearing with the applicant and his decision shall be rendered within ten days of the meeting in writing. That decision will be considered final. Any decision made by the Town Manager regarding Conditional Use permits may be appealed to the Town Commission.

**ARTICLE IV. DISTRICT REGULATIONS**

**Sec. 90-41. Regulated uses.**

Applicability and validity of tables. Nothing shall be used to misconstrue or reinterpret the provisions, limitations and allowances made herein.

(a) **Purpose.** Permitted uses are considered to be fundamentally appropriate within the district in which they are located and are deemed to be consistent with the comprehensive plan. These uses are permitted as of right, subject to the required permits and procedures described in this section. Permitted uses require final site plan review and approval for compliance with the standards applicable to a particular permitted use as provided in this zoning code.

(b) **Permits required.** Except as explicitly provided herein, no use designated as a permitted use in this chapter shall be established until after the person proposing such use has applied for and received all required development permits.

(c) **Table—Regulated uses.**

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<td>Stationery and greeting cards</td>
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<td></td>
<td>H30A</td>
<td>H30B</td>
<td>H30C</td>
<td>H40</td>
<td>H120</td>
<td>SD-B40</td>
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<td>Dance or music instruction studios</td>
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<td>Institutions, educational or philanthropic, including museums</td>
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<td>Modeling school, language school, or athletic instruction</td>
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<td>Civic Uses</td>
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<tr>
<td>Parks and open space</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
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<tr>
<td>Playgrounds</td>
<td>P</td>
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<td>P</td>
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Key: P: Permitted  Blank: Not Permitted  (#): Refer to Notes  CU: Conditional Use

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<th>Uses</th>
<th>Municipal</th>
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<td>Library</td>
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<td>Parks &amp; Open Space</td>
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<tr>
<td>Playgrounds</td>
<td>P</td>
<td>P</td>
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<td>Community Center</td>
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<td>Gymnasiums</td>
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<td>Town Offices</td>
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<td>P</td>
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<td>Police Facilities</td>
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<td>Pump Stations</td>
<td>P—CU(23)</td>
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<td>Parking</td>
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Key: P: Permitted  (#): Refer to Notes  Blank: Not Permitted
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<tr>
<th>Accessory uses</th>
<th>H30A</th>
<th>H30B</th>
<th>H30C</th>
<th>H40</th>
<th>H120</th>
<th>SD-B40</th>
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</thead>
<tbody>
<tr>
<td>Boat docks + moorings</td>
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<tr>
<td>Game courts</td>
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<td>P(2)</td>
<td>P(2)</td>
<td>P(2)</td>
<td>P(2)</td>
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</tr>
<tr>
<td>Home Bar-B-Q grills</td>
<td>P(2)</td>
<td>P(2)</td>
<td>P(2)</td>
<td>P(2)</td>
<td>P(2)</td>
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<td>Laundry/service rooms</td>
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<td>P(5)</td>
<td>P(5)</td>
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<tr>
<td>Office spaces</td>
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<td>P(3)</td>
<td>P(3)</td>
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<td>Recreational rooms</td>
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<td>P(4)</td>
<td>P(4)</td>
<td>P(4)</td>
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<td>-</td>
<td>-</td>
<td>P(18)</td>
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<td>P(2)</td>
<td>P(2)</td>
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<td>-</td>
<td>CU(2)</td>
<td>CU(2)</td>
<td>CU(2)</td>
<td>-</td>
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<td>Vending machines</td>
<td>-</td>
<td>-</td>
<td>P(6)</td>
<td>P(6)</td>
<td>P(6)</td>
<td>-</td>
</tr>
<tr>
<td>Bar</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>CU(22)</td>
<td>P</td>
</tr>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>CU</td>
<td>CU</td>
</tr>
</tbody>
</table>

Key: P: Permitted (#): Refer to Notes Blank: Not Permitted CU: Conditional Use
(d) Uses table notes.

***

(22) A bar accessible from the pool or pool deck for use solely by guests of hotels and their
guests in the H120 district. In all cases, it shall be the exclusive responsibility of the owner,
operator, tenant or user of the property to assure that neither the sale nor consumption of
beverages shall occur or be allowed to occur off the property or on any portion of the property
lying east of the bulkhead line.

(23) The annual permit requirements in Section 90-23.6 are not applicable to this use. A unity of
title and a covenant shall run with the land if a Structured Parking Facility is located on a
different lot from the main facility. So long as the main lot remains developed, the parking lot
shall remain.

Sec. 90-45. Setbacks.

(b) Setbacks.

(1) *Required Setbacks--Tables:* The following tables shall be utilized for structures in the
H30C, H40, H120, and SD-B40 zoning districts.
TABLE INSET:

<table>
<thead>
<tr>
<th>H30C</th>
<th>Minimum Setback (Feet)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary frontage</td>
<td>20 FT</td>
</tr>
<tr>
<td>Interior side</td>
<td>5 FT</td>
</tr>
<tr>
<td>Rear</td>
<td>10 FT</td>
</tr>
<tr>
<td>Secondary frontage (Corner only)</td>
<td>10 FT</td>
</tr>
<tr>
<td>Interior side setbacks for lots over 50 feet in width</td>
<td>10% of the frontage</td>
</tr>
</tbody>
</table>

TABLE INSET:

<table>
<thead>
<tr>
<th>H40 - Harding Avenue + Less than or equal to 50 ft in width</th>
<th>Minimum Setback (Feet)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary frontage</td>
<td>20 FT</td>
</tr>
<tr>
<td>Interior side</td>
<td>5 FT</td>
</tr>
<tr>
<td>Rear</td>
<td>10 FT</td>
</tr>
<tr>
<td>Secondary frontage (Corner only)</td>
<td>10 FT</td>
</tr>
</tbody>
</table>

TABLE INSET:

<table>
<thead>
<tr>
<th>H40 - Harding Avenue + Wider than 50 ft and less than 100 ft</th>
<th>Minimum Setback (Feet)</th>
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</thead>
<tbody>
<tr>
<td>Primary frontage</td>
<td>20 FT</td>
</tr>
<tr>
<td>Interior side</td>
<td>7 FT</td>
</tr>
<tr>
<td>Rear</td>
<td>10 FT</td>
</tr>
<tr>
<td>Secondary frontage (Corner only)</td>
<td>10 FT</td>
</tr>
</tbody>
</table>

TABLE INSET:

<table>
<thead>
<tr>
<th>H40 - Harding Avenue + Wider than or equal to 100 ft</th>
<th>Minimum Setback (Feet)</th>
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<tbody>
<tr>
<td>Primary frontage</td>
<td>20-FT</td>
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<tr>
<td>Interior side</td>
<td>7-FT</td>
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<tr>
<td>Rear</td>
<td>10-FT</td>
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<tr>
<td>Secondary frontage (Corner only)</td>
<td>10-FT</td>
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TABLE INSET:

<table>
<thead>
<tr>
<th>H120</th>
<th>Minimum Setback (Feet)</th>
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</table>

Page 106
<table>
<thead>
<tr>
<th>Primary frontage</th>
<th>40 FT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interior side</td>
<td>10 FT</td>
</tr>
<tr>
<td>Rear</td>
<td>30 FT</td>
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<tr>
<td>Secondary frontage (Corner only)</td>
<td>20 FT</td>
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</tbody>
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**TABLE INSET:**

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<thead>
<tr>
<th>SD-B40</th>
<th>Maximum Setback (Feet)</th>
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</thead>
<tbody>
<tr>
<td>Primary frontage</td>
<td>0 FT</td>
</tr>
<tr>
<td>Interior side</td>
<td>0 FT</td>
</tr>
<tr>
<td>Rear</td>
<td>0 FT</td>
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<tr>
<td>Secondary frontage (Corner only)</td>
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**TABLE INSET:**

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<th>Maximum Setback (Feet)</th>
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<tbody>
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<td>Primary frontage</td>
<td>20 FT</td>
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<tr>
<td>Rear</td>
<td>20 FT</td>
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<tr>
<td>Secondary frontage (Corner only)</td>
<td>15 FT</td>
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**Sec. 90-44. Modifications of height regulations.**

90-44.1 Architectural elements including cupolas, chimneys, flagpoles, spires, steeples, stair accessways, antennas, ventilators, tanks, parapets, trellises, screens and similar not used for human habitation, may be erected to a reasonable and necessary height, consistent with and not to exceed the following limitations:

**TABLE INSET:**

<table>
<thead>
<tr>
<th>Designation</th>
<th>Maximum Height (Feet)</th>
<th>Maximum Percentage of Aggregate Roof Area</th>
</tr>
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<tbody>
<tr>
<td>H30A</td>
<td>3 FT</td>
<td>1%</td>
</tr>
<tr>
<td>H30B</td>
<td>3 FT</td>
<td>1%</td>
</tr>
<tr>
<td>H30C</td>
<td>3 FT</td>
<td>10%</td>
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<tr>
<td>H40</td>
<td>12 FT</td>
<td>10%</td>
</tr>
<tr>
<td>H120</td>
<td>20 FT</td>
<td>30%</td>
</tr>
<tr>
<td>SD-B40</td>
<td>12 FT</td>
<td>10%</td>
</tr>
</tbody>
</table>
90-44.2 Mechanical equipment rooms, including elevator shafts, and stair access ways may be allowed to exceed the maximum height limitations, not to exceed the limitations listed above, provided they shall be of a high architectural quality integral to the design of the building.

90-44.3 In the H120 district, on lots or parcels where construction is regulated by the State of Florida Coastal Construction Code, maximum height shall be measured from whatever the established elevation is established determined by the Florida Department of Environmental Protection for the first floor.

90-44.4 Height variations among architectural elements shall be of no less than five (5) feet in variation.

90-44.5 Buildings with one continuous height shall be prohibited.

90.45.1 **Aggregation of lots**

(1) For all lots aggregated in the H30C, H40 and H120 zoning districts after the effective date of this ordinance, the maximum permitted density shall be limited to eighty-five (85%) percent of the total gross density permitted by the Comprehensive Plan when lots are aggregated.

(2) Two or more lots of record shall be considered one undivided parcel for the purpose of density and/or intensity if there is a recorded unity of title demonstrating single ownership of two or more parcels or have been platted as one lot. However, the underlying land use or zoning shall prevail as to the permitted use on each of the lots.

(3) Aggregated lots shall be contiguous properties but may be separated by a public right-of-way.

**Sec. 90-47. Yards generally, allowable projections.**

***

90-47.2 In all districts excepts SD-B40, Mmoveable awnings may be placed over doors or windows and may project not more than three feet into any required yard. In the SD-B40 district, awnings and non-permanent canopies may project over the public sidewalk, but shall not be greater than six (6) feet or the width of the sidewalk, whichever is less.

**Sec. 90-49.1 Entrances, windows and storefronts**

The following Design Criteria are applicable to all multi-dwelling and non-residential properties

a. All building facades, including those facing alleyways, shall be rendered consistently with the overall architectural treatment of the building.

b. Pedestrian entrances shall be easily recognizable and oriented towards the public right-of-way.

c. Divided light window mullions, where provided, shall be through the pane.

d. Exterior burglar bars, fixed “shutters” or similar security devices shall be prohibited.
e. Window and storefront articulations shall utilize similar proportions as those within the surrounding context and shall be primarily oriented towards the public right-of-way.

f. Multiple storefronts within a larger building shall have consistent materials and articulation and shall relate to the detailing of the entire building.

g. The bottom edge of windows shall be no less than twenty-four (24) inches above the fronting finished sidewalk elevation.

h. For non-residential uses, the first vertical ten (10) feet of building elevation shall be composed of fifty (50%) percent minimum transparency for street-facing building facades and walls. The bottom of transparent openings shall be no higher than twenty-four (24) inches above the public right-of-way. Display windows used to satisfy these requirements shall have a minimum vertical dimension of four (4) feet and shall be internally illuminated.

i. Mirrored, reflective and opaque tinted glass shall be prohibited.

j. External street-level entrances shall be recessed and centered a minimum of thirty-six (36) inches from the building frontage.

Sec. 90-49.2 Awnings and canopies

The following Design Criteria are applicable to all multi-dwelling and non-residential properties. All new and replacement awnings and canopies shall meet these requirements.

a. Awnings and canopies shall have consistent height and depth.

b. Awnings and canopies shall remain consistent with architectural details and proportions harmonious with the overall building design and historic context.

c. Awnings and canopies shall be consistent on multiple storefronts within a larger building.

d. Awnings shall be fabric or metal. Plastic awnings are prohibited.

e. Awnings shall be solid colors rather than patterned.

f. Awnings shall utilize down lighting. Backlighting shall be prohibited.

g. Awning valances shall be straight rather than curved, except for special architectural elements to be compatible with historic building styles.

h. Awnings shall be attached to the building façades and shall not be supported by vertical elements within the right-of-way.

Sec. 90-49.3 Materials and finishes

The following Design Criteria are applicable to all multi-dwelling and non-residential properties.

a. The surface shall be stucco, stone, metal, glass block and accent wood. Materials vernacular or characteristic to other regions including but not limited to flagstone and adobe shall be prohibited.

b. Materials shall be true and genuine, rather than simulated. Multiple storefronts within a larger building shall have consistent material qualities and articulation.
Sec. 90.49.4 Structured parking garages

The following requirements apply to all structured parking garages.

a. Overall form

(1) For every fifty (50) feet of a building wall in any direction, there shall be a three (3) foot minimum change in wall plane; and
(2) For every one-hundred (100) feet of a building wall parallel to the public right of way, there shall be a minimum ten (10) foot wide and minimum three (3) foot deep separation of wall plane; and
(3) Façade treatments fronting a public right-of-way shall provide architectural treatments consistent with and compatible to those across the public right-of-way or abutting properties and consistent with immediate buildings.
(4) For the first ten (10) feet of height along all blank walls, a minimum of eighty (80%) percent landscape coverage, such as a vine or hedges, shall be installed and maintained.
(5) For facades above the first ten (10) feet, a minimum of fifty (50%) percent landscape coverage, such as vines or planters, shall be installed and maintained.
(6) All vegetative coverage shall be maintained and watered appropriately to sustain health and coverage indefinitely without adverse impact to the structure.
(7) Service areas and mechanical equipment associated with a primary use are permitted.

b. Ground Floor Level Façade

(1) Facades shall not provide wall openings greater than eight (8) feet in any direction, except for ingress and egress purposes. All wall openings, except for ingress and egress purposes, shall be separated by a minimum five (5) foot wide wall.

Sec. 90-51. Maximum frontage of buildings.

90-51.1 Continuous wall frontage shall be articulated as follows:

***

(4) Structured parking garages: see Section 90.49.4.

Sec. 90-62. Outdoor lighting.

The following are applicable to all multi-dwelling and non-residential properties.

***

  g. All lighting shall be controlled by photocell controls.
90-67.1 Service areas and mechanical equipment

The following are applicable to all multi-dwelling and non-residential properties.

a. Service bays, mechanical equipment, garbage and delivery areas, shall be fully enclosed, screened or located within the interior of the building. These areas shall not be visible from the right-of-way and shall not be visible from properties with adjacent residential or hotel uses.

b. Central air conditioning shall be required for trash rooms.

c. All mechanical equipment shall be architecturally screened.

90-67.2 Underground and above-ground utilities

The following are applicable to all multi-dwelling and non-residential properties.

a. All utilities including telephone, cable, and electrical systems shall be installed underground.

b. All exterior facilities, including but not limited to electrical raceways and transformers, permitted above ground shall be fully concealed and screened.

Sec. 90-73. Prohibited signs.
90-73.1 No sign shall be erected, constructed, or affixed in violation of the provisions of these regulations, and any sign not specifically provided for and permitted by these regulations shall be prohibited. None of the following signs shall be constructed, erected, used, operated or maintained in the town:

***

(m) Electronic signs either installed inside for view through windows or on the exterior of the building.

Sec. 90-87. Installation of landscaping and irrigation.

***

(4) Garage and rooftop landscaping. Not less than 50 percent of rooftop areas of buildings that are ancillary to and are visible from upper level dwelling or hotel units on the same site shall be screened or buffered through the use of landscaped horizontal trellis structure, shade or palm trees in irrigated planters, canopies, screening walls enclosing mechanical equipment and/or through the decorative surface treatments of float roof areas with patterns of gravel or other surfacing materials in varying shades and hues to create a graphic composition. Not less than 50 percent of open rooftop parking on garage structures adjacent to upper level residential and hotel units shall be screened through the use of trellis structures, canopies or shade or palm trees in irrigated planters. All parking structures require irrigated planters with plant material that screens and buffers the parking structures on all sides.
Section 3. Severability. If any section, subsection, clause or provision of this Ordinance is declared invalid or unconstitutional by a court of competent jurisdiction, the remainder shall not be affected by such invalidity.

Section 4. Conflict. All sections or parts of sections of the Town of Surfside Code of Ordinances in conflict herewith are intended to be repealed to the extent of such conflict.

Section 5. Inclusion in the Code of Ordinances. It is the intention of the Town Commission, and it is hereby ordained that the provisions of this Ordinance shall become and made a part of the Town of Surfside Code of Ordinances, that the sections of this Ordinance may be renumbered or re-lettered to accomplish such intentions; and the word “Ordinance” may be changed to “Section” or other appropriate word.

Section 6. Effective Date. This Ordinance shall be effective ten (10) days after adoption on second reading.

PASSED and ADOPTED on first reading this 8th day of March, 2011.

PASSED and ADOPTED on second reading this ___ day of ___, 2011.

________________________________________
Daniel Dietch, Mayor

Attest:

________________________________________
Debra E. Eastman, M.M.C., Town Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

________________________________________
Lynn M. Dannheisser, Town Attorney
On First Reading Moved by: ________________

On Second Reading Seconded by:______________________

Vote:
Mayor Dietch yes_____ no____
Vice Mayor Graubart yes_____ no____
Commissioner Karukin yes_____ no____
Commissioner Kopelman yes_____ no____
Commissioner Olchyk yes_____ no____
Town of Surfside
Commission Communication

Agenda Item #

4A2

Agenda Date: April 12, 2011

Subject: Master Utility System Bond Ordinance; Second Reading

Background: The Town of Surfside water, sewer and storm drainage systems have been allowed to deteriorate to a point where the need to replace, upgrade or complete major repairs is no longer a choice. We are under a consent decree that if not satisfied soon will cause significant financial risk to the Town; the loss of water from a leaking water system is extremely wasteful and not sensitive to conservation needs; the infiltration of groundwater to our sewer system causes the Town to experience increased sewage treatment costs by as much as 40 percent in the rainy season or from high tides; and, we are not meeting our environmental obligation to discharge clean storm water into Biscayne Bay after storm events.

To resolve these longstanding issues, the Town of Surfside engaged the firm of Calvin Giordano and Associates (CGA) after a competitive process to study the problem, provide recommendations, design a feasible project, prepare plans and specifications for competitive bidding, evaluate the bids, obtain permits, develop a public information program and monitor the project during construction. All these activities up to and including the preparation of plans and specifications have been completed. The Town Commission approved a pre-qualified short list of seven bidders and the pre-bid conference was held April 5, 2011 with more than 25 attendees. Bids are due April 28, 2011. This information collectively summarizes where we are on the construction side of this project.

There have also been a number of briefings for the Town Commission and a citizen oversight committee regarding the financing of the project. This process started with the retention of the firm TischlerBise to prepare a rate study that recommended rates for water, sewer and storm drainage sufficient to fund operation of the system, payment of debt, provide adequate reserves to maintain the system in first class condition and allow potential rate increases to be “smoothed” if we received extremely high cost increases for water and sewage treatment from Miami Dade County which provides both services. Miami Beach transmits our sewage to the Miami Dade County treatment plant on Virginia Key.

The Town Commission adopted the first year rate adjustments as part of the FY 10/11 Budget process after two public hearings. Attached to this memorandum is a March 28, 2011 update
to the TischlerBise Water and Sewer Rate Study based on updated assumptions that have developed since the original study was discussed during the approval process for the FY 10/11 Budget last summer. The implications of the revised study and the need for the updated analysis will be explained later in this memorandum.

Public sector bonded indebtedness in general: While long term debt in the public sector takes many forms, essentially bonds are either general obligation (subject to referendum since the full faith and credit of the community is pledged through ad valorem taxes) or revenue bonds which pledge the revenue of the system. It is important to be abundantly clear that no property taxes are pledged to the proposed water, sewer, and storm drainage project bonds.

How this bond ordinance works: The bond ordinance is comparable to a mortgage on a piece of property. It is not actually a mortgage because public property cannot be mortgaged in Florida law, however, the bond ordinance sets the provisions of the debt just as a mortgage sets the provisions of the debt for a piece of property. This bond ordinance will authorize and or require the Town of Surfside to do the following things:

- Borrow an amount not to exceed $16 million to fund the cost of upgrades, repairs and replacements to the water, sewer and storm drainage systems. It will also allow certain project related activities if funds are available, including a street tree program, new street signs, upgrades to the traffic calming devices and possibly a contribution to the undergrounding of utilities. This amount of money is called “Series A” in the event that future Town Commissions want to borrow additional funds for water, sewer, and storm drainage projects if required in the future. The benefit of this series structure is that a new ordinance does not have to be developed for future financings. The additional funds would still require first and second readings of an amendment.
- The pledge for the debt is clearly established as the revenues from the water, sewer, storm drainage system. There are no ad valorem taxes pledged.
- The flow of monies that come in from our customers is as follows:
  1. Operation of the system
  2. Interest on the bonds which is put aside 1/6 per month since the interest is paid semi-annually
  3. The principle on the bonds is put aside 1/12 per month since the principle is paid annually
  4. Should subordinated debt be issued in the future, that debt service is paid next
  5. Renewal, replacement and improvements are funded next. This will keep the system up to date
  6. A rate stabilization fund is established next to help smooth any large increases needed should Miami Dade County or Miami Beach raise our wholesale water or sewage disposal costs
  7. An operating reserve is then funded as an extra security
  8. Finally, a surplus fund is established that allows any surplus funds to be used for any lawful purpose of the Town
These funds are known as the “buckets” which means that the monies flow from the highest priority (operations) to the lowest priority (surplus). In addition to the “buckets” the ordinance establishes the following:

- The Town agrees to a “rate covenant” which requires that rates are set each year as part of the budget process to “ensure net revenues” cover 110 percent of the annual debt service including interest and principle. Finally, if additional bonds are issued at parity, the “net revenues” of the combined system must be 125 percent of the outstanding and new debt combined. This ensures that any future debt must be well covered by earnings. The revised TischlerBise study using the same rate increases projected in the original study over a five year period (to tie the studies together) also reduces various cost assumptions based on updated analysis (page 14). The combined impact of the original rate increase percentages plus the new cost assumptions creates debt service coverages of 123%, 128%, 144%, 153% and 162% in FY 10/11 thru FY 14/15 for the water line element of the project (page 16) and 118%, 137%, 175%, 191% and 207% for the same years for the sewer element of the project (page 27). What this means is that the debt service coverages far exceed the 110% required by the rate covenant in the ordinance thereby allowing the Town Commission each year as you review the budget to lower the originally projected rate increases significantly, put more reserves away to “smooth” future rate adjustments due to cost increases beyond our control, fill the “bucket” reserves earlier than projected, pay off debt early or a combination of the various strategies. Bottom line is that the risk level of this bond issue (feasibility) is very strong and that projected revenues more than cover the cost to amortize (pay off) the debt.

- Free service is not allowed and the Town must cut off service to users who have not paid their bills based upon policy established by the Town Commission

- The Town covenants that it will take no actions to render the bonds taxable since these bonds are tax exempt to the purchaser(s)

- There are other provisions which are required in all public debt such as how lost bonds are replaced, what form the bonds take, how defaults are remedied, what happens if government is reorganized (merged) and how the bonds are defeased (paid off), all these provisions have been reviewed by our bond counsel Bryant Miller Olive and our financial advisor Public Financial Management Group (PFM)

**Next steps:** The financial advisor PFM has sought competitive proposals from a number of banks which will agree to buy the debt under certain conditions including length of debt service (assumed to be twenty years), interest rate (assumed to be under the five percent) and waiver of any prepayment penalties. It will be the team’s responsibility (BMO, PFM, staff and the oversight committee) to recommend on second reading scheduled for April 12, 2011 the best offer from a bank. The actual award to the bank occurs at second reading and the terms are set forth in a resolution. The closing occurs soon thereafter.

While the financing process is happening as described above, the competitive bid process for construction is also happening. The award to the lowest bidder will occur in the June 2011 Town Commission meeting. Once the financing is in place and the construction award is
made, the process to build is underway. As mentioned before, there will be a detailed public information campaign throughout the project.

Conclusion: We are almost there after a many year long journey. Financing is underway, the competitive construction bid process is nearing completion and the Town has created a very knowledgeable oversight committee. It has been a pleasure to work with all the folks that have helped us to get to this point and your approval of the bond ordinance on second reading is recommended.

Roger M. Carlton, Town Manager
MASTER UTILITY SYSTEM BOND ORDINANCE

ORDINANCE NO. ________
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ORDINANCE NO. ______

AN ORDINANCE OF THE TOWN OF SURFSIDE, FLORIDA AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $16,000,000 UTILITY SYSTEM REVENUE BONDS, SERIES 2011, TO FINANCE THE COSTS OF WATER, SEWER, STORMWATER AND RELATED CAPITAL IMPROVEMENTS; PLEDGING CERTAIN NET REVENUES OF THE UTILITY SYSTEM FOR THE PAYMENT OF SUCH BONDS; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SUCH BONDS; MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

THE COMMISSION OF THE TOWN OF SURFSIDE, HEREBY ORDAINS:

SECTION 1. AUTHORITY FOR THIS ORDINANCE. This Ordinance is enacted pursuant to Constitution of the State of Florida, Chapter 166, Part II, Florida Statutes, as amended, the Charter of the Town of Surfside, Florida and other applicable provisions of law (the “Act”).

SECTION 2. DEFINITIONS. Unless the context otherwise requires, the terms used in this Ordinance shall have the meanings specified in this Section 2. Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

“Acquired Obligations” shall mean cash, direct non-callable obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, Refcorp interest strips, CATS, TIGRS, STRPS, or defeased municipal bonds rated AAA by S&P or Aaa by Moody’s (or any combination thereof).

“Additional Parity Obligations” shall mean additional obligations issued or incurred in compliance with the terms, conditions and limitations contained herein and which (i) shall have a lien on the Pledged Revenues equal to that of the Outstanding Bonds, (ii) shall be payable from the Pledged Revenues on a parity with the Outstanding Bonds, and (iii) shall rank equally in all other respects with the Outstanding Bonds.

“Amortization Installment” with respect to any Term Bonds of a Series means an amount so designated for mandatory principal installments for the Term Bonds of such Series, and provided that each such installment shall be deemed to be due on a principal maturity anniversary date of each applicable year and the aggregate of such installments for such Series shall equal the aggregate principal amount of Term Bonds of such Series delivered.

“Average Annual Bond Service Requirement” shall mean, as of each date on which a Series of Bonds is issued, the total amount of Bond Service Requirement which is to become
due on all Bonds deemed to be Outstanding immediately after the issuance of such Series of Bonds divided by the total number of years for which Bonds are deemed to be Outstanding, except that with respect to any Bonds for which Amortization Installments have been established, the amount of principal coming due on the final maturity date with respect to such Bonds shall be reduced by the aggregate principal amount of such Bonds that are to be redeemed from Amortization Installments to be made in prior Bond Years.

"Bond Anticipation Notes" shall mean notes of the Issuer issued in anticipation of any Series of Bonds and shall be secured by a first lien on the proceeds of the Bonds for which such Bond Anticipation Notes were issued.

"Bond Counsel" shall mean any attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"Bond Service Fund" shall mean the Bond Service Fund created and established pursuant to Section 16 of this Ordinance.

"Bond Service Requirement" shall mean, for any Bond Year, at any time, the amount required to be deposited in such Bond Year into the Bond Service Fund, as provided herein. In calculating such amount, the Issuer shall subtract therefrom any amounts to be transferred from the Project Fund for the purpose of paying interest on the Bonds.

"Bond Year" shall mean the period commencing on October 2 of the preceding year and ending twelve months later on October 1.

"Bonds" shall mean the Series 2011 Bonds authorized and issued pursuant to this Ordinance and any Additional Parity Obligations issued hereafter in accordance with the provisions hereof.

"Clerk" shall mean the Town Clerk of the Issuer.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations and rules thereunder in effect or proposed.

"Consulting Engineers" shall mean one or more independent, qualified and recognized consulting engineers or firm of consulting engineers having favorable repute, skill and experience with respect to the planning and operation of the System who shall be retained from time to time by the Issuer.

"Contributions in Aid of Construction" shall mean any amount or item of money, services, or property received by the Issuer, any portion of which is provided at no cost to the System, which represents an addition or transfer to the capital of the System, and which is utilized to offset the acquisition, improvement or construction costs of the System.
“Cost of Operation and Maintenance” shall mean the then current expenses, paid or accrued, in the operation, maintenance and repair of the System, as calculated in accordance with generally accepted accounting principles, including, but not limited to, allocable administrative and indirect labor costs related to the System, personal services, contractual services, repairs and maintenance, and materials and supplies, but shall not include expenses not annually recurring, any reserve for renewals and replacements, extraordinary repairs or any allowance for depreciation, any Bond Service Requirement, any payments in lieu of taxes, franchise fees or other transfers.

“Federal Securities” shall mean direct obligations of (including obligations issued or held in book entry form on the books of) the Department of Treasury of the United States of America or obligations guaranteed as to principal or interest by the United States of America, including, but not limited to, obligations of the Resolution Funding Corporation.

“Finance Director” shall mean the Finance Director of the Issuer.

“Financial Advisor” shall mean the financial advisor appointed from time to time by the Issuer.

“Fiscal Year” shall mean the period commencing on October 1 of each year and ending on the next succeeding September 30 or such other annual period as may be prescribed by law from time to time for the Issuer.

“Fitch” shall mean Fitch Ratings, and any assigns or successors thereto.

“Gross Revenues” or “Revenues” shall mean all income and earnings, received by the Issuer or accrued to the Issuer from the ownership, use or operation of the System and all parts thereof, moneys deposited from the Rate Stabilization Fund into the Revenue Fund in accordance with the terms hereof, provided any moneys transferred from the Rate Stabilization Fund into the Revenue Fund within 90 days following the end of a Fiscal Year may be designated by the Issuer as Gross Revenues of such prior Fiscal Year, and shall also include investment income, if any, earned on any fund or account created pursuant to this Ordinance, except the Rebate Fund, and also including any income or earnings (including investment income) derived from the System in any prior Fiscal Year and which is redeposited into the Revenue Fund, all as calculated in accordance with generally accepted accounting principles, but “Gross Revenues” or “Revenues” shall not include proceeds from the sale or other disposition of the System or any part thereof, condemnation awards or proceeds of insurance received with respect to the System and moneys deposited to the Rate Stabilization Fund or the Operating Reserve Fund from the Surplus Fund, including any moneys transferred from the Surplus Fund to the Rate Stabilization Fund within 90 days following the end of a Fiscal Year which the Issuer determines not to be Gross Revenues of such prior Fiscal Year, Contributions in Aid of Construction, or unrealized gains or losses from investments.

“Holder” or “Bondholders” or any similar term shall mean any persons who shall be
the registered owner of any outstanding Bonds.

"Interest Account" shall mean the special account of the same name created within the Bond Service Fund.

"Interest Date" or "interest payment date" shall be such date or dates for the payment of interest on a Series of Bonds as shall be provided by Supplemental Ordinance, except with respect to the Series 2011 Bonds, such interest payment date shall be provided by supplemental resolution.

"Issuer" shall mean the Town of Surfside, Florida, a municipal corporation of the State of Florida.

"Maximum Bond Service Requirement" shall mean, as of any particular date of calculation, the greatest amount of aggregate Bond Service Requirement for the then current or any future Bond Year, except that with respect to any Bonds for which Amortization Installments have been established, the amount of principal coming due on the final maturity date with respect to such Bonds shall be reduced by the aggregate principal amount of such Bonds that are to be redeemed from Amortization Installments which were to be made in prior Bond Years.

"Mayor" shall mean the Mayor or Vice Mayor of the Issuer.

"Moody's" or "Moody's Investors Service" shall mean Moody's Investors Services, Inc., and any assigns or successors thereto.

"Net Revenues of the System" shall mean the Gross Revenues or Revenues, after deduction of the Cost of Operation and Maintenance.

"Operating Reserve Fund" shall mean the Operating Reserve Fund created and established pursuant to Section 16 of this Ordinance.

"Ordinance" shall mean this Ordinance as from time to time may be amended or supplemented by Supplemental Ordinance, in accordance with the terms hereof.

"Outstanding" or "Bonds Outstanding" shall mean all Bonds which have been issued pursuant to this Ordinance, except:

(i) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;

(ii) Bonds for the payment or redemption of which cash funds or Acquired Obligations or any combination thereof shall have been theretofore irrevocably set aside in a special account with an escrow agent (whether upon or prior to the maturity or redemption date of any such Bonds) in an amount which, together with earnings on such Acquired Obligations, will be sufficient to pay the principal of, interest on and any redemption premium
with respect to such Bonds at maturity or upon their earlier redemption; provided that, if such Bonds are to be redeemed before the maturity thereof, notice of such redemption shall have been given according to the requirements of this Ordinance or irrevocable instructions directing the timely publication of such notice and directing the payment of the principal of and interest on all such Bonds at such redemption dates shall have been given; and

(iii) Bonds which are deemed paid pursuant to this Ordinance or in lieu of which other Bonds have been issued under Sections 11 and 13 hereof.

“Paying Agent” shall mean, with respect to the Series 2011 Bonds, the Clerk, and with respect to any other Series of Bonds, any paying agent for Bonds appointed by or pursuant to a Supplemental Ordinance and its successors or assigns, and any other Person which may at any time be substituted in its place pursuant to a Supplemental Ordinance. Once appointed, no resignation or removal of the Paying Agent shall become effective until a successor has been appointed and has accepted the duties of Paying Agent.

“Permitted Investments” shall mean investments permitted by applicable law and the Issuer’s written investment policy, if any, as may be further limited as set forth in a Supplemental Ordinance of the Issuer.

“Person” shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or governmental entity.

“Pledged Revenues” shall mean (i) the Net Revenues of the System, (ii) until applied in accordance with this Ordinance, the moneys on deposit in the various funds and accounts created pursuant to this Ordinance, except (A) as for the Rebate Fund and (B) the Revenue Fund, to the extent moneys therein shall be required to pay the Cost of Operation and Maintenance in accordance with the terms hereof.

“Principal Account” shall mean the special account of the same name created within the Bond Service Fund.

“Project” or “Projects” shall mean any actual, proposed or potential acquisition, addition, extension, supplement, or replacement of the System or joint ownership of similar properties or any interest therein or any right to use the capacity from any facilities or services thereof, any related capital improvements, or any other lawful purpose, all as determined by the Issuer and in accordance with plans and specifications on file or to be filed with the Issuer.

“Project Costs” shall mean all costs authorized to be paid from the Project Fund pursuant to Section 18 hereof to the extent permitted under the laws of the State. It is intended that this definition be broadly construed to encompass all costs, expenses and liabilities related to the System, the Project or approved by the Issuer for a lawful purpose which on the date of this Ordinance or in the future shall be permitted to be funded with the proceeds of any Series of Bonds pursuant to the laws of the State.

“Project Fund” shall mean the Project Fund created and established pursuant to Section
“Prudent Utility Practice” shall mean, in respect of any particular municipal utility industry, any of the practices, methods and acts which, in the exercise of reasonable judgment, in light of the facts, including but not limited to the practices, methods and acts engaged in or approved by a significant portion of such utility industry prior thereto, known at the time the decision was made, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety, and expedition. It is recognized that Prudent Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather is a spectrum of possible practices, methods or acts which could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition.

“Qualified Independent Consultant” shall mean one or more qualified and recognized independent consultants, having favorable repute, skill and experience with respect to the acts and duties of the Qualified Independent Consultant to be provided to the Issuer, as shall from time to time be retained by the Issuer to perform the acts and carry out the duties herein provided for such consultants.

“Rate Stabilization Fund” shall mean the "Rate Stabilization Fund" established pursuant to Section 16 hereof.

“Rebate Fund” shall mean the Rebate Fund created pursuant to Section 28 of this Ordinance.

“Record Date” shall mean each date that is 15 days prior to an interest payment date.

“Redemption Account” shall mean the special account of the same name created within the Bond Service Fund.

“Refunding Bonds” shall mean that amount of any Series of Bonds, the proceeds of which will be applied to the refunding of any previously issued Bonds.

“Registrar” shall mean, with respect to the Series 2011 Bonds, the Clerk, and with respect to any other Series of Bonds, any registrar for the Bonds appointed by or pursuant to Supplemental Ordinance and its successors and assigns, and any other Person which may at any time be substituted in its place pursuant to Supplemental Ordinance. Once appointed, no resignation or removal of the Registrar shall become effective until a successor has been appointed and has accepted the duties of Registrar.

“Renewal, Replacement and Improvement Fund” shall mean the Renewal, Replacement and Improvement Fund created and established pursuant to Section 16 of this Ordinance.

“Revenue Fund” shall mean the Revenue Fund created and established pursuant to Section 16 of this Ordinance.
“Separately Financed Project” means any Project described as such in Section 27 hereof.

“Serial Bonds” shall mean all of the Bonds other than Term Bonds.

“Series” or “Series of Bonds” or “Bonds of a Series” shall mean all Bonds designated as being of the same Series issued and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter delivered in lieu thereof or in substitution therefor pursuant to this Ordinance.

“Series 2011 Bonds” shall mean the not to exceed $16,000,000 Utility System Revenue Bonds, Series 2011 of the Issuer authorized herein.

“Series 2011 Project” shall mean construction of water, sewer, stormwater and other related capital improvement projects, consisting of the following capital improvements: (i) replacement of several miles of water system pipe, replacement of valves, hydrants and auto read meters, (ii) renovation of the existing sewer system pump stations, installation of emergency generators, repair of all broken pipes and manholes, (iii) retrofit of three outfall pipes, construction of stormwater pump stations, installation of treatment boxes, (iv) replacement of traffic calming devices, installation of landscaping, including trees to be planted in the right of way, (v) street signs, and (vi) interconnect and new sewer force mains and repair of existing force mains.

“Sewer System” shall mean the complete sewer system now owned, operated and/or maintained by the Issuer and which the Issuer is, or shall be responsible for maintaining, together with any and all acquisitions, improvements, extensions and additions thereto, hereafter constructed or acquired, together with all lands or interests therein, including plants, buildings, machinery, franchises, pipes, mains, fixtures, equipment and all property, real or personal, tangible or intangible (including agreements for the providing of such services), now or hereafter constructed and/or owned or used in connection therewith.

“State” shall mean the State of Florida.

“Standard & Poor’s” or “Standard & Poor’s Corporation” or “S&P” shall mean Standard and Poor’s Ratings Group and any assigns and successors thereto.

“Stormwater System” shall mean the services, appurtenances, facilities, and equipment, including, land, capital facilities, and improvements acquired or provided to detain, retain, convey, or treat Stormwater. “Stormwater” means the flow of water which results from, and which occurs following, a rainfall event.

“Subordinated Debt” shall mean any obligations payable on a junior, inferior and subordinate basis under Section 20(8) hereof. “Subordinated Debt” shall include any other obligations payable from any of the Pledged Revenues on a junior, inferior and subordinate basis to the Bonds.

“Subordinated Debt Service Fund” shall mean the Subordinated Debt Service Fund.
“Supplemental Ordinance” shall mean any ordinance of the Issuer amending or supplementing this Ordinance enacted and becoming effective in accordance with the terms of Sections 22 and 23 hereof.

“System” or “Utility System” shall mean, collectively, the Water System, the Sewer System and the Stormwater System of the Issuer. Upon compliance with the provisions of Section 26 hereof, the term “System” may be deemed to include other utility functions added to the System, including, but not limited to a residential reuse system, the acquisition, distribution and sale of natural gas, the providing and/or undergrounding of electricity, the providing of cable television services, the providing of telecommunication services or other utility functions that are authorized from time to time pursuant to the Act. Notwithstanding the foregoing definition of the term System, such term shall not include any properties or interest in properties of the Issuer which the Issuer determines shall not constitute a part of the System for the purpose of this Ordinance.

“Term Bonds” shall mean the Bonds other than Serial Bonds which shall be stated to mature on one date, and shall have such Amortization Installments, as shall be determined by Supplemental Ordinance of the Issuer.

“Town Manager” shall mean the Town Manager or assistant, deputy, interim or acting Town Manager of the Issuer.

“Water System” shall mean the complete water system now owned, operated and/or maintained by the Issuer or which is proposed to be acquired by and operated and maintained by the Issuer and which the Issuer is, or shall be responsible for maintaining, together with any and all acquisitions, improvements, extensions and additions thereto, hereafter constructed or acquired, together with all lands or interests therein, including plants, buildings, machinery, franchises, pipes, mains, fixtures, equipment and all property, real or personal, tangible or intangible (including agreements for the providing of such services), now or hereafter constructed and/or owned or used in connection therewith.

The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms shall refer to this Ordinance; the term “heretofore” shall mean before the date of enactment of this Ordinance; and the term “hereafter” shall mean after the date of enactment of this Ordinance. Words importing the masculine gender include every other gender. Words importing the singular number include the plural number, and vice versa.

SECTION 3. FINDINGS. It is hereby ascertained, determined and declared that:

(A) It is in the best interest of the health and welfare of the residents of the Issuer and other users of the Utility System to use the proceeds of the Bonds to pay the Project Costs.

(B) The Issuer owns, operates and/or maintains the System and derives certain revenue from rates, fees, rentals and other charges made and collected for the services of such System, which such revenues are not now pledged or encumbered in any manner. It serves a
 paramount public purpose and is in the best interests of the Issuer, the residents thereof and the other current users of the System that the Issuer authorizes the issuance of Bonds for the constructing and acquiring of certain additions, extensions, replacements and improvements to the Utility System as more particularly described herein.

(C) The Issuer deems it necessary and in its best interest to provide for the construction and improvement of the System.

(D) The costs associated with issuance of Bonds shall be deemed to include, but not limited to, legal fees and expenses, engineering expenses, fiscal expenses, underwriting fees and expenses, rating agency fees, expenses for estimates of costs and of revenues, accounting expenses, municipal bond insurance premiums, surety policy premiums, if applicable, costs of printing, fees and expenses for the escrow agent, fees and expenses for the paying agent and registrar, fees and expenses for verification, accrued and capitalized interest, provisions for reserves, and such other fees and expenses as may be necessary or incidental for the financing herein authorized.

(E) The principal of and interest and redemption premium on the Bonds and all reserve and other payments shall be payable solely from the Pledged Revenues. The Issuer shall never be required to levy ad valorem taxes on any real or personal property therein to pay the principal of and interest on the Bonds herein authorized or to make any other payments provided for herein. The Bonds shall not constitute a lien upon any properties owned by or located within the boundaries of the Issuer or upon any property other than the Pledged Revenues.

(F) The Pledged Revenues should be sufficient to pay all principal of and interest and redemption premium on the Series 2011 Bonds and any Additional Parity Obligations to be issued hereunder, as the same become due, and to make all required deposits or payments required by this Ordinance.

(G) While the purpose of this Ordinance is to establish general terms of the Bonds, it is recognized that new, innovative and beneficial methods of financing may exist or may be developed in future years which are not specifically authorized by this Ordinance. Because of such fact, it is the intention of the Issuer that the amendment provisions contained herein be broadly interpreted in order to provide the broadest possible financing alternatives for the Issuer for so long as the security of the Holders of any Bonds then Outstanding shall not be impaired.

SECTION 4. AUTHORIZATION OF THE SERIES 2011 PROJECT. There is hereby authorized the Series 2011 Project.

SECTION 5. THIS ORDINANCE TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Holders. The covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal
Holders of any and all of the Bonds, all of which shall be of equal rank and without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided therein and herein.

SECTION 6. AUTHORIZATION OF BONDS. Subject and pursuant to the provisions hereof, obligations of the Issuer to be known as "Utility System Revenue Bonds", which may be issued from time to time, are hereby authorized to be issued. The aggregate principal amount of the Bonds which may be executed and delivered under this Ordinance is not limited except as is or may hereafter be provided in this Ordinance or as limited by the Act or by law. The Series 2011 Bonds are hereby authorized to be issued and to be known as "Utility System Revenue Bonds, Series 2011" in the principal amount of not to exceed $16,000,000.

The Bonds may, if and when authorized by the Issuer pursuant to this Ordinance, be issued in one or more Series, with such further appropriate particular designations added to or incorporated in such title for the Bonds of any particular Series as the Issuer may determine and as may be necessary to distinguish such Bonds from the Bonds of any other Series. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs. The Bonds shall be issued for such purpose or purposes; shall bear interest at such rate or rates not exceeding the maximum rate permitted by law; and shall be payable in lawful money of the United States of America on such dates; all as determined herein or by Supplemental Ordinance of the Issuer, and, in the case of the Series 2011 Bonds, by Section 7 hereof.

SECTION 7. DESCRIPTION OF THE BONDS. The Series 2011 Bonds shall be dated the date of their execution and delivery, and shall have such other terms and provisions, including interest rates not exceeding the maximum interest rates permitted by the Act, principal and interest payment terms, maturity date, and prepayment provisions as stated herein and/or as described in the supplemental resolution. The Series 2011 Bonds are hereby authorized to be issued in fully registered form without coupons; may be Serial Bonds or Term Bonds; shall be numbered consecutively from one upward in order of maturity preceded by the letter "R" if Serial Bonds or Term Bonds; and shall be in the denomination of $100,000 each or integral multiples thereof.

Bonds (other than Series 2011 Bonds) are hereby authorized to be issued in fully registered form without coupons; may be Serial Bonds or Term Bonds; shall be numbered consecutively from one upward in order of maturity preceded by the letter "R" if Serial Bonds or Term Bonds; shall be in the denomination of $5,000 each, or integral multiples thereof for the Serial Bonds and Term Bonds, or such other denominations as shall be approved by the Issuer in a Supplemental Ordinance; shall bear interest at such rate or rates not exceeding the maximum rate allowed by State law, the actual rate to be approved by the governing body of the Issuer prior to or upon the sale of the Bonds; such interest to be payable semiannually at such times as are fixed by Supplemental Ordinance of the Issuer if Serial Bonds or Term Bonds, and shall mature annually on such date in such years and such amounts or such other payment dates as will be fixed by Supplemental Ordinance of the Issuer prior to or upon the sale of the Bonds; all as the Issuer shall provide herein or hereafter by Supplemental Ordinance.
Each Serial or Term Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated, unless authenticated on an interest payment date, in which case it shall bear interest from such interest payment date, or, unless authenticated prior to the first interest payment date, in which case it shall bear interest from its date; provided, however, that if at the time of authentication, payment of any interest which is due and payable has not been made, such Serial or Term Bond shall bear interest from the date to which interest shall have been paid.

The principal of and the interest and redemption premium, if any, on the Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The interest on the Serial or Term Bonds shall be payable by the Paying Agent on each interest payment date, or the first business day following an interest payment date if such interest payment date is not a business day, to the person appearing on the registration books of the Issuer hereinafter provided for as the registered Holder thereof, by check or draft mailed to such registered Holder at his address as it appears on such registration books or by wire transfer to Holders of $1,000,000 or more in principal amount of the Bonds. Payment of the principal of all Serial or Term Bonds (reduced by any Amortization Installments previously paid by the Issuer on any Term Bonds) shall be made upon the presentation and surrender of such Bonds as the same shall become due and payable.

As long as any Bonds are outstanding in book-entry form, the provisions of this Ordinance inconsistent with such system of book-entry registration shall not be applicable to such Bonds, and the Issuer covenants to cause adequate records to be kept with respect to the ownership of any Series of Bonds issued in book-entry form or the beneficial ownership of bonds issued in the name of a nominee.

SECTION 8. EXECUTION OF BONDS. The Bonds shall be signed by, or bear the facsimile signature of the Mayor and shall be attested by, or bear the facsimile signature of, the Clerk, and a facsimile of the official seal of the Issuer shall be imprinted on the Bonds. In case any officer whose signature or a facsimile of whose signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if such person remained in office until such delivery. Any Bond may bear the facsimile signature of or may be signed by such persons who, at the actual time of the execution of such Bond, shall be the proper officers to sign such Bonds although, at the date of such Bond, such persons may not have been such officers.

SECTION 9. AUTHENTICATION OF BONDS. Only such of the Bonds as shall have endorsed thereon a certificate of authentication substantially in the form hereinbelow set forth, duly executed by the Registrar, as authenticating agent, shall be entitled to any benefit or security under this Ordinance. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Registrar, and such certificate of the Registrar upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Ordinance. The Registrar's certificate of authentication on any Bond shall be deemed to have been duly executed if signed
by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the certificate of authentication of all of the Bonds that may be issued hereunder at any one time.

SECTION 10. EXCHANGE OF BONDS. Any Bonds, upon surrender thereof at the designated corporate trust office of the Registrar, together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form as shall be satisfactory to the Registrar, may, at the option of the Bondholder, be exchanged for an aggregate principal amount of Bonds of the same Series equal to the principal amount of the Bond or Bonds so surrendered.

The Registrar shall make provision for the exchange of Bonds at the designated corporate trust office of the Registrar.

SECTION 11. NEGOTIABILITY, REGISTRATION AND TRANSFER OF BONDS. The Registrar shall keep books for the registration of and for the registration of transfers of Bonds as provided in this Ordinance. The transfer of any Bonds may be registered only upon such books and only upon surrender thereof to the Registrar together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form as shall be satisfactory to the Registrar. Upon any such registration of transfer, the Issuer shall execute and the Registrar shall authenticate and deliver in exchange for such Bond, a new Bond or Bonds registered in the name of the transferee, and in an aggregate principal amount equal to the principal amount of such Bond or Bonds so surrendered and of the same Series.

In all cases in which Bonds shall be exchanged, the Issuer shall execute and the Registrar shall authenticate and deliver, at the earliest practicable time, a new Bond or Bonds of the same type (e.g., Serial Bonds will be exchanged for Serial Bonds) and of the same Series in accordance with the provisions of this Ordinance. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Registrar. The Issuer or the Registrar may make a charge for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made to any Bondholder for the privilege of exchanging or registering the transfer of Bonds under the provisions of this Ordinance. Neither the Issuer nor the Registrar shall be required to make any such exchange, registration or transfer of Bonds after the Record Date.

SECTION 12. OWNERSHIP OF BONDS. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or redemption price of any such Bond, and the interest on any such Bonds shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond including the premium, if any, and interest thereon to the extent of the sum or sums so paid.

SECTION 13. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may, in its discretion,
cause to be executed, and the Registrar shall authenticate and deliver, a new Bond of like date and tenor as the Bond so mutilated, destroyed, stolen or lost (e.g., Serial Bonds shall be issued in exchange for Serial Bonds) in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the Issuer and the Registrar proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer and the Registrar may prescribe and paying such expenses as the Issuer and the Registrar may incur. All Bonds so surrendered shall be canceled by the Issuer. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 13 shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Bonds be at any time found by anyone, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the funds, as hereinafter pledged, to the same extent as all other Bonds issued hereunder.

SECTION 14. PROVISIONS FOR REDEMPTION. The redemption provisions for the Series 2011 Bonds shall be fixed by supplemental resolution.

The Bonds shall be subject to redemption prior to their maturity, at the option of the Issuer, at such times and in such manner as shall be fixed by Supplemental Ordinance of the Issuer prior to or at the time of sale of such Series of Bonds.

Notice of such redemption shall, at least thirty (30) days prior to the redemption date, be filed with the Registrar, and mailed by the Registrar on behalf of the Issuer, first class mail, postage prepaid, to all Holders of Bonds to be redeemed at their addresses as they appear on the registration books hereinbefore provided for on the Record Date, but failure to mail such notice to one or more Holders of Bonds, or any defect therein, shall not affect the validity of the proceedings for such redemption with respect to Holders of Bonds to which notice was duly mailed hereunder and no defect occurred. Such notice shall also be sent to the registered securities depositories and to the Electronic Municipal Market Access System ("EMMA"). Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds of one maturity are to be called, the distinctive numbers of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed.

Any notice of optional redemption given pursuant to this Section 14 may state that it is conditional upon receipt by the Paying Agent of moneys sufficient to pay the redemption price, plus interest accrued to the redemption date, or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price and accrued interest if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission shall be given by the Paying Agent to affected Holders of Bonds as promptly as practicable upon the failure of such condition or the occurrence of such other
event.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the redemption price. Each check or other transfer of funds issued by the Registrar for the purpose of the payment of the redemption price of Bonds being redeemed shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Holder a new Bond or Bonds of the same maturity in the amount of the unpaid principal of such partially redeemed Bond. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

SECTION 15. FORM OF BONDS. The text of the Bonds, together with the certificate of authentication to be endorsed therein, shall be in substantially the following form, with such omissions, insertions and variations as may be necessary, desirable, authorized or permitted by this Ordinance or by any Supplemental Ordinance enacted prior to the issuance of a Series of Bonds, or as may be necessary to comply with applicable laws, rules and regulations of the United States and of the State in effect upon the issuance thereof.

[Remainder of page intentionally left blank]
[FORM OF BOND]

No. R-____      $____

UNITED STATES OF AMERICA
STATE OF FLORIDA
COUNTY OF MIAMI-DADE
TOWN OF SURFSIDE
UTILITY SYSTEM REVENUE BONDS, SERIES _____

MATURITY DATE:   INTEREST RATE:   DATED DATE:

Registered Owner:

Principal Amount:

The Town of Surfside, Florida (hereinafter called the "Issuer") for value received, hereby promises to pay to the order of the Registered Owner identified above or registered assigns, as herein provided, on the Maturity Date identified above, upon the presentation and surrender hereof at the designated corporate trust office of ______________________, ______________________, Florida from the sources hereinafter mentioned, the Principal Amount identified above in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and to pay, solely from said sources, to the Registered Owner hereof by wire transfer or check transmitted to the Registered Owner at his address as it appears on the Bond registration books of the Issuer as it appears on the 15th day of the calendar month preceding the applicable interest payment date, interest on said Principal Amount at the Interest Rate per annum identified above on each _________ 1 and _________ 1 commencing ______ 1, ______ from the interest payment date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated as of an interest payment date, in which case it shall bear interest from said interest payment date, or unless this Bond is registered and authenticated prior to ______, ____ in which event this Bond shall bear interest from _________.

The Bonds of this issue shall be subject to redemption prior to their maturity at the option of the Issuer.

(Insert Optional and/or Mandatory Redemption Provisions, prepayment waiver provisions)

Notice of such redemption shall be given in the manner required by the Ordinance described below.
This Bond is one of an authorized issue of Bonds in the aggregate principal amount of $__________ of like date, tenor and effect, except as to number, principal amount, maturity, redemption provisions and interest rate, issued to ______________, all in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter 166, Part II, Florida Statutes, as amended, and Ordinance No. ___-___ duly enacted by the Issuer on __________, 2011, as amended and supplemented (hereinafter collectively called the "Ordinance") and is subject to all the terms and conditions of such Ordinance. All capitalized undefined terms used herein shall have the meaning set forth in the Ordinance.

This Bond is payable solely from and secured by a pledge of the Net Revenues of the System levied and collected by the Issuer and the moneys in certain funds and accounts created pursuant to the Ordinance (collectively, the "Pledged Revenues") in the manner and to the extent provided in the Ordinance. Reference is made to the Ordinance for more complete definition and description of the System and the Pledged Revenues.

This Bond does not constitute a general indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provision or limitation, and it is expressly agreed by the Holder of this Bond that such Bondholder shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer or taxation of any real or personal property therein for the payment of the principal of and interest on this Bond or the making of any debt service fund, reserve or other payments provided for in the Ordinance.

It is further agreed between the Issuer and the Holder of this Bond that this Bond and the indebtedness evidenced thereby shall not constitute a lien upon the System, or any part thereof, or on any other property of or in the Issuer, but shall constitute a lien only on the Pledged Revenues all in the manner provided in the Ordinance.

The Issuer has covenanted, in the Ordinance, to fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use of the products, services and facilities of the System which will always provide, Net Revenues in each Fiscal Year sufficient to pay one hundred ten percent (110%) of the Bond Service Requirement on all Outstanding Bonds in the applicable Bond Year.

In addition to compliance with the preceding paragraph above, such Net Revenues in each Fiscal Year shall also be sufficient to provide one hundred percent (100%) of the Bond Service Requirement on all Outstanding Bonds in the applicable Bond Year, any amounts required by the terms hereof to be deposited for debt service on other obligations payable from the Revenues of the System, and other payments, and all allocations and applications of revenues herein required in such Fiscal Year.

Net Revenues will not be reduced so as to render them insufficient to provide revenues for the purposes provided therefor by the Ordinance.

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The Issuer has entered into certain further covenants with the Holders of the Bonds of this issue for the terms of which reference is made to the Ordinance.

It is certified that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and Statutes of the State of Florida.

This Bond is and has all the qualities and incidents of a negotiable instrument under Article 8 of the Uniform Commercial Code, the State of Florida, Chapter 678, Florida Statutes, as amended.

The transfer of this Bond is registrable by the Bondholder hereof in person or by his attorney or legal representative at the designated corporate trust office of the Registrar but only in the manner and subject to the conditions provided in the Ordinance and upon surrender and cancellation of this Bond.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Ordinance until it shall have been authenticated by the execution by the Registrar of the certificate of authentication endorsed hereon.

[Remainder of page intentionally left blank]
IN WITNESS WHEREOF, the Town of Surfside, Florida, has issued this Bond and has caused the same to be signed by the Mayor and countersigned and attested to by the Town Clerk (the signatures of the Mayor and the Town Clerk being authorized to be facsimiles of such officers' signatures), and its seal or facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the _____ day of __________, ______.

TOWN OF SURFSIDE, FLORIDA

(SEAL)

By: ______ (manual or facsimile) __________________
Mayor

ATTESTED AND COUNTERSIGNED:

By: ______ (manual or facsimile) __________________
Town Clerk
CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds issued under the provisions of the within mentioned Ordinance.

Registrar, as Authenticating Agent

Date of Authentication:

By: (manual or facsimile) ___________________
   Authorized Officer

ATTEST:

(many or facsimile) ______________
Authorized Officer

ASSIGNMENT AND TRANSFER

For value received the undersigned hereby sells, assigns and transfers unto __________ _____. (Please insert Social Security or other identifying number of transferee) __________ ___________ the attached bond of the Town of Surfside, Florida, and does hereby constitute and appoint, ______________, attorney, to transfer the said Bond on the books kept for Registration thereof, with full power of substitution in the premises.

Date: ________________________________
Signature Guaranteed by ________________
[member firm of the New York Stock Exchange or a commercial bank or a trust company.]

By: (manual or facsimile) ______________
Authorized Officer

NOTICE: No transfer will be registered and no new Bonds will be issued in the name of the transferee, unless the signature to this assignment corresponds with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the transferee is supplied.

[END OF FORM OF BOND]
SECTION 16. CREATION OF FUNDS. There are hereby created and established the following funds and accounts, which funds and accounts shall be trust funds held by the Finance Director for the purposes herein provided and used only in the manner herein provided:

(A) The "Town of Surfside Utility System Revenue Fund" (hereinafter sometimes called the "Revenue Fund") to be held by the Issuer and to the credit of which deposits of Gross Revenues shall be made as required by Section 20(A) hereof.

(B) The "Town of Surfside Utility System Bond Service Fund" (hereinafter sometimes called the "Bond Service Fund") to be held by the Issuer and to the credit of which deposits shall be made as required by Section 20(B)(I) hereof. In such fund there shall be maintained the following accounts: the Principal Account, the Interest Account, and the Redemption Account.

(C) The "Town of Surfside Utility System Subordinated Debt Service Fund" (hereinafter sometimes called the "Subordinated Debt Service Fund") to be held by the Issuer and to the credit of which deposits shall be made as required by Section 20(B)(2) hereof.

(D) The "Town of Surfside Utility System Renewal, Replacement and Improvement Fund" (hereinafter sometimes called the "Renewal, Replacement and Improvement Fund") to be held by the Issuer and to the credit of which deposits shall be made as required by Section 20(B)(3) hereof.

(E) The "Town of Surfside Rate Stabilization Fund" (hereinafter sometimes called the "Rate Stabilization Fund") to be held by the Issuer and to the credit of which deposits shall be made as required by Section 20 (C) hereof.

(F) The "Town of Surfside Operating Reserve Fund" (hereinafter sometimes call the "Operating Reserve Fund") to be held by the Issuer and to the credit of which deposits shall be made as required by Section 20(D) hereof.

(G) The "Town of Surfside Surplus Fund" (hereinafter sometimes called the "Surplus Fund") to be held by the Issuer and to the credit of which deposits shall be made as required by Section 20 (B)(4) hereof.

(H) The "Town of Surfside Utility System Project Fund" (hereinafter sometimes called the "Project Fund") to be held by the Issuer and to the credit of which deposits shall be made as required by Section 18 hereof. Within such fund there shall be created, established and maintained separate accounts for each Series of Bonds and furthermore be created, established and maintained separate accounts for capitalized interest funded from the proceeds of any Series of Bonds.
The Revenue Fund, the Bond Service Fund (including the accounts therein), the Renewal, Replacement and Improvement Fund, the Project Fund, the Rate Stabilization Fund, the Operating Reserve Fund, the Surplus Fund and any other special funds herein established and created shall be deemed to be held in trust for the purposes provided herein for such funds. The money in all such funds shall be continuously secured in the same manner as state and municipal deposits are authorized to be secured by the laws of the State of Florida.

The moneys required to be accounted for in each of the foregoing funds and accounts established herein may be deposited in a single account, and funds allocated to the various funds and accounts established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds and accounts as herein provided. The designation and establishment of the various funds and accounts in and by this Ordinance shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

SECTION 17. APPLICATION OF BOND PROCEEDS. With respect to the Series 2011 Bonds, the proceeds received from the sale of the Series 2011 Bonds shall be applied by the Issuer simultaneously with the delivery of such Series 2011 Bonds to the purchaser thereof, as provided in a supplemental resolution. The proceeds, including accrued interest and premium, if any, received from the sale of a Series of Bonds shall be applied by the Issuer simultaneously with the delivery of such Series of Bonds to the purchaser thereof, as provided in a Supplemental Ordinance authorizing the issuance of such Series of Bonds.

SECTION 18. DISBURSEMENTS FROM PROJECT FUND. Moneys on deposit from time to time in the Project Fund shall be used to pay or reimburse the following Project Costs:

(A) Costs incurred directly or indirectly for or in connection with a Project or a proposed or future Project or acquisition including, but not limited to, those for preliminary planning and studies, architectural, legal, financial, engineering and supervisory services, labor, services, materials, equipment, accounts receivable, acquisitions, land, rights-of-way, improvements and installation;

(B) Premiums attributable to all insurance required to be taken out and maintained during the period of construction with respect to a Project to be acquired or constructed, the premium on each surety bond, if any, required with respect to work on such facilities, and taxes, assessments and other charges hereof that may become payable during the period of construction with respect to such a Project;

(C) Costs incurred directly or indirectly in seeking to enforce any remedy against a contractor or subcontractor in respect of any default under a contract relating to a Project or costs incurred directly or indirectly in defending any claim by a contractor or subcontractor with respect to a Project;
(D) Financial, legal, accounting, appraisals, title evidence and printing and engraving fees, charges and expenses, and all other such fees, charges and expenses incurred in connection with the authorization, sale, issuance and delivery of such Series of Bonds;

(E) Capitalized interest funded from Bond proceeds, if any, for a reasonable period of time, which shall be deposited in a separate subaccount of the Project Fund and shall be used as provided in a Supplemental Ordinance of the Issuer;

(F) Any other incidental and necessary costs including without limitation any expenses, fees and charges relating to the acquisition, construction or installation of a Project, and the making of extraordinary repairs, renewals and replacements, decommissioning or retirement of any portion of the System, including the cost of temporary employees of the Issuer retained to carry out duties in connection with the acquisition, construction or erection of a Project and costs related to transition of such Project into ownership by the Issuer;

(G) Costs incurred directly or indirectly in placing any Project in operation in order that completion of such Project may occur;

(H) Any other costs relating to the System authorized pursuant to a Supplemental Ordinance of the Issuer and permitted under the laws of the State subject to the prior written approval of Bond Counsel; and

(I) Reimbursements to the Issuer for any of the above items hereinbefore paid by or on behalf of the Issuer, to the extent deemed advisable by Bond Counsel.

Notwithstanding anything else in this Ordinance to the contrary, in the Event of Default, the trustee acting for the Holders of Bonds shall, to the extent there are no other available funds held hereunder, use the remaining funds in the Project Fund to pay principal and interest on the Series of Bonds to which such funds relate and were provided by.

SECTION 19. SPECIAL OBLIGATIONS OF ISSUER. The Bonds shall not be or constitute general obligations or indebtedness of the Issuer as "bonds" within the meaning of the Constitution of the State, but shall be payable solely from and secured by a first lien upon and a pledge of the Pledged Revenues as herein provided. No Holder or Holders of any Bonds issued hereunder shall ever have the right to compel the exercise of the ad valorem taxing power of the Issuer or taxation in any form of any real or personal property therein, or to compel the Issuer to pay such principal and interest from any other funds of the Issuer.

The payment of principal of and interest on the Bonds shall be secured forthwith equally and ratably by, and the Issuer hereby grants to the Bondholders an irrevocable lien on the Pledged Revenues, prior and superior to all other liens or encumbrances on such Pledged Revenues and the Issuer does hereby irrevocably pledge such Pledged Revenues to the payment of the principal of, redemption premium, if any, and interest on the Bonds, for the reserves therefor and for all other payments required hereunder. Such amounts hereby
pledged and assigned shall immediately be subject to the lien of this pledge without any further physical delivery thereof or any further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer, irrespective of whether such parties have notice thereof.

SECTION 20. COVENANTS OF THE ISSUER. For so long as any of the principal of and interest on any of the Bonds shall be outstanding and unpaid or until the Issuer has made provision for payment of principal, interest and redemption premiums, if any, with respect to the Bonds, as provided herein, the Issuer covenants with the Holders of any and all Bonds as follows:

(A)    REVENUE FUND. All Gross Revenues of the System shall, upon receipt thereof, be deposited in the Revenue Fund. All deposits into such Revenue Fund shall be deemed to be held in trust for the purposes herein provided and used only for the purposes and in the manner herein provided.

(B)    DISPOSITION OF REVENUES. All Gross Revenues in the Revenue Fund, after payment of Cost of Operation and Maintenance, shall be disposed of monthly, but not later than the twenty-fifth (25th) day of each month commencing in the month immediately following the delivery of the Bonds only in the following manner and the following order of priority:

   1)    The Issuer shall first deposit into the Bond Service Fund and credit to the following accounts, in the following order (except that payments into the Principal Account and the Redemption Account shall be on a parity with each other), the following identified sums:

      a)    Interest Account: Taking into account actual and anticipated earnings in the Interest Account of the Bond Service Fund within the current Bond Year, such sum as will be sufficient to pay one-sixth (1/6th) of all interest coming due on all Outstanding Bonds on the next interest payment date; provided, however, that monthly deposits of interest, or portions thereof, shall not be required to be made to the extent that money on deposit within such Interest Account is sufficient for such purpose. Any monthly payment out of Net Revenues to be deposited as set forth above, for the purpose of meeting interest payments for any Series of Bonds, shall be adjusted, as appropriate, to reflect the frequency of interest payment dates applicable to such Series. Moneys in the Interest Account may be used only for the purposes set forth in this paragraph (a).

      b)    Principal Account: Taking into account actual and anticipated earnings in the Principal Account of the Bond Service Fund within the current Bond Year, such sum as will be sufficient to pay one-twelfth (1/12th) of the principal amount of the Outstanding Bonds which will mature and become due on such annual maturity dates beginning the month which is twelve (12) months prior to the first principal maturity date; provided, however, that monthly deposits for principal, or portions thereof, shall not be required to be made to the extent that money on deposit within such Principal Account is sufficient for such purpose. Any monthly payment out of Net Revenues to be deposited as set forth above, for the purpose
of meeting principal payments for any Series of Bonds, shall be adjusted, as appropriate, to reflect the frequency of principal payment dates applicable to such Series. Moneys in the Principal Account may be used only for the purposes set forth in this paragraph (b).

(c) Redemption Account: Taking into account actual and anticipated earnings in the Redemption Account of the Bond Service Fund within the current Bond Year, such sum as will be sufficient to pay one-twelfth (1/12th) of any Amortization Installment established for the mandatory redemption of Outstanding Bonds on such annual maturity date beginning the month which is twelve (12) months prior to the first Amortization Installment date; provided, however, that monthly deposits into the Redemption Account, or portions thereof, shall not be required to be made to the extent that money on deposit in the Redemption Account is sufficient for such purpose. Any monthly payment out of Net Revenues to be deposited as set forth above, for the purpose of meeting Amortization Installments for any Series of Bonds, shall be adjusted, as appropriate, to reflect the frequency of dates established for Amortization Installments applicable to such Series. The moneys in the Redemption Account shall be used solely for the purchase or redemption of the Term Bonds payable therefrom. The Issuer may at any time purchase any of said Term Bonds at prices not greater than the then redemption price of said Term Bonds. If the Term Bonds are not then redeemable prior to maturity, the Issuer may purchase said Term Bonds at prices not greater than the redemption price of such Term Bonds on the next ensuing redemption date. If Term Bonds are so purchased by the Issuer, the Issuer shall credit the account of such purchased Term Bonds against any current Amortization Installment to be paid by the Issuer. If the Issuer shall purchase or call for redemption in any year Term Bonds in excess of the Amortization Installment requirement for such year, such excess of Term Bonds so purchased or redeemed shall be credited in such manner and at such times as the Issuer shall determine. Moneys in the Redemption Account in the Debt Service Fund may be used only for the purposes set forth in this paragraph (c).

(2) From the moneys remaining in the Revenue Fund, the Issuer shall next deposit into the Subordinated Debt Service Fund an amount required to be paid as provided in the ordinance or agreement of the Issuer authorizing such Subordinated Debt, but for no other purposes.

(3) The Issuer shall next apply and deposit monthly from the moneys remaining on deposit in the Revenue Fund into the Renewal, Replacement and Improvement Fund, an amount at least equal to one-twelfth (1/12) of two (2) times the annualized costs of the Issuer's five (5) year capital improvement plan for the System. The moneys in the Renewal, Replacement and Improvement Fund shall be used only for the purpose of paying the cost of extensions, enlargements or additions to, or the replacement of capital assets of the System or emergency repairs or extraordinary repairs thereto. No further deposits will be required to be made into the Renewal, Replacement and Improvement Fund when there shall be on deposit therein an amount equal to or greater than one percent (1%) of the gross book value of the fixed assets of the System pursuant to generally accepted accounting principles, or such other amount as may be determined from time to time by the Consulting Engineer. Funds on hand in the Renewal, Replacement and Improvement Fund may be used to pay current Cost of Operation and Maintenance to the extent moneys on deposit in the Revenue Fund are
insufficient for such purposes. The moneys on deposit in such fund may also be used, if necessary, in order to prevent a default in the payment of the principal and interest on the Bonds.

(4) The balance of any moneys remaining in the Revenue Fund after the above required payments have been made shall be deposited into the Surplus Fund and may be used for any lawful purpose of the Issuer; provided, however, that none of such moneys shall be used for any purposes other than those hereinabove specified unless all current payments, including any deficiencies for prior payments, have been made in full and unless the Issuer shall have complied fully with all the covenants and provisions of this Ordinance.

(C) RATE STABILIZATION FUND. The Issuer may transfer into the Rate Stabilization Fund such moneys which are on deposit in the Surplus Fund as it deems appropriate. The Issuer may transfer such amount of moneys from the Rate Stabilization Fund to the Revenue Fund as it deems appropriate; provided, however, that on or prior to each principal and interest payment date for the Bonds (in no event earlier than the 25th day of the month next preceding such payment date), moneys in the Rate Stabilization Fund shall be applied for the payment into the Interest Account, the Principal Account and the Redemption Account when the moneys therein are insufficient to pay the principal of and interest on the Bonds coming due, but only to the extent moneys transferred from the Surplus Fund and Renewal, Replacement and Improvement Fund for such purposes pursuant to Sections 20(B)(3) and 20(B)(4) hereof, shall be inadequate to fully provide for such insufficiency.

(D) OPERATING RESERVE FUND. The Issuer may transfer into the Operating Reserve Fund such moneys which are on deposit in the Surplus Fund as it deems appropriate. The moneys in the Operating Reserve Fund shall be used only for the purpose of paying for emergencies, working capital needs or unexpected contingencies. Funds on hand in the Operating Reserve Fund may be used to pay current Cost of Operation and Maintenance to the extent moneys on deposit in the Revenue Fund are insufficient for such purposes. The moneys on deposit in such fund may also be used, if necessary, in order to prevent a default in the payment of the principal and interest on the Bonds.

(E) INVESTMENTS. Moneys in any fund or account created hereunder may be invested and reinvested in Permitted Investments which mature not later than the dates on which the moneys on deposit therein will be needed for the purpose of such fund. All income on such investments, except as otherwise provided, shall be deposited in the respective funds and accounts from which such investments were made and be used for the purposes thereof unless and until the maximum required amount (or, with respect to the Project Fund, the amount required to acquire, construct and erect the Project) is on deposit therein, and thereafter shall be deposited in the Revenue Fund.

In determining the amount of any of the payments required to be made pursuant to Section 20(B), credit may be given for all investment income accruing to the respective funds and accounts described herein, except as otherwise provided.

The Issuer may at any time and from time to time appoint one or more depositaries to
hold, for the benefit of the Bondholders, any one or more of the funds, accounts and subaccounts established hereby. Such depository or depositaries shall perform at the direction of the Issuer the duties of the Issuer in depositing, transferring and disbursing moneys to and from each of such funds and accounts as herein set forth, and all records of such depository in performing such duties shall be open at all reasonable times to inspection by the Issuer and its agent and employees. Any such depository shall be a bank or trust company duly authorized to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and having a combined capital, surplus and undivided profits aggregating not less than fifty million dollars ($50,000,000).

(F) OPERATION AND MAINTENANCE. The Issuer will maintain the System and all parts thereof in good condition and will operate the same in an efficient and economical manner, making such expenditures for equipment and for renewals, repairs and replacements as may be proper for the economical operation and maintenance thereof.

(G) RATE COVENANT. The Issuer will fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use of the products, services and facilities of the System which will always provide, Net Revenues in each Fiscal Year sufficient to pay one hundred ten percent (110%) of the Bond Service Requirement on all Outstanding Bonds in the applicable Bond Year.

In addition to compliance with the preceding paragraph above, Net Revenues in each Fiscal year shall also be sufficient to provide one hundred percent (100%) of the Bond Service Requirement on all Outstanding Bonds in the applicable Bond Year, any amounts required by the terms hereof to be deposited for debt service on other obligations payable from the Net Revenues of the System, and other payments, and all allocations and applications of revenues herein required in such Fiscal Year.

Net Revenues shall not be reduced so as to render them insufficient to provide revenues for the purposes provided therefor by this Ordinance.

(H) BOOKS AND ACCOUNTS; AUDIT. The Issuer shall keep proper books, records and accounts, separate and apart from all other records and accounts, showing correct and complete entries of all transactions of the System, and the Holders of any of the Bonds or any duly authorized agent or agents of such Holders shall have the right at any and all reasonable times to inspect such books, records and accounts. The Issuer shall, within two hundred seventy (270) days following the close of each Fiscal Year of the Issuer, cause an audit of such books, records and accounts to be made by an independent firm of certified public accountants.

Copies of each such audit report shall be placed on file with the Issuer and be made available at reasonable times for inspection by Holders of the Bonds.

(I) DISPOSITION OF SYSTEM.

(i) The System may be sold or otherwise disposed of as a whole or substantially as a whole, only if the net proceeds to be realized, together with other
moneys available for such purpose, shall be sufficient to fully retire all of the Outstanding Bonds issued pursuant to this Ordinance and all interest thereon to their respective dates of maturity or earlier redemption dates. The proceeds from such sale or other disposition of the System shall immediately be deposited first in the Bond Service Fund and then in the Subordinated Debt Service Fund and shall be used only for the purpose of paying the principal of and interest on the Bonds and Subordinated Debt as the same shall become due, or the redemption of callable Bonds and Subordinated Debt, or the purchase of Bonds and Subordinated Debt at a price not greater than the redemption price of said Bonds and Subordinated Debt, or, if the Bonds or Subordinated Debt are not then redeemable prior to maturity, at prices not greater than the redemption price of such Bonds or Subordinated Debt on the next ensuing redemption date.

(ii) The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease, exchange or otherwise dispose of any of the tangible property or ownership interest in tangible property comprising a part of the System in the following manner, if any one of the following conditions exist: (a) such property is not necessary for the operation of the System or (b) such property is not useful in the operation of the System or (c) such property is not profitable in the operation of the System.

Prior to any sale, lease, exchange or other disposition of said property:

(1) if the amount to be received therefor is not in excess of one-half (1/2) of one percentum (1%) of the value of the gross plant investment in the System, the officer of the Issuer charged with the normal acquisition, construction, operation, maintenance and repair of the portion of the System for which disposition is sought, may determine that such property comprising a part of such System is either no longer necessary, useful or profitable in the operation thereof.

(2) if the amount to be received therefor is in excess of one-half (1/2) of one percentum (1%) of the value of the gross plant investment in the System, the officer of the Issuer charged with the normal acquisition, construction, operation, maintenance and repair of the portion of the System for which disposition is sought and the Consulting Engineer shall each first make a finding in writing determining that such property comprising a part of such System is either no longer necessary, useful or profitable in the operation thereof, and the Issuer shall, by resolution duly adopted, approve and concur in the finding of such authorized officer and the Consulting Engineer.

The net proceeds realized from such disposal of a part of the System shall be deposited in the Renewal, Replacement and Improvement Fund to the extent necessary to make the amount on deposit therein equal to the amount then required to be on deposit therein; and any additional moneys not needed for said fund shall be used for any capital expenditures in connection with the System or the purchase or redemption of Outstanding Bonds.

(i) Notwithstanding any other provision of this Section 20(1) or this
Ordinance to the contrary, except for the initial paragraph of this Section 20(I), the Issuer may sell, lease, exchange or otherwise dispose of tangible property or an ownership interest in tangible property comprising a part of the System provided the duly authorized officer charged with the normal acquisition, construction, operation, maintenance and repair of the portion of the System for which disposition is sought, and the Qualified Independent Consultant each make a finding in writing, adopted and confirmed by resolution of the Issuer, determining that (i) such sale, lease, exchange or other disposition will not materially impair or restrict the Issuer’s ability to realize Gross Revenues in compliance with the requirements therefor as set forth herein, and (ii) such sale, lease, exchange or other disposition is in the economic best interests of the Issuer.

(ii) Notwithstanding any other provision of this Section 20(I) or this Ordinance to the contrary, the Issuer may transfer ownership and/or operation of all or a portion of the System to any public body authorized by the laws of the State to own and/or operate such System on an installment sale basis provided that the Issuer (a) has received an opinion of Bond Counsel stating the federal income tax exemption of the interest on the Bonds (not including taxable Bonds) will not be affected and has received an opinion of Bond Counsel stating that such sale is not prohibited by any applicable Florida law, and (b) the Issuer adopts a resolution to the effect that, based upon such certificates and opinions of its Consulting Engineer, independent certified public accountants, Bond Counsel, Financial Advisor or other Qualified Independent Consultant as the Issuer shall deem necessary, desirable or appropriate, such transfer will not materially adversely affect the rights of the Holders of the Bonds.

(J) INSURANCE. The Issuer shall provide protection for the System both in accordance with the requirements of all agreements, if any, to which the Issuer may at the time be a party with respect to joint ownership of properties by the Issuer with others which is part of the System, and in accordance with Prudent Utility Practice. Said protection may consist of insurance, self insurance and indemnities. The Issuer will keep, or cause to be kept, the works, plants and facilities comprising the properties of the System insured, and will carry such other insurance against fire and other risks, accidents or casualties at least to the extent and of the kinds that insurance is usually carried by utilities operating like properties. Any insurance shall be in the form of policies or contracts for insurance with insurers of good standing, shall be payable to the Issuer and may provide for such deductibles, exclusions, limitations, restrictions, and restrictive endorsements customary in policies for similar coverage issued to entities operating properties similar to the properties of the System. Any self insurance shall be in the amounts, manner and of the type provided by entities operating properties similar to the properties of the System. In the event of any loss or damage to the System covered by insurance, the Issuer will, with respect to each such loss, promptly repair, reconstruct or replace the parts of the System affected by such loss or damage to the extent necessary to the proper conduct of the operation of the business of the System in accordance with Prudent Utility Practice, shall cause the proceeds of such insurance to be applied for that purpose to the extent required therefor, and pending such application, shall hold the proceeds of any
insurance policy covering such damage or loss in trust to be applied for that purpose to the extent required therefor. Any excess insurance proceeds received by the Issuer may be used by the Issuer for any lawful purpose. Notwithstanding the foregoing or any provisions of this Ordinance to the contrary, the Issuer shall not be required to maintain insurance with respect to facilities for which insurance shall not be available or for facilities which, in accordance with Prudent Utility Practice, are not customarily insured.

(K) NO FREE SERVICE. So long as any Bonds are outstanding, the Issuer shall not furnish or supply the facilities, services and commodities of the System either free of charge or for a nominal charge to any person, firm or corporation, public or private, including the Issuer's departments, agencies and instrumentalities which avail themselves of the services of the System. The Issuer shall promptly enforce the payment of any and all accounts owing to the Issuer and delinquent, by discontinuing service or by filing suits, actions or proceedings, or by both discontinuance of service and filing suit.

(L) MANDATORY CUT OFF. The Issuer shall establish a written policy consistent with sound business judgment for the disconnection from the System of any customer who fails to pay for services rendered by the System, and shall enforce such policy diligently and fairly.

(M) ENFORCEMENT OF COLLECTIONS. The Issuer will diligently enforce and collect the rates, fees and other charges for the services and facilities of the System and will take all steps, actions and proceedings for the enforcement and collection of such rates, charges and fees as shall become delinquent to the full extent permitted or authorized by law; and will maintain accurate records with respect thereof. All such fees, rates, charges and revenues shall, as collected, be held in trust to be applied as herein provided.

(N) OPERATING BUDGET. The Issuer shall annually, prior to commencement of each of its Fiscal Years, prepare and adopt a budget of the estimated expenditures for the operation and maintenance of the System during such next succeeding Fiscal Year. The Issuer shall mail copies of such annual budgets (including any amendments thereto) to any Holder or Holders of Bonds who shall file his address with the Issuer and request in writing that copies of all such budgets be furnished him and shall make available such budgets of the System at all reasonable times to any Holder or Holders of Bonds or to anyone acting for and on behalf of such Holder or Holders. Bondholders shall pay reasonable actual cost of printing and mailing of such copies.

(O) MANDATORY CONNECTIONS; NO COMPETING SYSTEM. So long as service is in fact available as reasonably determined by the Issuer, the Issuer will, to the full extent permitted by law, require all lands, buildings and structures within the area being served by the System as of the date of issuance of the Bonds, to connect with and use such facilities within sixty (60) days after notification. To the extent permitted by law, the Issuer will not grant a franchise for the operation of any competing utility system or systems within the area served by the System as of the date of issuance of the Bonds until all Bonds issued hereunder, together with the interest thereon, and premium, if any, have been paid in full. Notwithstanding the foregoing, the Issuer shall not be required to duplicate services being provided by private or
public utilities in the area being served by such private or public utilities on the date of issuance of the Bonds. In addition, the Issuer shall not be prohibited from allowing other private or public utilities to provide services within the area being served by the System as of the date of issuance of the Bonds, if the Issuer shall not be providing such service in such area on that date. Nothing herein shall be deemed to constitute the approval of the Issuer for any private or public utility (other than the System) to provide any services within the boundaries of the Issuer or within the area being served by the System as of the date of issuance of the Bonds or within any other area of the Issuer.

(P) SUPERVISORY PERSONNEL. The Issuer, in operating the System, will employ or designate, as manager, one or more of its qualified employees, or an independent contractor, who have demonstrated ability and experience in operating similar facilities, and will require all such employees or independent contractors, as the case may be, who may have possession of money derived from the operation of the System to be covered by a fidelity bond, written by a responsible indemnity company in amounts fully adequate to protect the Issuer from loss.

(Q) PAYMENT OF TAXES, ASSESSMENTS AND OTHER CLAIMS. The Issuer shall from time to time duly pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges, or payments in lieu thereof, lawfully imposed upon the properties constituting the System or the Gross Revenues when the same shall become due, as well as all lawful claims for labor and materials and supplies which, if not paid, might become a lien or charge upon such properties or any part thereof, or upon the Gross Revenues or which might in any way impair the security of the Bonds, except assessments, charges or claims which the Issuer shall in good faith contest by proper legal proceedings.

(R) ISSUANCE OF OTHER OBLIGATIONS. The Issuer shall issue no bonds or obligations of any kind or nature payable from or enjoying a lien on the Pledged Revenues if such obligations have priority over the Bonds with respect to payment or lien, nor shall the Issuer create or cause or permit to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien of the Bonds upon said Pledged Revenues. Notwithstanding any other provision in this Section 20(R), the Issuer may issue Additional Parity Obligations under the conditions and in the manner provided herein. Any obligations of the Issuer, other than the Bonds, which are payable from the Pledged Revenues shall contain an express statement that such obligations are junior and subordinate in all respects to the Bonds as to lien on and source and security for payment from such Pledged Revenues.

(S) ISSUANCE OF ADDITIONAL PARITY OBLIGATIONS. No Additional Parity Obligations shall be issued after the issuance of the Series 2011 Bonds herein authorized, except upon the conditions and in the manner hereinafter provided:

1. There shall have been obtained and filed with the Clerk a certificate of the Issuer’s Finance Director stating: (a) that the books and records of the Issuer relative to the System and the Net Revenues have been reviewed by the Finance Director; and (b) that the amount of the Net Revenues derived for any consecutive twelve (12) months out of the preceding thirty (30) months preceding the date of issuance of the proposed Additional Parity
Obligations (the "Test Period") adjusted as provided in paragraphs (2), (3), (4) and/or (5) below, is equal to not less than 125% of the Maximum Bond Service Requirement becoming due in any Bond Year thereafter on (A) all Bonds issued under this Ordinance, if any, then Outstanding, and (B) on the Additional Parity Obligations with respect to which such certificate is made.

(2) Upon recommendation of the Qualified Independent Consultants, the Net Revenues certified pursuant to (b) in the previous paragraph may be adjusted for purposes of this Section 20(S) by including: (a) 100% of the additional Net Revenues which in the opinion of the Qualified Independent Consultant would have been derived by the Issuer from rate increases adopted before the Additional Parity Obligations are issued, if such rate increases had been implemented before the commencement of such Bond Year and (b) 100% of the additional Net Revenues estimated by the Qualified Independent Consultant to be derived during the first full twelve month period after the facilities of the System are extended, enlarged, improved or added to with the proceeds of the Additional Parity Obligations with respect to which such certificate is made.

(3) Upon recommendation of the Qualified Independent Consultants, if the number of connections as of the first day of the month in which the proposed Additional Parity Obligations are to be issued exceeds the average number of such connections during such twelve (12) consecutive month period, then the Net Revenues certified pursuant to Section 20(S)(1)(b) may be adjusted to include the Net Revenues which would have been received in such twelve (12) consecutive months if those additional connections had also been connected to the System during all of such twelve (12) consecutive months.

(4) Upon recommendation of the Qualified Independent Consultant, if the Issuer shall have entered into a contract, which contract shall be for a duration of not less than the final maturity of the proposed Additional Parity Obligations, with any public body, whereby the Issuer shall have agreed to furnish services for the collection, treatment or disposal of sewage or agreed to furnish services in connection with any water system or any other utility system, then the Net Revenues certified pursuant to Section 20(S)(1)(b) may be increased (to the extent such amounts were not reflected in such Net Revenues) by the minimum amount which the public body shall guarantee to pay in any one year for the furnishing of services by the Issuer, after deducting from such payment the estimated Cost of Operation and Maintenance attributable in such year to such services.

(5) Upon recommendations of the Qualified Independent Consultants, if there is an estimated increase in Net Revenues to be received by the Issuer as a result of additions, extensions or improvements to the System during the period of three (3) years following the completion of such additions, extensions or improvements financed with the proceeds of Bonds or Additional Parity Obligations, then the Net Revenues derived from the System certified pursuant to Section 20(S)(1)(b) may be increased by fifty percent (50%) of the average annual additional Net Revenues calculated for such three year period.

(6) The Issuer need not comply with the provisions of paragraph (1) of this Section 20(S) if and to the extent the Bonds to be issued are Refunding Bonds, if the issuer shall
cause to be delivered a certificate of the Finance Director of the Issuer setting forth the Average Annual Debt Service Requirement (i) for the Bonds then Outstanding and (ii) for all Series of Bonds to be immediately Outstanding thereafter and stating that the Average Annual Debt Service Requirement pursuant to (ii) above is not greater than that set forth pursuant to (i) above.

(7) The Issuer need not comply with the provisions of paragraph (1) of this Section 20(S) if and to the extent the Bonds to be issued are for the purpose of providing any necessary additional funds required for completion of any improvements to the System ("Completion Bonds") if originally financed with the proceeds of Bonds; provided that such Completion Bonds for which the Issuer need not comply with the provision of such paragraph (1) of this Section 20(S) may not exceed 10% of the total principal amount of Bonds estimated to be required for such improvements to the System at the time of issuance of the initial Series of Bonds to finance such improvements.

(8) The Finance Director of the Issuer shall have certified that the Issuer is not in default in the carrying out of any of the obligations assumed under this Ordinance and no event of default shall have occurred under this Ordinance and shall be continuing, and all payments required by this Ordinance to be made into the funds and accounts established hereunder shall have been made to the full extent required.

(9) The Supplemental Ordinance authorizing the issuance of the Additional Parity Obligations shall recite that all of the covenants contained herein will be applicable to such Additional Parity Obligations.

SECTION 21. DEFAULTS; EVENTS OF DEFAULT AND REMEDIES. Except as provided below, if any of the following events occur, it is hereby defined as and declared to be and to constitute an "Event of Default:"

(A) Default in the due and punctual payment of any interest on the Bonds;

(B) Default in the due and punctual payment of the principal of and premium, if any, on any Bond, at the stated maturity thereof, or upon proceedings for redemption thereof;

(C) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer contained in this Ordinance or in the Bonds and the continuance thereof for a period of thirty (30) days after written notice to the Issuer given by the Holders of not less than twenty-five percent (25%) of aggregate principal amount of Bonds then Outstanding (provided, however, that with respect to any obligation, covenant, agreement or condition which requires performance by a date certain, if the Issuer performs such obligation, covenant, agreement or condition within thirty (30) days of written notice as provided above, the default shall be deemed to be cured);

(D) Failure by the Issuer promptly to remove any execution, garnishment or attachment of such consequence as will materially impair its ability to carry out its obligations hereunder; or
(E) Any act of bankruptcy or the rearrangement, adjustment or readjustment of the obligations of the Issuer under the provisions of any bankruptcy or moratorium laws or similar laws relating to or affecting creditors' rights.

The term "default" shall mean default by the Issuer in the performance or observance of any of the covenants, agreements or conditions on its part contained in this Ordinance, any Supplemental Ordinance or in the Bonds, exclusive of any period of grace required to constitute a default or an "Event of Default" as hereinabove provided.

Any Holder of Bonds issued under the provisions hereof or any trustee acting for the Holders of such Bonds may, either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under State or federal law, or granted and contained herein, and may enforce and compel the performance of all duties required herein or by any applicable law to be performed by the Issuer or by any officer thereof.

Nothing herein, however, shall be construed to grant to any Holder of the Bonds any lien on any property of the Issuer, except the Pledged Revenues.

The foregoing notwithstanding:

(i) No remedy conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder.

(ii) No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised as often as may be deemed expedient.

(iii) No waiver of any default or Event of Default hereunder by the Bondholders shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bondholders under this Ordinance, the Bondholders shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the System and the funds pending such proceedings, with such powers as the court making such appointment shall confer.

On the occurrence of an Event of Default, to the extent such rights may then lawfully be waived, neither the Issuer nor anyone claiming through or under it, shall set up, claim or seek to take advantage of any stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement of this Ordinance, and the Issuer, for itself and all who
may claim through or under it, hereby waives, to the extent it may lawfully do so, the benefit of all such laws and all right of redemption to which it may be entitled.

SECTION 22. AMENDING AND SUPPLEMENTING OF ORDINANCE WITHOUT CONSENT OF HOLDERS OF BONDS. The Issuer, from time to time and at any time and without the consent or concurrence of any Holder of any Bonds, may enact a Supplemental Ordinance amendatory hereof or supplemental hereto if the provisions of such Supplemental Ordinance shall not materially adversely affect the rights of the Holders of the Bonds then Outstanding, for any one or more of the following purposes:

(A) To make any changes or corrections in this Ordinance as to which the Issuer shall have been advised by Bond Counsel that are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provisions or omission or mistake or manifest error contained in this Ordinance, or to insert in this Ordinance such provisions clarifying matters or questions arising under this Ordinance as are necessary or desirable;

(B) To add additional covenants and agreements of the Issuer for the purpose of further securing the payments of the Bonds;

(C) To surrender any right, power or privilege reserved to or conferred upon the Issuer by the terms of this Ordinance;

(D) To confirm, as further assurance, any lien, pledge or charge or the subjection to any lien, pledge or charge, created or to be created by the provisions of this Ordinance;

(E) To grant to or confer upon the Holders any additional right, remedies, powers, authority or security that lawfully may be granted to or conferred upon them;

(F) To assure compliance with federal “arbitrage” provisions in effect from time to time;

(G) To provide for the combining of the System with any other utility provided the conditions set forth in Section 26 hereof are satisfied;

(H) To provide for the transfer of the ownership and/or operation of the System pursuant to a governmental reorganization as set forth in Section 25 hereof; or

(I) To modify any of the provisions of this Ordinance in any other aspects provided that such modifications shall not be effective until after the Bonds Outstanding at the time such Supplemental Ordinance is adopted shall cease to be Outstanding, or until the holders thereof consent thereto pursuant to Section 23 hereof, and any Bonds issued subsequent to any such modification shall contain a specific reference to the modifications contained in such Supplemental Ordinance.

Except for Supplemental Ordinances providing for the issuance of Bonds pursuant hereto, the Issuer shall not adopt any Supplemental Ordinance authorized by the foregoing
provisions of this Section unless, in the opinion of Bond Counsel, the enactment of such Supplemental Ordinance is permitted by the foregoing provisions of this Section.

SECTION 23. AMENDMENT OF ORDINANCE WITH CONSENT OF HOLDERS OF BONDS. Except as provided in Section 22 hereof, no material modification or amendment of this Ordinance or of any Ordinance supplemental hereto shall be made without the consent in writing of the Holders of fifty-one percent (51%) or more in the principal amount of the Bonds so affected and then Outstanding. No modification or amendment shall permit a change in the maturity of such Bonds or a reduction in the rate of interest thereon or in the amount of the principal obligation thereof or reduce the percentage of the Holders of the Bonds required to consent to any material modification or amendment hereof without the consent of the Holder or Holders of all such obligations.

SECTION 24. DEFEASANCE. The covenants and obligations of the Issuer shall be defeased and discharged under terms of this Ordinance as follows:

(A) If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds the principal, redemption premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated herein, then the pledge of the Pledged Revenues and all covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of any Outstanding Bonds the principal, redemption premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated herein, such Bonds shall cease to be entitled to any lien, benefit or security under this Ordinance, and all covenants, agreements and obligations of the Issuer to the Holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

(B) The Bonds, redemption premium, if any, and interest due or to become due for the payment or redemption of which moneys shall have been set aside and shall be held in trust (through deposit by the Issuer of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in paragraph (A) of this Section 24. Any Outstanding Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in paragraph (A) of this Section if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Issuer shall have given to the escrow agent instructions accepted in writing by the escrow agent to notify Holders of Outstanding Bonds in the manner required herein of the redemption of such Bonds on said date, and (ii) there shall have been deposited with the escrow agent either moneys in an amount which shall be sufficient, or Acquired Obligations (including any Acquired Obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the escrow agent at the same time, shall be sufficient, to pay when due the principal of and premium, if any, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be. In the event of an advance refunding pursuant to clause (ii) above, the Issuer
shall cause to be delivered a verification report of an independent nationally recognized certified public accountant. If a forward supply contract is employed in connection with the refunding, (i) such verification report shall expressly state that the adequacy of the escrow to accomplish the refunding project relies solely on the initial escrowed investments and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract, and (ii) the applicable escrow agreement shall provide that in the event of any discrepancy or difference between the terms of the forward supply contract and the escrow agreement and this Ordinance, the terms of the escrow agreement and this Ordinance shall be controlling.

SECTION 25. GOVERNMENTAL REORGANIZATION. Notwithstanding any other provisions of this Ordinance, this Ordinance shall not prevent any lawful reorganization of the governmental structure of the Issuer, including a merger or consolidation of the Issuer with another public body or the transfer of a public function of the Issuer to another public body, provided that any reorganization which affects the System shall provide that the System shall be continued as a single enterprise and that any public body which succeeds to the ownership and operation of the System shall also assume all rights, powers, obligations, duties and liabilities of the Issuer under this Ordinance and pertaining to all Bonds.

SECTION 26. ADDITIONAL UTILITY FUNCTIONS. The Issuer may expand the utility functions of the System as they exist on the date hereof as permitted in the definition of “System” contained herein and adopted resolutions or ordinances of the Issuer to the effect that, based upon such certificates and opinions of its Consulting Engineer, independent certified public accountants, Bond Counsel, Financial Advisor or other Qualified Independent Consultants as the Issuer shall deem necessary, desirable or appropriate, the addition of such utility functions (a) will not impair the ability of the Issuer to comply with the provisions of this Ordinance, and (b) will not materially adversely affect the rights of the Holders of the Bonds.

SECTION 27. SEPARATELY FINANCED PROJECT. Nothing in this Ordinance shall prevent the Issuer from authorizing and issuing bonds, notes, or other obligations or evidences of indebtedness other than Bonds or Subordinated Debt, for any purpose of the Issuer authorized by the Act or from financing any such purpose from other available funds (such purpose being referred to herein as a “Separately Financed Project”), if the debt service on such bonds, notes, or other obligations or evidences of indebtedness, if any, and the Issuer’s share of any operating expenses related to such Separately Financed Project, are payable solely from the revenues or other income derived from the ownership or operation of such Separately Financed Project or from other legally available funds of the Issuer, including but not limited to funds withdrawn from the Revenue Fund pursuant to Section 20(A) hereof.

SECTION 28. TAX COVENANTS. With respect to any Bonds for which the Issuer intends on the date of issuance thereof for the interest thereon to be excluded from gross income for purposes of Federal income taxation:

(A) The Issuer covenants with the Holders of each Series of Bonds (other than Taxable Bonds) that it shall not use the proceeds of such Series of Bonds in any manner which would cause the interest on such Series of Bonds to be or become includable in the gross income for Federal income tax purposes.
income of the Holder thereof for federal income tax purposes.

(B) The Issuer covenants with the Holders of each Series of Bonds (other than Taxable Bonds) that neither the Issuer nor any Person under its control or direction will make any use of the proceeds of such Series of Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause such Series of Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and neither the Issuer nor any other Person shall do any act or fail to do any act which would cause the interest on such Series of Bonds to become includable in the gross income of the Holder thereof for federal income tax purposes.

(C) The Issuer hereby covenants with the Holders of each Series of Bonds (other than Taxable Bonds) that it will comply with all provisions of the Code necessary to maintain the exclusion of interest on the Bonds from the gross income of the Holder thereof for federal income tax purposes, including, in particular, the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code.

(D) The Issuer may, if it so elects, issue one or more Series of Taxable Bonds the interest on which is (or may be) includable in the gross income of the Holder thereof for federal income tax purposes, so long as each Bond of such Series states in the body thereof that interest payable thereon is (or may be) subject to federal income taxation and provided that the issuance thereof will not cause the interest on any other Bonds theretofore issued hereunder to be or become includable in the gross income of the Holder thereof for federal income tax purposes. The covenants set forth in paragraphs (A), (B) and (C) above shall not apply to any Taxable Bonds.

(E) There is hereby created and established a fund to be known as the "Town of Surfside Utility System Revenue Bonds Rebate Fund" (the "Rebate Fund"), and a separate account therein for each Series of Bonds. The Issuer shall deposit into the appropriate account in the Rebate Fund, from investment earnings on moneys deposited in the other funds and accounts created hereunder, or from any other legally available funds of the Issuer, an amount equal to the Rebate Amount for such Rebate Year. The Issuer shall use such moneys deposited in the appropriate account in the Rebate Fund only for the payment of the Rebate Amount to the United States as required by this Section. In complying with the foregoing, the Issuer may rely upon any instructions or opinions from Bond Counsel.

If any amount shall remain in the Rebate Fund after payment in full of all Bonds issued hereunder that are not Taxable Bonds and after payment in full of the Rebate Amount to the United States in accordance with the terms hereof, such amounts shall be available to the Issuer for any lawful purpose.

The Rebate Fund shall be held separate and apart from all other funds and accounts of the Issuer, shall not be impressed with a lien in favor of the Bondholders and the moneys therein shall be available for use only as herein provided.
SECTION 29. SEVERABILITY. If any one or more of the covenants, agreements or provisions of this Ordinance should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid or shall in any manner be held to adversely affect the validity of the Bonds, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Ordinance or of the Bonds issued hereunder.

SECTION 30. SALE OF BONDS. The Bonds may be issued and sold at public or private sale at one time or in installments from time to time and at such price or prices as shall be consistent with the provisions of the requirements of this Ordinance and other applicable provisions of law.

SECTION 31. GENERAL AUTHORITY. The members of the Town Commission of the Issuer and the Issuer's officers, attorneys and other agents and employees are hereby authorized to perform all acts and things required of them by this Ordinance or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bonds and this Ordinance, and they are hereby authorized to execute and deliver all documents which shall be required by Bond Counsel to effectuate the sale of the Bonds to said initial purchasers.

SECTION 32. NO THIRD PARTY BENEFICIARIES. Except such other Persons as may be expressly described herein, in the Bonds, nothing in this Ordinance, or in the Bonds, expressed or implied, is intended or shall be construed to confer upon any Person, other than the Issuer and the Holders, any right, remedy or claim, legal or equitable, under and by reason of this Ordinance or any provision hereof, or of the Bonds, all provisions hereof and thereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Persons who shall from time to time be the Holders.

SECTION 33. NO PERSONAL LIABILITY. Neither the members of the Town Commission of the Issuer nor any person executing the Bonds shall be personally liable therefor or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 34. REPEAL OF INCONSISTENT INSTRUMENTS. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 35. EFFECTIVE DATE. This Ordinance shall be effective ten (10) days after adoption on second reading.
PASSED and ENACTED on the first reading this ____ day of __________, 2011

PASSED and ENACTED on the second reading this ___ day of ______, 2011.

(SEAL) TOWN OF SURFSIDE, FLORIDA

__________________________
Mayor

ATTEST:

__________________________
Town Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

__________________________
Town Attorney

On Second Reading Moved by: ____________________

On Second Reading Seconded by: ___________________

Vote:

Mayor Dietch yes____ no______
Vice Mayor Graubart yes ___ no____
Commissioner Karukin yes____ no ______
Commissioner Kopelman yes____ no ______
Commissioner Olchych yes____ no ______
Town of Surfside
Florida

Water and Sewer Rate Study

REVISED March 28, 2011

TischlerBise
Fiscal, Economic & Planning Consultants

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Suite 200W
Temecula, CA 92590
T: 951.719.8478
F: 301.320.4860
www.tischlerbise.com
March 28, 2011

Mr. Roger M. Carlton
Town Manager
Town of Surfside
9293 Harding Avenue
Surfside, Florida 33154

Dear Mr. Carlton,

Attached is the revised final report TischlerBise prepared for the long-term financial plan and rate study conducted for the Town of Surfside’s Water and Sewer Enterprise Fund. This revised report and its contents reflect updated costs data related to water and sewer operations and proposed debt service allocated for water and sewer capital needs. The rates contained within this report reflect increases adopted by the Town Commission for Fiscal Year 10/11 and at levels for FY 11/12 through FY 14/15 as suggested in our prior analysis. The suggested rate increases as originally reported will produce revenues that will cover the proposed bond issue, its resulting annual debt service and will far exceed the required debt coverage ratio of 110 percent. The rate increases also are based on the assumption that there will be no changes in the enterprise fund’s reserve structure and Town policy regarding the fund reserves. The suggested rate increases and the approximately $2 million in grant monies position the Town to meet operating and capital expenses while maintaining healthy reserve levels in the future.

This report was undertaken as the Town is facing several challenges to continuing its high-quality utility operations. The focus of this study is to ensure that the utilities have sufficient revenues to meet their operational, capital and proposed debt service obligations and that rates are set proportionate to the costs of providing utility service to each customer class. Our report outlines the approach, methodology, findings, and conclusions of this study.

This report has been prepared using generally accepted rate setting techniques. The Town’s utility accounting, budgeting, and billing records were the primary sources for the data contained within the report. Furthermore, we have worked closely with Town staff and the Town Commission over the course of this project. The conclusions contained within this report provide the Town with a set of recommendations to provide stable defensible funding for continued high-quality operations. We are confident that the results developed based on the cost of service analysis will result in fair and equitable rates to the Town’s users.
Sincerely,

[Signature]

Brian Jewett
Vice-President
TischlerBise, Inc.
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Executive Summary

The Town of Surfside retained TischlerBise to prepare a long-term financial plan and rate study for the water and sewer utilities to ensure each utility has sufficient revenues to meet operational, capital and projected debt service obligations. An additional but equally important objective of the analysis was to ensure that rates are set proportionate to the costs of providing utility service to each customer class. As part of this rate study, TischlerBise facilitated dialogue with the Town Commission and Town staff at several Commission meetings and project meetings. During these meetings, the Commission and staff made recommendations to be incorporated into the study where appropriate. This report documents the findings, analyses and recommendations of the comprehensive rate study effort.

The Town desires rates and fees that fully fund operations, maintenance, and future capital costs for infrastructure repair and replacement. The Town is facing several challenges to continuing its high-quality operations:

- Utility revenues were not keeping pace with increasing operational and capital costs prior to the adjustment made for FY 10/11.
- Purchased water costs and sewage disposal expenses have a volatile history and could spike again in the future.
- Utility infrastructure is aging and must be replaced soon to maintain high-quality service and minimize system water losses and sewer inflow/infiltration problems.

Therefore, the purpose of this analysis is to provide recommendations on changes to the current utility rate structures to meet these challenges and others identified during the course of the project.

Overview of the Rate Study Process

The financial planning and rate study efforts were conducted in coordination with Town staff and the Town Commission. During the course of the project, the consulting team facilitated several presentations and discussions with the Commission members and Town staff to review, explore and analyze rate setting principles and utility financial, operational and capital issues. The meetings consisted of presentations of information and data related to the Town’s utility revenue needs, capital improvement plans, current rate structures, other relevant rate and financial issues. This process enabled the Town staff, Commission members and the consulting team to develop a multi-faceted understanding of financing planning issues, and to develop a broad consensus on a number of policy items and rate recommendations.

The scope of the study resulted in the development of cost-based water and sewer user charges through a comprehensive cost of service and rate design study process. Utility rates must be set at a level where a utility’s operating and capital expenses are met with the revenues received from customers. This is a significant point, as failure to achieve this level may lead to insufficient funds being available to appropriately maintain the system and meet other obligations such as debt coverage ratios on bonds. To
evaluate the adequacy of the Town’s existing rates, a comprehensive rate study was completed. A comprehensive rate study typically consists of following three interrelated analyses (Figure 1 provides an overview of these processes).

- Financial Planning/Revenue Requirement Analysis: Create a ten-year plan to support an orderly, efficient program of on-going maintenance and operating costs, capital improvement and replacement activities, and retirement of projected outstanding debt. In addition, the long-term plan should fund and maintain reserve balances to adequate levels based on industry standards and Town fiscal policies.

- Cost of Service Analysis: Identifies and apportions annual revenue requirements to the different customer classes based on their demand on each utility system.

- Rate Design: Develops a fixed/variable schedule of rates for each customer class to proportionately recover the costs attributable to them. This is also, where other policy objectives can be achieved, such as discouraging wasteful water use. The policy objectives are balanced with the cost of service objectives to maintain the delicate balance between customer equity, financial stability and resource conservation goals.

![Figure 1: Comprehensive Rate Study Interrelated Analysis](image)

**Financial Plan Summary**

The graphs below (Figures 2 and 3) demonstrate the current and projected financial conditions of the water and sewer systems including the FY 10/11 comprehensive rate restructuring with adopted rates and assuming little to no rate increases over the next 4 years.
Figure 2: Water System Financial Projection Using FY 10/11 Adopted Water Rates

Figure 3: Sewer System Financial Projection Using FY 10/11 Adopted Sewer Rates
The graphs below (Figures 4 and 5) demonstrate the projected financial conditions of the water and sewer systems assuming adoption of rate increases from the previous analysis over the next 4 fiscal years.

Figure 4: Water System Financial Projection Using Water Rate Increases from Prior Rate Analysis
After completing the financial plan and rate study, and after several meetings with the Town Commission and Town staff, the following tables (Tables 1, 2 and 3) present the rates for each utility system from Fiscal Year 2010/11 through Fiscal Year 2014/15. The following report provides detail regarding the supporting rate analysis and results. The increases for FY 11/12 through FY 14/15 were the increases projected in the original analysis which based on current assumptions may not be necessary.

Table 1: Water Monthly Base Service Charge (Adopted FY 10/11 & Suggested FY 11/12 – FY 14/15)

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Adopted FY 10/11</th>
<th>Forecast FY 11/12</th>
<th>Forecast FY 12/13</th>
<th>Forecast FY 13/14</th>
<th>Forecast FY 14/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot;</td>
<td>$13.90</td>
<td>$14.60</td>
<td>$15.33</td>
<td>$15.94</td>
<td>$16.58</td>
</tr>
<tr>
<td>1&quot;</td>
<td>20.22</td>
<td>21.24</td>
<td>22.30</td>
<td>23.19</td>
<td>24.12</td>
</tr>
<tr>
<td>1 1/2&quot;</td>
<td>30.76</td>
<td>32.30</td>
<td>33.91</td>
<td>35.27</td>
<td>36.68</td>
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<tr>
<td>2&quot;</td>
<td>43.40</td>
<td>45.57</td>
<td>47.85</td>
<td>49.76</td>
<td>51.75</td>
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<td>3&quot;</td>
<td>72.90</td>
<td>76.54</td>
<td>80.37</td>
<td>83.58</td>
<td>86.92</td>
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<td>4&quot;</td>
<td>115.03</td>
<td>120.78</td>
<td>126.82</td>
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<td>6&quot;</td>
<td>220.37</td>
<td>231.39</td>
<td>242.96</td>
<td>252.68</td>
<td>262.79</td>
</tr>
<tr>
<td>8&quot;</td>
<td>346.78</td>
<td>364.12</td>
<td>382.33</td>
<td>397.62</td>
<td>413.53</td>
</tr>
</tbody>
</table>

Sources: Town of Surfside; TischlerBise.
### Table 2: Water Consumption Charge (Adopted FY 10/11 & Suggested FY 11/12 – FY 14/15)

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 10/11</th>
<th>FY 11/12</th>
<th>FY 12/13</th>
<th>FY 13/14</th>
<th>FY 14/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single-Family Residential (1-4 units)</td>
<td>$2.97</td>
<td>$3.12</td>
<td>$3.27</td>
<td>$3.40</td>
<td>$3.54</td>
</tr>
<tr>
<td>Block 1 (0 - 6,000 gal/month)</td>
<td>$3.56</td>
<td>$3.74</td>
<td>$3.93</td>
<td>$4.09</td>
<td>$4.25</td>
</tr>
<tr>
<td>Block 2 (6,001 - 12,000 gal/month)</td>
<td>$5.94</td>
<td>$6.24</td>
<td>$6.55</td>
<td>$6.81</td>
<td>$7.08</td>
</tr>
<tr>
<td>Block 3 (above 12,000 gal/month)</td>
<td>$3.67</td>
<td>$3.85</td>
<td>$4.05</td>
<td>$4.21</td>
<td>$4.38</td>
</tr>
<tr>
<td>All Other Customers</td>
<td>$3.67</td>
<td>$3.85</td>
<td>$4.05</td>
<td>$4.21</td>
<td>$4.38</td>
</tr>
</tbody>
</table>

Sources: Town of Surfside; TischlerBise.

### Table 3: Wastewater Rate Structure (Adopted FY 10/11 & Suggested FY 11/12 – FY 14/15)

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 10/11</th>
<th>FY 11/12</th>
<th>FY 12/13</th>
<th>FY 13/14</th>
<th>FY 14/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uniform Variable Rate</td>
<td>$5.41</td>
<td>$5.89</td>
<td>$6.31</td>
<td>$6.62</td>
<td>$6.95</td>
</tr>
<tr>
<td>Monthly Fixed Charge</td>
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<td>$3.74</td>
<td>$4.01</td>
<td>$4.21</td>
<td>$4.42</td>
</tr>
</tbody>
</table>

Sources: Town of Surfside; TischlerBise.

### Organization of the Report

This report is organized to provide an overview of utility rate setting principles utilized in this analysis, followed by an analysis of the water and sewer enterprise fund budget, and finally a separate detailed review of each utility’s revenue requirements and rate design process. The following sections comprise the long-term financial plan and rate study report:

- Project Background
- Rate Setting Principles
- Enterprise Fund Budget Analysis
- Water Rate Analysis
- Sewer Rate Analysis
Project Background

The Town of Surfside owns and operates water and sewer systems for residents and businesses within Town limits. As of Fiscal Year 2009/10, the utility system provided service to approximately 1,551 residential and non-residential potable water and sewer system customer accounts. The Town operates each system as a self-supporting enterprise, with revenues and expenditures accounted for within one enterprise fund, separate from other Town enterprise and General Fund activities.

The Town’s Public Works Department is responsible for operations and maintenance of water delivery and wastewater collection systems. The Town’s potable water is provided by the Miami-Dade County Water and Sewer Department (MDWASD) which provides service for approximately two million customers in Miami-Dade County. The Town is serviced by the Hialeah-Preston Water Treatment Plant service area. The source of water is from 45 shallow wells in the Biscayne Aquifer and augmented with five Upper Floridian Aquifer deep wells. Projected water supply to the Town is assured in accordance with the MDWASD Water Supply Plan.

Potable water is distributed to residents and commercial business by the Town via approximately 11 miles of cast iron pipe installed in 1938. Primary mains feeding the system run under the Town’s streets and vary in size from 6-inches to 16-inches in diameter, which feed 3-inch and four-inch water lines located along the rear property lines. Disrepair and corrosion for over 70 years has created a fragile water distribution system that has repetitive breaks, loss of potable water, pavement restoration and other associated expenses. The 5-year Water Capital Improvement Program (CIP) addresses these major improvement needs within a two-year period beginning next fiscal year.

A funding plan for these improvements is included in this rate analysis and consists of current reserve funding, a Building Better Communities (BBC) countywide bond referendum ratified in 2004, and a projected bond issuance secured by current and projected rate revenues. At the time of the prior rate analysis conducted in 2010, the Town was planning for a utility-related bond issue of approximately $13 million to be used for water, sewer and stormwater improvements ($10 million allocated to water and sewer). Currently, the Town is considering a $16 million bond issue related to utilities as well as other improvements such as street trees, street signage, traffic calming devices and possibly underground utility projects ($10 million allocated to water and sewer).

The Town’s sanitary sewer system is divided into two nearly equal area basins. It is interconnected with the MDWASD system; however, the Town maintains its own sewer collection system and two pumping stations. By agreement with the City of Miami Beach, the Town of Surfside and the Town of Bal Harbour share a sanitary force main that connects to the City of Miami Beach transmission system. The tri-agency agreement provides for the transmission of sewage via force mains to the MDWASD system and eventually to the treatment plant and disposal.

The Town’s sanitary sewer collection system failed to meet the Miami-Dade County (MDCC) Infiltration/Inflow standards and exceeded the pump station run time limits. This situation prompted
mandates Rehabilitation violation Several Key Department rate improvements these renewal used

ƒ ƒ ƒ ƒ ƒ ƒ ƒ ƒ ƒ

Utility structures.

A

Utility report costs

Agreement – water

Phase II: This phase included the investigation of sewer problems using video, smoke testing and other techniques to determine the sources of infiltration and inflow. All broken sanitary lines will be repaired or lined, as determined by the analysis. Severely deteriorated manholes will be sealed with a “Supercoat” system or full liner to reduce infiltration. Costs and unit prices have been established for lining the moderately cracked pipes and point repairs for the broken pipes.

Phase III: This phase will consist of renovating the existing pump stations and installation of emergency generators to bring the system back into compliance with the current law, codes and Consent Decree.

Similar to the water system, the sewer 5-year Water Capital Improvement Program (CIP) addresses these major improvement needs within a two-year period beginning FY 10/11. A funding plan for these improvements is included in this rate analysis and consists of current reserve funding and a projected bond issuance secured by current and projected rate revenues.

Key Financial Plan Objectives

Several objectives were identified during the study to guide decisions regarding the financial plans and rate structures. The major objectives of the study were:

- Utility rates should generate sufficient revenues to meet operating costs, capital program requirements through related debt service obligations, and maintain targeted reserves consistent with sound financial management practices (see detailed reserve discussion below)
- Utility rates should be set proportionate to the cost of providing utility service to each customer class to promote fairness and equity
- A financial plan that minimizes future rate impacts on existing and new customers
- Utility rate structures should be supported by a financial model that is easy to update should costs and assumptions change in the future beyond what was projected at the time of this report

Net Asset Targets – Currently the Town designates reserves as a component of Net Assets. The Net Asset balance consists of investment in capital assets and restricted and unrestricted assets for a combined water and sewer total net assets. Some of the funds have been utilized for capital assets while renewal and replacement are restricted for capital project needs. Finally, unrestricted net assets can be used for any future item related to the utility fund operations or capital needs. The recent five-year financial plan for FY 10/11 through FY 14/15 has developed information that should eventually become
policy. For example, in the prior rate analysis, we recommended that the Town strive to meet target policy levels for three restricted fund categories for each utility system:

- **Unrestricted Net Assets – Operating Reserves** (to be set up to 25 percent of each utility’s annual Operations and Maintenance Expenses). This component would ensure each utility system has sufficient cash on hand to cover emergencies, working capital needs or unexpected contingencies associated with operating the utility. Three months or a 25 percent reserve balance is a standard within the utility rate setting industry and gives the Town adequate coverage.

- **Restricted Net Assets – Renewal and Replacement Reserves** (to be set up to 2 times annual renewal and replacement costs for the current 5-year improvement plan for each utility system). This component would ensure each utility system has sufficient reserves to cover future major capital repair and replacement (R&R) needs for a short-term period until Town officials decide to issue future debt if major upgrades or replacements are required, or minor R&R needs on an on-going basis without the need for additional borrowing. There is no industry standard amount to be set aside for future R&R needs. However, many rate structures and studies include some amount of future annualized capital project costs for their R&R reserves. For this analysis, we utilized the upcoming 5-year CIP for each utility as our basis and projected annualized impact of each CIP. We believe that a 2-year annualized figure will give the Town enough R&R reserves to fund future capital needs in the short term without relying on additional rate increases or emergency loans.

- **Restricted Net Assets – Rate Stabilization Reserves** (to be set up to 10 percent of each utility’s current year projected rate revenues). This component would ensure each utility system has sufficient reserves to handle potential short-term cash flow interruptions associated with contracted water purchase and sewage disposal costs. While there is no industry standard for a target amount of rate stabilization reserves, our experience demonstrates a 10 percent figure is prudent and not a significant burden on utility rates.

In reviewing the above objectives, it should be noted that the Town has limited control over external forces such as growth, consumer behavior, and system usage. Recognizing these factors, we believe that the recommendations in this study provide a fair, reasonable, and balanced set of suggested rates (FY 11/12 through FY 14/15) for the Town that, to the extent possible, meets these key objectives.
Rate Setting Principles

The primary objective of conducting a comprehensive rate study is to determine the adequacy of the existing rates (pricing and structure) and provide the basis for any necessary adjustments to meet the Departments operating and capital needs. The Town desires rate structures that fully fund operations, maintenance, and present and future capital costs. Furthermore, the Town desired to develop a conservation-based water and sewer rate structure. Water scarcity is a growing concern for South Florida communities. The most significant influence this situation places on the Town is large spikes in past water purchase costs from MDWASD. Therefore, significant consideration and dialogue took place between Town staff and the consulting team to review the existing rate structure and propose changes to meet this additional objective.

Over the past years, many generally accepted principles or guidelines have been established to assist in developing utility rates. The purpose of this section of the report is to provide a general background of the methodology and guidelines used for setting cost based utility rates. This will provide the reader with a higher-level understanding of the general process detailed later in this report.

Established Principles & Guidelines

As a practical matter, there should be a general set of principles to develop rates. The American Water Works Association (AWWA) establishes these principles in the M1 Manual – Principles of Water Rates, Fees and Charges. For sewer rate setting, the Water Environment Federation (WEF) establishes similar guidelines. These guiding principles help to ensure there is a consistent nationwide approach that is employed by utilities in the development of their rates.

Provided below is a short summary listing the established guidelines around which public utilities should consider when setting their rates. These closely reflect the Town’s specified objectives.

- Rates should be cost-based and equitable, and set at a level such that they provide revenue sufficiency.
- Rates and process of allocating costs should conform to generally accepted rate setting techniques.
- Rates should provide reliable, stable and adequate revenue to meets the utility’s financial, operation, and regulatory requirements.
- Rate levels should be stable from year to year (limit “rate shocks”).
- Rates should be easy to understand and administer.

These guidelines, along with the Town’s objectives, have been utilized within this study to help develop utility rates that are cost-based and equitable.
**Revenue Requirements**

The method used by most public utilities to establish their revenue requirements is called the “cash basis” approach of setting rates. As the name implies, a public utility combines its cash expenditures over a period of time to determine their recommended revenues from user rates and other forms of income. The figure below presents the “cash basis” methodology.

**Figure 6: Overview of the “Cash Basis” Design**

```
+ Operation and Maintenance Expenses
+ Taxes/Transfers
+ Capital Additions Financed with Rate Revenue
+ Debt Service (Principal and Interest)
= Total Revenue Requirements
```

**Financial Planning**

In the development of the revenue requirements, many assumptions are utilized to project future expenditures, customer and consumption growth, and necessary revenue adjustments. The Town’s budget documents are used as the initial starting point however; assumptions play a necessary role in projecting future recommended revenue.

Conservative growth assumptions and prudent financial planning are fundamental to ensuring adequate rate revenue to promote financial stability. The financial model developed by the consulting team appropriately considers the Town’s projected debt service coverage ratios and operating reserve balances. In addition, it is recommended that the Town begin recognizing some of the cost associated with future capital replacements that will allow the accumulation of a reserve for repair and replacement of depreciated items. This enables the Town to mitigate future rate increases as money for repair and replacement is collected automatically each year.

**Rate Design**

The final element, the rate design process, applies the results from the revenue requirements to develop rates that achieve the general guidelines and objectives of the Town. These objectives may include consideration of cost-based rates, but may also consider items such as ability to pay, continuity of past rate philosophy, conservation, encouragement of economic development, ease of administration, and legal requirements. While cost-based rates are an important objective, all objectives should be balanced appropriately.

While the general description of the utility rate setting process discussed in this section of the report is simplified and condensed, it does address the underlying fundamentals. One of the key principles for a comprehensive rate study is found in economic theory, which suggests the price of a commodity must roughly equal its cost if equity among customers is to be maintained – i.e. cost-based. For example,
capacity-related costs are usually incurred by a water utility to meet peak use requirements. Consequently, the customers causing peak demands should properly pay for the demand-related facilities in proportion to their contribution to maximum demands. Through refinement of costing and pricing techniques, consumers of a product are given a more accurate price signal of what the commodity costs to produce and deliver.

The above fundamentals have considerable foundation in economic literature. They also serve as primary guidelines for rate design by most utility regulators and administrative agencies. This “price-equals-cost” theory provides the basis for much of the subsequent analysis and comment. This theory is particularly important, as the rate structure has been modified to encourage conservation, while maintaining this economic principle.

**Rate Setting Principles Summary**

This section of the report has provided a brief introduction to the general principles, techniques, and economic theory used to set utility rates. These principles, techniques, and economic theory were the starting point for this rate study and the groundwork used to meet the Town’s key objectives in analyzing and adjusting its utility rates.
Utility Enterprise Fund Budget Analysis

This section describes the assumptions utilized and budgetary figures presented and projected (revenue and expenditures) for purposes of the water and sewer utility rate analysis.

Project Assumptions
For the Town of Surfside to more accurately project future revenues and expenditures, growth, inflation and financial factors are estimated for each utility system (Table 4).

Escalation Factors – Because of current economic conditions and the developed nature of the Town, we have applied a nominal growth rate to new customer connections for the projection period of five fiscal years. In addition to these factors, we have also included several escalation or inflation factors for various operating and capital items associated with both utilities. Where past annual increases were consistent, we applied historical percentages to our forecast analysis. Where past annual increases were volatile or lacked a consistent pattern, we applied percentage increases based on our past experiences in utility rate and projection analyses.

Financial Ratios and Inputs – Certain financial ratios and assumption are utilized to account for Town central service support of the utility systems, bond covenant debt coverage ratios and financing terms for project revenue bonds to be issued, and an affordability index to demonstrate the affect potential rate increases might have on Surfside customers household income levels.

Utility Revenues and Expenditures
In the original analysis, water sales and sewer service charges are presented with no rate increases and are inflated by a nominal growth factor of 0.25 percent per year to account for modest new connection growth. Other revenue items are assumed to remain flat to demonstrate a conservative projection analysis. Budget line items are categorized into functional components to be utilized in the forthcoming cost allocation analysis. Budget line items are escalated by various projection factors found in Table 4. The division of costs is largely based on the ratio of the two largest line items in the fund: Water Purchases and Sewage Disposal. The exception to this approach is “Miscellaneous Maintenance – Water Tests” which applies solely to the water utility and allocated accordingly.
### Table 4: Escalation and Input Assumptions

<table>
<thead>
<tr>
<th>Description</th>
<th>Annual Figure</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Escalators</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential Customer Growth Rate</td>
<td>0.25%</td>
<td>Annual Rate</td>
</tr>
<tr>
<td>Non-residential Customer Growth Rate</td>
<td>0.25%</td>
<td>Annual Rate</td>
</tr>
<tr>
<td>Personnel Costs</td>
<td>2.00%</td>
<td>Annual Rate</td>
</tr>
<tr>
<td>Water Purchases FY 11/12</td>
<td>7.00%</td>
<td>Annual Rate</td>
</tr>
<tr>
<td>Water Purchases FY 12/13</td>
<td>0.00%</td>
<td>Annual Rate</td>
</tr>
<tr>
<td>Water Purchases FY 13/14</td>
<td>3.00%</td>
<td>Annual Rate</td>
</tr>
<tr>
<td>Water Purchases FY 14/15</td>
<td>3.00%</td>
<td>Annual Rate</td>
</tr>
<tr>
<td>Sewage Disposal Costs FY 11/12</td>
<td>7.00%</td>
<td>Annual Rate</td>
</tr>
<tr>
<td>Sewage Disposal Costs FY 12/13</td>
<td>-5.00%</td>
<td>Reduction due to reduced infiltration inflow.</td>
</tr>
<tr>
<td>Sewage Disposal Costs FY 13/14</td>
<td>3.00%</td>
<td>Annual Rate</td>
</tr>
<tr>
<td>Sewage Disposal Costs FY 14/15</td>
<td>3.00%</td>
<td>Annual Rate</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>2.00%</td>
<td>Annual Rate</td>
</tr>
<tr>
<td>Capital Outlay (excl Improvements)</td>
<td>5.00%</td>
<td>Annual Rate</td>
</tr>
<tr>
<td>Depreciation Costs</td>
<td>2.00%</td>
<td>Annual Rate</td>
</tr>
<tr>
<td><strong>Fund Equity Targets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O&amp;M Reserves</td>
<td>25.0%</td>
<td>25% of current year O&amp;M</td>
</tr>
<tr>
<td>Water Capital Reserves</td>
<td>$ 420,358</td>
<td>2x annualized costs of renewal and replacement of FY11-FY15 CIP</td>
</tr>
<tr>
<td>Sewer Capital Reserves</td>
<td>$ 521,202</td>
<td>2x annualized costs of renewal and replacement of FY11-FY15 CIP</td>
</tr>
<tr>
<td>Rate Stabilization Reserves</td>
<td>10.0%</td>
<td>10% of current year projected rate revenues</td>
</tr>
<tr>
<td><strong>Financial Ratios and Inputs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indirect Cost Allocation (GF Reimburse)</td>
<td>10.0%</td>
<td>of central service support to utility fund</td>
</tr>
<tr>
<td>Debt Service Coverage Ratio</td>
<td>110%</td>
<td>1.10x (net operating income/annual debt service)</td>
</tr>
<tr>
<td><strong>Price Elasticity Applied to Consumption</strong></td>
<td>3.0%</td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**
- Interest rate on upcoming bond issue assumed by Town Finance Director to be 5.0 percent.
- Bond issue changed to $16 million for water, sewer and stormwater plus additional street improvements.

**Sources:** Town of Surfside; TischlerBise.
Water Rate Analysis

Revenue Requirements Analysis
The first step in developing the revenue requirements is to develop a projection of revenues from existing rates and expenditures for operations and capital needs and was completed in the prior analysis. The utility capital improvements project (CIP) needs for the water utility are summarized in Table 5. This table presents the water-related 5-year capital improvement plan as prepared by the Town’s engineering consultant. The table lists the outside funding sources to be utilized for the capital projects including accumulated restricted and unrestricted net asset reserves, Build Better Communities (BBC) reimbursement monies, nominal water impact fees, and bond proceeds from a proposed revenue bonds issue for both water and sewer related capital construction projects. The combined effect of these outside funding sources is to eliminate the need for future rate revenues to directly fund these projects. However, the rates will be required to fund the debt service obligations on the revenue bonds.

Table 5: Water CIP and Funding Sources

<table>
<thead>
<tr>
<th>Project</th>
<th>Approved FY 10/11</th>
<th>Forecast FY 11/12</th>
<th>Forecast FY 12/13</th>
<th>Forecast FY 13/14</th>
<th>Forecast FY 14/15</th>
<th>5-year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering/Architecture</td>
<td>$ 83,200</td>
<td>$ 31,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$ 114,200</td>
</tr>
<tr>
<td>Construction</td>
<td>4,158,000</td>
<td>1,766,371</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,924,371</td>
</tr>
<tr>
<td>Prior CIP Appropriations (carry over to next FY)</td>
<td>508,974</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>508,974</td>
</tr>
<tr>
<td>Total Water Capital Projects</td>
<td>4,750,174</td>
<td>1,797,371</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,547,545</td>
</tr>
</tbody>
</table>

Less: Outside Funding Sources

| Water Impact Fees                    | $ 500             | $ 500             | $ 500             | $ 500             | $ 500             | $ 500       |
| Restricted Net Assets - Repair & Replacement | 917,906         | -                 | -                 | -                 | -                 | -           |
| Unrestricted Assets                   | 172,000           | -                 | -                 | -                 | -                 | -           |
| BBC Reimbursement                     | 715,000           | -                 | -                 | -                 | -                 | -           |
| Revenue Bonds Proceeds                | 5,000,000         | -                 | -                 | -                 | -                 | -           |
| Carry-over from Prior FY              | -                 | 2,055,232         | 258,361           | 258,361           | 259,361           | 259,361     |
| Total Outside Funding                 | $ 6,805,406       | $ 2,055,732       | $ 258,861         | $ 259,361         | $ 259,861         | $ 259,861   |
| Balance to Carry Over to Next FY      | $ 2,055,232       | $ 258,361         | $ 258,861         | $ 259,361         | $ 259,861         | $ 259,861   |
| Net CIP Projects Funded from Rates    | $ -               | $ -               | $ -               | $ -               | $ -               | $ -         |

Source: Town of Surfside; TischlerBise.

These components comprise the foundation of the revenue requirement analysis. Given the current economic climate, the consulting team facilitated several meetings with Town staff and committee members to assure the accuracy of financial and growth variables in developing the revenue requirement analysis. Particular emphasis was placed on attempting to minimize rates, yet still encompass adequate funds to support the operational activities and capital projects throughout the study period. The revenue requirements analysis figure, presented below in Table 6, provides a basis for evaluating the timing and level of water revenue increases required to meet the projected recommended revenue for the study period. The percentages shown at the bottom of the figure show the adopted FY 10/11 and recommended revenue adjustments for FY 11/12 through FY 14/15. Please
note that the recommended revenue increase percentages do not equate to the rate increase for each customer. Rather, these percentage figures describe the amount of additional rate revenue recommended to meet all utility obligations and policies.

Table 6: Water Revenue Adjustments

<table>
<thead>
<tr>
<th>Description</th>
<th>Approved FY 10/11</th>
<th>Forecast FY 11/12</th>
<th>Forecast FY 12/13</th>
<th>Forecast FY 13/14</th>
<th>Forecast FY 14/15</th>
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</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Sales (before increase)</td>
<td>$1,305,255</td>
<td>$1,308,518</td>
<td>$1,311,789</td>
<td>$1,315,069</td>
<td>$1,318,357</td>
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<tr>
<td>Tapping Fees</td>
<td>300</td>
<td>300</td>
<td>300</td>
<td>300</td>
<td>300</td>
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<tr>
<td>Penalties</td>
<td>870</td>
<td>870</td>
<td>870</td>
<td>870</td>
<td>870</td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>1,306,425</td>
<td>1,309,688</td>
<td>1,312,959</td>
<td>1,316,239</td>
<td>1,319,527</td>
</tr>
<tr>
<td>Additional Rate Revenue Required</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year</td>
<td>Revenue Increase</td>
<td>Months Effective</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010/11</td>
<td>18.00%</td>
<td>12</td>
<td>234,946</td>
<td>235,533</td>
<td>236,122</td>
</tr>
<tr>
<td>2011/12</td>
<td>5.00%</td>
<td>12</td>
<td>-</td>
<td>77,203</td>
<td>77,396</td>
</tr>
<tr>
<td>2012/13</td>
<td>5.00%</td>
<td>12</td>
<td>-</td>
<td>-</td>
<td>81,265</td>
</tr>
<tr>
<td>2013/14</td>
<td>4.00%</td>
<td>12</td>
<td>-</td>
<td></td>
<td>68,434</td>
</tr>
<tr>
<td>2014/15</td>
<td>4.00%</td>
<td>12</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Additional Water Sales Revenue</td>
<td>234,946</td>
<td>312,736</td>
<td>394,783</td>
<td>464,204</td>
<td>536,713</td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>1,541,371</td>
<td>1,622,424</td>
<td>1,707,742</td>
<td>1,780,442</td>
<td>1,856,239</td>
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<tr>
<td>O&amp;M Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>141,450</td>
<td>144,279</td>
<td>147,165</td>
<td>150,108</td>
<td>153,110</td>
</tr>
<tr>
<td>Operations</td>
<td>125,301</td>
<td>127,807</td>
<td>130,363</td>
<td>132,971</td>
<td>135,630</td>
</tr>
<tr>
<td>Water Purchases (MDWSD)</td>
<td>637,000</td>
<td>681,590</td>
<td>681,590</td>
<td>702,038</td>
<td>723,099</td>
</tr>
<tr>
<td>Total O&amp;M Expenses</td>
<td>903,752</td>
<td>953,677</td>
<td>959,118</td>
<td>985,117</td>
<td>1,011,839</td>
</tr>
<tr>
<td>Net Operating Income</td>
<td>637,619</td>
<td>668,747</td>
<td>748,624</td>
<td>795,326</td>
<td>844,400</td>
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<tr>
<td>Debt Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Debt Service (Estimated)</td>
<td>520,425</td>
<td>520,729</td>
<td>520,527</td>
<td>519,818</td>
<td>520,628</td>
</tr>
<tr>
<td>Total Debt Service</td>
<td>520,425</td>
<td>520,729</td>
<td>520,527</td>
<td>519,818</td>
<td>520,628</td>
</tr>
<tr>
<td>Calculated Debt Coverage Ratio</td>
<td>123%</td>
<td>128%</td>
<td>144%</td>
<td>153%</td>
<td>162%</td>
</tr>
<tr>
<td>Targeted Debt Coverage Ratio</td>
<td>110%</td>
<td>110%</td>
<td>110%</td>
<td>110%</td>
<td>110%</td>
</tr>
<tr>
<td>Non-Operating Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Income</td>
<td>1,064</td>
<td>1,064</td>
<td>1,064</td>
<td>1,064</td>
<td>1,064</td>
</tr>
<tr>
<td>Total Non-Operating Revenue</td>
<td>1,064</td>
<td>1,064</td>
<td>1,064</td>
<td>1,064</td>
<td>1,064</td>
</tr>
<tr>
<td>Non-Operating Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Outlay (excl Improvements)</td>
<td>5,220</td>
<td>5,481</td>
<td>5,755</td>
<td>6,043</td>
<td>6,345</td>
</tr>
<tr>
<td>Rate Funded Capital Projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Non-Operating Expenses</td>
<td>5,220</td>
<td>5,481</td>
<td>5,755</td>
<td>6,043</td>
<td>6,345</td>
</tr>
<tr>
<td>Net Income (Loss) 1</td>
<td>$113,038</td>
<td>$143,601</td>
<td>$223,406</td>
<td>$270,529</td>
<td>$318,491</td>
</tr>
</tbody>
</table>

1. Positive net income to be applied to fund balances.

Source: Town of Surfside; TischlerBise.
For the original rate analysis, we assumed a 1.25x debt service coverage ratio. Based on current information, this revised analysis utilizes a 1.10x coverage ratio based on recent discussions with the Town’s financial advisor. Please note that the revenue increases included in the prior rate analysis and this revised analysis will produce revenues well above those required to meet this lower coverage ratio. **Figure 7** illustrates the breakdown of the major budget components of the water utility. As the chart demonstrates, the primary costs of operating the water utility are water purchase costs from MDWASD and future debt service for needed capital improvements.

**Figure 7: Major Budget Components of Water System**

Table 7 on the next page presents the fund balance information utilizing the target fund balance figures for operating, capital and rate stabilization reserves.

**Cost of Service Analysis**

The cost of service analysis is a systematic process by which revenue requirements are used to generate a classification of fair and equitable costs in proportion to the service received for each user class. The cost of service allocation conducted in this study is established on the base-extra capacity method endorsed by the AWWA. Under the base-extra capacity method, revenue requirements are allocated to the different user classes proportionate to their use on the water system. Allocations are based on
average day (base) usage, maximum day (peak) usage, meters and services, and billing and collection. Use of this methodology results in an AWWA-accepted cost distribution among customer classes and a means of calculating and designing rates to proportionately recover those costs.

### Table 7: Water Fund Balance Information

<table>
<thead>
<tr>
<th>Description</th>
<th>Approved FY 10/11</th>
<th>Forecast FY 11/12</th>
<th>Forecast FY 12/13</th>
<th>Forecast FY 13/14</th>
<th>Forecast FY 14/15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Fund Equity - Water Only</strong></td>
<td>$1,137,906</td>
<td>See below for fund balance allocation (dependent on Town approval)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning FY 10/11 Balance</td>
<td>$917,906</td>
<td>$113,038</td>
<td>$515,001</td>
<td>$515,001</td>
<td>$515,001</td>
</tr>
<tr>
<td>Restricted Net Assets - Renewal &amp; Replacement Reserves</td>
<td>$917,906</td>
<td>$113,038</td>
<td>$515,001</td>
<td>$515,001</td>
<td>$515,001</td>
</tr>
<tr>
<td>Beginning Balance</td>
<td>$917,906</td>
<td>$113,038</td>
<td>$515,001</td>
<td>$515,001</td>
<td>$515,001</td>
</tr>
<tr>
<td>Restricted Net Assets to Fund Water CIP Projects</td>
<td>(917,906)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Surplus from CIP Program (after bond issue)</td>
<td>-</td>
<td>258,361</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deposit from Positive Net Income</td>
<td>113,038</td>
<td>143,601</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Ending Balance</strong></td>
<td>$113,038</td>
<td>$515,001</td>
<td>$515,001</td>
<td>$515,001</td>
<td>$515,001</td>
</tr>
<tr>
<td>Target Balance: Up to 2x Annualized R&amp;R</td>
<td>$420,358</td>
<td>$420,358</td>
<td>$420,358</td>
<td>$420,358</td>
<td>$420,358</td>
</tr>
<tr>
<td>Target Met?</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>% of Target</td>
<td>27%</td>
<td>123%</td>
<td>123%</td>
<td>123%</td>
<td>123%</td>
</tr>
<tr>
<td>Net Income Remaining</td>
<td>-</td>
<td>223,406</td>
<td>270,529</td>
<td>318,491</td>
<td></td>
</tr>
<tr>
<td><strong>Restricted Net Assets - Rate Stabilization Reserves</strong></td>
<td>$420,358</td>
<td>$420,358</td>
<td>$420,358</td>
<td>$420,358</td>
<td>$420,358</td>
</tr>
<tr>
<td>Beginning Balance</td>
<td>$91,657</td>
<td>170,657</td>
<td>177,927</td>
<td>185,507</td>
<td></td>
</tr>
<tr>
<td>Deposit from Positive Net Income</td>
<td>-</td>
<td>263,259</td>
<td>310,912</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ending Balance</strong></td>
<td>$220,000</td>
<td>$48,000</td>
<td>$100,749</td>
<td>$364,008</td>
<td>$674,919</td>
</tr>
<tr>
<td>Target Balance: Up to 10% of Rate Revenues</td>
<td>154,020</td>
<td>162,125</td>
<td>177,927</td>
<td>185,507</td>
<td></td>
</tr>
<tr>
<td>Target Met?</td>
<td>NO</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>% of Target</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Net Income Remaining</td>
<td>-</td>
<td>52,749</td>
<td>263,259</td>
<td>310,912</td>
<td></td>
</tr>
<tr>
<td><strong>Unrestricted Net Assets - Operating Reserves</strong></td>
<td>$220,000</td>
<td>$48,000</td>
<td>$100,749</td>
<td>$364,008</td>
<td>$674,919</td>
</tr>
<tr>
<td>Beginning Balance</td>
<td>$220,000</td>
<td>$48,000</td>
<td>$100,749</td>
<td>$364,008</td>
<td>$674,919</td>
</tr>
<tr>
<td>Restricted Net Assets to Fund Water CIP Projects</td>
<td>(172,000)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deposit from Positive Net Income</td>
<td>-</td>
<td>52,749</td>
<td>263,259</td>
<td>310,912</td>
<td></td>
</tr>
<tr>
<td><strong>Ending Balance</strong></td>
<td>$48,000</td>
<td>$48,000</td>
<td>$100,749</td>
<td>$364,008</td>
<td>$674,919</td>
</tr>
<tr>
<td>Target Balance: Up to 25% of Current Year O&amp;M</td>
<td>225,938</td>
<td>238,419</td>
<td>239,780</td>
<td>246,279</td>
<td>252,960</td>
</tr>
<tr>
<td>Target Met?</td>
<td>NO</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>% of Target</td>
<td>21%</td>
<td>20%</td>
<td>42%</td>
<td>148%</td>
<td>267%</td>
</tr>
</tbody>
</table>

1. Water utility’s share of total enterprise fund equity balance.

Source: Town of Surfside; TischlerBise.

The resulting functionalization factors that appear at the bottom of Table 8 are utilized to allocate system operating and capital costs to each customer class based on the each class’ demand on the system. In Table 9, the functionalization percentages are used to allocate revenue requirements between variable costs of the water system (base and peak demands) and fixed costs of the system (meters and services and customer accounts). The final totals are then used to design the fixed base charges based on meter size and the variable rates per 1,000 gallons consumed.
Table 8: Classification of Water Expenses by Function

<table>
<thead>
<tr>
<th>Description</th>
<th>Total Water Expenses</th>
<th>Base Water Demand</th>
<th>Peak Water Demand</th>
<th>Customer Accounts</th>
<th>Meters &amp; Services</th>
<th>Basis of Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source of Supply</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Purchases</td>
<td>672,000</td>
<td>222,681</td>
<td>449,319</td>
<td>-</td>
<td>-</td>
<td>33.1% Base 66.9%</td>
</tr>
<tr>
<td>Water Tests</td>
<td>5,000</td>
<td>1,657</td>
<td>3,343</td>
<td>-</td>
<td>-</td>
<td>33.1% Base 66.9%</td>
</tr>
<tr>
<td>Total Source of Supply</td>
<td>677,000</td>
<td>224,338</td>
<td>452,662</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Water Distribution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td>18,735</td>
<td>6,208</td>
<td>12,527</td>
<td>-</td>
<td>-</td>
<td>33.1% Base 66.9%</td>
</tr>
<tr>
<td>Maintenance - Distribution</td>
<td>48,666</td>
<td>16,222</td>
<td>16,222</td>
<td>-</td>
<td>16,222</td>
<td>Peak 33.3% Meters</td>
</tr>
<tr>
<td>Total Water Distribution</td>
<td>67,401</td>
<td>22,430</td>
<td>28,749</td>
<td>-</td>
<td>16,222</td>
<td></td>
</tr>
<tr>
<td>General &amp; Administrative</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>137,087</td>
<td>-</td>
<td>-</td>
<td>68,543</td>
<td>68,543</td>
<td>50% Customers 50%</td>
</tr>
<tr>
<td>Indirect Cost Allocation</td>
<td>28,160</td>
<td>-</td>
<td>-</td>
<td>14,080</td>
<td>14,080</td>
<td>50% Customers 50%</td>
</tr>
<tr>
<td>Miscellaneous G&amp;A</td>
<td>81,029</td>
<td>-</td>
<td>-</td>
<td>40,515</td>
<td>40,515</td>
<td>50% Customers 50%</td>
</tr>
<tr>
<td>Total G&amp;A Expense</td>
<td>246,276</td>
<td>-</td>
<td>-</td>
<td>123,138</td>
<td>123,138</td>
<td></td>
</tr>
<tr>
<td>Capital Requirements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Outlay (excl Improvements)</td>
<td>5,220</td>
<td>2,088</td>
<td>2,088</td>
<td>522</td>
<td>522</td>
<td>40% Base 40% Peak 10% Customers 10%</td>
</tr>
<tr>
<td>Debt Service</td>
<td>388,154</td>
<td>155,262</td>
<td>155,262</td>
<td>38,815</td>
<td>38,815</td>
<td>40% Base 40% Peak 10% Customers 10%</td>
</tr>
<tr>
<td>Total Capital Requirements</td>
<td>393,374</td>
<td>157,349</td>
<td>157,349</td>
<td>39,337</td>
<td>39,337</td>
<td></td>
</tr>
<tr>
<td>TOTAL FUNCTIONALIZED COSTS</td>
<td>1,384,051</td>
<td>404,117</td>
<td>638,761</td>
<td>162,475</td>
<td>178,697</td>
<td></td>
</tr>
<tr>
<td>FUNCTIONALIZATION FACTOR</td>
<td>100.0%</td>
<td>29.2%</td>
<td>46.2%</td>
<td>11.7%</td>
<td>12.9%</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Town of Surfside; TischlerBise

Table 9: Allocation of Revenue Requirements by Functional Percentages

<table>
<thead>
<tr>
<th>Functionalization</th>
<th>Factor</th>
<th>FY 10/11</th>
<th>FY 11/12</th>
<th>FY 12/13</th>
<th>FY 13/14</th>
<th>FY 14/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Water Demand</td>
<td>29.2%</td>
<td>449,710</td>
<td>473,376</td>
<td>498,288</td>
<td>519,515</td>
<td>541,646</td>
</tr>
<tr>
<td>Peak Water Demand</td>
<td>46.2%</td>
<td>710,826</td>
<td>748,234</td>
<td>787,609</td>
<td>821,161</td>
<td>856,143</td>
</tr>
<tr>
<td>Customer Accounts</td>
<td>11.7%</td>
<td>180,806</td>
<td>190,321</td>
<td>200,337</td>
<td>208,871</td>
<td>217,769</td>
</tr>
<tr>
<td>Meters &amp; Services</td>
<td>12.9%</td>
<td>198,858</td>
<td>209,323</td>
<td>220,339</td>
<td>229,725</td>
<td>239,512</td>
</tr>
<tr>
<td>Rate Revenue Required</td>
<td>100.0%</td>
<td>1,540,201</td>
<td>1,621,254</td>
<td>1,706,572</td>
<td>1,779,272</td>
<td>1,855,069</td>
</tr>
</tbody>
</table>

Sources: Town of Surfside; TischlerBise.
Rate Design Analysis
The final step of the rate study is the design of the water rates to collect the desired level of revenue determined in the revenue requirement analysis. During this analysis, consideration is given to both the level of rates and the structure of the rates. This section reviews the water rate design for the Town.

Rate Design Balance
There is some flexibility in the design of the rate structure to meet the Town’s pricing objectives while being consistent with cost of service principles. There are positives and negatives associated with the decrease in fixed revenue. Typically, a larger percentage of fixed rate revenue results in greater revenue stability since a greater percentage of total revenues are not influenced by fluctuations in consumption due to the weather. At the same time, the decrease in fixed revenue will improve equitability concerning cost recovery and the impact of conservation measures while reducing revenue stability, as users have greater control over their consumption and ultimately their bill. The fixed portion of the water rates generates an estimated 25 percent of total rate revenue

Criteria and Considerations
In determining the appropriate rate level and structure, the consulting team, in conjunction with Town staff, analyzed various financial scenarios concerning the adjustments and the implications attributed to those decisions.

A simplified list of some of the design considerations that were reviewed is listed:

- Consideration of the customer’s ability to pay
- Clear and understandable rates
- Easily administered
- Conservation measures
- Revenue stability (month to month and year to year)
- Efficient allocation of resources
- Implementation of Capital Improvements (rate of improving the existing system)
- Fair and equitable (cost-based) rates

Every consideration has merit and plays an important role in a comprehensive rate study. When developing the Town’s rates all of the aforementioned criteria were taken into consideration. Determining the appropriate balance is crucial, as some of the criteria sometime conflict with one another, i.e. the customers ability to pay and cost-based. In designing rates, there will always be concessions between the various objectives; however, we attempt to ensure the rates meet all of the leading objectives of the Town.

Overview of Existing Rate Structure
The Town has one water rate structure for its consumption charges: a uniform block rate structure. Regardless of consumption amounts (above a minimum allotment per meter size), the rate per unit of water (1,000 gallons) is consistent. There are some merits to this approach such as some degree of
certainty to a customer bill as well as a moderate incentive to conserve water. However, a more effective conservation pricing structure utilizes an inverted block, or inclining block, approach. This structure increases the marginal price of a unit of water above certain thresholds. Figure 8 provides an overview of the two rate structures.

**Figure 8: Consumption Charge Approaches**

---

The former water rate structure included two components: a bi-monthly allotment of water use based on a customer’s meter size and a consumption charge of $3.54 per 1,000 gallons of water use. As discussed above, the consumption rate is the same rate regardless of customer class and does not increase or decrease with amount of water use. The bi-monthly charge includes minimum water amounts depending on meter size. For example, a customer with a 5/8 inch water meter is allotted 12,000 gallons of water use on a bi-monthly basis. This allotment is included in the fixed base charge. If a 5/8 inch meter customer uses no water up to 12,000 gallons during a billing period, the corresponding base charge is the same amount (currently $42.48 for a 5/8 inch meter customer). If a customer consumes water above the allotted amount, the water bill is calculated using the consumption charge of $3.54 per 1,000 gallons times the amount of water.

For this analysis, for this analysis the Town eliminated the minimum allotment approach and adopted a cost-based approach including a fixed meter charge based on a customer’s meter size and a variable rate for water consumed on a 1,000-gallon basis. We have two reasons for this modification:

- **Customer Equity.** We believe the current rate system to be inequitable to a group of customers who use less water than the allotted amounts. The current rate structure penalizes efficient customers and customers that use less water due to being a smaller customer (by way of small family size, small business, etc.). An efficient or small customer will typically use less than 12,000 gallons in a two-month period. In fact, Town billing records for the past year indicate that approximately 34 percent of all water customers use less than 12,000 gallons in a bi-monthly period. Whether they use 1,000 gallons or 11,000 gallons, they are still billed at the 12,000-gallon amount, or $42.48.
**Revenue Stability and Cost-of Service-Based.** Every utility has certain costs that must be funded regardless of water consumption amounts. These costs are fixed and typically do not fluctuate. If a customer does not use any water during a billing period, there are still costs associated for past use and future service availability. These items include but are not limited to capital replacement for past use, maintenance of assets to provide water in the future, debt service, and customer service. A fixed charge system without minimum water allotments ensures the utility’s fixed costs will still be met while creating a more equitable billing system.

**Table 10** below presents the recently adopted and suggested future fixed base charges by meter size in a monthly format. The fixed charges are calculated using a meter equivalent approach with the 5/8 inch meter as the baseline meter size in the analysis. As a meter size increases, the hydraulic capacity also increases thus allowing the customer to draw greater amounts of water when needed. With this greater ability to draw water, there is a corresponding increase in costs. Therefore, larger meters will have larger fixed charges associated with them. This approach is a standard in the water rate-making industry. **Table 11** presents the meter equivalency approach and corresponding meter ratios. To ensure clarification, the base charges for FY 2010/11 through FY 2014/15 do not include minimum water amounts.

**Table 10: Fixed Monthly Base Charges by Meter Size (Adopted and Suggested per Prior Analysis)**

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Adopted FY 10/11</th>
<th>Forecast FY 11/12</th>
<th>Forecast FY 12/13</th>
<th>Forecast FY 13/14</th>
<th>Forecast FY 14/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot;</td>
<td>$13.90</td>
<td>$14.60</td>
<td>$15.33</td>
<td>$15.94</td>
<td>$16.58</td>
</tr>
<tr>
<td>1&quot;</td>
<td>20.22</td>
<td>21.24</td>
<td>22.30</td>
<td>23.19</td>
<td>24.12</td>
</tr>
<tr>
<td>1 1/2&quot;</td>
<td>30.76</td>
<td>32.30</td>
<td>33.91</td>
<td>35.27</td>
<td>36.68</td>
</tr>
<tr>
<td>2&quot;</td>
<td>43.40</td>
<td>45.57</td>
<td>47.85</td>
<td>49.76</td>
<td>51.75</td>
</tr>
<tr>
<td>3&quot;</td>
<td>72.90</td>
<td>76.54</td>
<td>80.37</td>
<td>83.58</td>
<td>86.92</td>
</tr>
<tr>
<td>4&quot;</td>
<td>115.03</td>
<td>120.78</td>
<td>126.82</td>
<td>131.90</td>
<td>137.17</td>
</tr>
<tr>
<td>6&quot;</td>
<td>220.37</td>
<td>231.39</td>
<td>242.96</td>
<td>252.68</td>
<td>262.79</td>
</tr>
<tr>
<td>8&quot;</td>
<td>346.78</td>
<td>364.12</td>
<td>382.33</td>
<td>397.62</td>
<td>413.53</td>
</tr>
</tbody>
</table>

Sources: Town of Surfside; TischlerBise.

**Table 11: Meter Equivalency Ratios**

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>GPM</th>
<th>Meter Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot;</td>
<td>20</td>
<td>1.00</td>
</tr>
<tr>
<td>1&quot;</td>
<td>50</td>
<td>2.50</td>
</tr>
<tr>
<td>1 1/2&quot;</td>
<td>100</td>
<td>5.00</td>
</tr>
<tr>
<td>2&quot;</td>
<td>160</td>
<td>8.00</td>
</tr>
<tr>
<td>3&quot;</td>
<td>300</td>
<td>15.00</td>
</tr>
<tr>
<td>4&quot;</td>
<td>500</td>
<td>25.00</td>
</tr>
<tr>
<td>6&quot;</td>
<td>1,000</td>
<td>50.00</td>
</tr>
<tr>
<td>8&quot;</td>
<td>1,600</td>
<td>80.00</td>
</tr>
</tbody>
</table>

Sources: AWWA M-5 Manual; Town of Surfside; TischlerBise.
For the variable consumption charge analysis, we present two options: 1) maintain the uniform rate approach regardless of customer class and consumption amounts, and 2) an inclining block rate structure for residential customers and a uniform block structure for all other customer classes (apartments, commercial and place of worship).

The inclining block approach is one that sends a price signal to excessive water users to cut back on their wasteful water consumption. Very efficient or low water users would be rewarded with a lower rate per 1,000 gallons compared to the current uniform rate. We applied the inclining block method to the residential customers only for two reasons: 1) there is less variation in residential water use between each customer compared to other customer classes and therefore average use figures easily apply to all residential customers, and 2) industry experience demonstrates that residential properties, particularly single-family detached residential customers, are most able to cut back on excessive use, and even discretionary use. Therefore, we recommend that the Town consider adoption of the inclining block approach to achieve conservation goals. Table 12 shows the conservation-oriented rate structure for the Single-family Residential (1 to 4 units) customer consumption charge and the uniform block rate for all other customers. For clarification, the FY 10/11 rates were adopted by the Town Commission in October 2010 while the FY 11/12 through FY 14/15 rates are suggested per the prior rate analysis.

**Table 12: Customer Consumption Charge Structure**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 10/11</th>
<th>FY 11/12</th>
<th>FY 12/13</th>
<th>FY 13/14</th>
<th>FY 14/15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rate per 1,000 gal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Single-Family Residential (1-4 units)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Block 1 (0 - 6,000 gal/month)</td>
<td>$2.97</td>
<td>$3.12</td>
<td>$3.27</td>
<td>$3.40</td>
<td>$3.54</td>
</tr>
<tr>
<td>Block 2 (6,001 - 12,000 gal/month)</td>
<td>$3.56</td>
<td>$3.74</td>
<td>$3.93</td>
<td>$4.09</td>
<td>$4.25</td>
</tr>
<tr>
<td>Block 3 (above 12,000 gal/month)</td>
<td>$5.94</td>
<td>$6.24</td>
<td>$6.55</td>
<td>$6.81</td>
<td>$7.08</td>
</tr>
<tr>
<td><strong>All Other Customers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uniform Rate</td>
<td>$3.67</td>
<td>$3.85</td>
<td>$4.05</td>
<td>$4.21</td>
<td>$4.38</td>
</tr>
</tbody>
</table>

Sources: Town of Surfside; TischlerBise.

**Impact of Revenue Increase**

In Fiscal Year 2010/11, the approved 18% increase in recommended revenue does not directly correlate to a 18% increase in all water rates. The cost of service analysis and, in Single-family Residential’s case, the restructuring of the consumption blocks dictate the actual adjustments to the rates. Figure 9 presents bi-monthly water charges for Single-family Residential customers with a 5/8 inch meter at various consumption levels utilizing the adopted FY 10/11 rates. Because of the inclining block rate structure, customers with low water use will see a decrease in their water bills while high use customers will experience greater monthly water bills.
Figure 9: Customer Billing Analysis: Adopted FY 10/11 Rates

Figure 10 shows a use analysis of Single-family Residential customers at various water use levels.

Figure 10: Customer Monthly Consumption Charge Analysis
Rate Comparison

While the cost structure and facilities vary greatly between water utilities, rate comparisons provide the Town a barometer of its rates in relation to surrounding communities. The figure (Figure 11) compares the estimated bi-monthly bill for 12,000 gallons of consumption utilizing FY 10/11 Surfside adopted rates and published rates from each jurisdiction listed in the graph.

Figure 11: SFR Rate Comparison – 12,000 gallons
Sewer Rate Analysis

The Town’s sewer utility system is in a similar position when compared to the Town’s water utility. The sewer utility is facing increased costs related to operations and an increasing need to repair and replace existing infrastructure.

Revenue Requirements Analysis

The utility capital improvements project (CIP) needs for the sewer utility are summarized in Table 13. This table presents the sewer-related 5-year capital improvement plan as prepared by the Town’s engineering consultant. The table lists the outside funding sources to be utilized for the capital projects including accumulated restricted and unrestricted net asset reserves, nominal water impact fees, and bond proceeds from a proposed revenue bonds issue for both water and sewer related capital construction projects. The combined effect of these outside funding sources is to eliminate the need for future rate revenues to directly fund these projects. However, the rates will be recommended to fund the debt service obligations on the revenue bonds.

Table 13: Sewer CIP and Funding Sources

<table>
<thead>
<tr>
<th>Project</th>
<th>Approved FY</th>
<th>Forecast FY 10/11</th>
<th>Forecast FY 11/12</th>
<th>Forecast FY 12/13</th>
<th>Forecast FY 13/14</th>
<th>Forecast FY 14/15</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering/Architecture</td>
<td>$78,200</td>
<td>$26,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>104,200</td>
</tr>
<tr>
<td>Construction</td>
<td>3,908,900</td>
<td>1,023,123</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,932,023</td>
</tr>
<tr>
<td>Prior CIP Appropriations</td>
<td>621,988</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>621,988</td>
</tr>
<tr>
<td>Total Sewer Capital Projects</td>
<td>$4,609,088</td>
<td>$1,049,123</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,658,211</td>
</tr>
</tbody>
</table>

Less: Outside Funding Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Forecast FY 10/11</th>
<th>Forecast FY 11/12</th>
<th>Forecast FY 12/13</th>
<th>Forecast FY 13/14</th>
<th>Forecast FY 14/15</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sewer Impact Fees</td>
<td>$500</td>
<td>$500</td>
<td>$500</td>
<td>$500</td>
<td>$500</td>
<td>500</td>
</tr>
<tr>
<td>Restricted Net Assets - Repair &amp; Replacement</td>
<td>751,014</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unrestricted Assets</td>
<td>118,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Revenue Bonds Proceeds</td>
<td>5,000,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Carry-over from Prior FY</td>
<td>-</td>
<td>1,260,426</td>
<td>211,803</td>
<td>212,303</td>
<td>212,803</td>
<td>213,303</td>
</tr>
<tr>
<td>Total Outside Funding</td>
<td>$5,869,514</td>
<td>$1,260,426</td>
<td>$211,803</td>
<td>$212,303</td>
<td>$212,803</td>
<td>$213,303</td>
</tr>
</tbody>
</table>

Balance to Carry Over to Next FY

<table>
<thead>
<tr>
<th>Source</th>
<th>Forecast FY 10/11</th>
<th>Forecast FY 11/12</th>
<th>Forecast FY 12/13</th>
<th>Forecast FY 13/14</th>
<th>Forecast FY 14/15</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,260,426</td>
<td>$211,803</td>
<td>$212,303</td>
<td>$212,803</td>
<td>$213,303</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Net CIP Projects Funded from Rates

<table>
<thead>
<tr>
<th>Source</th>
<th>Forecast FY 10/11</th>
<th>Forecast FY 11/12</th>
<th>Forecast FY 12/13</th>
<th>Forecast FY 13/14</th>
<th>Forecast FY 14/15</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Town of Surfside; TischlerBise.

Summary of Revenue Requirements Analysis

These components comprise the foundation of the revenue requirement analysis. Given the current economic climate, the consulting team facilitated several meetings with Town staff and committee members to assure the accuracy of financial and growth variables in developing the revenue requirement analysis. Particular emphasis was placed on attempting to minimize rates, yet still encompass adequate funds to support the operational activities and capital projects throughout the study period. The revenue analysis figure, presented below in Table 14, provides a basis for evaluating...
the timing and level of sewer revenue increases adopted by the Town for FY 10/11 and recommended for FY 11/12 through FY 14/15 to meet the obligations of the system for the study period.

Table 14: Sewer Revenue Adjustments

<table>
<thead>
<tr>
<th>Description</th>
<th>Approved FY 10/11</th>
<th>Forecast FY 11/12</th>
<th>Forecast FY 12/13</th>
<th>Forecast FY 13/14</th>
<th>Forecast FY 14/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sewer Service Charges (before increase)</td>
<td>$1,407,825</td>
<td>$1,411,344</td>
<td>$1,414,873</td>
<td>$1,418,410</td>
<td>$1,421,956</td>
</tr>
<tr>
<td>Penalties</td>
<td>870</td>
<td>870</td>
<td>870</td>
<td>870</td>
<td>870</td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>1,408,695</td>
<td>1,412,214</td>
<td>1,415,743</td>
<td>1,419,280</td>
<td>1,422,826</td>
</tr>
</tbody>
</table>

| Additional Rate Revenue Required                  |                   |                   |                   |                   |                   |
| Year                                             | Revenue Increase  | Months Effective  |                   |                   |                   |
| 2010/11                                          | 15.00%            | 12                | 211,174           | 211,702           | 212,231           | 212,761           | 213,293           |
| 2011/12                                          | 9.00%             | 12                | -                 | 146,074           | 146,439           | 146,805           | 147,172           |
| 2012/13                                          | 7.00%             | 12                | -                 | -                 | 124,148           | 124,458           | 124,770           |
| 2013/14                                          | 5.00%             | 12                | -                 | -                 | -                 | 95,122            | 95,360            |
| 2014/15                                          | 5.00%             | 12                | -                 | -                 | -                 | -                 | 100,128           |
| Total Additional Sewer Charge Revenue             | 211,174           | 357,776           | 482,818           | 579,147           | 680,722           |
| Total Required Revenue                            | 1,619,869         | 1,769,990         | 1,898,561         | 1,998,427         | 2,103,548         |

| O&M Expenses                                     |                   |                   |                   |                   |                   |
| Personnel                                        | 152,688           | 155,742           | 158,857           | 162,034           | 165,274           |
| Operations                                       | 129,859           | 132,456           | 135,105           | 137,807           | 140,564           |
| Sewage Disposal (City of Miami Beach)            | 816,000           | 873,120           | 829,464           | 854,348           | 879,978           |
| Total O&M Expenses                               | 1,098,547         | 1,161,318         | 1,123,426         | 1,154,189         | 1,186,816         |

| Net Operating Income                             | 521,322           | 608,672           | 775,135           | 844,238           | 917,732           |

| Debt Service                                     |                   |                   |                   |                   |                   |
| Annual Debt Service (Estimated)                  | 443,325           | 443,584           | 443,411           | 442,808           | 443,498           |
| Total Debt Service                               | 443,325           | 443,584           | 443,411           | 442,808           | 443,498           |
| Calculated Debt Coverage Ratio                   | 118%              | 137%              | 175%              | 191%              | 207%              |
| Targeted Debt Coverage Ratio                     | 110%              | 110%              | 110%              | 110%              | 110%              |

| Non-Operating Revenue                            | 1,064             | 1,064             | 1,064             | 1,064             | 1,064             |
| Total Non-Operating Revenue                      | 1,064             | 1,064             | 1,064             | 1,064             | 1,064             |

| Non-Operating Expenses                           |                   |                   |                   |                   |                   |
| Capital Outlay (excl Improvements)               | 5,980             | 6,279             | 6,593             | 6,923             | 7,269             |
| Rate Funded Capital Projects                     | -                 | -                 | -                 | -                 | -                 |
| Total Non-Operating Expenses                     | 5,980             | 6,279             | 6,593             | 6,923             | 7,269             |

| Net Income (Loss)                                | $73,080           | $159,873          | $326,195          | $396,571          | $468,029          |

1. Positive net income to be applied to fund balances.

Source: Town of Surfside; TischlerBise.

Figure 12 illustrates the breakdown of the major budget components of the sewer utility. As the chart demonstrates, the primary cost of operating the utility is the costs of sewage disposal via the City of Miami Beach.
Figure 12: Major Budget Components of Sewer System

Table 15 on the next page presents the fund balance information utilizing the target fund balance figures for operating, capital and rate stabilization reserves.

Cost of Service Analysis
The cost of service analysis is a systematic process by which revenue requirements are used to generate a classification of fair and equitable costs in proportion to the service received for each user class. The cost of service allocation conducted in this study is established on a basic flow and customer account basis. This simplified method is used because the Town is only responsible for effluent flow, not treatment. This method is one endorsed by the Water Environment Federation (WEF), the nation’s leading organization for the wastewater industry. Revenue requirements are allocated to the different user classes proportionate to their flow demands and number of customer accounts or dwelling units. Use of this methodology results in an acceptable cost distribution among customer classes and a means of calculating and designing rates to proportionately recover those costs.
Table 15: Sewer Fund Balance Information

<table>
<thead>
<tr>
<th>Description</th>
<th>Approved FY 10/11</th>
<th>Forecast FY 11/12</th>
<th>Forecast FY 12/13</th>
<th>Forecast FY 13/14</th>
<th>Forecast FY 14/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Fund Equity - Sewer Only</td>
<td>$ 971,014</td>
<td>See below for fund balance allocation (dependent on Town approval)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning FY 10/11 Balance</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted Net Assets - Renewal &amp; Replacement Reserves</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning Balance</td>
<td>751,014</td>
<td>$ 73,080</td>
<td>$ 444,756</td>
<td>$ 657,059</td>
<td>$ 657,059</td>
</tr>
<tr>
<td>Restricted Net Assets to Fund Sewer CIP Projects</td>
<td>(751,014)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Surplus from CIP Program (after bond issue)</td>
<td>-</td>
<td>211,803</td>
<td>212,303</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deposit from Positive Net Income</td>
<td>73,080</td>
<td>159,873</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ending Balance</td>
<td>$ 73,080</td>
<td>$ 444,756</td>
<td>$ 657,059</td>
<td>$ 657,059</td>
<td>$ 657,059</td>
</tr>
<tr>
<td>Target Balance: Up to 2x Annualized R&amp;R</td>
<td>521,202</td>
<td>521,202</td>
<td>521,202</td>
<td>521,202</td>
<td>521,202</td>
</tr>
<tr>
<td>Target Met?</td>
<td>NO</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>% of Target</td>
<td>14%</td>
<td>85%</td>
<td>126%</td>
<td>126%</td>
<td>126%</td>
</tr>
<tr>
<td>Net Income Remaining</td>
<td>-</td>
<td>-</td>
<td>326,195</td>
<td>395,571</td>
<td>468,029</td>
</tr>
</tbody>
</table>

| Restricted Net Assets - Rate Stabilization Reserves |                   |                   |                   |                   |                   |
| Beginning Balance                               | $ -               | $ -               | $ -               | $ 189,769         | $ 199,756         |
| Deposit from Positive Net Income               | -                 | -                 | 189,769           | 9,987             | 10,512            |
| Ending Balance                                  | $ -               | $ -               | $ 189,769         | $ 199,756         | $ 210,268         |
| Target Balance: Up to 10% of Rate Revenues      | 161,900           | 176,912           | 189,769           | 199,756           | 210,268           |
| Target Met?                                     | NO                | NO                | YES               | YES               | YES               |
| % of Target                                     | 0%                | 0%                | 100%              | 100%              | 100%              |
| Net Income Remaining                            | -                 | -                 | 136,426           | 385,585           | 457,517           |

| Unrestricted Net Assets - Operating Reserves    |                   |                   |                   |                   |                   |
| Beginning Balance                               | $ 220,000         | $ 102,000         | $ 102,000         | $ 238,426         | $ 624,010         |
| Unrestricted Net Assets to Fund Sewer CIP Projects| (118,000)         | -                 | -                 | -                 | -                 |
| Deposit from Positive Net Income               | -                 | -                 | 136,426           | 385,585           | 457,517           |
| Ending Balance                                  | $ 102,000         | $ 102,000         | $ 238,426         | $ 624,010         | $ 1,081,527       |
| Target Balance: Up to 25% of Current Year O&M  | 274,637           | 290,329           | 280,856           | 288,547           | 296,454           |
| Target Met?                                     | NO                | NO                | YES               | YES               | YES               |
| % of Target                                     | 37%               | 35%               | 85%               | 216%              | 365%              |

1. Sewer utility’s share of total enterprise fund equity balance.

Source: Town of Surfside; TischlerBise.

The resulting functionalization factors that appear at the bottom of Table 16 are utilized to allocate system operating and capital costs to each customer class based on the each class’ demand on the system. In Table 17, the functionalization percentages are used to allocate revenue requirements between variable costs of the water system (flow demands) and fixed costs of the system (customer accounts or dwelling units). The final totals are then used to design the fixed base charges based on account or dwelling unit and the variable rates per 1,000 gallons of sewage flow.
Table 16: Classification of Water Expenses by Function

<table>
<thead>
<tr>
<th>Description</th>
<th>Total Sewer Expenses</th>
<th>Flow</th>
<th>Customer Accounts</th>
<th>Basis of Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Collection and Transmission</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sewage Disposal</td>
<td>$725,389</td>
<td>$725,389</td>
<td>$</td>
<td>100% Flow</td>
</tr>
<tr>
<td>Electricity</td>
<td>21,463</td>
<td>21,463</td>
<td>-</td>
<td>100% Flow</td>
</tr>
<tr>
<td>Maintenance</td>
<td>55,754</td>
<td>55,754</td>
<td>-</td>
<td>100% Flow</td>
</tr>
<tr>
<td><strong>Total Collection and Transmission Expense</strong></td>
<td>802,606</td>
<td>802,606</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>General &amp; Administrative</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>157,051</td>
<td>78,526</td>
<td>78,526</td>
<td>50% Flow 50% CA</td>
</tr>
<tr>
<td>Indirect Cost Allocation</td>
<td>32,261</td>
<td>16,131</td>
<td>16,131</td>
<td>50% Flow 50% CA</td>
</tr>
<tr>
<td>Miscellaneous G&amp;A</td>
<td>24,092</td>
<td>12,046</td>
<td>12,046</td>
<td>50% Flow 50% CA</td>
</tr>
<tr>
<td><strong>Total G&amp;A Expense</strong></td>
<td>213,404</td>
<td>106,702</td>
<td>106,702</td>
<td></td>
</tr>
<tr>
<td><strong>Capital Requirements</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Outlay (excl Improvements)</td>
<td>5,980</td>
<td>5,382</td>
<td>598</td>
<td>90% Flow 10% CA</td>
</tr>
<tr>
<td>Debt Service</td>
<td>377,151</td>
<td>339,436</td>
<td>37,715</td>
<td>90% Flow 10% CA</td>
</tr>
<tr>
<td><strong>Total Capital Requirements Expense</strong></td>
<td>383,131</td>
<td>344,818</td>
<td>38,313</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL FUNCTIONALIZED COSTS</strong></td>
<td>$1,399,141</td>
<td>$1,254,126</td>
<td>$145,015</td>
<td></td>
</tr>
<tr>
<td><strong>FUNCTIONALIZATION FACTOR</strong></td>
<td>100.0%</td>
<td>89.6%</td>
<td>10.4%</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Town of Surfside; TischlerBise.

Table 17: Allocation of Revenue Requirements by Functional Percentages

<table>
<thead>
<tr>
<th>Description</th>
<th>Functionalization Factor</th>
<th>FY 10/11</th>
<th>FY 11/12</th>
<th>FY 12/13</th>
<th>FY 13/14</th>
<th>FY 14/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sewer Flow</td>
<td>89.6%</td>
<td>$1,451,196</td>
<td>$1,585,758</td>
<td>$1,701,003</td>
<td>$1,790,518</td>
<td>$1,884,744</td>
</tr>
<tr>
<td>Customer Accounts</td>
<td>10.4%</td>
<td>167,803</td>
<td>183,362</td>
<td>196,688</td>
<td>207,039</td>
<td>217,934</td>
</tr>
<tr>
<td>Rate Revenue Required</td>
<td>100.0%</td>
<td>$1,618,999</td>
<td>$1,769,120</td>
<td>$1,897,691</td>
<td>$1,997,557</td>
<td>$2,102,678</td>
</tr>
</tbody>
</table>

Sources: Town of Surfside; TischlerBise.

Rate Design Analysis

The final step of the rate study is the design of the sewer rates to collect the desired level of revenue determined in the revenue requirement analysis. During this analysis, consideration is given to both the level of rates and the structure of the rates. This section reviews the sewer rate design for the Town.
Criteria and Considerations

In determining the appropriate rate level and structure, the consulting team, in conjunction with Town staff, analyzed various financial scenarios concerning the adjustments and the implications attributed to those decisions.

Below, we present a simplified list of some of the design considerations that were reviewed during this analysis:

- Consideration of the customer’s ability to pay
- Clear and understandable rates
- Easily administered
- Revenue stability (month to month and year to year)
- Implementation of Capital Improvements (rate of improving the existing system)
- Fair and equitable (cost-based) rates

Every consideration has merit and plays an important role in a comprehensive rate study. When developing the Town’s rates all of the aforementioned criteria were taken into consideration. Determining the appropriate balance is crucial, as some of the criteria sometime conflict with one another, i.e. the customers ability to pay and cost-based. In designing rates, there will always be concessions between the various objectives; however, we attempt to ensure the rates meet all of the leading objectives of the Town.

Overview of Former Rate Structure

Prior to the 2010 rate analysis, the Town had one sewer rate structure for all customers based on the customers meter size. Similar to the prior water rate structure, the bi-monthly charge included minimum sewer flow amounts depending on meter size. If there were sewer flow in excess of this minimum allotment, the customer would be charged $4.69 per 1,000 gallons of sewer flow for that billing period. For the prior analysis, we recommended that the Town eliminate the minimum allotment approach and adopt a cost-based approach including a fixed base charge per customer account or per dwelling unit (in the case of single-family residential accounts, apartments and condominiums) and a variable rate for sewer flow on a 1,000 gallon basis. The Town adopted our recommended approach. We had two reasons for this modification:

- **Customer Equity.** We believed the prior rate system was inequitable to a group of customers who have sewer flows less than the allotted amounts. The prior rate structure penalized efficient customers and customers that have less sewer flow due to being a smaller customer (by way of small family size, small business, etc.).

- **Revenue Stability and Cost-of Service-Based.** Every utility has certain costs that must be funded regardless of sewer flow amounts. These costs are fixed and typically do not fluctuate. If a customer does not use any water during a billing period, there are still costs associated for past use and future service availability. These items include but are not limited to capital replacement for past use, maintenance of assets to provide sewer collection operations in the
future, debt service, and customer service. A fixed charge system without minimum allotments ensures the utility’s fixed costs will still be met while creating a more equitable billing system.

**Table 18** below presents the FY 10/11 adopted fixed base charges in a monthly format as well as the adopted sewer flow rate per 1,000 gallons. The fixed charges are calculated using number of customer accounts and dwelling units. The FY 11/12 through FY 14/15 rates are suggested per the prior rate analysis.

**Table 18: Fixed Monthly Base Charges by Account or Dwelling Unit and Sewer Flow Rate**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 10/11</th>
<th>FY 11/12</th>
<th>FY 12/13</th>
<th>FY 13/14</th>
<th>FY 14/15</th>
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</thead>
<tbody>
<tr>
<td>Uniform Variable Rate</td>
<td>$5.41</td>
<td>$5.89</td>
<td>$6.31</td>
<td>$6.62</td>
<td>$6.95</td>
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<td>Monthly Fixed Charge</td>
<td>$3.43</td>
<td>$3.74</td>
<td>$4.01</td>
<td>$4.21</td>
<td>$4.42</td>
</tr>
</tbody>
</table>

Sources: Town of Surfside; TischlerBise.

**Impact of Revenue Increase**

In Fiscal Year 2010/11, the approved 15% increase in recommended revenue did not directly correlate to a 15% increase in all sewer bills. The cost of service analysis dictates the actual adjustments to the bills. **Figure 13** presents bi-monthly sewer charges for Single-family Residential customers at various sewer flow levels at the adopted FY 10/11 rates. Under this structure, customers with low sewer flow levels will see a decrease in their bills while high flow customers will experience greater monthly bills.

**Rate Comparison**

While the cost structure and facilities vary greatly between sewer utilities, rate comparisons provide the Town a barometer of its rates in relation to surrounding communities. The figure (**Figure 14**) compares the estimated bi-monthly bill for 12,000 gallons of sewer flow at adopted FY 10/11 adopted Town rates and published rates from the other jurisdictions.
Figure 13: Customer Billing Analysis: FY 10/11 Adopted Sewer Rates

Figure 14: SFR Rate Comparison –12,000 gallons; Adopted FY 10/11 Rates
MEMORANDUM

TO: Town Commission
FROM: Lynn M. Dannheisser, Town Attorney
CC: Roger M. Carlton, Town Manager
     Debra E. Eastman, M.M.C., Town Clerk
     Planning & Zoning Boardmembers

DATE: April 12, 2011
SUBJECT: Moratorium Ordinance

Recommendation: It is recommended that the Commission adopt this Ordinance. The P & Z Board sitting as the LPA has recommended transmittal with the direction to enact legislation within 90 days on uses to include encouraged uses as well as limitation of uses and imposition of location and distancing requirements.

Reasons: After years of discussion on the topic among the Planning and Zoning Board, the Town Commission, stakeholders in the Downtown Business District (“DBD”), and Town staff, the Town Manager has convened a Downtown Vision Process Advisory Committee which has begun to develop, study and create a Town Center vision and concept for the zoning district known as SD-B40 located between 96th and 94th Streets and Harding Avenue (“Downtown Business District”) and a strategy needs to be developed for the revitalization of the District. Clearly there is a developing need to engage various persons, professionals (planning, engineering, legal) and agencies such as the County and FDOT to study and address how to achieve the developing vision for the DBD.
In reviewing various regulations, however, it may be that they are adversely affecting the developing vision including an appropriate mix of retail, restaurant, and non-retail service uses required in order to ensure the vitality and commercial character of the Downtown Business District in the Town. In other words, after we study the issue, it may become clear that we need to preserve or enhance the mix and development of retail and non-retail uses, including potentially the limitation on the location and frequency of location of allowable uses within the frequency of location of allowable uses within the relevant district. Accordingly, there is a need maintain the status quo while we study these issues and develop recommendations for the Commission. The P & Z Board recognized these issues and by Resolution 11-01 enacted on February 24, 2011 it recommended that the Town Commission consider a temporary moratorium upon the issuance of certificates of use and certificates of occupancy for newly renovated or remodeled spaces in the Downtown Business District, subject to adequate protection of private property rights.

This Ordinance is designed to do this. It must be recognized that a moratorium is a means for maintaining the status quo while problems are studied and remedial measures are developed and implemented. A moratorium is not an end result. It is simply a planning tool intended to serve as a means to facilitate the achieving of a desired end result. Because the Town is careful when and if affecting anyone’s property rights, I believe it is important for you to understand the state of the law on moratoria. The balance of this memorandum therefore is devoted to providing you with information on the state of the law on the feasibility of enacting and the circumstances which justify the enactment (via ordinance) of a temporary moratorium upon the issuance of certificates of use and certificates of occupancy and other zoning approvals within the Town and applicable legal issues.

**Background of Moratorium Concept**

In 2002, the United States Supreme Court endorsed the use of temporary moratoria as a growth management tool of local government. In *Tahoe-Sierra Preservation Council, Inc. v. Tahoe Regional Planning Agency*, 535 U.S. 302, 122 S. Ct. 1465, 152 L.Ed 2d 517 (2002), the United States Supreme Court found that a temporary moratorium imposed by a regional planning agency to maintain the status quo while studying the impact of development on Lake Tahoe and formulating a strategy for assuring environmentally sound growth, was not itself a taking of private property rights.

Although moratoria have been used as a tool of growth management by local governments for many years, there was a substantial time period during which several attempted moratoria in Florida were stricken down by the Courts for defects in procedure or process. See *Town of Sanibel v. Buntrock*, 409 So.2d 1073 (Fla. 2d DCA 1981), review denied, 417 So.2d 328; *Town of Gainesville v. GNV Investments*, 413 So.2d 770 (Fla. 1st DCA 1982); *Franklin County v. Leisure Properties, Ltd.*, 430 So.2d 475 (Fla. 1st DCA 1983), review denied, 440 So.2d 352 (Fla. 1983). The Court noted in Tahoe-Sierra that the Court shall apply the *Penn Central* test to determine whether the regulation is a taking. *Penn Central Transp. Co. v. City of New York*, 438 U.S. 104, 125, 98 S.Ct. 2646 (1978). Thus, the court should address: (1) the economic impact of the regulation on the property owner; (2) the extent to which the regulation has interfered with distinct investment-backed expectations; and (3) the character of the government invasion. *Id.* at 124.

2. See *Inre Sales & Serv., Inc. v. Austral Insulated Prod., Inc.*, 262 F.3d 1152, 1158 (11th Cir. 2001) (applying Florida law regarding tortious interference with business relationship) (“when courts talk about a party's act as “unjustified” or
However, an example of a recent Florida appellate court opinion in which a local government moratorium was upheld is the case of *WCI Communities, Inc. v. Town of Coral Springs*, 885 So.2d 912 (4th DCA 2004), in which the Court upheld a nine month moratorium during which the Town studied and adopted new multi-family zoning regulations governing setbacks, building shape, parking, sidewalks and landscaping. However, even before the *Lake Tahoe or Coral Springs* cases, many courts throughout the nation had upheld temporary moratorium ordinances.

Prior to the *Lake Tahoe* case, the landmark case which had been frequently cited as setting forth the prerequisites to the valid exercise of the moratorium power, is the case of *Almquist v. Town of Marshan*, 245 N.W.2d 819 (Minn. 1976). In a scholarly opinion upholding a moratorium, the Minnesota Supreme Court in *Almquist* identified the five prerequisites to valid moratoria, including:

1. The moratorium ordinance must be adopted in good faith;
2. The moratorium ordinance must not be discriminatory;
3. The moratorium ordinance must be of limited duration;
4. The moratorium ordinance must be appropriate to the development of a comprehensive zoning plan; and
5. The Town council must act promptly to adopt the plan.

See Paul R. Gougelman, Moratoria and Interim Growth Management, Florida Environmental and Land Use Law, Section 5 (January, 1994).

The Courts recognize that the purpose of a moratorium is to enable a local government to maintain the status quo while regulations are being developed and implemented to address and remedy a problem which poses a threat to the public health, safety and welfare. The justification for creating a moratorium

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"unlawful", they essentially are talking about the same thing.); *Weight-Rite Golf Corp v. U.S. Golf Ass'n*, 766 F. Supp. 1104, 1112 (M.D. Fla. 1991); *Jay v. Mobley*, 783 So. 2d 297 (Fla. 4th DCA 2001).

See generally *Corn v. City of Landerdale Lakes*, 95 F.3d 1066 (11th Cir. 1996) (stating when moratoria are not of limited duration, and not tied to a reasonable plan to permit and facilitate growth, they are subject to invalidation).

More importantly, the Town of Aventura has a history of successfully imposing moratorium ordinances for appropriate durations and purposes and has done so on three (3) occasions, including Ordinance No. 96-12 (providing for initial six month moratorium on billboards pending completion of the Town's billboard regulations); Ordinance No. 97-22 (providing for initial six month moratorium in marina area and hospital area pending completion of the Town's first Comprehensive Plan) and Ordinance No. 98-20 (providing six month initial moratorium on residential buildings over a specified height).

Similarly, New York has held that land use moratorium should include the following: (1) have a reasonable time frame as measured by the action to be accomplished during the term; (2) have a valid public purpose justifying the moratoria or other interim enactment; (3) address a situation where the burden imposed by a moratoria is being shared substantially by the public at large; (4) strictly adhere to the procedure for adoption laid down by the enabling acts; and (5) have a time certain when the moratorium will expire. See generally *Belle Harbor Realty Corp. v. Kerr*, 35 N.Y.2d 507, 364 N.Y.S.2d 160 (N.Y. 1974)

In *Almquist*, the town of Marshan, an agricultural community, imposed a six month development moratorium when faced with several proposals for the widespread conversion of farm acreage into single family development. Faced with the specter of a drastic change in the nature of the community, and the inability of the community to provide infrastructure and services which would be demanded by a conversion from the low impact agricultural use to the high impact and demand of extensive residential development, which would change the very nature of the rural community, the town of Marshan implemented a six month moratorium on development pending the adoption of a comprehensive zoning plan.

When enacting a moratorium the following precepts should be followed:

(a) Adopt the moratorium in the form of a local law, the simplest and strongest form of municipal enactment, even if the existing zoning regulations are in the form of an ordinance. Although it is possible to amend an existing ordinance via a new ordinance in cities and towns, the use of a local
is to assure the effectiveness of new regulations which are to be developed. The legal concept is that if
uses which are contrary to new regulations are allowed to be commenced during the period in which such
new regulations are actively being developed and implemented, the purpose of the new regulations may
be defeated. In short, lawful moratoriums are intended to address and prevent the problem of "locking the
stable after the horse is stolen”. See Downham v. Town Council of Alexandria, 58 F.2d 784, 788
(E.D.Wa. 1932). The California Supreme Court in a landmark moratorium case (Miller v. Board of
Public Works of L.A. 234 P. 381 (Cal App. 1925) said it best “It is a matter of common knowledge that a
zoning plan to the extent contemplated...cannot be made in a day;...it will take much time to work out
details of such a plan and it would be obviously destructive to the plan if during the period of
incubation, parties seeking to evade the operation thereof should be permitted to enter upon a course of
construction...[which would] defeat...the plan.”

Once a significant problem is identified and a study of the remedy for the problem is in progress, there is
ample justification for a moratorium as being necessary to preserve the status quo. One of the key
requirements for adoption of a moratorium is that there be an identification of an existing problem which
is within the authority of local government to solve or attempt to solve and of the necessity and means to
develop remedial measures to address such problem. As noted in "Moratoria and Interim Growth
Management":

Before drafting a moratorium ordinance, the practitioner should determine exactly what the Town or County is trying to accomplish. A simple
reaction to the problem is to institute a moratorium on the issuance of
building permits. A better approach is to examine what the Town or

law will avoid any uncertainty surrounding basic legal authority. (b) In a municipality with an
existing zoning ordinance or local law, the moratorium should be treated as an amendment to that
ordinance or local law. The applicable procedural requirements--e.g., notice, hearing and possible
county referral--must be strictly followed. (c) The moratorium should clearly define the activity
affected, and the manner in which it is affected. Does the moratorium affect construction itself?
Does it affect the issuance of permits? (The permitting official will want to know this.) Does it
affect actions by boards or commissions within the municipality? May project review continue, or
must it, too, be stopped? (d) If the moratorium supersedes any provision of either the Town Law
or the Village Law, then the moratorium must be adopted by local law, using Municipal Home Rule
Law procedures. It must also state, with specificity, the section of the Town or Village Law being
superseded. In particular, where the moratorium suspends subdivision approvals, it must be made
clear in the moratorium law that the “default approval” provisions of the subdivision statutes of the
Town or Village Law (as the case may be) are superseded. (e) Establish a valid public purpose for
the moratorium with a preamble that recites the nature of the particular land use issue, as well as the
need for further development of the issue in the community's comprehensive plan and/or in its
current land use regulations. Refer to the fact that time is needed for community officials to
comprehensively address the issue without having to allow further development during that time.
Such a statement will help make it clear that the benefits to the community outweigh the potential
burden to the landowners. (f) Be sure the moratorium states that it is to be in effect for a defined
period of time. The moratorium should be for a time no longer than absolutely necessary for the
municipality to place permanent regulations in effect. (g) The moratorium should include a
mechanism allowing affected landowners to apply to a local board for relief from its restrictions, or
it should contain a clear reference to the fact that an owner may make use of the existing variance
procedures under the current zoning regulations. If a board other than a zoning board of appeals
will execute this authority, the moratorium should enacted using the supersession authority (see
“(d)” above).

See generally Oakwood Island Yacht Club, Inc. v. City of New Rochelle, 59 Misc.2d 355, 298 N.Y.S.2d 807
County is trying to encourage, discourage, and achieve and to determine precisely what type of moratorium is needed. (Page 5-4).

It is further observed that:
A proper relationship between a moratorium and a growth management problem can exist if the moratorium is put into effect to study the growth management problem and a good faith effort is made to find solutions and enact remedial ordinances. Virtually every case of a development permit moratorium involves a local government enacting a moratorium to stop conditions from getting out of control while a study committee examines a growth management problem and proposes remedial ordinances.

Staff also recommends that the moratorium should **not** apply to:

a.) Building, plumbing, mechanical and electrical permits for the repair of existing building elements.
b.) Certificates of use or occupancy for the re-establishment or continuation of a specific occupancy or use legally existing and previously licensed at the location to which a certificate of occupancy and certificate of use will be applicable.
c.) The renewal of a previously existing building, plumbing, mechanical or electrical permits for new construction.
d.) The approval of a plat or site plan, a bonafide application for which was made sixty (60) days prior to the effective date hereof.
e.) To the extent a lease for the proposed premises is executed and/or a Business Tax receipt has been issued prior to the effective date of this Ordinance, The Town Manager in his discretion may exempt an applicant.

While the use and development of private property is generally subject to compliance with the body of government regulations, as those regulations change from time to time, the Courts have long recognized an exception to the strict application of changed laws, under the doctrine of equitable estoppel or vested rights. The doctrine of vested rights operates to limit a local government's exercise of its zoning powers and immunizes a development from subsequently enacted zoning laws, when applicable. In order for this legal doctrine to apply and for vested rights to be established, a property owner must demonstrate that:

a. relying in good faith;
b. upon some act or omission of the local government;
c. the property owner has made such a substantial change in position or incurred such extensive obligations and expenses that it would be highly inequitable and manifestly unjust to permit the government to destroy the rights of the property owner by applying a subsequent regulation.

*See, Town of Largo v. Imperial Homes Corporation, 309 So.2d 571 (Fla. 2d DCA 1975); Monroe County v. Ambrose, 866 So.2d 707 (Fla. 3d DCA 2004).* When equitable estoppel applies, rights are treated as vested and protected.
Other Essential Ingredients of Moratorium Ordinance

Any moratorium ordinance should contain two provisions which are essential to assuring that the ordinance does not operate in an unlawful manner. Those two provisions are:

1. a vested rights provision; and
2. a waiver provision.

The purpose of a vested rights provision is to make sure that a proposed moratorium does not unlawfully cut off or impair vested rights or rights protected by equitable estoppel. The destruction of vested rights may subject the municipality to monetary liability under Florida law as well as under federal law.

The purpose of a waiver provision is to assure that, during the course of any moratorium, waivers for development permits may be given, subject to appropriate procedures, for those projects which are not inconsistent with the proposed regulations to be developed. In short, if a proposed use is not inconsistent with the regulations which are being developed or does not create the type of problem which the proposed regulations are intended to address, then there is no valid reason to subject such property to a moratorium. A waiver enables a harmless project to proceed. A waiver provision is created in recognition that the imposition of a moratorium which is done with a net so broad that it captures items which do not pose the risk intended to be addressed by the new regulations, may be challenged as an unlawful moratorium which does not serve the public health, safety or welfare.

Other Issues.

In preparing this Memorandum, we have examined whether the 1995 enactment by the Florida legislature of the Private Property Rights Protection Act (the "Bert Harris Act") creates any impediment to any proposed moratorium. The Bert Harris Act protects private property from an interference which is short of a "taking" but constitutes an "inordinate burden". In an article published in the Florida Bar Journal, shortly after creation of the Bert Harris Act, Jane Hayman, then serving as Deputy General Counsel for the Florida League of Cities, astutely cautioned that:

Cities and counties in Florida must take a second look at how they regulate and impact land. Some local governments will engage in extensive fiscal impact analysis prior to promulgating any new land development regulations to avoid litigation under the Harris Act. Other local governments will make adjustments to the impact of newly promulgated regulations as claims are filed by land owners. And other local governments may simply refuse to make land use changes or may litigate. It is also expected Ch. 95-181 will increase public confusion concerning

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8 The terms “inordinate burden” or “inordinately burdened” mean that an action of one or more governmental entities has directly restricted or limited the use of real property such that the property owner is permanently unable to attain the reasonable, investment-backed expectation for the existing use of the real property or a vested right to a specific use of the real property with respect to the real property as a whole, or that the property owner is left with existing or vested uses that are unreasonable such that the property owner bears permanently a disproportionate share of a burden imposed for the good of the public, which in fairness should be borne by the public at large. The terms “inordinate burden” or “inordinately burdened” do not include temporary impacts to real property; impacts to real property occasioned by governmental abatement, prohibition, prevention, or remediation of a public nuisance at common law or a noxious use of private property; or impacts to real property caused by an action of a governmental entity taken to grant relief to a property owner under this section.
preservation of private property rights, require cities and counties to adjust existing local zoning and development approval and appeal processes, and incur additional administrative expense, promote costly litigation, and further encumber our already overburdened system. See 70 Fla. Bar J. (January, 1996).

Those early warnings have proven to generally be correct and the Bert Harris Act has impacted certain municipal decisions. See, Royal World Metropolitan, Inc. v. Town of Miami Beach, 863 So.2d 320 (Fla.3d DCA 2004); rev. denied (Fla. Feb. 08, 2005) (holding that sovereign immunity does not bar a Bert Harris Act claim).

However, the Bert Harris Act defines an "inordinate burden" as one that is permanent and not merely a temporary impact. A moratorium, by its very nature, is a temporary measure. In assessing the feasibility and scope of any potential moratorium, we have been guided by the recognition that any moratorium must be confined to serving a purpose which is within the scope of the Town's authority and serves to facilitate the remediation of a growth management problem, while respecting private property rights. Accordingly, any impact of the Bert Harris Act would be further examined at the time that any new permanent growth management regulations are formulated.

**Conclusion**

Accordingly, for the reasons indicated above, the Town Commission may lawfully adopt and we recommend you do enact the proposed temporary moratorium ordinance.
TOWN OF SURFSIDE PLANNING AND ZONING BOARD
RESOLUTION NO. 11-O

A RESOLUTION OF THE TOWN OF SURFSIDE
PLANNING & ZONING BOARD RECOMMENDING
THE TOWN COMMISSION TO CONSIDER THE
NEED FOR, AND TERMS OF, A MORATORIUM ON
CERTAIN NON-RETAIL OR RESTAURANT USES IN
THE SD-B40-BUSINESS DISTRICT; AND
PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town of Surfside ("Town") is in the process of developing, studying
and creating a vision for the zoning district known as SD-B40 located between 96th and 94th
Streets and Harding Avenue (hereinafter referred to as the "Downtown Business District") and a
strategy needs to be developed for the revitalization of the District; and

WHEREAS, the Ad Hoc Downtown Visioning Committee and the Town Commission
are currently reviewing various regulations that may be adversely affecting the developing vision
of the Downtown Business District in the Town; and

WHEREAS, it has become apparent that an appropriate mix of retail, restaurant, and
non-retail service uses is required in order to ensure the vitality and commercial character of the
Downtown Business District in the Town; and

WHEREAS, it is in the best interests and welfare of the Town and its residents to require
that the Town consider whether additional or revised regulations are necessary or appropriate to
preserve or enhance the mix and development of retail and non-retail uses in the Town’s non-
residential business district including potentially the limitation on the location and/or frequency
of location of allowable uses within the relevant District; and

WHEREAS, the establishment of new, non-retail uses in the Town during the pendency
of any such consideration may irreversibly change the character of the Town’s Downtown
Business District to the possible detriment of the Town’s residents and the overall revitalization
effort being developed; and

WHEREAS, in order to prevent such an irreversible change in the character of the
Downtown Business District, the Planning and Zoning Board has determined that it may be
necessary for the Town to impose a moratorium on the issuance of new Certificates of Use and
occupancy permits for newly renovated, or remodeled spaces in the Town’s business district as
hereinafter set forth; and

-1-
NOW THEREFORE BE IT RESOLVED BY THE TOWN OF SURFSIDE PLANNING AND ZONING BOARD OF THE TOWN OF SURFSIDE, FLORIDA TO RECOMMEND AS FOLLOWS:

Section 1. Recitals Incorporated. The foregoing "Whereas" clauses are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this resolution upon adoption hereof.

Section 2. Call for Moratorium. The Planning and Zoning Board hereby recommends that the Town Commission consider the need for a moratorium upon the issuance of certificates of use and certificates of occupancy for newly renovated, or remodeled spaces in the Downtown Business District intended for non-retail uses only, except for those existing uses currently and already in such Downtown Business District as of the date of this Resolution.

Section 3. Effective Date. This Resolution becomes effective upon adoption.

PASSED AND ADOPTED this 24th day of February, 2011.

Motion by Planning and Zoning Board Member Peter Glynn.
Second by Planning and Zoning Board Member Armando Casellanos

FINAL VOTE ON ADOPTION

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<td>Galen Bakken</td>
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<td>Scarlet Hammons</td>
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ATTEST:

Clerk of Board

APPROVED AS TO FORM AND LEGAL SUFFICIENCY FOR THE TOWN OF SURFSIDE ONLY:

Lynda M. Dannheisser, Town Attorney
ORDINANCE NO. 2011

AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, ESTABLISHING A TEMPORARY MORATORIUM ON THE PROCESSING OF SITE PLANS, BUILDING PERMITS, AND THE ISSUANCE OF CERTIFICATES OF USE OR OCCUPANCY FOR NON-RETAIL, NON-RESTAURANT USES FOR THE PROPERTIES GENERALLY LOCATED BETWEEN 96TH AND 94TH STREET AND HARDING AVENUE, MORE PARTICULARLY DEPICTED ON THE DOWNTOWN BUSINESS DISTRICT AREA ZONING MAP ON EXHIBIT "A" ATTACHED HERETO; PROVIDING FOR A STUDY; PROVIDING FOR A WAIVER; VESTED RIGHTS, APPEAL; EXHAUSTION OF ADMINISTRATIVE REMEDIES AND TERM; PROVIDING FOR DIRECTIONS TO THE TOWN MANAGER; PROVIDING FOR EXCEPTIONS; PROVIDING FOR ADOPTION OF PRESENTATIONS; REPEALING ALL ORDINANCES IN CONFLICT; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR INCLUSION IN CODE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Surfside ("Town") is in the process of developing, studying and creating a Town Center vision and concept for the zoning district known as SD-B40 located between 96th and 94th Streets and Harding Avenue (hereinafter referred to as the "Downtown Business District") and a strategy needs to be developed for the revitalization of the District; and

WHEREAS, the Ad Hoc Downtown Vision Process Advisory Committee and the Town Commission are currently reviewing various regulations that may be adversely affecting the developing vision among other things of the Downtown Business District in the Town; and

WHEREAS, it has become apparent that an appropriate mix of retail, restaurant, and non-retail service uses is required in order to ensure the vitality and commercial character of the Downtown Business District in the Town; and

WHEREAS, it is in the best interests and welfare of the Town and its residents to require that the Town consider whether additional or revised regulations are necessary or
appropriate to preserve or enhance the mix and development of retail and non-retail uses in the Town's non-residential business district, including potentially the limitation on the location and/of frequency of location of allowable uses within the relevant District; and

WHEREAS, the establishment of new, non-retail uses in the Town during the pendency of any such consideration may irreversibly change the character of the Downtown Business District to the possible detriment of the Town’s residents and the overall revitalization effort being developed and accordingly the Town needs to maintain the status quo; and

WHEREAS, it is incumbent on the Town to ensure that the redevelopment and/or revitalization of the Downtown Business District conforms to the Town’s goals and wishes and as such the Town Manager advises that there is an urgent need to undertake a study of the Downtown Business District including consultation with FDOT, parking consultants, Town planners and engineers; and

WHEREAS, Town staff has already begun to meet with consultants concerning the Town’s developing goals and objectives as it relates to the Downtown Business District; and

WHEREAS, the Planning & Zoning Board Resolution 11-01 enacted on February 24, 2011 recommended the Town Commission consider a temporary moratorium upon the issuance of certificates of use and certificates of occupancy for newly renovated or remodeled spaces in the Downtown Business District, subject to adequate protection of private property rights.

NOW THEREFORE, THE COMMISSION OF THE TOWN OF SURFSIDE HEREBY ORDAINS as follows:

Section 1. Recitals Adopted. That each of the above stated recitals is hereby adopted and confirmed as being true, and the same are hereby made a specific part of the Ordinance.
Section 2. Temporary Moratorium Imposed. There is hereby established a temporary moratorium on the processing of any and all site plans, building permits, certificates of occupancy pursuant to Section 90-21 of the Code of Surfside, and certificates of use pursuant to Section 90-27 of the Code of Surfside in the Downtown Business District delineated in Exhibit “A” attached hereto and subject to the provisions of Section 4 herein. Except as otherwise provided herein, no department of the Town shall issue any certificates of use or occupancy, development orders, or undertake the review and approval of any site plans, building permits or development plans with respect to such uses within such area, during the term of the moratorium established hereby.

Section 3. Term: the moratorium established hereby shall be for a period of not more than one hundred and eighty (180) days from the effective date hereof. Zoning in progress shall apply to this Ordinance.

Section 4. Exemption: the moratorium established hereby shall not apply to the following:

a.) Building, plumbing, mechanical and electrical permits for the repair of existing building elements.

b.) Certificates of use or occupancy for the re-establishment or continuation of a specific occupancy or use legally existing and previously licensed at the location to which a certificate of occupancy and certificate of use will be applicable.

c.) The renewal of a previously existing building, plumbing, mechanical or electrical permits for new construction.

d.) The approval of a plat or site plan, a bonafide application for which was made sixty (60) days prior to the effective date hereof.
e.) To the extent a lease for the proposed premises is executed and/or a Business Tax receipt has been issued prior to the effective date of this Ordinance, The Town Manager in his discretion may exempt an applicant.

Section 5. Waivers. That the Town Commission, after a public hearing, duly advertised and properly noticed, may grant a waiver to the temporary moratorium provided above and authorize the issuance of approvals for a specific building, where the Town Commission determines that based upon substantial competent evidence, the specific use or activity requested by the waiver application will not detrimentally affect the preparation and implementation of the developing vision of the Downtown Business District and/or zoning regulations, will be compatible with surrounding uses, and will not impair the public health, safety or welfare.

Section 6. Study and Town Manager. The Town Manager is hereby authorized and directed to coordinate with the Town’s consultants and Ad Hoc Downtown Advisory Committee as well as such other departments of the Town and all other persons, entities or agencies, as the Town Manager shall deem appropriate to provide for a study to determine the most appropriate uses for the Downtown Business District (delineated in Exhibit “A”) in light of the Town’s future re-vitalization plans for the area. The Town Manager shall report back to the Mayor and Town Commission the results of the study.

Section 7. Vested Rights.

(A) That nothing in this ordinance shall be construed or applied to abrogate the vested right of a property owner to complete development where the property owner demonstrates each of the following:
(1) A governmental act of development approval was obtained prior to the effective date of this Ordinance; and

(2) Upon which the property owner has detrimentally relied, in good faith, by making such a substantial change in position or incurring such extensive obligations and expenses; and

(3) That it would be highly inequitable to deny the property owner the right to complete the development.

(B) That, except as provided by paragraph (C) below, any property owner claiming to have vested rights under this Section 7 must file an application with the Town Manager for a vested rights determination within 30 days after the effective date of this Ordinance. The application shall be accompanied by a fee of $1500 and contain a sworn statement as to the basis upon which the vested rights are asserted, together with documentation required by the Town Manager and other documentary evidence supporting the claim, which fee may be waived administratively if a substantial inequity would result from charging such fee. The Town Manager shall review the application and based upon the evidence submitted shall make a determination as to whether the property owner has established vested rights. The Town Manager's decision shall be subject to appeal, by only the applicant for a vested rights determination, to the Town Commission by notice of appeal filed with the Town Manager within ten (10) days after the Town Manager's written decision. In the event of a timely appeal, the Town Commission shall hold a public hearing on the appeal pursuant to Town Code Section 90-58 et. seq., and based upon the evidence submitted shall make a determination as to whether or not the property owner has established vested rights. To the extent that a property owner demonstrates vested rights, the temporary moratorium shall not be applied.
(C) That any property owner claiming vested rights under this Section 7 by virtue of a Vested Rights Determination Agreement with the Town shall not be subject to this temporary moratorium and shall be authorized to apply for certificates of use and certificates of occupancy in accordance with the Vested Rights Determination Agreement, by filing a copy of the Vested Rights Determination Agreement with the Town Manager, accompanied by a letter which references this paragraph (C), within thirty (30) days after the effective date of this Ordinance.

Section 8. Appeals. That appeals from final decisions by the Commission under Section 5 or Section 9 of this Ordinance shall be by the filing of a Petition for Certiorari in the Circuit Court of the Eleventh Judicial Circuit in and for Miami-Dade County in accordance with the Florida Rules of Appellate Procedure for the review of the quasi-judicial rulings of municipal agencies.

Section 9. Exhaustion of Administrative Remedies. That no property owner claiming that this Ordinance as applied constitutes or would constitute a temporary or permanent taking of private property or an abrogation of vested rights may pursue such claim in court unless he or she has first exhausted the administrative remedies provided in this Ordinance.

Section 10. Severability. If any section, subsection, clause or provision of this Ordinance is declared invalid or unconstitutional by a court of competent jurisdiction, the remainder shall not be affected by such invalidity.

Section 11. Conflict. All sections or parts of sections of the Town of Surfside Code of Ordinances in conflict herewith are intended to be repealed to the extent of such conflict.

Section 12. Inclusion in the Code of Ordinances. It is the intention of the Town Commission, and it is hereby ordained that the provisions of this Ordinance shall become and made a part of the Town of Surfside Code of Ordinances, that the sections of this Ordinance may be
renumbered or re-lettered to accomplish such intentions; and the word “ordinance” may be changed to “Section” or other appropriate word.

Section 13. Effective Date. This Ordinance shall be effective ten (10) days after adoption on second reading.

PASSED and ADOPTED on first reading this 8th day of March, 2011.

PASSED and ADOPTED on second reading this ____ day of ____, 2011.

Daniel Dietch, Mayor

Attest:

________________________________________
Debra E. Eastman, M.M.C., Town Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

________________________________________
Lynn M. Dannheisser, Town Attorney

On First Reading Moved by: __________________________

On Second Reading Seconded by: __________________________

Vote:
Mayor Dietch   yes___  no___
Vice Mayor Graubart   yes___  no___
Commissioner Karukin   yes___  no___
Commissioner Kopelman  yes  no
Commissioner Olchyk  yes  no
MEMORANDUM

TO: Town Commission

FROM: Lynn M. Dannheisser, Town Attorney

CC: Roger M. Carlton, Town Manager
    Debra E. Eastman, M.M.C., Town Clerk

DATE: April 12, 2011

SUBJECT: Short Term Rental Ordinance

Recommendation: The Tourist Bureau recommends that the Commission adopt this Ordinance. The evolution of this ordinance is explained below.

Background and Explanation of Ordinance: Short term rental ordinances are increasingly being passed by local municipalities in response to complaints surrounding the rental properties. The concern is that without regulation, short term rentals change the character of the neighborhood, may result in property not being properly maintained, may cause excessive noise and traffic, and usually non-compliance with tax requirements. Originally, the Vice Mayor requested this ordinance but wanted to impose a total ban on short term rentals. After research, we determined that the Florida courts have over-turned such legislation.

The type of short term rental ordinances withstanding challenge to date impose limitations on short term rental properties by requiring the properties to register with the municipality, obtain applicable licenses, and comply with the local code. These limitations have also resulted in increased compliance with the local code including the resort tax requirements.
There have been and continue to be challenges to the short term rental ordinances claiming, among other things, a violation of property rights. Currently there are ongoing challenges in federal and state courts for a variety of concerns associated with short term rental ordinances. Ordinances have been overturned for failure to clearly define tenancies (*Milo v. City of Venice*), failure to have a valid grandfather clause (ongoing with *Gwynn v. City of Venice* case no. 2009 CA 17007 NC; Islamorada grandfather clause was valid but the ordinance permitted ongoing short term rentals with a registration process).

Below is a synopsis of relevant case law reflecting the courts determinations based upon various challenges which will explain how the Town derived the terms of its own proposed ordinance.

In *Rollison v. City of Key West*, 875 So.2d 659 (3d DCA 2004), the property owner challenged the City ordinance prohibiting short term rentals. The property owner claimed that the ordinance was not applicable because it was a lawful nonconforming use at the time of purchase, prior to the passing of the ordinance. The city claimed that the use was not a permitted use at the time of purchase and therefore the property owner was not “grandfathered in”. The Court held that the City’s administrative interpretation was in conflict with the stated policy at the time of purchase and the property owner complied with that stated policy and therefore it was a lawful nonconforming use.

In *Milo v. City of Venice*, No. 2008 CA 552 CA (Fla. 12th Cir. Ct. March 7, 2008) the City’s short term rental ordinance was invalidated because the permitted use “business” and “temporary residence” were not defined in the code. The Court held that the ordinance improperly relied on definitions in Florida Statutes that were not cross referenced and it was unreasonable to expect property owners to anticipate that interpretation.

The Village of Islamorada’s vacation rental ordinance has been upheld after two challenges. The vacation rental ordinance requires the annual registration of the rental property, a copy of all necessary occupational licenses (including applicable county and state licenses), an inspection report by the Fire Chief, the number of approved parking spaces and a contact person for the property. The ordinance places a limit on the number of licenses that will be issued annually and provides requirements that the property owner and renter must abide by and the penalties for violating the regulations. The determination of validity of the ordinances appear to be based upon the grandfather clause; The clause set forth requirements such as, in order for property owners to be eligible they had to prove they had filed monthly tax reports since 2001 and could not have registered the property for a homestead exemption. The Court held that requiring landlords to comply with requisite laws was not arbitrary or unreasonable and that the ordinance and the requirements were lawful.

The Miami Beach short term ordinance limits short term rentals in two historic districts within the City; it does permit grandfathering-in of a select number of properties that met stringent standards set forth by the city. The ordinance also clearly defined the tenancies (in *Milo* the ordinance was not upheld by the court, in part, for failing to
clearly define the tenancies). The Miami Beach ordinance was passed in June of 2010 and has not been challenged.

Currently, the city of Venice (subjected to several challenges—specifically Gwynn v. City of Venice) has suspended their short-term rule pending the outcome of ongoing litigation. The ordinance banned rentals for less than 30 days in residential neighborhoods. The ongoing Gwynn case seems to whether the ordinance can be applied to her because she was renting her property prior to ordinance being passed.

The most recent case that was decided was in July 2010; however no determination was made on the merits. Neumont v. Monroe County went before the 11th Circuit Court of Appeals, the property owners alleged a vacation rental ordinance was not properly adopted and the ordinance restricting vacation rentals was part of a regulatory effort to ban vacation rentals. The 11th Circuit held that the first claim re: properly adopting the ordinance was a question for the Florida Supreme Court and that the 2nd claim that the ordinance was in effect a taking in violation of their constitutional rights was not ripe.

An ordinance clearly defining the tenancies, that allows for grandfathering-in of properties, and which is not overly broad will likely meet the criteria that has been determined by case law. The challenges are on-going and additional criteria may yet be determined. The case law is obviously evolving but the proposed ordinance complies with the case law in effect at the time of the writing of this memorandum.

The proposed Surfside short-term rental ordinance would require the registration of the dwelling for each rental period (not to exceed three times in 12 months), for each property owner to obtain the applicable county and state occupational licenses and for the property owners and renters to comply with the Town Code and pay the required resort tax.
ORDINANCE NO. ______

AN ORDINANCE OF THE TOWN OF SURFSIDE, FLORIDA AMENDING ARTICLE IV "DISTRICT REGULATIONS" SECTION 90.41 “REGULATED USES” ADDING A NEW SECTION 90.41.1.5 ENTITLED “SHORT TERM RENTAL OF SINGLE FAMILY DWELLINGS, TWO-FAMILY DWELLINGS, MULTI-FAMILY DWELLINGS, AND TOWNHOMES” REQUIRING REGISTRATION OF SHORT TERM RENTALS IN RESIDENTIAL NEIGHBORHOODS; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEALER; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town of Surfside is granted the authority, under its home rule power, to exercise any power for municipal purposes, except when expressed prohibited by law; and

WHEREAS, the maintenance of the character of residential neighborhoods is within the home rule power of the Town; and

WHEREAS, limitations on the rental of single family, two-family, multi-family, and townhouse dwellings serves a substantial governmental interest preserving the character and integrity of residential neighborhoods; and

WHEREAS, the Town of Surfside recognizes that the unregulated rental of single-family, two-family, multifamily, and townhouse dwelling units by seasonal residents uniquely impacts certain neighborhoods within the Town, therefore, it is necessary and in the interest of the public health, safety, and welfare to the monitor and provide reasonable means for citizens of the Town of Surfside to mitigate impacts created by such rental units within the Town as set forth in this Article.

WHEREAS, the Town seeks to maintain residential districts that promote the permanent residency of families; and
WHEREAS, the Town Commission hereby finds this Ordinance necessary to protect the public welfare.

WHEREAS, the Planning and Zoning Board, as the local planning agency for the Town, has held public hearing on __________ and recommended approval of the proposed amendments to the Code of Ordinances and also found the proposed Code amendments to be consistent with the Comprehensive Plan; and

WHEREAS, the Town Commission shall have conducted a duly noticed public hearing on these regulations as required by law on __________, and __________ having complied with the notice requirements required by Florida Statutes; and

WHEREAS, after due public notice, and having received input and participation by interested members of the public and staff, and having considered the Town of Surfside Planning & Zoning Board’s recommendation, the Town Commission found the proposed Code changes to be consistent with the Comprehensive Plan, finds the proposed change to the Code necessary and in the best interest of the community.

NOW THEREFORE, BE IT ORDAINED BY THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, AS FOLLOWS:

Section 1. Recitals. The foregoing “WHEREAS” clauses are ratified and confirmed as being true and correct and are made a specific part of this Ordinance.

Section 2. Code Amended. The Town Code is hereby amended by adding a new Section 90.41.1.5 entitled “SHORT TERM RENTAL OF SINGLE FAMILY DWELLINGS,
TWO-FAMILY DWELLINGS, MULTI-FAMILY DWELLINGS, AND TOWNHOMES” which shall read as follows:

Sec.90.41.1.5 SHORT TERM RENTAL OF SINGLE FAMILY DWELLINGS, TWO-FAMILY DWELLINGS, MULTI-FAMILY DWELLINGS, AND TOWNHOMES.

A. Definitions and Registration:

1. Intent. The Town of Surfside recognizes that the unregulated rental of single family, two-family, multi-family, and townhome dwelling units by seasonal residents uniquely impacts certain neighborhoods within the Town of Surfside. Therefore, it is necessary and in the interest of the public health, safety, and welfare to the monitor and provide reasonable means for citizens of the Town of Surfside to mitigate impacts created by such rental of such dwelling units within the Town of Surfside as set forth in this Article.

2. Definitions. For the purpose of this Section, the following terms, phrases, words, abbreviations and their derivations shall have the meaning given herein. When 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.

“Owner” shall mean the person whom is vested ownership, dominion, or title of property.
“Responsible Party” shall mean the owner or the person designated by the owner of the property to be called upon to answer for the maintenance of the property and the conduct and acts of seasonal residents of single family, two-family, multi-family, and/or townhome dwelling units.
“Seasonal resident” shall mean guests, tourists, lessees, vacationers, or others who lease a single family, two-family, multi-family, and townhouse dwelling unit for valuable consideration for a period of time between one (1) day to no more than six (6) months.
“Short term rental” shall mean any occupancy of a single family, two-family, multi-family, and townhouse dwelling unit for a period of time between one (1) day to no more than six (6) months provided however the terms of this short term rental ordinance shall not apply to film and print productions and use of the aforementioned premises for those purposes.

3. Registration Required. It shall be unlawful for any person to allow another person to occupy any seasonal resident within the Town of Surfside, or offer such rental services within the Town of Surfside, unless the person has been registered with the Town of Surfside in
accordance with provisions of this Section. A registration is required for each rental period for which the single family, two-family, multi-family, and/or townhouse dwelling unit is rented. No more than three (3) registrations shall be issued within a twelve (12) month period. Every person required to procure a registration under this Section shall submit a formal application to the Town Manager or designee.

4. Application for Registration. Applications for registration shall set forth and/or include at a minimum:

a.) Address, lot, block and subdivision name of single family, two-family, multi-family, and townhouse dwelling unit offered for rental;

b.) Name, address, and phone number of owner of said single family, two-family, multi-family, and/or townhouse dwelling unit;

c.) Name, address, and emergency contact phone number of responsible party for said single family, two-family, multi-family, and townhouse dwelling unit, which shall be a twenty-four-hour, seven (7) days a week contact number;

d.) That the phone number for the responsible party will be answered twenty-four (24) hours a day, seven (7) days a week by a party with authority to address or coordinate problems associated with the single family, two-family, multi-family, and townhouse dwelling unit;

e.) Acknowledgements by owner of the following:

i. That all vehicles must be parked in the driveway of the single family, two-family, multi-family, and townhouse dwelling unit and clear of all grassy areas and sidewalk sections pursuant to Town of Surfside Code of Ordinances;

ii. That it shall be unlawful to allow or make any noise or sound which exceed the limits set forth in the Town's Noise Ordinance;

iii. That no garbage container shall be located at the curb for pickup before 12:00 pm of the day prior to pickup, and garbage container shall be removed before midnight of the day of pickup;

iv. That whoever, without being authorized, licensed, or invited, willfully enters or remains in any structure or conveyance of a single family, two-family, multi-family, and townhouse dwelling unit, or, having authorized, licensed, or invited is warned by the owner or lessee, to depart the unit and refuses to do so, commits the offense of trespass in a structure or conveyance;

b) Proof of owner's current ownership of the single family, two-family, multi-family, and townhouse dwelling unit.

g ) Issuance or Refusal of Registration. The Town Manager or his designee shall issue a registration to the applicant upon proof of the following:

i. The owner and/or responsible party completes the Town of Surfside registration application form; and

ii. The registration fee has been paid to the Town of Surfside; and

Ordinance No. _____
iii. Incomplete registration applications are unacceptable and requested registration shall not issue.

h.) Registration not transferable. No registration issued under this article shall be transferred or assigned or used by any person other than the one to whom it is issued, or at any location other than the one for which it is issued.

i.) Expiration of Registration. All registration issued under the provisions of this article shall be valid for the rental period requested in the application.

j.) Complaints. Whenever a violation of this article occurs, or is alleged to have occurred, any person may file a written complaint. Such complaint, stating fully the causes and basis thereof, shall be filed with the Town Manager or his designee.

B. Fees for Registration. The Town of Surfside is authorized and shall charge a fee for registration to compensate for administrative expenses. The fees for registration shall be set forth in a resolution adopted by the Commission of the Town of Surfside, and may be amended from time to time.

C. Resort Tax and Enforcement
1. Payment of Resort Tax required. Owners are subject to payment of the resort taxes as establish by the laws of the Town of Surfside.
2. Violations of this section:
   a) are subject to the following fines. The special master may not waiver or reduce fines set by this ordinance.
      i) First violation: $500
      ii) Second violation within the preceding twelve (12) months: $1500
      iii) Third violation within the preceding twelve (12) months: $5000
      iv) Fourth or greater violation within the preceding twelve (12) months: $7500
   b) In addition to or in lieu of the foregoing, the Town may seek injunctive relief.
   c) Any code compliance officer may issue notices for violations of this ordinance, with enforcement of section 90.41.1.5 and alternative enforcement of section 90.41.1.5 as provided in Chapter 90 of this Code. Violations shall be issued to the owner, manager, real estate broker or agent, or authorized agent, or any other individual or entity that participates in or facilitates the violation of this section. In the event the record owner of the property is not present when the violation occurred or notice of violation issued, a copy of the violation shall be served by certified mail on the owner at its mailing address in the property appraiser’s records and a courtesy notice to the contact person identified in subsection (4)(c) above.

D. Previously Existing Short Term Rentals.

1. For a period of six (6) months after the effective date of this ordinance (August 10, 2010), owners of certain properties shall be eligible to apply for approval of registration permitting short term rental of residential units for these properties under the
requirements and provisions set forth below. Properties that are eligible are those that can demonstrate a current and consistent history of short-term renting, and that such short-term rentals are the primary source of income derived from that unit or building, as defined by the requirements listed below.

a. In order to demonstrate current, consistent and predominant short-term renting, the property must comply with all of the following:

i. have been registered with the Town for the payment of Resort Tax and made resort tax payments as of March 10, 2010; and

ii. have had Town of Surfside Resort Tax taxable room revenue equal to at least 50% of total room revenue over the last two-year period covered by such payments; and

iii. have been registered with the State of Florida as a Transient Apartment, Resort Dwelling, or Resort Condominium pursuant to Chapter 509, Florida Statutes, as of March 10, 2010.

Section 3. Inclusion in the Code. It is the intention of the Commission, and it is hereby ordained that this Ordinance shall become and be made a part of the Town of Surfside Code; that the sections of this Ordinance may be renumbered or relabeled to accomplish such intention; and that the word “Ordinance” shall be changed to “Section” or other appropriate word.

Section 4. Severability. The provisions of this Ordinance are declared to be severable and if any section, sentence, clause or phrase of this Ordinance shall for any reason be held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining sections, sentences, clauses, and phrases of this Ordinance but they shall remain in effect, it being the legislative intent that this Ordinance shall stand notwithstanding the invalidity of any part.

Section 5. Conflicts. Any and all Ordinances and Resolutions or parts of Ordinances or Resolutions in conflict herewith are hereby repealed.

Section 6. Effective Date. This ordinance shall become effective in ten (10) days after second reading.

PASSED and ADOPTED on first reading this _____ day of __________, 2011.

PASSED and ADOPTED on second reading this ____ day of __________, 2011.
Daniel Dietch, Mayor

Attest:

Debra E. Eastman, MMC
Town Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

Lynn M. Dannheisser, Town Attorney

On First Reading Moved by: ____________________________

On Second Reading Seconded by: ____________________________

Vote:

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Agenda Item #  4B2

Agenda Date: April 12, 2011.

Subject: Amending the Chapter 70 Article IV “Resort Tax” Ordinance.

Background: Currently Surfside is one of only three municipalities in Miami-Dade County eligible by Florida State Law Chapter 67-930 Municipal Resort Tax (Attachment A) to impose a Resort Tax of four percent (4%) on accommodations and two percent (2%) on food and beverage sales as a source of revenue. Miami Beach and Bal Harbour are the other two municipalities with the same capability. This unique revenue generating opportunity is also defined in the Town’s Charter in Sec, 69-A. Resort Tax (Attachment B).

The Chapter 70 Article IV Resort Tax (Sec. 70-106 to 70-111) governing the collection and use of this tax is from 1960. Other municipalities have revised their ordinances since the tax’s inception. Some of the existing language in Article IV is no longer applicable to the Town in the 21st Century.

The ordinance also lacks information on the governance of the Tourist Bureau portion of the Resort Tax Fund by the Tourist Bureau Board. The Board represents the Commission, and has oversight on how the resort tax funds are utilized but clearly defined roles and responsibilities for the Board members do not presently exist.

To facilitate collection of the tax, businesses submit a monthly Resort Tax Report with their tax payment (Attachment C). The report does not require supporting documentation and a procedure for auditing the submissions does not exist. Therefore, the tax submissions are done on an honorary basis. Notifications of past due resort tax submissions are sent to the applicable businesses. This has proven to be an effective means in securing outstanding (honorary) payments to date however there is no course of action if compliance is not achieved. There also lacks a procedure for accommodating any possible tax submission disputes for the Town or applicable businesses.
Analysis:

The proposed amendments cover the following areas that were lacking in the original ordinance:

- Provides definitions of terms used throughout the ordinance to avoid any potential confusion.
- Authorize the taxation of beer, malt and refrigerated beverages, as well as take-out, bringing the ordinance in line with amendments to the State Statue since 1960.
- The responsibility of the applicable businesses to collect and remit the tax is addressed.
- Provisions for enforcing compliance, a delinquency penalty schedule, and the creation of a means for the settling of disputes is provided.
- Requirements to provide sufficient documentation with the tax submittal are defined.
- Identifying the creation of a special fund for all Resort Tax receipts brings the ordinance in line with the Town’s Charter and complies with the State’s statute. The capability of the Town to use a portion of the fund for Town purposes is not diminished.
- By simplifying and stating that the Tourist Bureau’s use of a portion of the fund becomes part of the Town’s annual budgetary process strengthens a process that has traditionally been fulfilled.
- Defining the roles and responsibilities of the Tourist Bureau Board and its relationship to the Town Commission and applicable staff will in the event of ambiguities be of benefit in the future.

Recommendations from the previous and present Tourist Bureau Boards, culled from three publicly noticed Tourist Board meetings and a dedicated workshop focused on the Chapter 70 Article IV “Resort Tax” Ordinance, conducted over the last year, are included in these recommended amendments. Besides the existing ordinance, the Board reviewed the Florida Statue and the Town’s Charter as well as those ordinances pertaining to Resort Tax from Miami Beach and Bal Harbour. These recommendations were reviewed by the Town Manager and Town Attorney who also included recommendations in this proposal. Due to the Tourist Board changing their April meeting date, this version of proposed amendments will be reviewed by the Tourist Board at their scheduled meeting on Monday April 11, 2011. The Town Commission will be notified of any further recommendations from the Tourist Board with the second reading at the Commission meeting in May.

Budget Impact: The revision of the ordinance to include beer, malt and refrigerated beverages, as well as take-out, as taxable items will result in an immediate increase to the amount of Resort Tax collected from applicable businesses and, therefore, an increase to the revenue stream for the Town. A potential benefit of codifying requirements for Resort Tax submission documentation from applicable businesses is the creation of an checks and balances to assist in the verification that the proper amount of tax is being submitted to the Town. When such regulatory power is expanded it is appropriate to establish an appeal procedure. This is included in the ordinance recommendations. Subsequent audit capacity will therefore be provided by outside consultants at a limited cost.

Staff Impact: Existing staff resources will be utilized to facilitate these changes.

Recommendation: Staff recommends that the Town Commission approve these amendments to the Chapter 70 Article IV “Resort Tax” Ordinance.

[Signatures]

Department Head

Town Manager
Municipal Resort Tax
Chapter 67-930, Laws of Florida,
As amended by Chapters 82-142, 83-363, 93-286, and 94-344, Laws of Florida

Brief Overview

The Municipal Resort Tax may be levied at a rate of up to 4 percent on transient rental transactions, and up to 2 percent on the sale of food and beverages consumed in restaurants and bars in certain municipalities whose respective county population fell within specified limits based on the 1960 Census and whose municipal charter specifically provided for the levy of this tax prior to January 1, 1968. The tax levy must be adopted by an ordinance approved by the governing body. Revenues can be used for tourism promotion activities, capital construction and maintenance of convention and cultural facilities, and relief of ad valorem taxes used for those purposes.

General Law Amendments

There were no general law amendments resulting from the 2010 Regular Legislative Session.

Authorization to Levy

Municipalities in counties having a population of not less than 330,000 and not more than 340,000 (i.e., Broward County) and in counties having a population of more than 900,000 (i.e., Miami-Dade County), according to the 1960 decennial census, whose charter specifically provided or whose charter was so amended prior to January 1, 1968, for the levy of this exact tax, are eligible to impose it by ordinance adopted by the governing body. The tax shall be levied upon the rent of every occupancy of a room or rooms in any hotel, motel, apartment house, rooming house, tourist or trailer camp, as the same are defined in part I of ch. 212, F.S., and upon the retail sale price of all items of food or beverages sold at retail, and of alcoholic beverages sold at retail for consumption on the premises at any place of business required by law to be licensed by the state hotel and restaurant commission or by the state beverage department. However, the tax shall not apply to those sales the amount of which is less than 50 cents nor to sales of food or beverages delivered to a person's home under a contract providing for deliveries on a regular schedule when the price of each meal is less than $10.

Municipalities Eligible to Levy

Currently, only three municipalities in Miami-Dade County (i.e., Bal Harbour, Miami Beach, and Surfside) are eligible to impose the tax. According to the Department of Revenue (DOR), all three municipalities are imposing the tax at the following rates: 4 percent of transient rental transactions and 2 percent on the sale of food and beverages.
Administrative Procedures

It is the duty of every person renting a room or rooms and every person selling at retail food or beverages or alcoholic beverages for consumption on the premises to act as the collection agent. Every such person must collect, report, and pay over to the municipality all such taxes imposed, levied, and collected, in accordance with the accounting and other provisions of the enacted ordinance. Any municipality collecting the tax shall have the same duties and privileges as the DOR under part I of ch. 212, F.S., and may use any power granted to the DOR under this part, including enforcement and collection procedures and penalties, which shall be binding upon all persons and entities that are subject to the tax. Additionally, municipalities responsible for administering the tax shall participate in the Registration Information Sharing and Exchange (RISE) Program and share tax administration information as prescribed by the DOR.¹

Distribution of Proceeds

The governing body may authorize by ordinance the creation of an authority or commission empowered to contract and be contracted with its own name as an agency of the municipality to expend such portion of the proceeds of this tax as the body may determine appropriate.

Authorized Uses of Proceeds

The tax proceeds shall only be used for the creation and maintenance of convention and publicity bureaus; development and maintenance of art and cultural centers; enhancement of tourism; publicity and advertising; construction, operation, and maintenance of auditoriums, community centers, and convention structures; or relief from ad valorem taxes being used for any of these other purposes.

Relevant Attorney General Opinions

No opinions specifically relevant to this tax have been issued.

¹. Section 213.0535, F.S.
Sec. 69-A. Resort tax.
The Town of Surfside shall have the right, pursuant to the provisions of Laws of Fla. ch. 67-930, as amended by Laws of Fla. ch. 83-363, to impose, levy and collect a municipal resort tax, not to exceed four per cent (4%) upon the rent of rooms in any hotel, motel, apartment house, rooming house, tourist or trailer camp as same are defined in F.S. ch. 212, and not to exceed two per cent (2%) upon the retail sale of all items of food, beverages and alcoholic beverages, other than beer or malt beverages, sold at retail for consumption on the premises, provided that the tax shall not apply to sales which are less than fifty cents (50¢). The total receipts from the above tax levy shall be kept and maintained in a separate fund and shall in no event be transferred to the general fund. Said fund shall be used for the following purposes only: payment of necessary expenses of collecting, handling and processing of said tax; creating and maintenance of convention and publicity bureaus, cultural and art centers; enhancement of tourism; publicity and advertising purposes; for the future cost, purchase, building, designing, engineering, planning, repairing, reconditioning, altering, expanding, maintaining, servicing and otherwise operating auditoriums, community houses, convention halls, convention buildings or other structures; and other related purposes, including relief from ad valorem taxes heretofore levied for such purposes.
(Res. No. 677, § 1, 10-12-67; Ord. No. 1285, § 1, 8-11-92)
This return should be prepared on a typewriter or filled out legibly with blue ink only, order to Town of Surfside.

**ORIGINAL – IMPORTANT**

This return must reach the Town of Surfside before the last day of the preceding month for which the tax is due to avoid penalty and loss of 2% commission.

OPERATOR MUST FILE RETURN EVEN THOUGH NO TAX IS DUE.

---

**TOWN OF SURFSIDE**
9293 Harding Avenue
Surfside, Florida 33154

**RESORT TAX REPORT**
4% ROOMS
2% FOOD AND BEVERAGES

If you close or sell your business, or if you change your business location, please immediately notify the Town of Surfside Resort Tax Department in writing.

<table>
<thead>
<tr>
<th>COLUMNS</th>
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<tr>
<td>Enter figures for items below in appropriate column at right</td>
<td>Sales</td>
<td>Taxes</td>
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<tr>
<td>A. Gross food and beverage receipts</td>
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<tr>
<td>C. Taxable food and beverage sales (lines A-B)</td>
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<td>D. Gross rental receipts</td>
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<tr>
<td>F. Taxable rental sales (lines D-E)</td>
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<tr>
<td>G. Total Taxes Collected (lines C+F)</td>
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<tr>
<td>H. Deduct 2% of line G as your commission if this return is filed on time</td>
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<tr>
<td>I. Debit or credit memos issued by Town of Surfside</td>
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<tr>
<td>J. Total amount due (lines G-H plus or minus I) if this return is filed on time pay this amount to Town of Surfside</td>
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<tr>
<td>K. Add 10% of line G as your original month of delinquency, add additional 10% of line G as your continued month of delinquency if this return is not filed on time</td>
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<tr>
<td>L. Add 5% of line G and multiply by number of months of delinquency if this return is not filed on time</td>
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<tr>
<td>M. Total amount due (lines G+K+L plus or minus I) if this return is not filed on time pay this amount to Town of Surfside</td>
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</table>

I hereby certify that this return has been examined by me and to the best of my knowledge and belief is a true, correct and complete return.

______________________________  ________________________________
Date                                 Signature of Operator

---

SEE DETAILED INSTRUCTIONS AND GENERAL INFORMATION ON INSIDE

**Page 232**

**KEEP THIS COPY FOR YOUR RECORDS**
RESORT TAX – INSTRUCTIONS

IMPORTANT:
Operator must file return even though no tax is due.

Line A, Column 1 – Enter gross sales of all food and alcoholic beverages (except beer and malt products) consumed on premises.

Line B, Column 1 – Enter all sales of food and alcoholic beverages exempt from resort tax (carry-outs).

Line C, Column 1 – Subtract Line B from Line A

Line C, Column 2 – Enter 2% of Line C, Column A

Line D, Column 1 – Enter total rent collected in any Hotel, Motel, Apartment, Rooming House, Condominium or Boarding House.

Line E, Column 1 – Enter total rent paid for 6 months periods or longer.

Line F, Column 1 – Subtract Line E from Line D.

Line F, Column 2 – Enter 4% of Line F, Column 1.


Line H, Column 2 – Enter 2% of Line G, Column 2 if your return is filed on time.

Line I, Column 2 – Enter any debit or credit memos issued by the Town of Surfside.

Line J, Column 2 – Line G, Column 2, minus Line H, Column 2 plus or minus Line I, Column 2 if this return is filed on time.

Line K, Column 2 – Add 10% of Line G, Column 2 as your original month of delinquency, add an additional 10% of Line G, Column 2 as your continued month of delinquency if this return is not filed on time.

Line L, Column 2 – Add ½% of Line G, Column 2 and multiply by number of months of delinquency if this return is not filed on time.

Line M, Column 2 – Line G, Column 2, plus Line K, Column 2, plus Line L, Column 2 plus or minus Line I, Column 2 if this return is not filed on time.

CAUTION: Always put into the proper columns the figures relating to the type of items applying to or covered specifically by the particular column.

Page 233
I. EFFECTIVE DATE OF LAW – October 2, 1992

II. ITEMS SUBJECT TO TAX – Certain rent from occupancy of a room or rooms in any hotel, motel, apartment house, rooming house, or condominium and on ritual sale price of food, beverages and alcoholic beverages, other than beer or malt beverages, sold at retail for consumption on premises.

III. RATE OF TAX – Four percent (4%) on all rentals and two percent (2%) on all other sales described in (II) except for certain exempt sales set forth in (IV).

IV. EXEMPT SALES –

1. Any person who shall reside continuously longer than six months at any one hotel, condominium, apartment house or rooming house, and shall have paid the tax levied by this section for six months of residence in any one hotel, condominium, rooming house or apartment house.
2. Any Federal, State, county or municipal government or agency thereof.
3. Nonprofit religious, educational or charitable corporations or institutions when engaged in religious, educational or charitable activities within the purview of their nonprofit or charitable purposes.
4. Transactions involving less than fifty cents (.50c).
5. Any person who is or becomes an occupant under a written lease for a period of more than twelve consecutive months in any apartment, condominium, motel or hotel in the Town of Surfside.

V. OPERATOR’S COMMISSION – Each operator shall deduct two percent (2%) of the amount of tax collected and/or due providing that the amount of tax collected and/or due is remitted to the Town Manager, Town of Surfside, on or before the last day of the month following the close of each calendar month.

VI. REMITTANCE TO TOWN OF SURFSIDE – All resort taxes collected and/or due shall be remitted to the Town of Surfside Resort Tax Department, along with the original copy of the reporting form on or before the last day of the month following the close of each calendar month. Please make the check or money order payable to “Town of Surfside”.

VII. PENALTIES – That any person, person, firm or corporation violating any of the provisions of this ordinance shall, upon conviction thereof, be punished by a fine not to exceed $1,000, or by imprisonment not to exceed ninety (90) days, or both such fine and imprisonment in the discretion of the Dade County Court. Each day that a violation is permitted to exist shall constitute a separate offense.

Additional penalties will be levied for late payment, fraud, and interest charges for delinquency.
OPERATOR'S COPY
Please keep for your records

TOWN OF SURFSIDE
9293 Harding Avenue
Surfside, Florida 33154

RESORT TAX REPORT
4% ROOMS
2% FOOD AND BEVERAGES

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I hereby certify that this return has been examined by me and to the best of my knowledge and belief is a true, correct and complete return.

Date: ____________________________
Signature of Operator: ____________________________

SEE DETAILED INSTRUCTIONS AND GENERAL INFORMATION ON INSIDE
Page 235
KEEP THIS COPY FOR YOUR RECORDS
ORDINANCE NO. 11- ______

AN ORDINANCE OF THE TOWN COMMISSION OF THE
TOWN OF SURFSIDE, FLORIDA AMENDING CHAPTER
70 AND SPECIFICALLY ARTICLE IV “RESORT TAX”
DIVISION 1 “RESORT TAX” AND DIVISION 2 “RESORT
TAX BOARD” SPECIFICALLY AMENDING SECTIONS 70-
106 THROUGH 70-111; AND CREATING SECTIONS 70-112
THOUGH 70-127, OF THE TOWN OF SURFSIDE CODE OF
ORDINANCES PROVIDING FOR INCLUSION IN THE
CODE; REPEALING ALL ORDINANCES OR PARTS OF
ORDINANCES IN CONFLICT HEREWİTH; AND
PROVIDING FOR AN EFFECTİVE DATE

WHEREAS, the Town of Surfside (“Town”) proposes to amend its Code of Ordinances
to amend guidelines for imposition and collection of the resort tax and to create a Resort Tax
committee.

WHEREAS, The Town Commission held its first public reading on April 12, 2011 and
recommended approval of the proposed amendments to the Code of Ordinances having complied
with the notice requirements by the Florida Statutes; and

WHEREAS, The Town Commission has conducted a second duly noticed public hearing
on these regulations as required by law on May 10, 2011 and further finds the proposed change
to the Code necessary and in the best interest of the community.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COMMISSION OF
THE TOWN OF SURFSIDE, FLORIDA as follows:

Section 1. Recitals. The foregoing “WHEREAS” clauses are ratified and
confirmed as being true and correct and are made a specific part of this Ordinance.

Section 2. Code Amendment. The code of the Town of Surfside, Florida is hereby
amended as follows:

Ordinance No. _____

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ARTICLE IV. RESORT TAX*

*Charter references: Resort tax, § 69-A.

DIVISION 1. Resort Tax.

Sec. 70-106. Tax imposed. **Short title of article.**
In addition to all other taxes of every kind imposed by law there is hereby imposed and levied a resort tax of four percent upon the rent of rooms in any hotel, motel or apartment house, as same are defined in F.S. ch. 212, and two percent upon the retail sale of all items of food, beverages and alcoholic beverages, other than beer or malt beverages, sold at retail for consumption on the premises of any place of business required by law to be licensed by the state division of hotels and restaurants or by the state division of alcoholic beverages and tobacco, provided that the tax shall not apply to sales which are less than $0.50. Nothing contained in this section shall be construed to impose a tax upon, or be applicable to, the unexpired term of any bona fide written lease in effect prior to the effective date of the ordinance from which this article was derived, or any renewal thereof within the same hotel, motel or apartment house, which is otherwise exempt pursuant to subsection 70-110(5). This article shall be known as the Surfside Resort Tax Ordinance.

Sec. 70-107. Payment and collection. **Definitions.**
The resort tax imposed under this article shall be collected from the person paying the rent and the person purchasing food, beverages and alcoholic beverages for consumption on the premises. It shall be the duty of every person renting a room or rooms, and every person selling at retail for consumption on the premises, food, beverages and alcoholic beverages, other than beer or malt beverages, in acting as the tax collection medium or agency of the town, to collect from the person paying the rent or the retail sales price, for the use of the town, the tax imposed and levied under section 70-106.
The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:
_Apartment House_ means any building or part thereof where separate accommodations for two or more families living independently of each other are supplied to transient or permanent Guests or tenants either owned or operated by an individual, trust, or corporate entity. The term "apartment house" shall include houses, condominium, bungalow courts, timeshare rentals, and all other dwellings or similar character.
_Appeal_ is the process for requesting a formal change to an official decision.
_Audit_ means an examination and verification of accounting records and supporting documents.
_False or Fraudulent Return_ means a return that is filed with incorrect and/or incomplete information.
_Guest_ means any person making a retail purchase of (a) food or beverages; or (b) alcoholic beverages sold at retail for consumption on the premises, at any Restaurant or other business premises required by law to be licensed by the State Hotel and Restaurant Commission or by the State Beverage Department.
_Hotel_ and _Motel_ mean every building or other structure kept, used, maintained, advertised as or held out to the public to be a place where sleeping accommodations are supplied for pay to transient or permanent Guests or tenants, whether or not there is, in connection with any of the

Ordinance No. _____
building, any dining room, cafe or other place where meals or lunches are sold or served to Guests.

Lawful means obeying or conforming to the law.

Occupancy means the use or possession or the right to the use or possession of any Room in a Hotel, Motel or Apartment House, or the right to the use or possession of the furnishings or to the services and accommodations accompanying the use and possession of such Room.

Occupant means a person who, for a consideration, uses, possesses or has the right to use or possess any Room in a Hotel, Motel or Apartment House under any lease, concession, permit, right of access, license to use or other agreement, or otherwise.

Operator means any person operating a Hotel, Motel, Apartment House or any person operating a Restaurant or other premises serving or selling at retail food or beverages, and of alcoholic beverages sold at retail for consumption on the premises, at any place of business required by law to be licensed by the State Hotel and Restaurant Commission or by the State Beverage Department in the Town, including but not limited to the Owner or Proprietor of such premises, the lessee, sublessee or mortgagee in possession, the licensee, or any other Person otherwise operating such Hotel, Motel, Apartment House, Restaurant or other premises.

Person means an individual, partnership, society, association, joint stock company, corporation, estate receiver, trustee, assignee, referee or any other Person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, and any combination of individuals.

Rent means the consideration received for Occupancy, valued in money, whether received in money or otherwise, including all receipts, cash, credits and Property or services of any kind or nature, and also any amount for which credit is allowed by the Operator to the Occupant, without any deduction therefrom whatsoever.

Restaurant means any business or place for the serving of food or beverages required by law to be licensed by the Hotel and Restaurant Commission of the State, or any premises required by law to be licensed by the State Beverage Department for the sale of alcoholic beverages.

Return means any return filed or required to be filed as provided in this article.

Room means any room of any kind in any part or portion of a Hotel, Motel or Apartment House, which is available for or let out for use or possession for any purpose other than as a place of public assembly.

Sales Price means the retail sales price charged by the Operator to a Guest, consumer or any other Person for each sale of food or beverages sold at retail, and of alcoholic beverages sold at retail for consumption on the premises.

Special master or special magistrate means a person appointed pursuant to this chapter.

Take Out means consumption away from and/or within the environs of the business.

Town Manager means the Town Manager of the Town or designee.

Unlawful means not obeying and not conforming to the law.

Sec. 70-108. Tax returns, due date, forms, etc. Violations of article generally
It shall be the duty of each person acting as the tax collection medium or agency of the town, as described in section 70-106, to make a return to the town manager on or before the last day of the month following the close of each calendar month, on forms provided by the town manager, of the total nonexempt rents or sales prices charged and received together with the amount of tax collected. Payment of the amount collected must accompany each report. All taxes collected by a

Ordinance No. _____
tax collection medium or agency shall be held in trust for the account of the town until actual payment thereof has been made to and receipted for by the town manager.

(a) Any Operator or other Person who fails or refuses to register as required in this article or to furnish any Return required to be made, or who fails or refuses to furnish a supplemental Return or other data required by the Town Manager, or who renders a false or fraudulent Return or claim shall be guilty of a violation of this article and shall be punishable as provided in section 1-8.

(b) Any Person required to make, render, sign or verify any report or claim who makes any false or fraudulent report or claim with intent to defeat or evade the determination of any amount due required by this article shall be guilty of a violation of this article and shall be punishable as provided in section 1-8.

(c) In addition to the foregoing the Town, in its sole discretion, may revoke all other licenses including, but not limited to, Certificate of Occupancy, Certificate of Use, and such other licenses as permitted by law.

Sec. 70-109. Use of tax revenue. Imposition; amount.

(a) Any and all funds received under and by virtue of the resort tax imposed by this article shall be used for no other purpose than as follows:

1. Tax collection expense.—Payment of necessary expenses of collecting, handling, and processing of such tax.

2. Promotion of town.—For publicity, advertising, promotional events and tourist and convention bureau activities, including at least one annual publication listing all hotels, motels, apartment houses, businesses and community facilities with an outline of their accommodations, the information of which will be beneficial and necessary for the promotion of tourism.

3. Town facilities.—Any monies not expended for the items set forth above in subsections (1) and (2) of this subsection (a) shall be used for capital improvements and maintenance of the town's facilities, limited only to the community center, prevention of beach erosion and the enlarging, care, maintenance and beautification of the town's public beaches, all of the foregoing being necessary adjuncts to the promotion of tourism in the town.

4. Allocation.—In order to facilitate budget procedures and enunciate commission policy, the funds received shall be allocated and used in the following percentages:

a. Five percent of total resort tax for tax collection expense.

b. Forty-five percent of resort tax attributable to retail sales and two percent on room rentals for promotion of town.

c. Fifty percent of resort tax attributable to retail sales and two percent on room rentals for town facilities.

d. One hundred percent of resort tax attributable to two percent on room rentals for community center and tourism-related facilities.

(b) Anything in this section to the contrary notwithstanding, ultimate and final decision for appropriation of funds in the resort tax budget shall remain with the town commission for implementation upon adoption of the town budget.

(c) If the resort tax proceeds in any fiscal year exceed or are less than the budgeted amount, expenditures in the above three categories shall be adjusted proportionately in that fiscal year.

Ordinance No. _____
(a) There is hereby levied and there shall be paid a tax of four percent (4%) on the Rent of every Occupancy of a Room in any Hotel, Motel or Apartment House in the Town, and also two percent (2%) upon the total Sales Price of all items of food or beverages sold at retail and of alcoholic beverages, including all refrigerated beverages, sold at retail for consumption on the premises or consumption away from and/or within the environs of the business (take out) of any Restaurant or business selling such items.

(b) As provided by Ordinance No. 1286, enacted on August 11, 1992, in lieu of the tax imposed and levied pursuant to section 70-109(a) above, there is hereby imposed and levied a municipal resort tax:
(1) Upon the Rent of every Occupancy of a Room or Rooms in any Hotel, Motel, Apartment House, as the same are defined in Part I, Chapter 212, Florida Statutes, in the Town, at the rate of four percent (4%) of the Rent received by the Person renting such Room or Rooms from the person paying such Rent; and

(2) Upon the retail sale price of all items of food or beverages sold at retail, and of alcoholic beverages, including all refrigerated beverages, sold at retail for consumption on the premises or consumption away from and/or within the environs of the business (take out) of any Restaurant or at any place of business selling such items in the Town required by law to be licensed by the State Hotel and Restaurant Commission or by the State Beverage Department, at the rate of two percent (2%) of such retail sales price.

(c) The tax shall constitute a debt owed by the Occupant or Guest to the Town which shall be extinguished only by payment to the Operator or to the Town. The Occupant or Guest shall pay the tax to the Operator of the Hotel, Motel, Apartment House or Restaurant at the time the Rent or the Sales Price is paid. If the Rent is paid in installments, a proportionate share of the tax shall be paid with each installment. The unpaid tax shall be due upon the Occupant's ceasing to occupy space in the Hotel, Motel or Apartment House. The Operator is solely responsible for payment to the Town regardless of the Operator's collection deficiencies and/or inability to collect from the Occupant or Guest.

Sec. 70-110. Exemptions, applicability.
The resort tax authorized in this article shall not be imposed or levied upon or collected from:
(1) Any person who shall reside continuously longer than six months at any one hotel, apartment house or roominghouse, and shall have paid the tax levied by this section for six months of residence in any one hotel, roominghouse or apartment house.
(2) Any federal, state, county or municipal government or agency thereof.
(3) Nonprofit religious, educational or charitable corporations or institutions when engaged in religious, educational or charitable activities within the purview of their nonprofit or charitable purposes.
(4) Transactions involving less than $0.50.
(5) Any person who is or becomes an occupant under a written lease for a period of 12 consecutive months or more in any apartment, motel or hotel in the town.
(a) No municipal resort tax shall be imposed pursuant to this article upon:
(1) Federal, State or Town governments, or any agency thereof.

Ordinance No. _______
(2) Any nonprofit religious, nonprofit educational or nonprofit charitable institution when engaged in carrying on the customary nonprofit religious, nonprofit educational or nonprofit charitable activities.


(b) No municipal resort tax shall be paid on any transaction involving Rent or a Sales Price of less than fifty cents ($ .50). No municipal resort tax shall be imposed or paid on any Rents collected under a written lease for a period longer than six consecutive months.

Sec. 70-111. Penalties and interest. Registration required; registration certificate.
In addition to any other penalties, the following are hereby levied and imposed upon each person acting as the tax collection medium or agency of the town, as described in section 70-106, for failure to follow and comply with this article:
(1) Original delinquency. Any person who fails to remit the resort tax imposed by this article within the time provided shall pay a penalty equal to ten percent of the amount of such tax, in addition to the full amount of such tax.

(2) Continued delinquency. Any person who fails to remit the resort tax imposed by this article on or before the 30th day following the date upon which such tax has become delinquent shall pay a second penalty equal to ten percent of the amount of such tax, in addition to the full amount of such tax and the first ten percent penalty.

(3) Fraud. If the town manager determines that the nonpayment of any resort tax imposed by this article is due to fraud, a penalty equal to 25 percent of the amount of such tax shall be paid in addition to the penalties imposed by this section.

(4) Interest. Any person who fails to remit the resort tax imposed by this article within the time provided shall pay interest at the rate of one-half of one percent per month, or portion thereof, on the full amount of such tax, exclusive of penalties from the date upon which such tax first became delinquent until fully paid.

(a) Within 30 days after the effective date of the ordinance from which this article is derived, or within 30 days after commencing business, whichever is later, each Operator of any Hotel, Motel, Apartment House or Restaurant shall register the Hotel, Motel, Apartment House or Restaurant with the Town Manager and obtain a resort tax registration certificate, to be posted in a conspicuous place on the premises at all times. The certificate shall, among other things, state the following:

(1) The name of the Operator, mailing address and names of the corporate officials if applicable.

(2) The address of the Hotel, Motel, Apartment House or Restaurant.

(3) The date upon which the certificate was issued.

(b) Such certificate shall contain the following statement:

"This Resort Tax Registration Certificate signifies that the Person named on the face hereof has fulfilled the requirements of the Resort Tax Ordinance by registering with the Town Manager for the purpose of collecting from Occupants or Guests the Resort Tax and remitting said tax to the Town Manager. This certificate does not authorize any Person to conduct any unlawful business in an unlawful manner, nor to operate a Hotel, Motel, Apartment House or Restaurant without strictly complying with all local applicable laws, including but not limited to those requiring a

Ordinance No. _____

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permit from any board, commission, department or office of this Town. This certificate does not constitute a permit."

(c) Such registration certificate shall not be assignable or transferable, and each new Operator shall be required to obtain a new registration certificate.

(d) All businesses must secure an annual Business Tax Receipt, an annual Occupational License, Certificate of Occupancy and Certificate of Use. As permitted by law the issuing of these licenses is conditional upon payment of all outstanding Resort Tax Returns.

Sec. 70-112. Collection by Operator.
Each Operator shall collect the tax imposed by this article to the same extent and at the same time as the Rent or Sales Price is collected from every Occupant or Guest. No Operator shall advertise or state in any manner, whether directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the Operator; that it will not be added to the Rent or Sales Price; or that, if added, any part will be refunded except in the manner provided in this article.

Sec. 70-113. Records to be maintained by Operator.
It shall be the duty of every Operator to keep all records as may be necessary to determine the amount of tax due pursuant to this article and to preserve such records for a period of three years. The Town Manager, or his/her designee including independent auditors, shall have the right to inspect such records at all reasonable times and to conduct an audit as deemed necessary. The following records shall be kept available for inspection/audit: invoices of product purchases, sales receipts, tax receipts submitted to the State of Florida, tax returns, and all other relevant documents.

Sec. 70-114. Refunds.
(a) Whenever the amount of any tax, interest or penalty has been overpaid or paid more than once or has been erroneously or illegally collected or received by the Town under this article, it may be refunded as provided in subsections (b) and (c) of this section, provided a claim in Writing therefore, stating under penalty of perjury the specific grounds upon which the claim is founded, is filed with the Town Manager within one year of the date of payment. The claim shall be on forms furnished by the Town Manager.

(b) An Operator may claim as a refund or take as credit against taxes collected and remitted the amount overpaid, paid more than once, or erroneously or illegally collected or received, or when it is established in a manner prescribed by the Town Manager that the Person from whom the tax has been collected was not an Occupant or Guest lawfully subject to the tax collected pursuant to this article; provided, however, that neither a refund nor a credit shall be allowed unless the amount of the tax so collected has either been refunded to the Occupant or Guest or credited to Rent subsequently payable by the Occupant or Guest to the Operator.

(c) An Occupant or Guest may obtain a refund of taxes overpaid, paid more than once, or erroneously or illegally collected or received by the Town, by filing a claim in the manner provided in subsection (a) of this section, but only when the tax was paid by the Occupant or Guest directly to the Town Manager or when the Occupant or Guest, having paid the tax to the Operator, establishes to the satisfaction of the Town Manager that the Occupant or Guest has been unable to obtain a refund from the Operator who collected the tax.

(d) No refund shall be paid under the provisions of this section unless the claimant establishes his right thereto by written records showing entitlement thereto with supporting documents as

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outlined in section 70-113. No refund or credit shall be allowed unless a signed affidavit and
claim in writing is timely filed with the Town Manager as described in subsection (a) above.

Sec. 70-115. Operator’s credit for collecting tax.
For the purpose of compensating the Operator for the keeping of prescribed records and the
proper accounting and remitting of taxes by him, such Operator shall be allowed two percent of
the amount due and accounted for and remitted to the Town, in the form of a deduction, in
submitting his report and paying the amount due by him, and the Town Manager shall allow such
deduction of two percent of the amount of the tax to the Person paying the tax for remitting the
tax in the manner provided in this article and for paying the amount due to be paid by him. The
amount of compensation is not to exceed $50.00 per monthly remittance per registered business.
The two percent allowance shall not be granted, nor shall any deduction be permitted, where the
tax is delinquent at the time of payment or where there is a manifest failure to maintain proper
records or make proper prescribed reports.

Sec. 70-116. Filing of Return; Remittance of tax.
Each Operator shall, on or before the 30th day of the month following the close of each calendar
month, or at the close of any longer reporting period which may be established by the Town
Manager, make a Return on forms provided by the Town Manager, of the total Rent or Sales
Prices charged and received and the amount of tax collected. Operators shall file a Zero return
if applicable. At the time the Return is due and filed, the full amount of the tax collected, less the
applicable Operator’s credit for collecting tax shall be remitted to the Town Manager. Applicable
penalties will be applied for any late submittal of Returns and the Operator’s credit will not
qualify. The Town Manager may, establish shorter reporting periods for any certificate holder if
he deems it necessary in order to ensure collection of the tax, and he may require further
information on the Return. Returns and payments are due immediately upon cessation of
business for any reason. All Returns shall be accompanied with copies of tax receipts filed with
the County/State. The Town reserves the right to conduct a Resort Tax Audit of the participating
businesses. All taxes collected by Operators pursuant to this article shall be held in trust for the
account of the Town until payment thereof is made to the Town. The filing of Returns
electronically is mandatory upon notification from the Town Manager.

Sec. 70-117. Delinquency penalties; interest.
(a) Original delinquency. Any Operator who fails to remit any tax imposed by this article
within the time required shall pay a penalty of ten percent of the amount of the tax in addition to
the amount of the tax.
(b) Continued delinquency. Any Operator who fails to remit such tax on or before the 30th day
following the date on which the tax first became delinquent shall pay a second delinquency
penalty of ten percent of the amount of the tax in addition to the amount of the tax, plus the ten
percent penalty first imposed.
(c) Fraud. If the Town Manager determines that the nonpayment of any tax due under this
article is due to fraud, a penalty of 25 percent of the amount of the tax shall be added thereto in
addition to the penalties stated in subsections (a) and (b) of this section.
(d) Interest. In addition to the penalties imposed, any Operator who fails to remit any tax
imposed by this article shall pay interest, at the rate of one percent per month or fraction thereof;

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on the amount of the tax, exclusive of penalties, from the date on which the tax first became
delinquent until paid.
(c) Penalties and interest merged with tax. Every penalty imposed and such interest as accrues
under the provisions of this section shall become a part of the tax required to be paid under this
article.

Sec. 70-118. Failure to collect and report tax; determination of tax by Town Manager.
(a) If any Operator shall fail or refuse to collect the tax imposed by this article and to make,
within the time provided in this article, any report and payment of the tax or any portion thereof
required by this article, the Town Manager shall proceed in such manner as he may deem best to
obtain facts and information on which to base his estimate of the tax due. As soon as the Town
Manager shall procure such facts and information as he is able to obtain, upon which to base the
assessment of any tax imposed by this article and payable by any Operator who has failed or
refused to collect the tax and to make such report and payment, the Town Manager shall proceed
to determine and assess against such Operator the tax, interest and penalties provided for by this
article.
(b) If any operator charged in this section fails or refuses to make his records available for
inspection so that no audit or examination has been made of the books and records of such
operator or person, fails or refuses to register as an operator, or fails to make a report and pay the
tax as provided by this division, or makes a grossly incorrect report, or makes a report that is
false or fraudulent, it shall be the duty of the Town to make an assessment from an estimate
based upon the best information then available to it for the taxable period of sales or rentals,
with interest, plus penalty, if such have accrued, as the case may be. Then the Town
shall proceed to collect such taxes, interest and penalty on the basis of such assessment, which
shall be considered prima facie correct; and the burden to show the contrary shall rest with the
operator.
(c) The Town Manager may charge a reasonable fee for obtaining information which requires
the ascertainment of the amount of any tax collected by the Operator or any prorations and any
expenses entailed by the Town in determining the prorations of any amount collected or due
upon any transfer.
(d) In case such determination is made, the Town Manager shall give a notice of the amount so
assessed by serving it personally or by depositing it in the United States mail, postage prepaid,
addressed to the Operator so assessed, at his last known address. Such Operator may, within five
business days after the serving or mailing of such notice;
1) pay the amount due and any additional assessed fees in the manner and within the time
indicated on the notice; or
2) Request an administrative hearing before a special master to appeal the decision of the
Town Manager which resulted in the assessed tax, interest, and penalties.
(e) An appeal of the determination of the tax notice shall be accomplished by filing a request in
writing setting forth the specific grounds of fact and in law for the appeal, at the address
indicated on the tax determination notice, not later than five business days after the service of the
tax determination notice. Failure of the named violator to appeal the decision of the Town
Manager within the prescribed time period shall constitute a waiver of the violator’s right to an
administrative hearing before a special master. A waiver of the right to an administrative hearing
shall be treated as an admission of the violation, and the penalties shall be assessed accordingly.
(f) If the named violator, after service of the tax determination notice, fails to pay the tax assessed, interest, and penalties, or timely request an administrative hearing before a special master, the Town Manager shall prepare an affidavit of default. The affidavit must so reflect and must set forth a request that the special master issue an order finding the violator guilty of a continuing violation, imposing continuing delinquency penalties to be effective beginning on the date of the tax determination notice, and ending at the date the taxes, fees, and penalties are paid. The Town manager in consultation with a special master, shall set the matter down for hearing on the next regularly scheduled hearing date or as soon thereafter as practicable.

**Sec. 70-119. Hearing procedures; enforcement of orders.**

(a) Upon receipt of a named violator's timely request for an administrative hearing for any tax determination notice, or upon receipt of affidavit(s) of noncompliance from the Town Manager, the special master shall set the matter down for hearing on the next scheduled hearing date or as soon thereafter as possible.

(b) The manager shall send a notice of hearing by first class mail to the named violator at his last known address. The notice of hearing shall include, but not be limited to, the following:

1. The name of the Town Manager or designee who issued the tax determination notice.
2. The factual description of the alleged violation constituting reasonable cause.
3. The date of alleged violation.
4. The section of the Code allegedly violated.
5. The place, date and time of the hearing.
6. The right of a violator to be represented by an attorney.
7. The right of violator to present evidence, witnesses and cross-examine witnesses, if not waived pursuant to section 70-118(e).
8. Notice that failure of the violator to attend the hearing may result in a civil penalty and administrative hearing costs being assessed.
9. Notice that requests for continuances will not be considered unless received by the special master at least five calendar days prior to the date set for the hearing, and absent a showing of good cause.

(c) If there are cases to be heard, the special master shall call hearings on a monthly basis or upon the request of the manager, no hearing shall be set sooner than ten calendar days from the date of service of the civil violation notice, excluding Saturdays, Sundays and holidays.

(d) A hearing date shall not be postponed or continued unless a request for continuance, showing good cause for such continuance, is received in writing by a special master and the manager at least five calendar days prior to the date set for the hearing.

(e) All hearings of a special master shall be open to the public. All testimony shall be under oath. Upon proper prior notice, a hearing shall proceed in the absence of the named violator or the special master may enter a default order.

(f) The proceedings at the hearing shall be recorded and may be transcribed at the expense of the party requesting the transcript.

(g) The town clerk shall provide clerical services and the manager shall provide administrative personnel as may be reasonably required by special masters for the proper performance of their duties.

(h) Each case before a special master shall be presented by the manager, his or her designee or the town attorney. The manager shall have the authority to retain legal counsel for the special

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master upon request.
(i) The hearing need not be conducted in accordance with the formal rules relating to evidence and witnesses, but fundamental due process shall be observed and shall govern the proceedings.
(j) Each party shall have the right to call and examine witnesses; to introduce exhibits; to cross-examine opposing witnesses on any matter relevant to the issues even though that matter was not covered in the direct examination; to impeach any witnesses regardless of which party first called that witness to testify; and to offer rebuttal of the evidence.
(k) A special master shall make findings of fact and conclusions of law based on evidence of record. In order to make a finding upholding the town manager’s decision, a special master must find that a preponderance of the evidence indicates that the named violator was responsible for the violation of the relevant section of the Code.
(l) The fact-finding determination of the special master shall be limited to whether or not the violation alleged occurred and, if so, whether the person named in the notice of violation may be held responsible for that violation. Based upon this fact-finding determination, a special master shall either affirm or reverse the decision of the town manager as to the responsibility of the named violator of the code violation. If a special master reverses the decision of the Town Manager and finds the named violator not responsible for the code violation in the alleged civil violation notice because the town did not present a preponderance of evidence to indicate that such violator is responsible for the violation, then, in that case, the named violator shall not be liable for the payment of any civil penalty, absent reversal of the special master’s findings pursuant to section 70-120 hereof.
(m) If the decision of the special master is to affirm the decision of the town manager, the following elements shall be included:
(1) The amount of tax, fees, and penalties in the tax determination notice and as otherwise provided for herein.
(2) Administrative costs of hearing in the amount of not less than $200.00.
(3) The date by which the violation must be corrected to prevent resumption of continuing violation penalties, if any.
(n) If correction is not made within the period set by the special master, continuing violation penalties shall begin to accrue again after the time for correction has run and the Town Manager shall file an affidavit of noncompliance and a notice of continuing violation. The Town Manager shall serve on the violator a copy of the affidavit of noncompliance and a notice of continuing violation which shall include the following:
(1) Date of issuance.
(2) A reference to the order of the special master that continues to be violated.
(3) Notice of the right to request an administrative hearing before the special master and instructions on how to file the request.
(4) Notice that failure to request an administrative hearing within 5 business days after the date of the notice of continuing violation shall constitute a waiver of the right to a hearing.
(5) Notice that the hearing is strictly limited to whether and when the violator complied with the order of the special master.
(6) Notice that the violator shall be liable for the reasonable costs of the administrative hearing if the violator is unsuccessful at the hearing. At reasonable intervals, a violator may request an inspection to determine compliance with an order of the special master. After his inspection, the town manager shall issue an affidavit of noncompliance and notice of continuing violation or an affidavit of compliance, in recordable form, as appropriate.

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Sec. 70-120. Appeals.
(a) An aggrieved party, including the town, may appeal a final order of a special master to the circuit court. Such an appeal shall not be a hearing de novo but shall be limited to appellate review of the record created before the special master. An appeal shall be filed within 30 calendar days of the issuance of the order sought to be overturned. Failure to make such appeal within the prescribed 30-day period shall render the findings of the special master conclusive, binding and final.
(b) Unless the findings of a special master are overturned in a proceeding held pursuant to this section, the findings of the special master shall be admissible in any proceeding to collect unpaid penalties.
(c) No aggrieved party other than the town may apply to the court for relief unless such party has first exhausted all remedies provided for in this chapter and has taken all available steps provided in this chapter. It is the intention of the town that all steps provided by this chapter shall be taken before any application is made to the court for relief, and no application shall be made by any aggrieved party other than the town to a court for relief except from an order issued by a special master pursuant to this chapter. It is the intention of the town that, notwithstanding anything to this chapter to the contrary, the town shall retain all rights and remedies otherwise available to it to secure compliance with or prevent violations of the Code. For purposes of an appeal, the clerk shall make available, for public inspection and copying, the record upon which each final order of a special master is based. The clerk shall make a reasonable charge, commensurate with the cost for the preparation of the official record on appeal and transmittal thereof to the circuit court, for making certified copies of any record or portion thereof.

Sec. 70-121. Actions to collect, enforcement.
(a) Any tax required to be paid by any Occupant or Guest under the provisions of this article shall be deemed a debt owed by the Occupant or Guest to the Town. Any such tax collected by an Operator which has not been paid to the Town shall be deemed a debt owed by the Operator to the Town. Any Person owing money to the Town under the provisions of this article shall be liable to an action brought in the name of the Town for the recovery of such amount and all reasonable and applicable administrative and legal fees.
(b) The Town shall have the same duties and privileges as the Department of Revenue under F.S. Chapter 212, Part I, and may use any power therein granted to the Department of Revenue, including enforcement and collection procedures and penalties.

Sec. 70-122. Taxes to constitute special fund.
(a) The total receipts of the Resort Tax portion from the tax imposed and levied pursuant to this article shall be kept and maintained in a separate fund and shall in no event be transferred to the general fund. The use of this fund is subject to the budgetary process of the Town on a fiscal year basis. A budget for the utilization of this fund must be submitted for the Town Commission approval as a part of the budget adoption process. The fund shall be used for the promotion of the tourist industry, which shall include but not be restricted to the following: publicity, advertising, promotional events, tourist bureau activities.

Division 2. Resort Tax Board.

Ordinance No. _____
Sec. 70-123. Created.
There is hereby established a Resort Tax Board as a governmental agency of the Town ("the Board").

Sec. 70-124. Composition; appointment; vacancies; compensation; removal from office, etc.
(a) **Number, Term and Qualification of Members.** The Board shall consist of five members. Each Commissioner shall appoint one Board Member. All appointed Board members must be ratified by a vote of the Town Commission. Any newly elected Commissioner has the right to appoint a Resort Tax Board member unless the corresponding appointment has yet to reach the end of their two year term. Each of the five members shall be persons who either work or reside in Surfside and at least three of the five members shall be persons who have experience in tourism and/or tourism related activities. Each member will be subject to a two year term with a limit of three consecutive terms. A member reaching the three consecutive term limit shall need to wait one full term before being reappointed to the Board. One Town Commissioner shall serve as a non-voting ex-officio member of the Board.

(c) **Vacancies.** Any vacancies occurring on the Board shall be filled at the earliest possible date by the Town Commission for the remainder of the unexpired term.

(d) **Reappointment.** Board members shall be eligible for reappointment and shall hold office until their successors have been duly appointed and qualified.

(e) **Compensation of Members.** Members of the Board shall serve without compensation but shall be reimbursed for necessary expenses occurred in the performance of the official duties, as shall be determined and pre-approved by the Town Commission.

(f) **Acceptance of Appointment.** Before entering upon the duties of office, each Board member shall file a written acceptance of appointment and take and subscribe to-- the oath of office prescribed by law, which shall be filed in the office of the Town clerk. Each appointed member is required to provide the Town Clerk with a Form 1-Statement of Financial Interests, within three business days of being appointed to the Board.

(g) **Removal of Members From Office; Attendance.** A Board Member may be removed from office only by a majority vote of the entire membership of the Town Commission; however, whenever a Board member shall fail to attend three consecutive meetings without prior notification to the Director or Town Manager, the chairman shall certify such non-attendance to the Town Commission, and, upon such certification, the Board member shall be deemed to have been removed and the Town Commission shall fill the vacancy pursuant to paragraph (c) above.

Sec. 70-125. Organization,
(a) **[Generally.]** The members of the Board shall select a chairman from among the members who shall serve at the pleasure of the Board, and such other officers as deemed necessary or

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desirable. A member of the Town Commission shall serve as a non-voting ex-officio member of the Board.

(b) **Staff.** A Director, or other Town Manager designee, shall oversee the daily operation and administering of the Resort Tax Board and will work with the Board to achieve budgetary objectives. The Town manager shall provide adequate clerical and other administrative backup for the Board.

(c) **Minutes.** Minutes of each Board meeting shall be kept and prepared under supervision and direction of the Board. Copies of the minutes shall be filed with the Town clerk.

(d) **Rules and Regulations.** The Board shall make and prescribe such rules and regulations reasonably necessary and appropriate for the Board's activities.

**Sec. 70-126. Power and Duties.**

The Board shall have the following enumerated powers and duties,

(1) To adopt and/or amend procedures as it related to publicity, advertising, promotional events, Resort Tax Board activities.

(2) To offer recommendations to the Town Commission as to the expenditures of resort taxes funds collected pursuant to Chapter 70 of the Town Code. Specifically, those amounts allocated by the Commission during their annual budgetary process to advertising and promotion and special events.

(3) To offer recommendations to the Town Commission as to the employment or retention of an advertising and/or public relations consultant and/or firm as it relates to specific Resort Tax Board activities. The Board's powers in this regard shall be limited to recommending such services to the Commission and shall specifically not include the power to hire such an individual and/or firm. The Resort Tax Board shall delegate a member to assist the Town Manager, upon request, in the process of selecting a Director for the department.

(4) Within budgetary constraints as imposed by the Town Commission from time to time, to authorize placement of advertising in various media.

(5) To make recommendations to the Town Commission as to special events which should be sponsored by the Town from time to time in order to promote Surfside as a tourist destination.

(6) To submit an Annual Report to the Town Commission every May as part of the budgetary process.

**Sec. 70-127. Compliance with applicable law.**

The Board shall comply with all applicable provisions of state law, county ordinances and the Town Code, including but not limited to those pertaining to public records, open meetings,

Ordinance No. _____
financial disclosure and those with respect to competitive bidding requirements for purchase of
goods and services.

Section 3. Severability. If any section, subsection, clause or provision of this Ordinance is
declared invalid or unconstitutional by a court of competent jurisdiction, the remainder shall not be
affected by such invalidity.

Section 4. Conflict. All sections or parts of sections of the Town of Surfside Code of
Ordinances in conflict herewith are intended to be repealed to the extent of such conflict.

Section 5. Inclusion in the Code of Ordinances. It is the intention of the Town
Commission, and it is hereby ordained that the provisions of this Ordinance shall become and made
a part of the Town of Surfside Code of Ordinances, that the sections of this Ordinance may be
renumbered or re-lettered to accomplish such intentions; and the word “ordinance” may be changed
to “Section” or other appropriate word.

Section 6. Effective Date. This Ordinance shall be effective ten (10) days after adoption
on second reading.

PASSED and ADOPTED on first reading this _____ day of __________, 2011.
PASSED and ADOPTED on second reading this ___ day of __________, 2011.

______________________________
Daniel Dietch, Mayor

Attest:

______________________________
Debra E. Eastman, M.M.C., Town Clerk

Ordinance No. _____
APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

________________________________________
Lynn M. Dannheisser, Town Attorney

On First Reading Moved by: ____________________
On Second Reading Seconded by: ____________________

Vote:
Mayor Dietch yes___ no___
Vice Mayor Graubart yes___ no___
Commissioner Karukin yes___ no___
Commissioner Kopelman yes___ no___
Commissioner Olchyk yes___ no___

Ordinance No. _____
RESOLUTION NO. _________

A RESOLUTION OF THE TOWN COMMISSION OF THE
TOWN OF SURFSIDE, FLORIDA, AUTHORIZING THE
REAPPROPRIATION OF RESORT TAX FUND BALANCE
(RESERVES) TO THE TOURISM, ECONOMIC
DEVELOPMENT & COMMUNITY SERVICES DIRECTOR
FOR THE COMMUNITY CENTER CONSTRUCTION;
AMENDING THE TOWN'S BUDGET FOR FISCAL YEAR
2010-2011; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town of Surfside, in an effort to maximize utilization of space
at the Community Center for tourist bureau purposes, is financing an additional multi-
purpose room to be located on the north end of the Community Center building.

WHEREAS, the Community Center’s additional multi-purpose room requires
additional funding with a portion being provided by the Tourist Bureau in the amount of
$19,800.00.

WHEREAS, the current budget for the Tourist Bureau for Fiscal Year 2010-
2011 does not have sufficient funds for the portion of this expense allocated to the
department, thereby necessitating a re-appropriation of Resort Tax Fund Balance
(reserves) from the Resort Tax Restricted Reserves 102-0000-392.00-00 in the amount of
$19,800.00 to be distributed into the Community Center Buildings Account 102-8000-
552.62-10.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION

OF THE TOWN OF SURFSIDE, FLORIDA,

Section 1. Recitals. That the above and foregoing recitals are true and
correct and are incorporated herein by reference.
Section 2. **Budget Amendment.** In accordance with Section 62 of the Town Charter and the budget adopted for Fiscal Year 2010 – 2011 is amended by re-appropriating the amount of $19,800.00 of Resort Tax Fund Balance (reserves) from the Resort Tax Restricted Reserves 102-0000-392.00-00 to be distributed into the Community Center Building Account 102-8000-552.62-10.

Section 3. **Implementation.** The Town Manager and the Tourism, Economic Development & Community Services Director are hereby authorized to take any and all action necessary to implement this Resolution and Agreement in accordance with the terms, conditions and purposes of this Resolution and Agreement.

Section 4. **Effective Date.** This Resolution shall become effective immediately upon its adoption.

Motion by Commissioner ____________, Second by Commissioner ____________.

PASSED AND ADOPTED this ______ day of__________, 2011

FINAL VOTE ON ADOPTION

Commissioner Michael Karukin ___________________
Commissioner Edward Kopelman ___________________
Commissioner Marta Olchyk ___________________
Vice Mayor Joseph Graubart ___________________
Mayor Daniel Dietch ___________________

Daniel Dietch, Mayor

ATTEST:

Resolution No. ____________
Debra E. Eastman, MMC
Town Clerk

APPROVED AS TO FORM AND LEGALITY FOR THE USE AND BENEFIT OF THE TOWN OF SURFSIDE ONLY:

Lynn M. Dannheisser
Town Attorney
Town of Surfside
Commission Communication

Agenda Item # 5A

Agenda Date: April 12, 2011

Subject: Appropriation of Resort Tax Fund Balance (Reserves) to the Community Center Construction based upon major elements of the Community Center which support Tourism in the amount of $19,800.

Background: At the Town Commission meeting on December 14, 2010, the Town Commission approved Agenda Item # 9J: AECOM Modification No. 4, Design and Permit for Additional Space for the Community Center (see attached). The Tourist Board, in their meeting of December 13, 2010, approved the allocation of $19,800 in Resort Tax funds from their available reserves (see attached approved minutes) for the amount of the AECOM Modification No.4.

Analysis: As this expense was not originally budgeted for the Tourist Bureau Department as part of the FY 10/11 Budget, there are insufficient funds in this department’s operating budget to accommodate the expense. Therefore the funds need to be appropriated from the Resort Tax Fund Balance (Reserves).

Budget Impact: $19,800 will come from the Resort Tax Fund Balance (Reserve), which has a balance of $174,431 as of January 31, 2011 as an amendment to the Town’s approved budget for Fiscal Year 2010-2011.

Staff Impact: None.

Recommendation: Staff recommends that the Town Commission approve this amendment to the Town’s budget for Fiscal Year 2010-2011.

[Signatures]

Department Head

Town Manager
TOWN OF SURFSIDE
COMMISSION COMMUNICATION

Agenda Item #: 9J

Agenda Date: December 14, 2010

Subject: AECOM Modification No: 4
Design and Permit for Additional Space for Community Center

Background: During the October 12, 2010 Town Commission meeting, the Town Manager briefed the Town Commission regarding the potential for providing additional meeting space in the area of the Community Center that may be utilized in the future for the stairwell and elevator to the second floor. The Town Commission gave authorization to the Staff to investigate and report back at the November 9, 2010 Town Commission meeting.

That report stated that the cost could be approximately $225,000 and suggested that the design be authorized so as to maintain the construction schedule. Such authorization was granted. The December 14, 2010 agenda includes both the West construction change order No. 2 and the AECOM modification No. 4 to fully authorize the extra space to be built.

Analysis: The extra space will increase meeting space by approximately 50 percent. The additional programming potential will be very helpful in peak season and will generate an estimated $6000 in annual revenue. The design cost of $19,800 for this space is 9 percent of the cost of the construction. The fee increase has been reviewed by Town of Surfside Building Official Paul Gioia and determined to be a reasonable.

Budget Impact: The $19,800 cost of the design will come from the Resort Tax which has an unaudited balance of $178,097 as of September 30, 2010. The justification is the provision of additional a tourism amenity through the reading room and the greeting/information area for our visitors in the Community Center.

Staff Impact: N/A

Recommendation: Provide the $19,800 from Resort Tax for the design and permitting of the approximately 1000 square feet meeting space addition to the Community Center.

[Signatures]
Department Head
Roger M. Carlton, Interim Town Manager
Owner-Architect Additional Service Authorization Form

Project: Surfside Community Center

Date of agreement: 10/20/07

Project No.: 60028604

Modification No.: 4

Modification date: 11-22-10

PIC Lawrence Kline
PM Nina Gladstone
EPM Ronald Hunt

The services described below are included in Basio Services and they shall be paid for by the Owner in accordance with the Owner-Architect Agreement and as stipulated below.

☐ Hourly as per contract terms  ☑ Lump Sum

Change in fee as a result of this additional service modification: $10,800.00

This fee is to add a glass enclosure of approximately 1,000 Gross SF as per attached sketch. Design includes revisions to existing drawings to include the following:
- Addition of 6 ton air conditioning unit to be located in ceiling space.
- Power fed from concassion area
- Power data and telephone in floor boxes with empty conduits and spare.
- Finishes and storefront to match main building
- Planter and fence to be adjusted.
- Space is considered open plan, with no partitions and no furniture

Our understanding from meetings with the Town, is that there is no DEP jurisdiction over this new program area because it is West of the CCCL. In addition, we were told by the Town that they would minimize the local permit review process to speed the effort.

As such, AECOM will include in the quoted fee, local permit review revision to the drawings. However, if permitting becomes more intensive, we will request our time to be compensated at our hourly rates with a not to exceed of $3,000. Standard hourly rates are attached with this form.

In addition, construction administration efforts, associated with this new area, or if an extension to the construction schedule is required because of this new area, will be billed at the standard hourly rates.

Schedule Impact*: ☐ No ☑ Yes** ☐ Unknown at this time

Time required to complete this work will be 15 working days once we receive a notice to proceed. We acknowledge that time is critical and will make every effort to complete the work within a shorter time frame.

Florida Architecture License AAC001/09 Florida Architects License 0200010934
Florida Architecture License AAC/60069 Florida Architects License 0200010934
The services described above shall only be provided if authorized by the Owner's Representative with the completion and signing of this form.

Please acknowledge your acceptance by signing each original document provided. Retain one original and return the other original to our office.

Owner's Representative: 
(Signature)
Roger M. Carlton
(Printed Name and Title)
(Date) 11/22/10

Splillis Candela DMJM
(Signature)
(Craig Kenyon, Vice President)
(Printed Name and Title)
(Date) November 22, 2010
Tourist Board Meeting Minutes

December 13, 2010

The meeting was called to order at 5:30pm in the Manny Crawford Conference Room, 2nd Floor Town Hall.

Roll Call: Eli Tourgeman, Chair; Ricardo Mualin, Vice Chair; Barbara Cohen, Secretary; Duncan Tavares, Tourist Bureau Director.

Absent With Regrets: Jack Blachar, Member; Vice Mayor Graubart, Commission Liaison.

Absent: Litsa Kryellis, Member.

Guests: Roger Carlton, Town Manager; Andy LaBrada, Resident and Business Owner; Liza Ortega, EventX; Cheryl Arnold, Communications Committee Member; June Neville, Resident.

Review and approval of November 1, 2010, Meeting Minutes: Barbara Cohen made a motion to approve the minutes. Eli Tourgeman seconded the motion. The Board approved the minutes unanimously.

Roger Carlton, Town Manager:

- Downtown Vision Process: The Town Manager asked the Board Members to refer to the memo that was emailed to them on Friday December 10th and is a part of their Agenda packet they received at this meeting.

The memo is a suggested process for revisiting the Downtown Vision Process. The Town Manager referred to the Charrette that was never implemented although it had some good information. He informed the Board that he would like to initiate a similar process that he used to invigorate the Lincoln Road project in South Beach. He described the history behind securing all of the stakeholders’ agreement on a taxing district before going before the Commission. Originally the plan was to use the entire section from the ocean to the bay. This was amended to what you see today: Washington to Alton. This has been a huge success.
Surfside has a wonderful opportunity to create more energy in the downtown area. There needs to be a lot of discussion. There needs to be some discussion about the Abbott parking lot – some sort of parking structure with possibly artist lofts on top. Having people live downtown would have a positive effect. We need to look at a marketing mix and how to fund it. What type of businesses do we want? We would need to actively pursue these businesses and not just wait for the landlords to fill the space.

Another project he worked on was the Lowe’s Hotel on South Beach. This type of project is called a “Transformational Project”. By their very nature these projects create a “new something”. Larry Kahn owns 16 properties in Surfside. The Town Manager will be meeting with him soon since the property owners and retailers can make or break a plan. He does not want to spend money on more consultants and feels that the Commissioners agree. The plan before you will be going before the Commission at their meeting on Tuesday December 14th. He invited input from the members at anytime. He noted that the Tourist Bureau Director is actively involved in formulating this plan.

In January the Commission will be presented with a five year Financial Plan that will analyze where the Town will be financially. 90% of the taxes that are generated today come from residences not from businesses. 60% of the Budget is Property Tax. This is a burden on the residents that will only get worse if we don’t look at our downtown area and infill some of the empty lots. He is hoping that some of the attitude towards recently proposed projects will change once people are aware of these statistics.

At the last joint meeting of the Planning and Zoning Board and Town Commission on Thursday December 9th, there was a staff report presented (N.B. this was also emailed to the Board and is a part of the Agenda packet). It provides ways to handle new development. A Town Manager’s Development Committee will address all concerns. There is an item that will allow only 85% development potential when amalgamating lots. The report also looks at the design of parking garages. A “Transformational Project” can be a garage. On the Abbott lot some of the ideas concern the alley on the (east) side becoming a pedestrian friendly area with outdoor cafes, live music, and walkways from the garage through to Harding Avenue.

- Resort Tax Fund / Tourist Board $19,800 commitment to the new Community Center: The Town Manager spoke on the history of the Community Center project and the plan that is being developed today. He has reenergized the oversight committee to include the Parks and Recreation Director. The Center is due to open on May 15, 2011. There will be a two week celebration that will bring together the entire community to the different events. He would like the Tourist Board to be involved. On Memorial Day there will be a huge event culminating in a fireworks display.
There is an area of the Community Center earmarked for the elevator and stairwell for the eventual second story. This is on the north of the building. He is proposing the enclosure of this area as a 1000 square foot multi-purpose room. This would be a 50% increase in programmable area. The room would be removed when the second story is built. The total cost is $225,000. Most will come from the contingency built into the $5,000,000 cost. He is requesting that the Tourist Board fund the $19,800 that is required for the design cost. This would be a goodwill gesture for having an office in the building. He promised not to ask the Board for any more money for the project. Discussion ensued on the estimated cost of building a second story in the future as well as the failed Bond issue that would have provided the second story.

Eli Tourgeman asked that the decision on providing the money wait until all five members are present. The Town Manager stated that the item was listed on the Agenda and that time is of the essence as the design is being done and the materials are being ordered. Eli Tourgeman asked the Members how they felt about proceeding. Barbara Cohen stated that the Board should approve this tonight with the proviso that there be a plaque stating that this was provided by the Resort Tax Reserve Fund. The Town Manager agreed. Duncan Tavares reminded the Board that this amount will come out of the Reserve. Ricardo Mualin feels that the Community Center will bring tourists to the Town. Eli Tourgeman asked for the Reserve balance. Duncan Tavares stated that it is over $200,000 with the inclusion of the amount not utilized in the Fiscal Year 2009/2010 Tourism Budget. Barbara Cohen asked if our funds are going toward the two weeks of celebrations. The Town Manager stated that the Board could have a specific Tourism day or event and he feels that the Board should be a part of the celebrations and the marketing of the facility. Eli Tourgeman stated that the Bureau is good at producing events.

Barbara Cohen made a motion to approve the Town’s utilization of $19,800 from the Resort Tax Reserve Fund as requested. Ricardo Mualin seconded the motion. The Board unanimously approved the motion.

Presentation by EventX: Andy LaBrada gave some background about his company and that he is a resident. His owns and operates The Onarga Apartment Hotel on Harding Avenue and contributes to the Resort Tax Fund. He would like to use his talents to help the Town. Eli Tourgeman asked if there was something specific that they wanted from the Board. Liza Ortega asked the Board for all of the 3rd Thursday business. Eli Tourgeman stated that the cost last year from EventX was too expensive. The Board had decided to instruct the Tourist Bureau Director to procure all items individually to see if this route provided a cost saving. Eli Tourgeman stated that the Resort Tax collected has diminished therefore the money spent on events must be reduced. He also stated that the lighting was not at the caliber that the Board expected. Duncan
Tavares stated that he has met with EventX to inform them of the Board's objective this season with regard to cutting costs.

Andy LaBrada asked that his company be approached to see if they can beat the cost proposed by other vendors. He feels that he can get a better rate as his company has relationships with other vendors. Eli Tourgeman stated that the Board would be amenable to that approach but wanted to remind everyone that this will take more of the Tourist Bureau Director's time. The Board must look at the return on investment. Some of the new Board Members are extremely cost conscious and look at every dollar. Vendors must also be reliable not just the least expensive. Andy LaBrada would like the record to show that his business is located in Surfside and that he is a resident. He feels that he should be given the opportunity to be the first to bid on events. Eli Tourgeman reminded EventX that they received all of the businesses from the Tourist Board last year. Andy LaBrada stated that the lighting was exceptional last year given the budget provided. He feels that his company went above and beyond what was requested and what was paid for: the 75th projected logo, ambiance wall lighting, etc. He also questioned any free service that the Board is getting and whether or not those vendors are from Surfside. Eli Tourgeman stated that there is a resident who has a lighting company in Fort Lauderdale. This company has offered to do one event for free. The Board has a fiduciary responsibility to accept his offer. Andy LaBrada compared his situation as a resident businesses owner to a resident whose businesses is located elsewhere. Eli Tourgeman assured EventX that all business is conducted “in the Sunshine” and if EventX can beat the price, and possibly provide a “Surfside discount”, they will get the business. Andy LaBrada stated that every item they provide is at a better price and that they provide some items free of charge. He reminded the Board that maintaining a theme is essential to the success of the events. This is achieved through vendor consistency. The events should be quality offerings and the Board should take the opportunity to build on the successful events that the Tourist Bureau Director has organized. Eli Tourgeman informed EventX that the new Board almost eliminated 3rd Thursdays completely. The budget for this was cut as a compromise to keep this event series. The allocated funding dictates the scope of the event. Andy LaBrada warned the Board that it is consistency, with improved quality, that will create awareness and success for the downtown businesses.

Duncan Tavares reminded the Board that the Town of Surfside has an ordinance requiring that a Surfside vendor has preference if everything else is equal. The Tourist Bureau operates under the provisions of this ordinance with every procurement. He also wanted the Board to know that EventX is working on the December 16th 3rd Thursday event and that this was decided separately prior to this item being added to the Agenda and tonight's discussion. Eli Tourgeman thanked EventX for their presentation.
Cheryl Arnold: Synergy between Tourist Board and Communications Committee: Cheryl Arnold stated, based on a conversation she had with the Tourist Bureau Director at a recent Communications Committee Meeting, that she wanted to meet with the Tourist Board as it works with branding the Town. One of the objectives of the Committee is to start the process of unifying, or branding, the look of the various forms of communications from the Town. The Committee feels that their focus should actually be how information is disseminated to the public. The Town’s website’s functionality is lacking and there is no ability to opt in on an email list. The Committee feels that the Tourist Board should handle the branding – the colors, photos, logos, etc. Should there be dedicated sections in the Gazette for events (etc)? What should be the process for linking the Town’s website and that of the Tourist Bureau? There needs to be an easier way for people to access information whether they are tourists or residents.

Eli Tourgeman stated that the Tourist Bureau website is an extension of the Town’s website. There was a company that did some of the work but the work was minimal and costly. Last year the Board voted to change website companies to save money and institute changes to the look and content of the website. The present company is located in Surfside and is owned by a resident. The Board is now paying $150 per month for hosting and changes. Through the Vice Chair, the Board is looking at possibly changing companies to reinvigorate the website into something more informative and interactive. Eli Tourgeman understands that the Town is looking to standardize their communications and possibly incorporate the Tourist Bureau website into the process. Therefore he feels that the Town needs to inform the Tourist Board about their intentions and ideas before the Board proceeds with any changes to its website. Cheryl Arnold stated that the Committee will be making recommendations to the Commission at tomorrow night’s meeting. Duncan Tavares stated that part of the problem with being cohesive with the direction the Committee is taking is that nearly all of their meetings have occurred during a Tourist Board meeting or event, thus making it impossible to participate in the decision making process. Eli Tourgeman reminded everyone that the Surfside Business Association’s website and email list are separate entities to the Town’s website (etc). His email list is not subject to a public records request and is, therefore, private. He stated that there needs to be a cohesive approach from the Town and the Tourist Bureau. The Board has decided, at a previous meeting, to put any changes of website vendor, or to institute wholesale changes, on hold until the Town decides what direction it wants to take. Cheryl Arnold asked if the Board had a wish list that she could take to her Committee.

Ricardo Muallin stated that his main objective when joining the Board was to examine all of the expenses of the department. One of the main expenses last year was the website. He feels that the initial expense to change and enhance the website was too expensive and that the $150 a month for hosting and subsequent changes is too expensive. The company he is
proposing for the Board to enter into contract with would charge $750 to revamp the website and $125 for hosting for the entire year. The demo website is www.visitsurfsidefl.info. It is based on the Greater Miami Convention and Visitors Bureau website. His concern is that the Board has voted to put this item on hold awaiting direction from the Town and that the Town will not take action for another year. He feels that the Board could save money while awaiting the Town’s decision. He also voiced his concerns about Channel 77. Some of the additions planned are a beach cam and bus schedules. Cheryl Arnold is hoping the Town will have everything in place within 90 days of tomorrow night’s meeting. She suggested that the proposed vendor’s graphics could be used throughout the Town’s communications avenues.

Eli Tourgeman reminded the Board that there were many changes made in the beginning and that they need to familiarize themselves with the history involved with the website before denigrating what they see today in relation to the cost. Duncan Tavares reminded the Board that the website contract was for one year and that it was always the intention to review the present state of the website and future needs. Ricardo Muain stressed that his objective is to save the Board money. Eli Tourgeman cautioned changing everything now only to encounter more expenses if the website needed to be changed again due to the Commission’s directive on communication changes. Ricardo Muain feels that the Board should keep its URL. Cheryl Arnold stated that most people go to a Town’s website when looking for the most information on that destination. It is more professional to have synergy between the two websites. Eli Tourgeman reminded the Board members that, in the past, they have not specifically stated what they want from the website. He also mentioned that there used to be a dedicated section in the Gazette to the Business District and to the Tourist Bureau. He would like the Gazette to return to this practice. Duncan Tavares reminded the Board that the Gazette suffered budgetary reductions like other Town departments and initiatives. Eli Tourgeman would like the Communications Committee to review the proposal from the company that Ricardo Muain is suggesting. Cheryl Arnold asked for a wish list from the Board for the Gazette and Channel 77. Barbara Cohen suggested that Ricardo Muain attend the next Communications Committee Meeting. Ricardo Muain stated that he would attend and that he has already forwarded information to the Communications Committee Commission Liaison, Michael Karukin. Duncan Tavares reminded the Board that they were supposed to forward their wish list to him after the last meeting and that he reminded them via email but has yet to receive anything. He asked again for the Board to send him what they would like to see from the website.

Resort Tax Receipts Update (A/R) / Comparison of FY 08/09 to FY 10/11 / A/P Update:

Duncan Tavares suggested that if any of the members had any questions on the report presented that they could contact him directly.
3rd Thursday Update: Duncan Tavares reminded the Board that there will be African Dance and Drumming from 6:00 pm – 7:00 pm and a LiveSchool of Music end of year concert from 7:00 pm – 9:00 pm.

Business Directory Update: Duncan Tavares informed the Board that there are three ads to date equating to $1085 in revenue. Eli Tourgeman requested an ad for HSBC similar to the one he had last time. He would like the Tourist Bureau Director to resend the information through the Surfside Business Association.

Culinary/Arts Festival Update: Duncan Tavares informed the Board that Johnson & Wales University rejected the proposal to involve the students in a Surfside culinary event. He will try to convince them to change their decision once the Board decides on a definitive date. He also stated that at this point it may not be physically possible to have an event of this magnitude in March. As 3rd Thursdays end in April, and since there will be a Community Center event in May, he is proposing that the culinary event be held in June – another traditionally slow month for the restaurants. This will maximize promotions through the year as it relates to events and the spending of the budget. He also advised the Board that the Town will probably revisit the financial contributions of the Tourist Board to the Community Center celebrations and request additional funding in the near future. The Board unanimously approved moving the event to June.

Website Update: Discussed under Cheryl Arnold’s presentation.

Old Business:

SBA Santa’s Downtown Visit: Eli Tourgeman reminded the Board that the Ruth K Broad School will be caroling with Santa in the downtown district on Wednesday December 15th from 2:30 pm. Barbara Cohen and Duncan Tavares will assist.

SBA Residential Lighting Competition: Eli Tourgeman reminded the Board that the judging will take place the evening of Wednesday December 22nd. He will be assisted by Commissioner Karukin and Duncan Tavares.

Flanigan’s Charging Resort Tax on Gratuity (request to Town Attorney) / The Greek Place not charging Resort Tax but submitting payment to the Town – Barbara Cohen: Barbara Cohen would like the Town Attorney to investigate Flanigan’s overcharging of Resort Tax. This was discussed at a previous meeting and the Attorney was notified. She would like the Attorney to write a ‘cease and desist’ letter. Duncan Tavares suggested that the Board, or someone appointed by the Board, draft a letter directly to the Town Manager, Attorney and Code Enforcement. This may have more effect than a second request from the Tourist Bureau Director. The Board appointed Barbara Cohen to work with the Tourist Bureau Director to draft
a letter to the Attorney on behalf of the Board regarding this matter and a letter to The Greek
Place about not charging Resort Tax even though they do submit payment to the Town.

**Smith Travel Research:** Duncan Tavares stated that the Board received in their Agenda packet
information from Smith Travel Research on the types of reports they could provide and the
associated costs. This item was discussed at a previous meeting and the Board decided not to
spend the money at that time. Ricardo Mualin requested that more information be presented
to the Board at this meeting. These reports examine occupancy figures of hotel properties and
could possibly be used as a means of substantiating the Resort Tax amounts submitted by the
Surfside hotels that pay to participate in the research. Ricardo Mualin now suggested to the
Board that the Greater Miami Convention and Visitors Bureau might be able to provide this on
a complimentary basis as the Tourist Bureau is a member. Duncan Tavares will investigate.

**Intern Update:** Duncan Tavares informed the Board that the Town’s Human Resources Director
is drafting an official duties description for an Intern and will be submitting it to area Colleges
and Universities. He stated that the Intern will not only be involved in Tourist Bureau initiatives
but will also work on the number of other projects that the Town Manager has assigned to the
Tourist Bureau Director.

**Proposed Resort Tax Ordinance Update:** Duncan Tavares informed the Board that this item is
still pending as the Town Attorney is presently working on more pressing Town matters.

**Audit Update:** Duncan Tavares informed the Board that the Finance Department will start the
RFP process in the new year.

**New Business:**

**Spending Authorization – Eli Tourgeman:** He proposed that the Board approve that the Tourist
Bureau Director be able to spend up to $1000 on promotional opportunities that occur in
between Board meetings and are of a timely basis. If the item is over $1000, the Director will
confer with the Chair for approval. All items will then be presented to the Board at the next
subsequent meeting. Duncan Tavares stated that all items will relate to the objectives of the
Board and the mandate set in the Resort Tax Ordinance. Barbara Cohen made a motion to
approve this measure. Ricardo Mualin seconded the motion adding that this ties in with his
agenda item regarding the Director’s Monthly Report. The motion was approved unanimously
by the Board. Ricardo Mualin stated that there are initiatives that the Director has
implemented of which the Board is not made aware. Duncan Tavares stated that every month
the Agenda includes either a status report or items listed under New Business that he has
worked on since the last Board meeting. This is without exception. Furthermore, for the record,
the Board also receives, at every meeting, an Accounts Payable report that lists all of the money
spent year to date. Ricardo Mualin requested a Monthly Director’s Report. Duncan Tavares
asked the Board to state exactly what they feel they are missing from what they presently receive. He asked if it is information that they feel they are not getting or is it the format. He needs to hear from them what they would like as presently they receive everything possible. Ricardo Mualin requested the expenditure of the department. Duncan Tavares reiterated that all Members receive the expenditures (Accounts Payable) report every month. Barbara Cohen reminded the Board that the Tourist Bureau Director is receiving assignments from the Town Manager on an almost daily basis and that requesting a report for the sake of another report will only add to the workload. The Board unanimously decided to remain with all of the documents and method of reporting that they are presently receiving.


The Beach Channel – Litsa Kryellis: Duncan Tavares informed the Board that Litsa Kryellis has suggested that the Board post the Tourist Bureau video on The Beach Channel that is broadcast in a number of area hotels. The corresponding information and a proposed contract are a part of the Agenda packet. The Board decided to defer this item to next month’s meeting as Litsa Kryellis is not in attendance. Duncan Tavares cautioned that the pricing presented to the Board today may not be available in a month’s time.

Changing Meeting Dates: Duncan Tavares informed the Board that from a conversation he had with the Commission Liaison, he thought that the Board should discuss whether or not the meeting date should be changed if a quorum exists for the regularly scheduled meeting. The Town Commission recently decided not to change a Commission Meeting date if they had a quorum. He reminded the Board how much time and effort it takes to reschedule a meeting. Eli Tourgeman feels that it is in the best interest of the Board to have as many of the members present as possible. Ricardo Mualin feels that the Board should try to accommodate a meeting date change request. Barbara Cohen stated that the meeting is scheduled for the first Monday of the Month and that Board Members should do their best to attend. Duncan Tavares stated that in the past this was not much of an issue but with the new Board change requests have been more frequent. Ricardo Mualin reminded the Board that three times absent equates to possible removal from the Board by the other Members. The Board decided to maintain the status quo and to try to accommodate change of meeting date requests.

Soccer Tournament: Duncan Tavares reminded the Board that last month he stated that he would return to the Board with a proposal from a promoter who is interested in bringing a Soccer Tournament to Surfside. The venue would be on the beach hard-pack behind the Best Western. The information is in the Agenda packet. The cost is $22,000. The promoter is trying to secure sponsors but would like the Tourist Bureau to guarantee the entire amount. Barbara Cohen questioned whether this might be a Parks and Recreation event. Eli Tourgeman feels that it will bring visitors to the Town. The Board directed the Tourist Bureau Director to inform
the promoter that the Board is interested in the event but will not finance it and that the promoter must secure the financing and sponsorship elsewhere.

Tourist Board visit to Hollywood Farmers Market / Other Downtown Redevelopment Areas: Duncan Tavares asked the Board if they would like to conduct an inspection of the Hollywood Farmers Market and various revitalized downtown districts as a group. He reminded the Board that he is due to meet with the Miami-Dade Health Department on Tuesday December 21st as they have received stimulus funding to establish Farmers Markets. The Board would like to discuss viable dates for a “road trip” at the January meeting.

Date for removal of Holiday Lights: Duncan Tavares asked the Board to decide on dates to remove the holiday lights from the downtown business district. Bal Harbour starts to dismantle their lights the first week in January. Eli Tourgeon proposed to take them down after the Three Kings Day. The Board agreed unanimously. Duncan Tavares will research the date and plan accordingly.

Town Hall / Tourist Bureau Holiday Closings: Duncan Tavares informed the Board that he will be off on Friday December 24th, Monday December 27th and Friday December 31st.

The next meeting is scheduled for 5:30 pm on Monday January 3, 2011.

The meeting adjourned at 6:55 pm.

Respectfully submitted,

____________________________
Name of signor
RESOLUTION NO. __________

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, AUTHORIZING THE REAPPROPRIATION OF RESORT TAX FUND BALANCE (RESERVES) TO THE TOURISM, ECONOMIC DEVELOPMENT & COMMUNITY SERVICES DIRECTOR FOR THE COMMUNITY CENTER CONSTRUCTION; AMENDING THE TOWN'S BUDGET FOR FISCAL YEAR 2010-2011; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town of Surfside, in an effort to maximize utilization of space at the Community Center for tourist bureau purposes, is financing an additional multi-purpose room to be located on the north end of the Community Center building.

WHEREAS, the Community Center’s additional multi-purpose room requires additional funding with a portion being provided by the Tourist Bureau in the amount of $19,800.00.

WHEREAS, the current budget for the Tourist Bureau for Fiscal Year 2010-2011 does not have sufficient funds for the portion of this expense allocated to the department, thereby necessitating a re-appropriation of Resort Tax Fund Balance (reserves) from the Resort Tax Restricted Reserves 102-0000-392.00-00 in the amount of $19,800.00 to be distributed into the Community Center Buildings Account 102-8000-552.62-10.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION

OF THE TOWN OF SURFSIDE, FLORIDA,

Section 1. Recitals. That the above and foregoing recitals are true and correct and are incorporated herein by reference.
Section 2. **Budget Amendment.** In accordance with Section 62 of the Town Charter and the budget adopted for Fiscal Year 2010 – 2011 is amended by re-appropriating the amount of $19,800.00 of Resort Tax Fund Balance (reserves) from the Resort Tax Restricted Reserves 102-0000-392.00-00 to be distributed into the Community Center Building Account 102-8000-552.62-10.

Section 3. **Implementation.** The Town Manager and the Tourism, Economic Development & Community Services Director are hereby authorized to take any and all action necessary to implement this Resolution and Agreement in accordance with the terms, conditions and purposes of this Resolution and Agreement.

Section 4. **Effective Date.** This Resolution shall become effective immediately upon its adoption.

Motion by Commissioner ____________, Second by Commissioner ____________.

PASSED AND ADOPTED this _______ day of _________, 2011

FINAL VOTE ON ADOPTION

Commissioner Michael Karukin
Commissioner Edward Kopelman
Commissioner Marta Olchyk
Vice Mayor Joseph Graubart
Mayor Daniel Dietch

Daniel Dietch, Mayor

ATTEST:

Resolution No. __________

Page 2 of 3
Debra E. Eastman, MMC
Town Clerk

APPROVED AS TO FORM AND LEGALITY FOR THE USE
AND BENEFIT OF THE TOWN OF SURFSIDE ONLY:

Lynn M. Dannheisser
Town Attorney

Resolution No. __________
Town of Surfside
Commission Communication

Agenda Item # 5B

Agenda Date: April 12, 2011

Subject: Award of VOIP (Voice Over Internet Protocol) Phone System

Background: The Town Commission included in the FY10/11 Information Technology budget funds for the replacement of the current Town Hall phone system. (Attachment A). Voice Over Internet Protocol phone systems entail phone use over internet lines. The current phone system is more than eight years old. The system has been experiencing technical problems and has limited capabilities beyond simply voice communication. The budgeted Capital Improvement item discussed the recommendation of a VOIP managed phone system that would allow voice mail features that integrate with Microsoft Outlook, advance call forwarding features and a hosted system that would enhance and assist in disaster recovery situations.

Analysis:
A Request for Proposal was developed and advertised as “RFP #11-Turnkey VOIP (Voice Over Internet Protocol) Phone System”. The RFP was released on January 19, 2011. A mandatory pre-bid conference was held on February 3, 2011. Three addenda were issued. Seven companies attended the pre-bid conference where questions were asked and answered and a tour of the facility was provided. We also received comments on the RFP from staff IT experts at Miami Dade County Procurement Department.

At the bid opening on March 3, 2011 at 10:30 a.m. four proposals were received. The Selection Committee included two information technology professionals from our IT vendor, Calvin, Giordano and Associates; Eric Wells, IT Manager and Hector Perez, IT Associate and the Town of Surfside Procurement Director, Debra Eastman. All four of the proposals were reviewed independently by the Selection Committee. A subsequent meeting of the Committee was held and the following facts were analyzed:

- Two proposals received were for hosted (off-site) solutions
- Two proposals received were for non-hosted solutions
- Three of the four proposals did not include “mandatory” information as outlined in the RFP documents. For example, no acknowledgement of addenda, failure to submit authorization to conduct business in the State of Florida and failure to include required Federal forms, etc.

The sole compliant proposal is that of IpFone. The Selection Committee orally reviewed the proposal for the technical standards and ranked it. Using the rating system provided within the bid documents, IpFone received a 95 out of 100 possible points.
It is important to note, that IpFone is proposing to install all new phone lines within Town Hall. Providing new phone lines will ensure that voice is not competing with data and will provide a better product. Also, the need to install phone and data lines in the new Community Center is time critical.

In the interest of full disclosure, Eric Wells and Hector Perez, our IT professionals from CGA have experience with IpFone. IpFone installed VOIP phones at Calvin, Giordano and Associates’ offices in Ft. Lauderdale.

The Agreement, Addendum and the Terms and Conditions are attached, all of which have been reviewed by the Office of the Town Attorney. (Attachment B) Please note that the Resolution and Agreement refer to Interactive Services Network, Inc. which is the mother company doing business as (d/b/a) IPFone. IPFone is the marketing company. Included in their proposal are their State of Florida licenses.

Section 4 – SCOPE OF SERVICES is attached as extracted from the bid proposal of IPFone. Please note that next to each requirement and option (in blue) is IPFone’s response. Complete training is provided at no additional cost, along with an additional two hour training session once a year at no cost. (Attachment C)

Section 5 – Pricing Structure is attached which shows the breakdown of hardware, cabling and connectivity. Please see budget impact for the calculations. (Attachment D)

Section 6.11 Implementation Plan. Please note that the implementation plan includes the Community Center. Our IT staff will be available to monitor and assist throughout the process, again at no additional charge from Calvin, Giordano and Associates. (Attachment E)

**Budget Impact:** The FY 10/11 budget includes $54,000 for this project. The cost for equipment, cabling, connectivity which includes seats (licenses), taxes paid by host, T1 line, cable modem and the Community Center for the remainder of the fiscal year is $45,507.

The proposal required that the proposed solution be prepared to include a seven year cost projection. The 2012 cost is $31,616. The annual cost for 2013 through 2017 is $33,466 for a total of $244,453 during the seven year agreement. (Attachment F)

The annual cost estimate in the in the Capital Improvement Plan of the FY 10/11 approved budget was $24,000 per year. We are currently spending $12,000 per year for an antiquated system that must be replaced.

By the way of comparison, it is important to first understand the difference between a hosted phone system and a non-hosted phone system.

- **Hosted Phone System**
  The Hosted Phone system means that the Town receives a Turnkey (complete) system. All equipment such as the phones, servers, end-user licenses, backups and software/hardware updates are all the responsibility of the vendor. The biggest advantage, however, of having a hosted phone system is that in the case of a disaster (hurricane, flood, etc.) we would unplug the phones, move them to another location, plug them in and they would be ready for use. This is an important component in our disaster management plan.
• **Non-Hosted Phone System**
  With a non-hosted system, the vendor will install all equipment in Town Hall. The hardware will include the desktop phones, user licenses and backend / network equipment. After their installation is complete, the Town would be responsible for the operation, maintenance and upkeep of all equipment installed. This option will not provide the important component of disaster management and if any major event were to occur the system could be rendered inoperable.

Our IT professionals estimate that the seven-year cost of benefit associated with a **hosted** phone system far outweigh the cost of benefit to monitor, maintain and upgrade the equipment of a **non-hosted** system, more so in the case of a disaster recovery event.

Two of the proposals received were for **non-hosted** systems. Both of them were deemed not in compliance by the Selection Committee as they did not provide information required as mandatory in the RFP documents. Two other proposals were for **hosted** systems and one of the **hosted** systems did not meet the mandatory submittal requirements listed in the RFP. The sole compliant bidder that met the mandatory submittal requirements and will provide a **hosted** system is IPFone.

**Staff Impact:** There is no staff financial impact. Participation in this process by the IT staff contracted with Calvin, Giordano and Associates was accomplished as part of their contractual duties. There was no additional cost to the Town. Installation and use of new telephone technology will positively impact efficiency of the Town Hall staff.

**Recommendation:** It is recommended that the Town Commission in accordance with the FY 10/11 Capital Improvement budget plan, expend funds to enter into an agreement with IpFone for a VOIP phone system for a **hosted** solution. The **hosted** solution will allow the emergency response team to take their phone and use them in an off-site location, if necessary.

\[Signature\]
Department Head

\[Signature\]
Town Manager
RESOLUTION NO. 11-___

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA SELECTING INTERACTIVE SERVICES NETWORK, INC., TO PERFORM PHONE REPLACEMENT SERVICES IN RESPONSE TO RFP NO. 11-01; AUTHORIZING THE TOWN MANAGER OR HIS/HER DESIGNEE TO ENTER INTO A CONTRACT CONTAINED IN EXHIBIT “A” WITH SAID TELEPHONE SERVICE COMPANY; FURTHER AUTHORIZING THE TOWN MANAGER TO DO ALL THINGS NECESSARY TO EFFECTUATE THIS RESOLUTION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town Administration advertised a Request for Proposal (RFP) to obtain bids for a turnkey voice over internet protocol (VOIP) phone system installed at Town facilities and the Town received four (4) responses which have been reviewed by staff; and

WHEREAS, Interactive Services Network, Inc. (ISN), submitted the sole bid package which was found to be complete, thorough and demonstrative of ISN’s ability to install a centralized VOIP phone system capable of meeting anticipated growth needs of the Town; and

WHEREAS, the Town wishes to enter into a contract with the selected company for the purpose of installing a VOIP phone system; and

WHEREAS, it is in the best interests of the Town to approve the Contract amendment in substantially the same form as attached with ISN to install a VOIP phone system at the Town’s Facilities and to operate that system for seven years so long as the firm meets all contractual requests.
NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, AS FOLLOWS:

Section 1. Recitals. The above recitals are true and correct and incorporated into this Resolution by this reference.

Section 2. Approval. The Town Commission hereby approves the contract between Interactive Services Network, Inc., as the VOIP phone system installer for the phone system, and the Town attached hereto as Exhibit “A.”

Section 3. Authorization of Town Officials. The Town Manager and Town Attorney are hereby authorized to take all steps necessary to complete the execution of this contract and its construction.

Section 4. Effective Date. This Resolution shall take effect immediately upon adoption.

Motion by Commissioner ____________, Second by Commissioner ____________.

PASSED AND ADOPTED this ______ day of April, 2011

FINAL VOTE ON ADOPTION

Commissioner Michael Karukin
Commissioner Edward Kopelman
Commissioner Marta Olchyk
Vice Mayor Joseph Graubart
Mayor Daniel Dietch

__________________________
Daniel Dietch, Mayor
ATTEST:

______________________________
Debra E. Eastman, MMC
Town Clerk

APPROVED AS TO FORM AND LEGALITY FOR THE USE
AND BENEFIT OF THE TOWN OF SURFSIDE ONLY:

______________________________
Lynn M. Dannheisser
Town Attorney
Master Service Agreement

This sale forth the terms of the Service Agreement ("Agreement") made this March 16, 2011, (the "Effective Date") by and between Interactive Services Network, Inc., ("ISN") and City of Surfside, a US Corporation. The term of this Agreement is for 36 months ("Term"). All services provided subject to the terms and conditions below and on the attached service orders.

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Contact Name</th>
<th>Contact Phone #</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Surfside</td>
<td>Eric Wells</td>
<td>(305) 661-4863</td>
</tr>
<tr>
<td>Service Address</td>
<td>City</td>
<td>Surfside</td>
</tr>
</tbody>
</table>

By signing this Agreement, the Customer hereby authorizes ISN to provide the Services listed herein and on any/all attached, The agreement shall be effective on the Effective Date, the Term of the Agreement shall commence upon the later of (i) the Effective Date or (ii) the Effective Date. In the event that Customer terminates this Agreement any time after the Effective Date but prior to the expiration of the Term, Customer shall pay ISN all sums then due and unpaid. Customer shall also be liable for an early termination charge equal to 100% of the last three months average billing multiplied by the number of months remaining under the term of the Agreement. Upon expiration of the Term, the Agreement shall renew automatically for successive renewal terms, each for a period of time equal to the original Term, unless either Party serves the other Party with written notice of such Party's intent not to renew the Agreement at least thirty (30) days prior to the expiration of the then current Term. In addition to the rates for the Services(s), Customer shall be responsible for payment of all local, state, and federal taxes, fees, and surcharges, however designated, imposed on or based upon the provision, sale or use of the Services. All bills are due and payable upon receipt, but no later than thirty (30) days after the invoice due date. If Customer's bill is not paid within thirty (30) days after the invoice due date, Customer shall be liable to ISN a monthly late charge amount equal to 1.5% of the unpaid balance due (or such lesser amount as is the maximum amount permitted under applicable law) or $5.00, whichever is greater. Customer shall bear the risk of loss arising from any unauthorized or fraudulent usage of Services provided under this Agreement to Customer. ISN reserves the right, at its sole discretion, to suspend or terminate the Services without advance notice due to Customer's (i) failure to pay any sum due hereunder, (ii) misuse of the Services, (iii) suspected fraud or other activity by Customer that adversely affects the Services, ISN or ISN's network. ISN reserves the right to determine, at its sole discretion, what constitutes misuse of the Services and Customer agrees that ISN's determination is final and binding on Customer. ISN may require an activation fee to resume a suspended account. The quality of service provided hereunder shall be consistent with common carrier industry standards, government regulations and sound business practices. ISN MAKES NO OTHER WARRANTIES ABOUT THE SERVICE PROVIDED HEREUNDER, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL ISN BE LIABLE TO THE CUSTOMER FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF REVENUE, LOSS OF PROFITS, OR LOSS OF CUSTOMERS, CLIENTS OR GOODWILL ARISING IN ANY MANNER FROM THIS AGREEMENT AND/OR THE PERFORMANCE OR NONPERFORMANCE HEREUNDER.

The Service Agreement shall be interpreted, construed, and enforced in accordance with the laws of the State of Florida, without regard to its conflict of law principles. This agreement is subject to and controlled by ISN's federal and state tariffs as applicable, and/or by ISN's standard terms and conditions of service and the service-specific terms and conditions as located at http://www.isntelcom.com as such tariffs and terms may be modified from time to time and all of which are hereby expressly incorporated by reference.

Accepted by Customer

<table>
<thead>
<tr>
<th>Signature:</th>
<th>Authorizing ISN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Print Name:</td>
<td>Signature:</td>
</tr>
<tr>
<td>Title:</td>
<td>Print Name:</td>
</tr>
<tr>
<td>Date:</td>
<td>Date:</td>
</tr>
</tbody>
</table>

1035 NE 125th Street, Suite 300, North Miami, FL 33161

www.ipfone.com

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ADDENDUM

The following terms and conditions are incorporated into and form a part of the Master Service Agreement ("Agreement") dated this ____ day of __________, 2011, between Interactive Services Network, Inc. ("ISN"), and the Town of Surfside, a Florida municipal corporation located in Miami-Dade County, (hereinafter referred to as the "Town" or "Customer").

**Addendum Controlling.** In the event there is a conflict between the terms and conditions of the Addendum and of the Master Service Agreement, ISN's standard terms and conditions, or any attachments, exhibits or amendments thereto and this Addendum, this Addendum shall control.

The following language will be added to the Agreement as between ISN and the Town as page 2:

1. Nothing in this agreement shall be deemed or otherwise interpreted as waiving the Town’s sovereign immunity protections existing under the laws of the State of Florida, or as increasing the limits of liability as set forth in Section 768.28, Florida Statutes.
2. The Town Manager may, at any time, for convenience of the Town and for no cause, cancel the Agreement by giving ISN ninety (90) days prior written notice by certified mail, return receipt requested, which may be confirmed by an e mail or fax receipt, of the Town’s cancellation which will be effective ninety (90) days from the date of such notice. ISN will be paid its actual fees and charges under the Service Agreement and shall have no further recourse against the Town besides seeking payment of its actual fees and charges through the effective date of cancellation.
3. The Town as a municipal corporation will never pay an early termination charge, or similar penalty or imposition, or a monthly late charge under any circumstances. ISN’s sole remedy for payments it claims are due are to receive simple interest at the rate of twelve (12%) per cent per annum on the unpaid balance in accordance with the applicable provisions of the Local Government Prompt Payment Act, Chapter 218, Part VII, Fla. Stat. (2010), as amended.
4. Venue for any litigation between the parties shall be in Miami-Dade County, Florida. Each party shall bear their own respective attorney’s fees.
5. The Agreement, as it may be renewed, will not be renewed for more than two (2) successive terms of three (3) years each. The total term of the Agreement, inclusive of any renewals, Shall not exceed nine (9) years.
6. ISN will hold harmless, indemnify and defend the Town from any actions, claims, liabilities, suits or damages arising out of ISN’s negligent actions or omissions under this Agreement including, without limitation, fraudulent actions, patent or copyright infringement claims, unfair trade practice claims, gross negligence or willful and wanton actions or omissions of ISN.
7. Unless specifically approved otherwise, the terms of this Addendum that conflict with the Master Service Agreement, ISN's standard terms and conditions, or any other exhibits or amendments thereto will be binding upon both parties and will this Agreement will be effective once approved by the Town Commission and executed by the Town Manager.

JL
Accepted by Town of Surfside,
A Florida municipal Corporation,

SIGNATURE: _________________________
PRINT NAME: Roger Carlton, Town Manager
DATE: _______________________________

Attest:

SIGNATURE: _________________________
PRINT NAME: Debra E. Eastman, Town Clerk

Approved as to Form and Legal Sufficiency:

SIGNATURE: _________________________
PRINT NAME: Lynn M. Dannheisser, Town Attorney
DATE: _______________________________
## Capital Improvement Project

<table>
<thead>
<tr>
<th>Project:</th>
<th>Phone System Upgrade (Managed VoIP)</th>
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<tr>
<td>Priority:</td>
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<tr>
<td>Project Manager:</td>
<td>Hector Perez / Eric Wells</td>
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<tr>
<td>Department:</td>
<td>Information Technology</td>
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<td>Land Acquisition/Site Preparation:</td>
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<tr>
<td>Construction:</td>
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<td>$24,000</td>
<td>$24,000</td>
<td>$24,000</td>
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</tbody>
</table>

### Description (Justification and Explanation)

This project involves the replacement of the current phone system. It is estimated that the phone system currently being utilized is over seven (8) years old. The current system has been incurring problems, specifically with on-going power surges. Each time the Town experiences a power surge the phone system experiences issues booting up and we expect the system to get worse. A new system will provide the Town with features that are currently industry standard providing efficiency to users and management, specifically the Police Department. The new system will include such things as extended voice mail features that would integrate with Outlook, internal management of phone lines, advanced call forwarding features, and business continuity, etc. We recommend that the Town install a VoIP phone system managed off site. This will provide the business continuity and disaster recovery solution the Town seeks during specific events. The system will include a one-time setup / startup cost and recurring monthly maintenance for each user. The equipment will be purchased at the initial setup with monthly recurring fees thereafter.

### Annual Impact on Operating Budget

| Personnel: | Operating: $24,000 |
| Replacement Costs: | Year: $ |
| Revenue/Other: | | |

Total: $24,000
ATTACHMENT B

This sets forth the terms of the Service Agreement ("Agreement") made this March 16, 2011, (the "Effective Date") by and between Interactive Services Network, Inc. ("ISN") and City of Surfside, a US Corporation. The term of this Agreement is for 36 months ("Term"). All services provided subject to the terms and conditions below and on the attached service orders.

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<th>Contact Name</th>
<th>Contact Phone #</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Surfside</td>
<td>Eric Wells</td>
<td>(305) 881-4863</td>
</tr>
<tr>
<td>Service Address</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9293 Harding Ave</td>
<td>City</td>
<td>Staje</td>
</tr>
<tr>
<td></td>
<td>Surfside</td>
<td>Zip Code</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FL</td>
</tr>
</tbody>
</table>

By signing this Agreement, the Customer hereby authorizes ISN to provide the Services listed herein and on any/all attachments. The agreement shall be effective on the Effective Date; the term of the Agreement shall commence upon the later of (i) the Effective Date or (ii) the Effective Date. In the event that Customer terminates this Agreement any time after the Effective Date but prior to the expiration of the Term, Customer shall pay ISN all sums then due and unpaid. Customer shall also be liable for an early termination charge equal to 100% of the last three months average billing multiplied by the number of months remaining under the term of the Agreement. Upon expiration of the Term, the Agreement shall renew automatically for successive renewal terms, each for a period of time equal to the original Term, unless either Party serves the other Party with written notice of such Party's intent not to renew the Agreement at least thirty (30) days prior to the expiration of the then current Term. In addition to the rates for the Service(s), Customer shall be responsible for payment of all local, state, and federal taxes, fees, and surcharges, however designated, imposed on or based upon the provision, sale or use of the Services. All bills are due and payable upon receipt, but in no case later than thirty (30) days after the invoice date. If customer's bill is not paid within thirty (30) days after the invoice date listed on the bill, Customer also shall pay ISN a monthly late charge amount equal to 1.5% of the unpaid balance due (or such lesser amount as is the maximum amount permitted under applicable law) or $5.00, whichever is greater. Customer shall bear the risk of loss arising from any unauthorized or fraudulent usage of Services provided under this Agreement to Customer. ISN reserves the right, at its sole discretion, to suspend or terminate the Services without advance notice due to Customer's (i) failure to pay any sum due hereunder, (ii) misuse of the Services, (iii) suspected fraud or other activity by Customer that adversely affects the Services, ISN or ISN's network. ISN reserves the right to determine, at its sole discretion, what constitutes misuse of the Services and Customer agrees that ISN's determination is final and binding on Customer. ISN may require an activation fee to resume a suspended account.

The quality of service provided hereunder shall be consistent with common carrier industry standards, government regulations and sound business practices. ISN MAKES NO OTHER WARRANTIES ABOUT THE SERVICE PROVIDED HEREUNDER, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL ISN BE LIABLE TO THE CUSTOMER FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF REVENUE, LOSS OF PROFITS, OR LOSS OF CUSTOMERS, CLIENTS OR GOODWILL ARISING IN ANY MANNER FROM THIS AGREEMENT AND/OR THE PERFORMANCE OR NONPERFORMANCE HEREFUNDER.

The Service Agreement shall be interpreted, construed, and enforced in accordance with the laws of the State of Florida, without regard to its conflict of law principles. This agreement is subject to and controlled by ISN's federal and state tariffs as applicable, and/or by ISN's standard terms and conditions of service and the service specific terms and conditions as located at http://www.isntelcom.com as such tariffs and terms may be modified from time to time and all of which are hereby expressly incorporated by reference.

Accepted By Customer

Signature: __________________________
Print Name: __________________________
Title: __________________________
Date: __________________________

Authorized By ISN

Signature: __________________________
Print Name: __________________________
Title: __________________________
Date: __________________________
ADDENDUM

The following terms and conditions are incorporated into and form a part of the Master Service Agreement ("Agreement") dated this day of , 2011, between Interactive Services Network, Inc. ("ISN"), and the Town of Surfside, a Florida municipal corporation located in Miami-Dade County, (hereinafter referred to as the "Town" or "Customer").

Addendum Controlling. In the event there is a conflict between the terms and conditions of the Addendum and of the Master Service Agreement, ISN’s standard terms and conditions, or any attachments, exhibits or amendments thereto and this Addendum, this Addendum shall control.

The following language will be added to the Agreement as between ISN and the Town as page 2:

1. Nothing in this agreement shall be deemed or otherwise interpreted as waiving the Town’s sovereign immunity protections existing under the laws of the State of Florida, or as increasing the limits of liability as set forth in Section 768.28, Florida Statutes.

2. The Town Manager may, at any time, for convenience of the Town and for no cause, cancel the Agreement by giving ISN ninety (90) days prior written notice by certified mail, return receipt requested, which may be confirmed by an e mail or fax receipt, of the Town’s cancellation which will be effective ninety (90) days from the date of such notice. ISN will be paid its actual fees and charges under the Service Agreement and shall have no further recourse against the Town besides seeking payment of its actual fees and charges through the effective date of cancellation.

3. The Town as a municipal corporation will never pay an early termination charge, or similar penalty or imposition, or a monthly late charge under any circumstances. ISN’s sole remedy for payments due are to receive simple interest at the rate of twelve (12%) per cent per annum on the unpaid balance in accordance with the applicable provisions of the Local Government Prompt Payment Act, Chapter 218, Part VII, Fla. Stat. (2010), as amended.

4. Venue for any litigation between the parties shall be in Miami-Dade County, Florida. Each party shall bear their own respective attorney’s fees.

5. The Agreement, as it may be renewed, will not be renewed for more than two (2) successive terms of three (3) years each. The total term of the Agreement, inclusive of any renewals, shall not exceed nine (9) years.

6. ISN will hold harmless, indemnify and defend the Town from any actions, claims, liabilities, suits or damages arising out of ISN’s negligent actions or omissions under this Agreement, including, without limitation, fraudulent actions, patent or copyright infringement claims, unfair trade practice claims, gross negligence or willful and wanton actions or omissions of ISN.

7. Unless specifically approved otherwise, the terms of this Addendum that conflict with the Master Service Agreement, ISN’s standard terms and conditions, or any other exhibits or amendments thereto will be binding upon both parties and will this Agreement will be effective once approved by the Town Commission and executed by the Town Manager.

Page 283
Accepted by Town of Surfside,  
A Florida municipal Corporation,

SIGNATURE:________________________
PRINT NAME: Roger Carlton, Town Manager
DATE:____________________________

Attest:
SIGNATURE:________________________
PRINT NAME: Debra E. Eastman, Town Clerk

Approved as to Form and Legal Sufficiency:
SIGNATURE:________________________
PRINT NAME: Lynn M. Dannheisser, Town Attorney
DATE:____________________________
1. SCOPE. These terms and conditions apply to the provision of all telecommunications and related services ('Services') by Interactive Services Network, Inc. d/b/a IPFone, on behalf of itself and its operating affiliates ('IPFone') to Customer under the service agreement ('Agreement') to which this schedule is a part. The Services will be offered in each area to the Customer by IPFone or by an entity (the "Authorized Entity"), which is an affiliate of IPFone authorized to provide the Services in the applicable jurisdiction. The terms and conditions of this Agreement are, and shall be, applicable to the Services provided to the Customer by each Authorized Entity.

2. TERM. The Agreement shall be effective on the Effective Date indicated on the first page of the Agreement. The term of the Agreement shall commence upon the later of (i) Installation of the initial Service or (ii) the Effective Date, and shall continue in full force and effect for the time period indicated on the first page of the Agreement ('Term'), unless earlier terminated in accordance with its terms. After expiration of the Term, the Agreement shall renew automatically for successive renewal terms, each for a period of time equal to the original Term, unless either Party serves the other Party with written notice of such Party’s intent not to renew the Agreement at least thirty (30) days prior to expiration of the then current Term. IPFone’s provision of Services is contingent upon Customer’s compliance with IPFone’s credit requirements, which requirements may be revised during the Term hereof in IPFone’s sole reasonable discretion.

3. RATES AND CHARGES
   a) The rates and charges for the Services shall be those set forth in the rate schedule to the Agreement (the ‘Rate Schedule’) or other appropriate schedule thereto and/or IPFone’s tariffs, as applicable and as amended from time to time. The rates and charges in the Rate Schedule apply only to the Services provided at the service address listed on the Rate Schedule of the Agreement. Each additional Customer location added after the Effective Date of the Agreement shall require its own rate schedule. For any IPFone service used by Customer for which a rate is not specified in the Agreement, IPFone’s standard business rate shall apply.
   b) Notwithstanding the foregoing, Customer guarantees to IPFone payment of a minimum monthly fee equal to 100% of the average of the first three (3) months billing (‘Minimum Monthly Fee’). For each month Customer agrees to pay the greater of (i) the total amount otherwise due for the month for all Services and any Equipment provided under the Agreement, or (ii) the Minimum Monthly Fee. Compliance with the Minimum Monthly Fee shall be based on Customer’s Service charges prior to application of any taxes or surcharges.

4. TAXES AND SURCHARGES. In addition to the rates and charges for the Service(s), Customer shall be responsible for payment of all local, state and federal taxes, fees and surcharges, however designated, imposed or based upon the provision, sale, or use of the Services. Customer shall be responsible for the payment of all surcharges in effect from time to time, including but not limited to USF, PUC, and payphone surcharges, as required or permitted by applicable law, regulation or tariff and/or as specified on the IPFone website at www.ipfone.com. To the extent a sale is claimed to be subject to a tax exemption, and Customer provides IPFone with a proper tax exemption certificate as authorized or required by statute or regulation of the jurisdiction providing said tax exemption, IPFone agrees to exempt Customer from the collection of taxes to the extent warranted by such certificate(s). Failure to timely provide said certificate will result in no
exemption being available to Customer for any period prior to the date that the Customer presents a valid certificate.

5. BILLING AND PAYMENT. Billing for a Service shall commence on the earlier of: (i) use of the Service by Customer; or (ii) thirty (30) days after delivery of the Service to Customer's service address. All bills are due and payable upon receipt. If Customer’s bill is not paid by the date which is thirty (30) days after the invoice date listed on the bill (the “Due Date”), Customer also shall pay IPFone a monthly late charge amount equal to 1.5% of the unpaid balance due (or such lesser amount as is the maximum amount permitted under applicable law). Customer must provide IPFone with written notice of any disputed charge(s) within thirty (30) days after the invoice date listed on the bill or shall be deemed to have waived its rights to dispute the charges. If the dispute is filed on or before the Due Date for the respective invoice, Customer shall pay the invoiced amount minus the disputed amount by the Due Date. Customer shall have no right to withhold amounts not disputed by the Due Date, provided that payment of an invoice shall not be deemed a waiver of Customer’s rights to later dispute an Invoice within the time period established in this Section. The dispute notice shall set forth in writing in reasonable detail the information concerning the disputed charges and reasons for the dispute. IPFone and Customer shall attempt in good faith to promptly resolve any objection to the invoiced amount. If the dispute is subsequently resolved in favor of IPFone, Customer shall pay the disputed amount previously withheld within two (2) business days of such resolution. If the dispute is subsequently resolved in favor of Customer, IPFone shall issue a credit on Customer’s subsequent Invoice for the disputed amount. If IPFone violates legal proceedings to collect any amount due hereunder and IPFone substantially prevails in such proceedings then Customer shall pay the reasonable attorneys' fees and costs incurred by IPFone in prosecuting such proceedings and any appeals therefrom.

6. SUSPENSION/TERMINATION. a) Either party may terminate the Agreement on thirty (30) days’ written notice if the other party materially breaches the Agreement and such breaching party fails to cure the breach within such notice period, provided however, that IPFone shall have the right, at its sole discretion, to suspend or terminate the Services without advance notice to Customer due to Customer’s: (i) failure to pay any sum due hereunder, (ii) misuse of the Services, (iii) suspected fraud or other activity by Customer that adversely affects the Services, IPFone, or IPFone’s network. IPFone reserves the right to determine, at its sole discretion, what constitutes misuse of the Services and Customer agrees that IPFone’s determination is final and binding on Customer. Suspension or Termination under this Section 6.a. shall constitute a breach on the part of Customer. b) In the event Customer intends to terminate this Agreement, or any Individual Service(s) provided under this Agreement, Customer shall provide IPFone with written notice of termination and proper disconnection documentation. c) A party may terminate the Agreement upon written notice to the other party if: (i) the other party dissolves or becomes insolvent or bankrupt; (ii) the other party makes an assignment for the benefit of creditors; (iii) the other party suspends the transaction of its usual business or consents to the appointment of a trustee or receiver; (iv) a trustee or receiver of the other party is appointed; or (v) any bankruptcy, reorganization, insolvency or similar proceeding is instituted by or against the other party and not dismissed within thirty (30) days.

7. TERMINATION LIABILITY. If this Agreement is terminated after the Effective Date by IPFone for Customer’s breach pursuant to Section 6 above, Customer shall pay to IPFone, immediately upon demand, all sums then due and unpaid. Customer shall also be liable for damages equaling 100% of the last three months average billing multiplied by the number of months remaining under the term of the Agreement, actual expenses incurred by IPFone to initiate or terminate the Services, any Installation charges waived, and any discounts or credits granted.

8. COMPLIANCE WITH LAWS. Each party shall comply with all applicable laws, regulations, court decisions or administrative rulings regarding the provision or use of the Services. Without limiting the foregoing, all customers that utilize the Services for the purpose of making telephone solicitations must comply with the national do-not-call requirements, including the rules as set forth in 47 C.F.R. Section 64.1200 and 16 C.F.R. Part 310. Failure to do so shall constitute a material breach of the Agreement.

9. UNAUTHORIZED USE OF SERVICES. Customer, and not IPFone, shall bear the risk of loss
arising from any unauthorized or fraudulent usage of Services provided under the Agreement to Customer. IPFone reserves the right, but is not required, to take any and all action it deems appropriate (including blocking access to particular calling numbers or geographic areas) to prevent or terminate any fraud or abuse in connection with the Services, or any use thereof, provided, however, that any such action shall be consistent with applicable federal and state laws, rules, and regulations.

10. WARRANTY. THE QUALITY OF SERVICE PROVIDED HEREUNDER SHALL BE CONSISTENT WITH COMMON CARRIER INDUSTRY STANDARDS, GOVERNMENT REGULATIONS AND SOUND BUSINESS PRACTICES. IPFone MAKES NO OTHER WARRANTIES ABOUT THE SERVICE PROVIDED HEREUNDER, EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IPFone DOES NOT AUTHORIZE ANYONE TO MAKE A WARRANTY ON IPFone’S BEHALF AND THE CUSTOMER MAY NOT RELY ON ANY STATEMENT OF WARRANTY AS A WARRANTY OF IPFone. THIS SECTION SURVIVES TERMINATION OF THE AGREEMENT.

11. LIMITATIONS OF LIABILITY. a) IN NO EVENT SHALL EITHER PARTY (OR ITS AFFILIATES, EMPLOYEES, OFFICERS, DIRECTORS OR AGENTS) BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF REVENUE, LOSS OF PROFITS, OR LOSS OF CUSTOMERS, CLIENTS OR GOODWILL ARISING IN ANY MANNER FROM THE AGREEMENT AND/OR THE PERFORMANCE OR NONPERFORMANCE HEREUNDER. THIS DOES NOT LIMIT CUSTOMER’S RESPONSIBILITY FOR THE PAYMENT OF ANY AND ALL PROPERLY DUE CHARGES. THIS SECTION SHALL SURVIVE FAILURE OF AN EXCLUSIVE OR LIMITED REMEDY AND TERMINATION OF THE AGREEMENT. b) IPFone’s ENTIRE LIABILITY AND CUSTOMER’s EXCLUSIVE REMEDIES WITH RESPECT TO ANY SERVICE PROVIDED TO CUSTOMER (INCLUDING WITHOUT LIMITATION WITH RESPECT TO THE INSTALLATION, DELAY, PROVISION, TERMINATION, MAINTENANCE, REPAIR, INTERRUPTION, OR RESTORATION OF ANY SUCH SERVICE) OR BREACH OF THE AGREEMENT, WHETHER IN AN ACTION FOR OR ARISING OUT OF BREACH OF CONTRACT, TORT, INCLUDING NEGLIGENCE, INDEMNITY OR STRICT LIABILITY, SHALL BE AS FOLLOWS: (i) FOR A SERVICE QUALITY CLAIM (INCLUDING INTERRUPTION IN SERVICE), THE OUTAGE CREDIT UNDER THE SERVICE LEVEL AGREEMENT; (ii) FOR TANGIBLE PROPERTY DAMAGE OR PERSONAL INJURY CAUSED BY IPFone’s NEGLIGENT ACTS OR OMISSIONS, OR FOR ANY DAMAGES ARISING FROM THE WILLFUL MISTAKEN OF IPFone; THE AMOUNT OF PROVEN DIRECT DAMAGES; AND (iii) FOR ALL OTHER CLAIMS NOT COVERED BY THE FOREGOING SUBSECTIONS, THE AMOUNT OF PROVEN DIRECT DAMAGES NOT TO EXCEED AN AMOUNT EQUAL TO THE CHARGE APPLICABLE UNDER THE AGREEMENT FOR THE PERIOD DURING WHICH SERVICES WERE AFFECTED. IN NO EVENT SHALL IPFone AND ITS AFFILIATES’ CUMULATIVE LIABILITY FOR ALL CLAIMS ARISING OUT OF THIS AGREEMENT EXCEED THE TOTAL AMOUNT OF ALL FEES PAID BY CUSTOMER TO IPFone HEREUNDER. THIS SECTION SURVIVES TERMINATION OF THE AGREEMENT. c) IPFone also shall not be liable for any damages arising out of or relating to: Interoperability, interaction, access or Interconnection problems with applications, equipment, services, content, or networks not provided by IPFone; Service Interruptions or lost or altered messages or transmissions (except to the extent credit allowances are specified in the applicable Service Level Agreement); or unauthorized access to or theft, alteration, loss or destruction of Customer’s, Users’ or third parties’ applications, content, data, ’ programs, information, network or systems.

12. FORCE MAJEURE. Except with respect to Customer’s payment obligations, notwithstanding any other provision of the Agreement, neither Party shall be liable to the other Party for any delay or failure in performance of the Agreement to the extent such delay or failure is caused by fire, flood, explosion, accident, war, strike, embargo, governmental requirement, civil or military authority, Act of God, inability to secure materials or labor or any other causes beyond its reasonable control. Any such delay or failure shall suspend the Agreement until the Force Majeure ceases.

13. RELATIONSHIP OF PARTIES. Neither the Agreement nor the provision of Service hereunder shall be deemed to create any joint venture, partnership or agency between IPFone and Customer. The Parties are independent contractors and shall not be deemed to have any other relationship. Neither Party shall have, or hold itself out as having, the power or authority to bind or create liability for the other by its intentional or negligent act.

14. IFone FACILITIES. EEquipment furnished by IPFone shall remain its property and
shall be returned to IPFone on expiration or termination of the Agreement or as earlier requested by IPFone, in good condition, reasonable wear and tear excepted. Customer shall reimburse IPFone for any loss of, or damage to, IPFone's facilities or equipment on the Customer's premises, except loss or damage caused by IPFone's own employees, agents or contractors.

15. NOTICES. All notices and communications under the Agreement shall be in writing and shall be given by personal delivery, by registered or certified mail, return receipt requested, or by facsimile transmission, addressed to the respective Party as set forth in the first page of the Agreement or to such other address as may be designated in writing by such Party. Notice shall be deemed given upon receipt.

16. ENTIRE AGREEMENT. The Agreement, including these Standard Terms and Conditions and all other schedules referenced in the Agreement or at www.intelcom.com and which are applicable to the Services purchased by the Customer, and any attached schedules signed by both parties, represents the entire agreement of the Parties with respect to the subject matter hereof and supersedes all other agreements, written or oral, between the Parties relating to the Service. Any modification to this Agreement shall be in writing signed by authorized representatives of both Parties. In case of any conflict between the provisions of these Standard Terms and any schedule (including any Additional Terms), the provisions of these Standard Terms shall take precedence unless otherwise indicated in the signed attached schedule. This Agreement and any amendment of the terms hereof, may be signed in counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument.

17. WAIVER: No term or provision herein shall be waived, and no breach or default excused, unless such waiver or consent is in writing and signed by the Party to which it is attributed. No consent by a Party to, or waiver of, a breach or default by the other, whether expressed or implied, shall constitute a consent to or waiver of any subsequent breach or default.

18. CPNI: Under federal law, Customer has the right, and IPFone has a duty, to protect the confidentiality of information about the amount, type, and destination of Customer's service usage (CPNI). Customer hereby consents to the sharing of Customer's CPNI or other personal information with Interactive Services Network, Inc. and its affiliates, agents and contractors, solely for the purpose of developing or bringing to Customer's attention any products and services, or in the event of any merger, sale of some or all of the company assets or acquisition as well as in any insolvency, bankruptcy or receivership proceeding in which CPNI or other personal information would be transferred as one of the business assets of the company. This consent survives the termination of Customer's Service and is valid until revoked by Customer. To remove this consent at any time, Customer must notify IPFone in writing at 1035 NE 125th St, North Miami, 33161 Attn: Customer Service and provide the following information: (1) Customer name, (2) Service billing address, (3) telephone number including area code, and (4) service account number. Removing consent will not affect the Customer's current Service.

19. PARTIAL INVALIDITY. If any provision of the Agreement shall be held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate or render the Agreement unenforceable, but rather the Agreement shall be construed as if not containing the invalid or unenforceable provision. However, if such provision is an essential element of the Agreement, the Parties shall promptly attempt to negotiate a substitute therefore.

20. ASSIGNMENT. Neither party may assign the Agreement without the written consent of the other party, which consent shall not unreasonably be withheld or delayed; provided that no such consent shall be required for any assignment by a party to an entity that either controls or is controlled by or is under common control with that party; or to an entity which succeeds to all or substantially all of such party's assets whether by merger, sale or otherwise; or to any institutional lender to whom this Agreement is assigned as collateral security for any indebtedness of the assignor or any affiliate of the assignor. In the event of any assignment by Customer as permitted hereunder, the assignee must comply with IPFone's credit and security requirements.

21. GOVERNING LAW. The Agreement shall be interpreted, construed and enforced in accordance with the laws of the State of Florida without regard to its conflict of laws.
principles. Each party consents to personal jurisdiction in the state and federal courts of the State of Florida.

**SERVICE LEVEL AGREEMENT**

This Service Level Agreement ('SLA') sets forth the provisions and commitments relating to service quality between IPFone, and Customer. This SLA is hereby added as a schedule to the service agreement ('Agreement') between Customer and IPFone. General Standard. IPFone will use reasonable efforts under the circumstances to maintain its over-all network quality. The quality of service provided hereunder shall be consistent with other common carrier industry standards, government regulations and sound business practices.

Interruptions In Service. Subject to the provisions of Section 6 hereof, Interruptions in service will be credited to Customer as set forth below for the part of the service that the interruption affects. In the event that Customer subscribes to data services from IPFone, IPFone may offer additional service level standards with respect to such services. In such event, a service schedule shall be added to this SLA. The provisions of this SLA shall apply to the interpretation of the service schedule.

Credit for Interruptions. An interruption period begins when Customer reports a service, facility, or circuit to be interrupted through the opening of a trouble ticket and makes it available for testing and repair. An interruption period ends when the service, facility, or circuit is operative. If Customer reports a service, facility, or circuit to be inoperative but declines to make it available for testing and repair, it is considered to be impaired, but not interrupted.

For calculating credit allowances, every month is considered to have 30 days. A credit allowance is applied on a pro rata basis against the monthly recurring charges for the affected service and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit. No credit will be given on the usage sensitive portion of the service and no credit shall apply for interruptions with respect to the advantage service products.

A credit allowance will be given for interruptions of 30 minutes or more, upon written request of the customer no later than ten (10) business days after the occurrence of the outage to either Customer's IPFone Account Manager (if applicable) or to the IPFone customer support center in Fairport, New York. Credit allowances will be calculated as follows:

If the interruption continues for less than 24 hours: 1/30th of the monthly recurring charge.
If it is the first interruption in the same billing period, 2/30ths of the monthly recurring charge if there was a previous interruption of at least 24 hours in the same billing period.
If the interruption continues for more than 24 hours, 1/30 of the monthly recurring charge for the first 24 hours and 2/30ths of such rate for each additional 24 hours (or fraction thereof); however, if service is interrupted for over 24 hours, more than once in the same billing period, the 2/30ths allowance applies to the first 24 hours of the second and subsequent interruptions.
Two or more interruptions of thirty minutes or more during any one 24-hour period shall be considered as one interruption.

Maximum Credit, in no event may the credits provided for hereunder (either individually or on a cumulative basis) in any billing period exceed the total monthly recurring charges for that period for the service and facilities furnished by IPFone. IPFone shall issue only one credit for the same incident in the same month, regardless of how many of the parameters in Section 2 above were affected. The credits set forth in this SLA shall be IPFone's sole liability and Customer's sole remedy in the event of any interruption and under no circumstances shall an interruption be deemed a breach of the Agreement.

"Interruption" Defined. For the purpose of applying this provision, the word "interruption" (whether capitalized or not) shall mean a complete loss of service resulting in the inability to complete calls due to equipment malfunction or human errors for a continuous period of more than thirty (30) minutes. "Interruption" does not include and no allowance shall be given for service difficulties such as slow dial tone, circuits busy, latency or other network and/or switching capacity shortages. No allowance shall be made for
Interruptions due to electric power failure where, by the provisions of this Agreement, Customer is responsible for providing electric power.

Limitations on Credit Allowances. No credit allowance will be made for:
Interruptions arising from the acts or omissions of, or non-compliance with the provisions of the Agreement or any schedule thereto (including without limitation this SLA, the Internet Standard Terms and Conditions or Acceptable Use Policy) by, Customer or any authorized user, or any interruptions due to any party other than IPFone or for events happening on any other party's network, including but not limited to Internet service providers or other common carriers connected to, or providing service connected to, the service of IPFone or to IPFone's facilities. Interruptions due to the failure or malfunction of non-IPFone equipment, including service connected to Customer provided electric power; e) Interruptions of service during any period in which IPFone is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions; Interruptions of service during any scheduled maintenance period or when Customer has released service to IPFone for maintenance purposes or for implementation of a Customer order for a change in service arrangements; Interruptions of service due to force majeure events beyond the reasonable control of IPFone.

Schedule A to Service Level Agreement
Internet Services Parameters

1. Scope.
This schedule to the Service Level Agreement ("SLA") between Customer and IPFone provides Customers subscribing to the IPFone Internet Service with certain rights and remedies regarding the performance of the IPFone Internet Network. The "IPFone Internet Network" means the IPFone owned and operated Internet Protocol (IP) routing infrastructure consisting of selected IPFone points of presence ("POPs") and the connections between them in the United States. The IPFone Network does not include (i) customer premise equipment; (ii) any local loop or access facilities connecting Customer's premises to the IPFone POP; connections between IPFone's network and other Internet service providers, or (iv) other Internet service provider networks. The terms of this schedule to the SLA will take effect the first full calendar month after Customer's first use of the IPFone Internet Services.

2. SLA Parameters
A. Network Availability Guarantee and Remedy
The IPFone Internet Network shall be available to Customer free of Network Outages for 100% of the time. A "Network Outage" is an instance in which Customer is unable to transmit and receive IP packets due to an IPFone Network outage for more than thirty (30) consecutive minutes.
Customer shall be eligible for a credit for Network Outages occurring during any calendar month that are reported by Customer to IPFone (per the procedures set forth in the SLA) and confirmed by IPFone's measurements of the IPFone Network. For calculating credit allowances, every month is considered to have 30 days. A credit allowance is applied on a pro rata basis against the base IP monthly recurring charges ("MRCs") for the affected service and is dependent upon the length of the Network Outage measured from the time that IPFone receives notice from Customer of actual circuit unavailability (established by a Trouble Ticket) until restoration of the affected circuit by IPFone. Only those facilities on the interrupted portion of the circuit will receive a credit.

B. Latency Guarantee and Remedy
The IPFone Internet Network Average Round-Trip Latency shall be fifty (50) milliseconds or less. "Average Round-Trip Latency," with respect to a given month, means the average time required for round-trip packet transfers between POPs on the IPFone Network during such month, as measured by IPFone.
If Average Round-Trip Latency on the IPFone Network for a calendar month exceeds 50 milliseconds, then upon Customer's request (in accordance with the procedure set forth in the SLA), IPFone will issue a credit to Customer equal to one day's worth of the base IP MRC paid by Customer for such month. In order to qualify for the credit, Customer is responsible for reporting any suspected latency problems to IPFone within twenty-four hours from the time Customer became aware of the problem through the opening of a Trouble Ticket.
C. Packet Delivery Guarantee
The IPFone Internet Network Average Packet Delivery shall be 99.9% or greater. "Average Packet Delivery," with respect to a given month, means the average percentage of IP packets transmitted on the IPFone Network during such month that are successfully
delivered, as measured by IPFone.
If Average Packet Delivery falls below 99.9% during a calendar month, then upon Customer's request (in accordance with the procedure set forth in the SLA), IPFone will issue a credit to Customer equal to one day's worth of the base IP access fee paid by Customer for such month. In order to qualify for the credit, Customer is responsible for reporting any suspected packet delivery problems to IPFone within twenty-four hours from the time Customer became aware of the problem through the opening of a Trouble Ticket.

Schedule B to Service Level Agreement
VoIP Services Parameters

1. Scope.
This schedule to the Service Level Agreement ('SLA') between Customer and IPFone provides Customers subscribing to the IPFone IP/SPX VoIP Service with certain rights and remedies regarding the performance of the IPFone VoIP Network. The "IPFone VoIP Network" means the IPFone owned and operated Voice Over Internet Protocol (VoIP) routing infrastructure consisting of selected IPFone points of presence ('POPs') and the connections between them in the United States. The IPFone VoIP Network does not include (i) customer premise equipment; (ii) any local loop or access facilities connecting Customer's premises to the IPFone POP; (iii) connections between IPFone's VoIP network and other internet service providers, or (iv) other internet service provider networks. The terms of this schedule to the SLA will take effect the first full calendar month after Customer's first use of the IPFone IP/SPX VoIP Services.

2. SLA Parameters
A. Network Availability Guarantee and Remedy
The IPFone VoIP Network shall be available to Customer free of Network Outages for 100% of the time. A "Network Outage" is an instance in which Customer is unable to transmit and receive IP packets due to an IPFone Network outage for more than thirty (30) consecutive minutes.

Customer shall be eligible for a credit for Network Outages occurring during any calendar month that are reported by Customer to IPFone (per the procedures set forth in the SLA) and confirmed by IPFone's measurements of the IPFone VoIP Network. For calculating credit allowances, every month is considered to have 30 days. A credit allowance is applied on a pro rata basis against the base IP monthly recurring charges ('MRC') for the affected service and is determined upon the length of the Network Out-age measured from the time that IPFone receives notice from Customer of actual circuit unavailability established by a Trouble Ticket until restoration of the affected circuit by IPFone. Only those facilities on the interrupted portion of the circuit will receive a credit.

B. Latency Guarantee and Remedy
The IPFone VoIP Network Average Round-Trip Latency shall be fifty (50) milliseconds or less. "Average Round-Trip Latency," with respect to a given month, means the average time required for round-trip packet transfers between POPs on the IPFone VoIP Network during such month, as measured by IPFone.

If Average Round-Trip Latency on the IPFone VoIP Network for a calendar month exceeds 50 milliseconds, then upon Customer's request (in accordance with the procedures set forth in the SLA), IPFone will issue a credit to Customer equal to one day's worth of the base IP MRC paid by Customer for such month. In order to qualify for the credit, Customer is responsible for reporting any suspected latency problems to IPFone within twenty-four hours from the time Customer became aware of the problem through the opening of a Trouble Ticket.

C. Packet Delivery Guarantee
The IPFone VoIP Network Average Packet Delivery shall be 99.9% or greater. "Average Packet Delivery," with respect to a given month, means the average percentage of IP packets transmitted on the IPFone VoIP Network during such month that are successfully delivered, as measured by IPFone.

If Average Packet Delivery falls below 99.9% during a calendar month, then upon Customer's request (in accordance with the procedures set forth in the SLA), IPFone will issue a credit to Customer equal to one day's worth of the base IP access fee paid by Customer for such month. In order to qualify for the credit, Customer is responsible for reporting any suspected packet delivery problems to IPFone within twenty-four hours from the time Customer became aware of the problem through the opening of a Trouble Ticket.

INTERNET STANDARD TERMS AND CONDITIONS
In addition to the general terms and conditions contained in the service agreement between
IPFone and Customer (the "Agreement"), of which this Schedule is a part, Customer agrees
that the following terms and conditions apply to Internet Access Service provided to
Customer by IPFone:

Provision of Internet Access Service
1.1. IPFone shall provide, and Customer shall accept and pay for, Internet Access Service
(the "Internet Service") at the rates set forth on the Rate Schedule of the Agreement.
Internet Service permits a Customer to obtain direct access to the Internet via IPFone's or a
third party provider's IP network. Connectivity is between the Customer's router and the
IPFone router located within the IPFone network.

Acceptable Uses
2.1. Customer agrees to adhere at all times to the IPFone Acceptable Use Policy (the "AUP"),
as such AUP may be modified by IPFone from time to time. The current AUP is available for
review at www.ipfone.com. IPFone has the right to modify its AUP at any time without prior
notice to Customer. Customer is responsible for monitoring the website for changes to the
AUP. Customer shall be bound by such modified AUP.

2.2. Customer shall be responsible for enforcing the AUP for any third parties (including its
customers or end users) that access the Internet through Customer's use of the IPFone
Internet Services. Customer shall defend and indemnify IPFone with respect to all claims
related to Customer's or any such third parties' use of the Internet Service in violation of the
then-current AUP.

2.3. IPFone has the right to immediately and without regard to any cure periods that may be
set forth elsewhere in this Agreement, suspend and/or terminate the Internet Services to
Customer, or to take any other action that IPFone determines, in its sole discretion, is
appropriate in response to Customer's, or Customer's end user's or any other customers of
Customer failure to comply with the requirements of IPFone's then-current AUP.

2.4. Customer and its customers and end users are responsible for the security of their own
networks and machines. IPFone assumes no responsibility or liability for failures or breach of
protective measures on Customer's network, whether implied or actual, even in the event that
the security measures have been installed or configured by IPFone. Security problems
on Customer's systems that affect the IPFone network or cause any system abuse or any
other violations of the AUP may result in suspension of the Internet Service or account
access by IPFone. Customer shall solely be responsible for addressing problems on
Customer's network escalated to IPFone for resolution that involves compromise of
Customer's security.

IP Address Ownership
3.1 As part of the Internet Service, Customer shall be provided with one serial IP address.
Customer shall also be provided with such public IP addresses as are deemed justifiable by
American Registry for Internet Numbers ("ARIN"). IPFone shall maintain and control
ownership of all IP addresses that may be assigned to Customer by IPFone and IPFone
reserves, in its sole discretion, the right to change or remove any and all such IP addresses,
including without limitation the right to decrease the amount of IP space IPFone has
assigned to Customer. IPFone will use all commercially reasonable efforts to route Customer
provided IP addresses to the Internet.

Domain Name Service
As part of the Internet Service, IPFone, at Customer's request, at no additional charge shall
provide Customer with primary domain name service for up to five domain names and
secondary domain name service for: (1) any domain names for which IPFone is the primary
domain name service provider and (2) any domain names for which Customer is the primary
domain name service provider. Neither primary nor secondary domain name service includes
registration of the Customer's domain name(s). Customer shall be responsible for registering
and maintaining the registration of their domain name(s) with the appropriate domain name
registrar and for all costs and fees associated with such requirements. Under no
circumstances shall IPFone be responsible for these costs. IPFone makes no representations
concerning and does not guarantee that Customer's domain name does not infringe upon any
trademarks, service marks, or other proprietary rights owned by a third party and Customer
agrees to indemnify and hold IPFone harmless in the event any domain name violates or is alleged to violate any trademarks, or other proprietary rights of any other
party. The inability to obtain or use a domain name shall not entitle Customer to terminate
the Agreement with IPFone or to a refund of any fees paid by Customer for the Internet
Service.
Maintenance

5.1. IPFone periodically performs maintenance on its Internet network. In some cases, a maintenance window may result in a temporary service interruption to IPFone customers. IPFone will use all reasonable efforts to provide notification of the network maintenance on the IPFone website at http://www.ipfone.com/maintenance. Customers have the option to receive notification of a network maintenance window via email by subscribing to a mailing list at the IPFone website listed in the foregoing sentence. The capability to subscribe to the mailing list is provided for customers who would prefer to receive an email regarding a maintenance window versus checking the IPFone website. (Customers also have an option to unsubscribe to the mailing list at the IPFone website.)

A description of the various types of network maintenance classifications is set forth below. Each maintenance description specifies when notification will be provided prior to the start time of the scheduled maintenance. Maintenance notification will include a list of the cities affected, a description of the maintenance, and the duration of the maintenance window. The maintenance window for backbone devices is between midnight and 6:00 a.m., local time zone at the affected sites.

Customer acknowledges that IPFone shall not be liable for service interruptions that may occur due to maintenance activity as described herein or for failure to provide advance notice of the maintenance on IPFone's website or in an email to subscribers to the email maintenance list.

Maintenance Classifications:

Normal Scheduled Maintenance - Normal Scheduled Maintenance is defined as maintenance that will enhance the reliability of the network. This includes, but is not limited to upgrading code, reloading routers, and adding new equipment. Notification for this type of maintenance will be provided 72 hours prior to the start of a Normal Scheduled Maintenance window.

Urgent Scheduled Maintenance - Urgent Scheduled Maintenance is defined as maintenance that is performed when the potential for router or network failure exists without the scheduled maintenance. This includes, but is not limited to hardware and software upgrades, and router debugging. Notification for this type of maintenance will be provided 48-72 hours prior to the start of an Urgent Scheduled Maintenance window.

Emergency Maintenance - Emergency Maintenance is performed when catastrophic events have occurred on the network. This is limited to maintenance necessary to correct the event that occurred during an unplanned outage. Notification for this type of maintenance will be provided on a best effort basis.
SECTION 4 - SCOPE OF SERVICES

All bidders must respond to each and every feature and identify whether they comply or don’t comply and identify any and all exceptions. Format of the proposals shall follow the format as provided below.

4.1 System Requirements

4.1.1 System Utilization

Required Features:

1. Ability to function as a part of a network with a centralized voice mail system, including the ability to display message waiting lights. Comply.
2. Ability to manage and retrieve voice mail from outside the network. Comply.
3. Four-digit dialing between both sites on the network. Comply.
4. Ability to utilize all voice mail features among all users independent of each user’s location. Comply.
5. The appearance of one large system, rather than many separate systems, to the internal and external callers. Comply.
6. Ability to transfer calls transparently to any location on or outside the network. Comply.
7. Ability to administer all systems from one, or any, location. Comply.
8. Allow various levels of calling privileges such as long distance and international calls, for example, to be programmable by extension. Comply.
9. Ability to allow the phone number to be blocked from Caller ID when placing external calls. Comply.
10. Ability to have a minimum of 3 inside or outside callers included in a conference call. Comply.
11. The proposed solution must not have any negative impact on current data connectivity between locations. Comply.
12. Include pricing of any Wide Area Network connectivity requirements (circuits, router modules etc.) Comply.
13. Current phone numbers must be ported to the new system. Comply.

Optional Features:

1. Ability to access user extension phone list from phone. Comply.
2. Ability to distinguish between internal and external calls, when a call is transferred or forwarded, from one telephone to another. Comply.
3. Ability to forward calls to other extensions or cell phone. Comply.
4. Ability to set up and configure incoming call pattern. Example: determine where number will ring first and where it will continue ringing if not answered. Comply.

4.1.2 Attendant Consoles

Required Features

1. The system shall provide the capability to provide a minimum of two (2) attendant
consoles for the servicing of incoming calls to the system. Comply.

2. The console should feature a simple, uncluttered layout of call appearance keys, attendant function keys, and an easy to read display. Comply.

Additional Questions

a. Describe the display on your console. There are two options. Option 1 is our Broadworks Receptionist PC/web based solution. Option 2 is a hardware-based solution which is a traditional receptionist console with expansion modules.

i. How many lines does it display? This option can display every line since it is software based. Option 2 can display up to 48 lines.

   See Appendix 1 – Exhibit 1.

   ii. How much information does the display on the console provide about calls? Both options will display Off Hook/On Hook Status ("Busy Lamp Field") and Caller ID info including name and number.

b. Does the system offer a PC-based attendant console application? Yes. As described in Option 1 above.

c. Can all incoming attendant calls be directed to a designated night service console extension? Yes.

d. Describe the specific steps the operator must go through to actually see the correct name/extension number and transfer a call. In Option 1, the operator simply answers the call and then selects the user using the mouse, then selects transfer using the mouse. In Option 2, the operator simply answers the call and then selects the button corresponding to the user and presses it.

4.1.3 Automated Attendant

Required Features

1. Ability for multiple “night” modes to handle after-hours calls. Comply.

Additional Questions

a. Can Automated Attendant messages be recorded and changed remotely? Yes.

b. Does the Automated Attendant feature allow for multiple users to administer the recordings? Yes.

c. Can messages left after hours be retrieved off-site? Yes.

4.1.4 Automated Call Distribution/Call Reporting

It was noted at the Pre-Submittal Conference that Call Center functionality in its pure form will not be required for this application. However, the system proposed in this response has the capability of providing basic and advanced call center features, including but not limited to the required features below.
Required Features

1. A wide range of features should be provided as part of the basic features. Provide a list of the basic and enhanced features. Describe and indicate whether they are integrated into the system or a separate system. See Appendix 1 – Exhibit 2 for a complete list of basic and enhanced Call Center features and Appendix 1 – Exhibit 7 for PBX features. These features are an integral part of the hosted service.

2. Music on hold should be integrated into the system for multiple queues. Music on hold is integrated into the solution for multiple queues. IPfone offers a variety of styles at no charge, or the Town may opt to have customized messages uploaded.

3. System should provide standard and customized reports. Comply. Describe historical and real-time reporting capabilities for the proposed system. How do these reporting capabilities differ for staff, supervisors, and administrators? Reporting capabilities are available for supervisors and administrators. The following reports are available: Agent Activity Report, Agent Utilization Report, Queue Performance Report and Service Level Report.

4. Describe the system’s ability to generate the following reports, scheduled or on-demand.
   a) Number of calls by extension, time of day, etc. Comply.
   b) Describe your ability to record and save calls as .wav files. See Appendix 1 – Exhibit 3 for details.

5. Describe your process for managing recorded calls—how are they stored, where they are stored, what safeguards are taken to insure no unauthorized access occurs. Recorded calls are stored in a redundant cluster in our co-location at the NAP of the Americas, a highly reliable and secure facility, one of the largest and most connected data centers in the world. Physical access to the storage is limited to IPfone’s top-level NOC personnel. In terms of connectivity, a double firewall bastion limits access to the storage to the customer-designated administrator.

4.1.5 Fax Management

Optional Features

1. ORIGINAL REQUEST: The Town would like to replace existing analog FAX lines with VOIP service. Please describe your capabilities in this area. Existing FAX numbers would be ported. IPfone provides a Fax over IP service (IPFone FaxBox) that consists of a device that is connected to the local area network in customer premises. Up to 4 regular FAX machines can be connected into the device. Existing FAX numbers are usually ported over to this service. See Appendix 1 – Exhibit 4.

2. REVISED REQUEST: Existing Fax lines are analog and will remain as analog lines. Please describe your capabilities in this area. Existing FAX numbers would be ported. IPfone provides analog line service and can port the existing FAX numbers.
4.1.6 System Software/Administration

Required Features:
1. Ability to administer multiple remote sites through a centralized workstation. Comply.
2. Requirement of the system administrator to provide a password for access. Comply.
3. Provide ability to group phones by department and run usage reports by department. Comply.
4. Any and all free software upgrades that are provided to the vendor’s best customer will also be provided to the Town at no cost. Comply.

Optional Features:
1. Provide multiple levels of administrators with each having different capabilities of system access and each with a unique password. Comply.

Additional Questions:
3. Is the system administration application accessible from any workstation on the LAN? Yes, with required privilege.
4. How many levels of security can be defined? There are 10 different work activities available with a total of 33 different levels of permissions. Can some administrative users be defined with “view-only” permissions? Yes.
5. Define the support that is provided with this system (Help Desk, after hours availability, costs etc.). 24x7 Help desk. Help desk support is included in the monthly price.
6. How does your company provide future software releases and how often? How are software upgrades performed? What costs are associated with future upgrades? There is no more than one major upgrade and about 4 minor upgrades per year. Upgrades are performed by IPFone, transparently to the users. Upgrades are included in the regular monthly service charges.
7. When system or station software updates are performed, must the system be shut down, or can these types of activities take place in an on-line environment? Upgrades do not interrupt service.
8. How frequently do you recommend that the operating system software, which includes up-to-date moves and changes, be backed up? Backups are performed by IPFone as part of its standard operation. No subscriber operation is required.
9. What changes can the telephone user make as opposed to requiring the system administrator? The user has access to a web based GUI interface that allows her/him to manage the service configuration.
10. Can a single instance of the administration tool be used to manage all systems within an enterprise simultaneously? The only administration tool required is web browser (Internet Explorer, Firefox, Chrome, Safari, etc.)

4.2 Phones

4.2.1 Equipment Description Please include a photograph of each type of proposed phone
along with a users' guide for each type of phone. Please include information on any additional phone sets that are supported by the proposed system. The preferred phones would be SIP-B compliant. See Appendix 1 – Exhibit 5 for photographs of the proposed phones along with user information.

The following phone count will meet most of the Town's needs:

1. 57 Desk phones with 2 way speaker
2. 6 Conference Room phone capability for multiple people to call in to it.
3. 6 Receptionist Phone

Required Features:
1. Flexible support for inline power or local power. Yes.
2. Ability to support headsets. Yes. (Note: Phones have built-in electronic flash, eliminating the need for handset lifters as typically required).
4. Ability to forward phone to another number inside or outside the network. Yes.
6. Intercom Calling, Yes.
7. MultiLine Appearance, Yes.
8. At least one model must have a hearing-aid-compatible handset (meets American Disabilities Act requirements) and Hearing Aid Compatibility compliance for magnetic coupling to approved HAC hearing aids. Comply.
9. Overhead paging systems. Describe how your system provides this capability or interfaces with existing systems. Overhead paging can be easily accomplished by attaching one extension to a Viking PA2A Paging Amplifier (approximately $200) and a Linksys G Router (approximately $70). Amplified Paging Horns can then be installed throughout the facility and wired back to the Paging Amp. All phones can press a code to access the overhead paging. Additionally, this can be accessed from users iPhones. Note that iPhone users wishing to access this feature must install the free application from the iPhone Application store and must be in a WiFi connected area (worldwide).

Optional Features:
1. Ability to access a directory of phone numbers via the phone set. Yes.
2. Built-in switch to provide connectivity to the computer. Yes.
3. Ability to support IP softphones. Yes, soft phones are provided at no charge to all Premium Users.
5. Phones with more than 2-line capability. Yes.
6. The ability to provide Elevator Phones. Yes. Please describe how you would provide this service. In order to comply with city code, all elevator phones must be analog devices with a dedicated line. In case of emergency, no power is required.

Additional Questions:
1. Is there a way to tell when someone is already on the phone before we try and call
them? Yes.
2. How many of the buttons, or keys, are programmable as extension numbers on each phone type? Please see attached.
3. Are shared extensions supported on the IP phones? Yes. If yes, explain how this would work in a call coverage application. For those users requiring this feature, the phone model selected should include the appropriate number of buttons that correlate with the number of shared extensions to be covered. Included is a breakdown of phones and prices.
4. Do the phones require manual labeling of features or lines? NO.
5. How are software/firmware upgrades applied to the phones? Software/firmware upgrades are applied remotely and automatically. Notification will be provided before such upgrades are implemented. **
6. Do your phone sets require local power? Phones have option for Power Over Ethernet (PoE), whereby power is delivered via the Ethernet connection rather than a local power cord. Please indicate whether each phone set requires local or wiring closet power. All sets have the option of both. If power is lost (for any telephone type), is the telephone set completely disabled or, is support services such as LCD/LED devices disabled? If power is lost, the phone set is completely disabled. A User’s cell phone may ring on all incoming calls during power outages, if so programmed.
7. Do the phones you propose follow open standards? YES. How about the related software? All software is TAPI compliant.
8. What model of headsets are available for your phones? Do they work on all the phone models? We recommend Plantronics Headsets, as they represent 90% of the marketplace and have a full line of models that are compatible.
9. Do you offer an IP softphone? Yes, soft phones are provided at no charge to all Premium Users. If yes, please provide a general description of the softphone and its features and capabilities. It supports voice calls, video calls and Instant Messaging in a simple interface and helps users to seamlessly transition from a traditional phone environment into the world of Voice over IP. Open Standards and Session Initiated Protocol (SIP) based call signaling. Comprehensive Personal Address Book, including detailed calls lists and history. Zero-Touch Configuration of an USB headset or other audio/video devices. IM and Presence Management. Choice of dial pad-centric or contact-centric interface, or a combination of both. See Appendix 1 – Exhibit 6.

4.2.2 Features

Fill out the following chart as to the availability of other specific features:

<table>
<thead>
<tr>
<th>FEATURE</th>
<th>YES</th>
<th>NO</th>
<th>OPTIONAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Call Waiting</td>
<td>☑</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Caller ID Presentation</td>
<td>☑</td>
<td></td>
<td></td>
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<tr>
<td>Caller ID Block/Unblock</td>
<td>☑</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Call Forking (distribute calls to multiple endpoints)</td>
<td>☑</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Call Forward Busy</td>
<td>☑</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Call Forward No Answer</td>
<td>☑</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Call Forward to any number</td>
<td>☑</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Call Transfer</td>
<td>☑</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FEATURE</td>
<td>YES</td>
<td>NO</td>
<td>OPTIONAL</td>
</tr>
<tr>
<td>--------------------------------------------------------------</td>
<td>-----</td>
<td>----</td>
<td>----------</td>
</tr>
<tr>
<td>Call Park/Pickup</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Call Transfer Blind</td>
<td></td>
<td>0</td>
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<tr>
<td>Call Transfer Consultative</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Distinctive Ring (internal/external)</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Conferencing (3 or 4 way)</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Bridged Line Appearance</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Last Number Redial</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Call Groups</td>
<td></td>
<td>0</td>
<td></td>
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<tr>
<td>Hunt Groups</td>
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<td>0</td>
<td></td>
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<tr>
<td>Call Pickup Directed (pick up other extensions using a feature code)</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Multiple Calls Per line Appearance</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Privacy - Do not Disturb</td>
<td></td>
<td>0</td>
<td></td>
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<tr>
<td>Ringer Pitch Adjust</td>
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<tr>
<td>Ringer Volume Adjust</td>
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<td></td>
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<tr>
<td>Shared Extensions on Multiple Phones</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Last Call Return (on available CallerID)</td>
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<td>0</td>
<td></td>
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<tr>
<td>Speed Dial (Corporate Directory)</td>
<td></td>
<td>0</td>
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<tr>
<td>Speed Dial (Personal)</td>
<td></td>
<td>0</td>
<td></td>
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<tr>
<td>Simultaneous Ring</td>
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<td>0</td>
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</tr>
</tbody>
</table>

For a complete description of features, see Appendix 1 -- Exhibit 7.

4.3 Voice Mail

Required System Features:
1. Ability to support multiple system prompts to greet callers with a ring no answer message or a busy message. Yes.
2. System must support a “zero out” to the attendant to another station. Yes.
3. Users must be required to enter a password to access their voice mailbox. Yes.
4. Provide notification that the limits have almost been reached in regard to the maximum total number of minutes of messages than can be stored in a single voice mailbox. No.
5. Require a system administrator password. Yes.
6. Ability to Stamp each new message with a time/date. Yes.
7. Ability to access voice mail remotely. Yes.
8. Describe your ability to save voice mail as either a .wav file or some other type of file that can be saved independent of your system. Each User has the ability to have voicemails duplicated in their email as a .wav file by enabling such feature in their profile. See Appendix 1 -- Exhibit 8.

Optional System Features:
1. Ability to allow remote change of greetings and passwords. Yes.
2. Ability to easily transfer a caller directly to an internal voicemail. Yes.

Required User Features:
1. Obtain user instruction through system prompts. Yes.
2. Record messages; send and mark "urgent", "private", etc. Yes.
3. Transfer messages to other users and append them with their own comments. Yes.
5. Ability to record multiple greetings for internal and external callers, out-of-office
greetings, etc. Yes.

Required System Administration Features:
1. Add or modify a class of service. Yes.
2. Assign default passwords for users, and reset passwords for users that have been locked out of their mailboxes. Yes.
3. Add, delete, or modify a user. Yes, however the carrier must be notified for billing purposes.
4. Ability to run detailed reports on system utilization by departments, dates, times, extensions, etc. Yes.

Additional Questions:
1. What user permissions or characteristics within a class of service can be created or modified? At the customer level, name/password and dialing restrictions can be created or modified, however because IPFone voice mail service is a hosted solution and the end user does not need to manage the voice mail service.
2. How would the system administrator perform a backup and restore on the voice messaging system? Backups and restores are performed by IPFone as part of its standard service offering.
3. What would be involved to install unified messaging to your proposed system at a later date? Unified Messaging is a core function of our solution. Adding services such as E-fax can be done so easily (at an additional charge).
4. Are voice messages stored in an industry standard format? Yes.
5. How does your system handle a full mailbox? Caller will hear a message that the mailbox is full.
6. What types of reports does your system provide? Please include examples. Reports can be customized based on customer requirements and can be mailed or sent via FTP site.
7. Can your system transfer voicemail to an Outlook email account? Yes.

4.4 911 Calls

Required Features:
1. Allow Town staff to call either 911 or 9+911 to reach emergency services. Comply.
2. An option must exist to allow both sites on the network (Town Hall and Community Center) to be able to place a 911 call that will send the correct address for the site. Comply.

4.5 Music or Messaging on Hold

Desired Feature:
1. Ability to provide music or prerecorded messages through the VOIP system. Comply.
2. Ability to interject pre-recorded message into music stream at specified intervals. For example, 15 seconds of music, 5 second message, 15 seconds music, 5 second message, and so on. Comply.
Additional Questions:
1. What are the requirements to provide music or pre-recorded messages on hold to each of the Town locations? Each Town location would be defined as a group. Each group can have a distinct on hold message. Message format requirement is .wav file.
2. How much bandwidth does this feature typically require? Not applicable.
3. Any recommendations about this feature? Message format requirement is .wav file. Custom messages can be provided via IPfone for an additional charge.

4.6 System Monitoring and Diagnostics

Required Features:
1. Provide system monitoring reports. Comply.
2. Must be scalable to support from 50 to 100 users. Comply.

Additional Questions:
1. What remote diagnostics are available? As a hosted IP PBX solution, the only onsite device is the Edgemarc router which allows IPFone technicians to monitor and/or troubleshoot any conditions which may impact service.
2. Can administrators see and access any alarms or alerts from remote terminals? IPFone has remote access to monitor service.
3. What information is included in your system monitoring reports? If they are not currently supported, are there any plans in a future release to include them? Any foreseen limitations from these reports? With hosted IP solution, this is not relevant on the customer premise level.
4. Does the system provide system alarms and alarm notification using text or email? With hosted IP solution, this is not relevant on the customer premise level.
5. Describe the IP call processing hardware platform in detail. Is it based on industry standard hardware, or is it proprietary? IPFone is powered by the Broadworks platform, which is carrier grade. Network elements include:
   a. Broadworks Application Server - is the core element responsible for the execution of all enhanced personal and group features. The server's database maintains user and group profiles, as well as service and subscription data.
   b. Broadworks Media Server - is an open standards-based SIP media server which provides announcements, record, playback, digit detection, mixing and repeating functions.
   c. Element Management System (EMS) - simplified Broadworks' integration into a service provider network by providing a single point of access for managing the fault, performance and configuration of all network elements. The EMS offers an integrated view of Broadworks system resources for network monitoring and simplifies network wide tasks such as software patching and user migrations.
   d. Call Detail Server (CDS) - offloads call record management from
the Application Server. While the Application Server provides a basic call log feature – when using the CDS operators can offer hundreds of logs per user with much more detail per call log.

6. What standard components are included in the call-processing platform? What components are optional? All components of the Broadworks call-processing platform that are available at IPFone are delivered to the Town as an integral part of the hosted IP solution.

7. What is the maximum number of simultaneous conversations supported by the proposed system? As configured, the solution can support up to 30 simultaneous calls. However, there is no limit to the number of simultaneous conversations with IPFone service, other than that it is dependent on the amount of available bandwidth. IPFone carefully monitors usage levels to ensure that the customer has adequate bandwidth based on its number of Users and call volume. Is the system non-blocking for voice calls? Yes.

4.7 System Reliability and Availability

Within the Town of Surfside are several critical operations such as the Police, which is open 24 hours/7 days per week. Should problems occur within one of the buildings in the network, they can have only a minimal effect on call processing. The primary (Town Hall) or alternate building (Community Center) in the proposed network must be able to handle incoming and outgoing traffic regardless of the state of the wide area network.

The Town of Surfside does not expect that all communications will remain as normal in a major outage. It would be acceptable for peripheral functions such as voice mail to be less functional, for a limited time. Identify each component that is duplicated in your proposal. In the pricing section, provide one price for the redundancy proposed with your system.

Required Features:

1. All maintenance and system upgrades will be performed during non-working hours, unless it is required under emergency situations. Comply.
2. The Town must be provided 48 hours notice for all scheduled down-time. Comply.
3. Redundancy to primary sites that also allows for growth. Comply.
4. Possibility to keep basic telephone services operable should the building-to-building network be down. Each location could be provided a single analog phone line that is not affected by loss of electricity or loss of network.

Additional Questions

1. Describe the redundancy provided by your system solution. The proposed hosted IP PBX solution is one that has inherent redundancy (our network, which resides in "the cloud" is duplicated within multiple redundant hosting facilities, including the "NAP" of the Americas and site in Fort Lauderdale). In the case of a major catastrophic event, all calls to the Town’s main number(s) will be answered by an Automated Attendant. When callers press digits for various options, calls can be directed to remote endpoints such as cellular phones, IP phones that are connected anywhere in the world or alternate phone numbers. Is it optional? This is an inherent benefit of hosted VoIP service. See
Appendix 1 – Exhibit 9 for information on Business Continuity. If so, please clearly provide the pricing for implementation up front, and as an add-on later.

2. In redundant systems, how are databases synchronized? With a hosted IP solution, this is not relevant on the customer premise. Databases are synchronized on the Carrier side at the switch.

3. How does a switchover occur in a redundant system? With a hosted IP solution, this is not relevant on the customer premise. The system is fully redundant at the switch level at IPFone.

4. Should an entire site become completely uninhabitable, due to any disaster, how long would it take for complete restoration of voice service to all stations at another location in the network? How long for the peripherals? At the moment any stations or peripherals are plugged into an internet connection, these devices are immediately fully functional.

5. Does any virus and intrusion protection come with your product or is it priced as an option? With a hosted IP solution, this is not relevant on the customer premise.

4.8 Training

User training will be needed for the proposed phone and voice mail system. In addition, training will be needed for 2-3 VOIP system administrators. The Town would like the option to have the vendor conduct all of the training for the system administrators and Town staff. Please state the price of training (if there is a cost) and number of hours of training per class. Complete training is provided for all Users and for Administrators at no additional cost. An additional 2-hour training session will be provided once a year at no additional cost.

Required Features:

1. Review proposed training with designated Town of Surfside project manager and other assigned personnel prior to first class to fine tune the material to specifically meet the needs of Town of Surfside. Comply.

2. Conduct end-user training on Town of Surfside premises prior to cutover. Comply. Given our proposed solution for implementation, all Users can have phones fully functional prior to the cutover. This gives the Town and its Users the opportunity to have training performed in accordance with their preferred timetable rather than based on cutover date. This scenario also affords the Town the ability to use the system and test completely before the main number(s) porting.

3. For every product application proposed, provide a detailed description of the training the vendor will provide along with pricing.

   a. Telephones
      i. Making Calls
      ii. Transferring Calls
      iii. Making Conference Call
      iv. Menu Options

   b. Voicemail
      i. Login and Setup
ii. Voice Messaging Main Menu
iii. Remote Log In

c. Toolbar (Outlook Integration)
   i. Dialing Outlook Contact
   ii. Dialing from Call History
   iii. Answering Incoming Calls
   iv. Call Transfer
   v. Conference Calling
   vi. Services
       1. Call Forward
       2. Do Not Disturb
       3. Voicemail to Email

d. Soft Phone
   i. Making Calls
   ii. Answering Calls
   iii. Transferring Calls
   iv. Conference Calling

e. Receptionist Training
   i. Making Calls
   ii. Answering Calls
   iii. Transferring Calls
   iv. Transferring Calls to Voicemail

f. Administrator Training
   i. Changing User Names
   ii. Resetting Passwords
   iii. Configuring Auto Attendant

4.9 System Reporting and Call Detail Reporting (CDR)

Required Features:
1. Ability to use one centralized call accounting system to track calls out of all locations on the network. The call accounting system must be able to distinguish which phone originated the call, no matter where the phone exists on the network. The system needs to track an outside call through its destination, including any internal transfers. We need to be able to track all extensions involved. Comply.

Additional Questions:
1. What is the format of the CDR records? Can they be exported to an external application for analysis? IPFone can provide reports in a variety of formats based on customer requirements.
2. Can we do custom grouping? Yes.
3. Does the system have the capability to report by extension number or by location? Yes.
4. What standard reports are included with the system? Reports can be customized
based on customer requirements.

5. How are customized reports generated? Reports can be mailed or sent via FTP site.

6. Can detailed activity reports be generated when needed, or must this feature be enabled on specific extensions before the detailed reporting data is capture? Detailed activity reports can be generated when needed.

7. Is this feature in the base price? Yes, these reports are an added-value feature offered at no additional cost. If not, please show pricing as a separate line item.

4.10 Implementation

4.10. Project Management

It is important for the selected vendor to provide support for an organized transition from the current system to the new system; ensuring internal and external communications are maintained and the ease of use through the transition is emphasized to staff and customers.

Required Features:
1. Vendor shall assign a Project Manager to this installation to work with assigned Town of Surfside Project Manager.

2. Bidder is required to supply a complete description of the key activities and responsibilities required by the Town Project Manager for the installation of the proposed system.

3. A master project schedule must be included, along with a work responsibility matrix, identifying the tasks the vendor will perform and the tasks the Town of Surfside is expected to perform to successfully implement the new system.

A complete overview of the Implementation, including the Town’s responsibilities, is covered in the Proposal Section 6.11.

4.10.2 Installation Requirements

Required Features:
1. Vendor may be required to work with all Town communication service providers to coordinate the ordering of all services related to this new installation. Comply.

2. Vendors should include any routers, POE switches, servers, firewalls, rack space, UPS, circuits connectivity required. The Town reserves the option to seek its own pricing for equipment that meets or exceeds the specifications of the vendor. Read and agreed.

3. To the largest extent possible, we prefer that any work which will result in a service interruption be conducted after normal business hours. Comply.

4.10.3 Facility Requirements

Required Features:
1. Space – Provide the physical dimensions of the proposed equipment and/or the rack space required to house the equipment. Because this is a hosted solution, the rack space required is minimal (approximately 10 U).
2. Data Connections – Describe all needed connections to existing equipment Not required.
3. Power – All power requirements, including any special conditioning or grounding requirements. Fire-rated backboard and #6 ground wire required for T-1 installation is already in place at the main site. Will be required at the secondary site if the Town installs a T-1 at that site.

4.10.4 System Documentation Requirements

Complete Broadsoft-Broadworks manuals are available upon request. The Table of Contents for the various manuals has been included at the end of the Scope of Services section.

Required Features:
1. Provide any administrative and training manuals, CDs, etc.
2. Provide any configuration documentation on overall system such as switch ports, security settings, class of service with voice mail, etc.

Additional Questions:
1. What other documentation do you typically provide the customer? Manufacturer User Manuals. Helpful information also provided on YouTube.com – keyword: Broadsoft.
2. Are these user manuals available electronically? Yes.
3. Does each phone include a user manual? Yes.

4.11 System Warranty

Required Features:
1. A complete maintenance and warranty agreement must be included as part of the bidder’s proposal, including all options available for extended coverage and full pricing details for each level of coverage. Due to the nature of hosted IP, the software/firmware includes upgrades and maintenance as part of the monthly service. See Appendix 2 for Guarantee and Service Level Agreement. With respect to the telephone handsets, the phones have a 2-year warranty included in the price. Additional optional 1-year warranty is provided thereafter at a cost of $1,850 per year.
2. Telephone system and all associated equipment in the bidder’s proposal must be warranted by the bidder and the manufacturer to be free of defects in equipment, software, and workmanship for a period of at least one year following system acceptance. Comply.
3. During the warranty period and any subsequent maintenance agreement, any defective components shall be repaired or replaced at no cost to the Town of Surfside. Read and agreed.
4. All system maintenance during the warranty period and under any maintenance agreements shall be performed by the successful bidding organization at no additional cost to the Town of Surfside other than those charges stipulated to maintain the warranty. Read and agreed.
4.12 Support

Required Features

1. 99.9% uptime of the system (24 hours/day, 7 days/week) Read and agreed.
2. The bidder must provide no more than a 2-hour response to major problems, 24 hours a day, 7 days a week. Read and agreed.
3. All support of the hardware and software related to the VOIP system will be the responsibility of the Vendor. i. First level of response will be immediate phone support with the assistance of the Town’s IT staff. ii. Escalated level of support will be 4 hours on-site response time. Read and agreed.
4. Bidders must describe their definitions of major and minor problems. Major failure is defined as: 20% or more of extensions or lines inoperable.
5. Provide the availability of spare parts maintained in the area for the critical hardware and software. Spare parts, which would primarily be limited to the managed router appliance on customer premise, are in stock. We have a 4-hours or less response time for replacement of critical hardware.
6. Explain the amount of time required for full replacement of the central operating hardware/software of the system, assuming a suitable site exists for locating the replacement components. Given the redundancy of a hosted IP PBX solution, the only consideration for the customer’s relocation is the connection of the router to a suitable broadband connection.
7. Provide a cost for follow-on support of the system after the one-year warranty period is up. Costs should be on an annual basis for each of four (4) option years. This cost should include all hardware and software maintenance costs clearly identified. The software/firmware includes upgrades and maintenance as part of the monthly service. With respect to the telephone handsets, the phones have a 2-year warranty included in the price. Additional optional 1-year warranty is provided thereafter at a cost of $1,200 per year.
8. Vendor will be penalized for exceeding these downtime criteria; terms to be negotiated at time of contract. Read and agreed.

See Appendix 2 for Guarantee and Service Level Agreement.

Additional Questions:

1. Does your company have a 24x7x365 help desk? Yes.
2. Are there different cost levels of support available? No. All users will receive full help desk support and access.
3. Does your company maintain the system or use business partners? Iphone maintains all systems, hardware and software.
4. Does your company have a technical support center that can be called if questions? Yes. If so, is there any charge while under warranty? No. If after warranty, please provide any hourly rate. For non-warranty work requested, our rate is $95/hour.
5. Is there a recommended web site for customers to access technical support? www.ipfone.com.
6. How long does it take trained personnel to install and load operating system software and/or database software, if a major disaster destroys the call processing component of the system? This is not applicable with hosted IP service.
7. For what length of time are software upgrades provided at no cost? For the length of the contract. What is the expected cost of future software upgrades? We expect to offer software upgrades at no charge into the foreseeable future.

4.13 Town Provided Services

1. The Town shall provide the building space and facilities to provide user and administrative training. Read and agreed.

2. Vendors are encouraged to provide specifications/quotes for servers and related equipment. Town may desire to acquire the hardware through existing Town contracts. Read and agreed.

3. The vendor will configure the switch ports once a defined configuration, related training and documentation have been provided for each switch type. Read and agreed.

4. The Town Project Manager shall provide the necessary information to implement the systems in the existing computer environment. Read and agreed.

5. The vendor will be responsible to uninstall all old telecommunications equipment and ensure all old voice terminations are terminated into data switches. Read and agreed.

6. The vendor will investigate adequate cable runs are in place before any cutover. Vendor will notify the Town of inadequacies prior to installation. Read and agreed. In this regard, included in our quote is the cost of wiring each workstation with a separate Cat5e cable dedicated for voice, that will run on a completely separate network from the data network.
5. PRICING STRUCTURE

### HARDWARE

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>CATEGORY</th>
<th>QTY</th>
<th>UNIT PRICE</th>
<th>TOTAL PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polycom Soundpoint IP550 HD Voice</td>
<td>Desk Phone</td>
<td>57</td>
<td>$285.00</td>
<td>$16,245.00</td>
</tr>
<tr>
<td>Polycom Soundpoint IP650 HD Voice</td>
<td>Receptionist</td>
<td>6</td>
<td>$347.00</td>
<td>$2,082.00</td>
</tr>
<tr>
<td>Polycom Soundpoint Backlit Console</td>
<td>Receptionist</td>
<td>18</td>
<td>$218.00</td>
<td>$1,308.00</td>
</tr>
<tr>
<td>Polycom Soundpoint IP7000 HD Voice</td>
<td>Conference</td>
<td>6</td>
<td>$1,115.00</td>
<td>$6,680.00</td>
</tr>
<tr>
<td>Cisco SRW248G4 48-pt 10/100 + 4-pt Gig Switch</td>
<td>Switch</td>
<td>1</td>
<td>$556.00</td>
<td>$556.00</td>
</tr>
<tr>
<td>Cisco 24-Port Gigabit Smart Switch 10/100/1000</td>
<td>Switch</td>
<td>2</td>
<td>$517.00</td>
<td>$1,034.00</td>
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**Base Equipment Cost**

$27,915.00

### DISCOUNTS

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<th>UNIT PRICE</th>
<th>TOTAL PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polycom Soundpoint IP550 HD Voice</td>
<td>Desk Phone</td>
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<td>Polycom Soundpoint IP650 HD Voice</td>
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<td>($75.00)</td>
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<tr>
<td>Polycom Soundpoint Backlit Console</td>
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<td>18</td>
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<td>($774.00)</td>
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<td>Polycom Soundpoint IP7000 HD Voice</td>
<td>Conference</td>
<td>6</td>
<td>($265.00)</td>
<td>($1,590.00)</td>
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<tr>
<td>Cisco SRW248G4 48-pt 10/100 + 4-pt Gig Switch</td>
<td>Switch</td>
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<td>($111.00)</td>
<td>($111.00)</td>
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<tr>
<td>Cisco 24-Port Gigabit Smart Switch 10/100/1000</td>
<td>Switch</td>
<td>2</td>
<td>($103.00)</td>
<td>($206.00)</td>
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**Total Discount**

$(6,551.00)

**TOTAL EQUIPMENT COST – WITH DISCOUNT**

$21,364.00

**TOTAL EQUIPMENT COST – AFTER REBATE**

$18,414.00

**HARDWARE MAINTENANCE MONTHLY (YEAR 1 AND YEAR 2)**

$0.00

**HARDWARE MAINTENANCE MONTHLY (YEAR 3, YEAR 4 ....)**

$154.17

### HOSTED IP PBX MONTHLY SERVICE

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>CATEGORY</th>
<th>QTY</th>
<th>PRICE</th>
<th>MONTHLY</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPFone Premium User</td>
<td>Hosted PBX</td>
<td>69</td>
<td>$20.00</td>
<td>$1,380.00</td>
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<tr>
<td>Fax to Email</td>
<td>Hosted PBX</td>
<td>3</td>
<td>$10.00</td>
<td>$30.00</td>
</tr>
<tr>
<td>Domestic Long Distance Included</td>
<td>LD Service</td>
<td>17,250</td>
<td>$0.00</td>
<td>$0.00</td>
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<tr>
<td>IPFone Auto Attendant</td>
<td>A la Carte</td>
<td>3</td>
<td>$10.00</td>
<td>$30.00</td>
</tr>
<tr>
<td>IPFone Receptionian (PC based)</td>
<td>A la Carte</td>
<td>1</td>
<td>$40.00</td>
<td>$40.00</td>
</tr>
<tr>
<td>Managed Service Pack1 - T1+151 (Edgemarc)</td>
<td>Hardware/Svc</td>
<td>1</td>
<td>$55.00</td>
<td>$55.00</td>
</tr>
<tr>
<td>Full Data T1 1.5 Mbps x 1.5 Mbps</td>
<td>Internet Access</td>
<td>1</td>
<td>$250.00</td>
<td>$250.00</td>
</tr>
<tr>
<td>Business Value Analog Line</td>
<td>Local Service</td>
<td>5</td>
<td>34.95</td>
<td>$174.75</td>
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</table>

**TOTAL MONTHLY SERVICE**

$1,959.75

### INSTALLATION CHARGES

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>CATEGORY</th>
<th>QTY</th>
<th>UNIT PRICE</th>
<th>TOTAL PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programming, Installation &amp; Training</td>
<td>Installation</td>
<td>1</td>
<td>$1,725.00</td>
<td>$1,725.00</td>
</tr>
<tr>
<td>Cat 5e Wire Runs – includes 69 Wire Runs terminated with jack; Patch Panels and all materials; Low Voltage Permit and handling</td>
<td>Wiring</td>
<td>1</td>
<td>$9,250.00</td>
<td>$9,250.00</td>
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**TOTAL INSTALLATION CHARGES**

$10,975.00
## Pricing Summary

<table>
<thead>
<tr>
<th>Contract Term 48 Months</th>
<th>TOTAL MONTHLY</th>
<th>ONE TIME CHARGES</th>
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<tbody>
<tr>
<td>Hardware Maintenance</td>
<td>$0.00*</td>
<td>NONE</td>
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<tr>
<td>IPFone Hosted PBX</td>
<td>$1,410.00</td>
<td>$0.00</td>
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<tr>
<td>IPFone Hosted PBX A la Carte</td>
<td>$70.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Internet Access</td>
<td>$250.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Managed Services</td>
<td>$55.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Local Service</td>
<td>$174.75</td>
<td>$0.00</td>
</tr>
<tr>
<td>Hardware</td>
<td>$0.00</td>
<td>$21,364.00</td>
</tr>
<tr>
<td>Installation and Training</td>
<td>$0.00</td>
<td>$10,975.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,959.75</strong></td>
<td><strong>$32,339.00</strong></td>
</tr>
</tbody>
</table>

- **NET FIRST YEAR COST**
  - **$52,906.00**

- **NET ONGOING ANNUAL COST – YEAR 2**
  - **$23,517.00**

- **NET ONGOING ANNUAL COST – YEARS 3 – 7 (INCL HARDWARE WARRANTY)**
  - **$25,367.00**

*Hardware Maintenance for Year 1 and Year 2 is no charge. $1,830 per year ($154.17 per month) thereafter.

**Does not include taxes and fees. Includes Polycom rebate of $2,950.

### 5.2 Service / Feature Charges and Surcharges

Monthly recurring service and feature charges, as well as usage-based surcharges, should be reduced or eliminated where possible. Since these charges differ by vendor and by customer situation, they will be included in the financial comparison. As a result, reductions and/or waivers of these charges will be an important differentiator between the bidder's proposals. Provide detailed and specific pricing for all federally mandated surcharges. Any fee adjustments must be proposed to the Town 6 months in advance for review and approval. Read and agreed. In the case of the Town, any programming requests or addition and/or deletion of users will be done at no charge. The IP Support team will undertake most change requests and troubleshooting items on a Remote basis. The Town can make an unlimited number of change requests at no charge.

### 5.3 Disposal of Current Equipment

Provide details of any buyback plans you may have for the system currently being used. See the end of this section for details on Polycom’s Trade-In Offer. Based on the Town’s requirements, the rebate may total $2,950 (limited to 50 phones).

### 5.4 Termination of Contract

The Town of Surfside reserves the right to terminate, with 30 day notice, if vendor falters on level of service described in this RFP. Read and agreed.

### 5.5 Transfer of Contract

If the Vendor is sold, merged, dissolved, etc. the Town reserves the right to review and approve new vendor inheriting this contract. Read and agreed.
some members of the hunt groups have lost service. Soft phones can also allow employees to work from home, on the road, or from another location with IP connectivity. See Appendix 1 – Exhibit 9 for more information on business continuity.

6.10 Data Access and Service. If bidding a hosted service, provide a detailed description of the Vendor’s networks data technology throughput and bandwidth capabilities.

Data network bandwidth of up to 1 Gbps (Gigabits per second) is supported on the customer access side.

6.11 Implementation Plan. Provide a description of the approach the Vendor would use for the conversion process. Responses should include, but not necessarily be limited to:

1. Project timelines.
2. Security: Explain security features inherent to the product being proposed.
3. Reliability: Explain design to ensure 100% uptime (Public Safety) i.e. dual circuits, etc.
4. Transfer of service to include porting phone numbers from current systems.
5. Installation/Implementation costs, (if any).
6. Provide a description of the Town’s’ responsibilities.

From start to finish, implementation will typically take 30 days (dependent on delivery of the T1 circuit). An installation timeline is provided on the following page.

At the outset, IPFone will assign a Project Manager and Lead Technician to the Town. This personnel, along with Sales Engineer, will meet at the Town prior to installation to discuss and document the call flow and programming requests. Once this is complete, provisioning and implementation processes will begin.

The methodology that IPFone will use for the implementation for the Town of Surfside is a “soft cut”. Because there is an existing phone system in place, and due to the fact that we will be running a separate cable for the new phones, we have the advantage of connecting all the required equipment parallel to the existing system. This ensures that all aspects of the network, hardware and software can be fully tested and fine-tuned before moving services such as main numbers, private numbers, voicemail, etc. to the new platform.

The premise is a simple one:

1. Wiring – existing wire that currently connects phones and computers will be left untouched. New Cat5e cable for new phones will be installed “after hours” so as to minimize disruption. Once the wire is in place, the existing two-position jacks will be replaced with three-position jacks. All
new wires will be terminated in the server room at a patch panel that will have patch cords connecting all ports to the new switch.

2. New T-1 (Voice) – will be connected to the switch.
3. Phones – will be connected to the third position on all new jacks and placed on desks, etc.

At this point, all new phones will be able to make outbound calls and receive inbound calls to the temporary numbers that will appear on each phone. Each phone will have its own distinct (private) number. The Town’s existing phone service and all main numbers and other numbers will remain on the old system at this time. During this time, when there are two phones at all locations, we will schedule Training sessions at the Town’s convenience. All voicemail boxes and outgoing messages will be setup. The programming of each User’s phone will be done at this time. Once this is complete, we will proceed with moving (porting) the Town’s phone numbers to our network. At this time, all voice services will be ringing at the appropriate phones. At any time after this cutover, we can remove the old phone system. All services with the existing provider may be terminated at this time. Should the Town be required to honor the existing contract for PRI, the service can be used for redundancy purposes. The Town may also consider negotiating the early termination fee at this time.

With respect to the Community Center that is under construction, wiring will be installed in coordination with the completion of that project. We recommend that the Town install Atlantic Broadband High Speed (Business Class) Internet Services currently available at 12M download and 2M upload for $70 per month. Using a separate carrier and connection type is ideal not only from a design and cost perspective, but also for purposes of redundancy and business continuity. Services can be easily redirected if either site has power or connectivity problems.

The Town’s responsibilities for installation and implementation are:

1. Be prepared for meeting with Project Manager and Sales Engineer with specifics on Call Flow and Auto Attendant setup.
2. Ensure site is compliant for T1 installation (fire-rated backboard, # ground wire).
3. For number porting, provide a complete list of numbers to be ported along with a copy of the most recent bill from existing provider and a Customer Service Record (CSR)
4. Complete a User List, with all employee names, private numbers (if applicable), extension assignments and Email addresses.
5. Provide access to site for T1 installers
6. If applicable, cancel services with existing carrier once the number porting is complete.
## Hosted PBX Installation Timeline

<table>
<thead>
<tr>
<th>Week 1</th>
<th>Week 2</th>
<th>Week 3</th>
<th>Week 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order Submission/ Credit Approval</td>
<td>IP Phone Creation and Provisioning</td>
<td>Hardware Configuration</td>
<td>Hardware Installation &amp; Training</td>
</tr>
<tr>
<td>2 Day Process</td>
<td>Local &amp; DSL Provisioning &amp; Installation</td>
<td>MultiPath Configuration &amp; Testing</td>
<td></td>
</tr>
<tr>
<td>7 Day Process</td>
<td>Site Survey</td>
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</tr>
<tr>
<td>2 Week Process (if applicable)</td>
<td>T1 Provisioning</td>
<td>T1 Installation and Testing</td>
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</tr>
<tr>
<td>1/2 day Process</td>
<td>LNP Submission</td>
<td></td>
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<tr>
<td>3 Week Process (if applicable)</td>
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</tr>
<tr>
<td>4 Week Process (if applicable)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes and Comments:**

---

These are approximate timelines:
Time Table

Products and Services
- Integrated T1
- Hosted PBX
- T1 South Florida
- T1 Nationwide
- Metro Ethernet
- DSL

New Analog Lines
- Analog Conversions from ATT
- Analog Conversions from other carriers
- Transport Toll Free to ISN
- Caller ID Name Change
- Directory Listing

Local Number Portability-LNP’s
- New Phone Delivery
  (only US Continental)
- Add Users to your Hosted PBX
- Additional Features to your PBX

New Recording System Setup
- New enhanced Music on Hold
- Paging System Setup

Delivery Time
- 4-6 Weeks
- 4-6 Weeks
- 4 Weeks
- 4-6 Weeks
- 120 to 180 days
- 7 business days
- 7 business days
- Customer has to go with ATT first

Logos for POLYCOM phones:

<table>
<thead>
<tr>
<th>Model</th>
<th>Width</th>
<th>Height</th>
<th>Color Depth</th>
</tr>
</thead>
<tbody>
<tr>
<td>IP 300/501</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>IP 320/530</td>
<td>102</td>
<td>23</td>
<td>monochrome</td>
</tr>
<tr>
<td>IP 430</td>
<td>94</td>
<td>23</td>
<td>monochrome</td>
</tr>
<tr>
<td>IP 500/501</td>
<td>114</td>
<td>51</td>
<td>2-bit grayscale or monochrome</td>
</tr>
<tr>
<td>IP 600/601</td>
<td>209</td>
<td>109</td>
<td>2-bit grayscale or monochrome</td>
</tr>
<tr>
<td>IP 550/650</td>
<td>209</td>
<td>109</td>
<td>4-bit grayscale or monochrome</td>
</tr>
<tr>
<td>IP 670</td>
<td>209</td>
<td>109</td>
<td>12-bit color</td>
</tr>
<tr>
<td>IP 4000</td>
<td>150</td>
<td>33</td>
<td>4-bit grayscale or monochrome</td>
</tr>
<tr>
<td>IP 6000</td>
<td>150</td>
<td>33</td>
<td>32-bit grayscale or monochrome</td>
</tr>
<tr>
<td>IP 7000</td>
<td>255</td>
<td>128</td>
<td>32-bit grayscale or monochrome</td>
</tr>
</tbody>
</table>

Installation Requirements for T1 service

Please ensure that site has been properly prepared for the installation of the T1 service. Below is the list of these requirements:

- 18" x 24" 3/4" plywood backboard (smallest allowed will support a single cabinet handles up 4 T1 ckt)
- Painted in fire retardant paint
- #6 Ground or 110 V electrical outlet that has the appropriate grounding.
- The outlet must be in close proximity to the backboard. If the requirements are not met, the technician will not install the T1 service and a new Due Date will have to be scheduled. A Due Date change charge will apply each time this occurs. A new Due Date will be assigned based on the next available date, per the local work load, which may not be when the end Customer needs it to be installed.
- A larger backboard is acceptable if end Customer is planning to install additional equipment in the future.

Your Responsibilities

* Provide a user list (hosted pbx only)
* Provide access to your site for T1 installers (8am-5pm)
* Have your phone vendor available for site survey, testing and cut over dates.
* Cancel your services with the losing carrier once the installation is completed.

Logo's Requirement

Logo for CISCO phones
- Width: 90 pixels
- Height: 56 pixels
- Color: 256 color bitmap (.bmp) grayscale

Customer Initials
## General Evaluation and Scoring

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<tr>
<th></th>
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<tr>
<td><strong>Earthlink Business</strong></td>
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<tr>
<td>Comments on Solution Proposed</td>
<td></td>
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<td>Hosted Solution Proposed</td>
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<tr>
<td>Did Not Meet Mandate Submittal Requiremnts</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>1. All Addenda released must be submitted in proposal - Addenda not included in proposal.</td>
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<tr>
<td>2. Annual Revenue for past two years - not submitted.</td>
<td></td>
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<tr>
<td>3. Names and P.O. requiring financial interest in company - only submitted name of VP of Sales.</td>
<td></td>
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<tr>
<td>4. Proof of authorization to conduct business in Florida - not submitted.</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. A listing of personnel with qualifications to be assigned to this project - only submitted name of VP.</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Total</strong></td>
<td>$6,283.90</td>
<td>$12,956.24</td>
<td>$25,067.24</td>
<td>$38,966.00</td>
<td>$52,459.76</td>
<td>$65,469.76</td>
<td>$231,431.39</td>
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<tr>
<td><strong>COST</strong></td>
<td>$12,905.24</td>
<td>$25,067.24</td>
<td>$38,966.00</td>
<td>$52,459.76</td>
<td>$65,469.76</td>
<td>$78,469.76</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL COST</strong></td>
<td>$231,431.39</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **Unfurnished**                      |        |        |        |        |        |        |           |
| Comments on Solution Proposed        |        |        |        |        |        |        |           |
| Hosted Solution Proposed             |        |        |        |        |        |        |           |
| Did Not Meet Mandate Submittal Requiremnts |        |        |        |        |        |        |           |
| 1. All Addenda released must be submitted in proposal - Addenda not included in proposal. |        |        |        |        |        |        |           |
| 2. Annual Revenue for past two years - not submitted. |        |        |        |        |        |        |           |
| 3. Names and P.O. requiring financial interest in company - only submitted name of VP of Sales. |        |        |        |        |        |        |           |
| 4. Proof of authorization to conduct business in Florida - not submitted. |        |        |        |        |        |        |           |
| 6. A listing of personnel with qualifications to be assigned to this project - only submitted name of VP. |        |        |        |        |        |        |           |
| **Total**                            | $12,905.24 | $25,067.24 | $38,966.00 | $52,459.76 | $65,469.76 | $78,469.76 |           |
| **COST**                             | $12,905.24 | $25,067.24 | $38,966.00 | $52,459.76 | $65,469.76 | $78,469.76 |           |
| **TOTAL COST**                       | $248,452.82 |           |           |           |           |           |           |

| **CPT**                              |        |        |        |        |        |        |           |
| Comments on Solution Proposed        |        |        |        |        |        |        |           |
| Internally managed solution Proposed. |        |        |        |        |        |        |           |
| Did Not Meet Mandate Submittal Requiremnts |        |        |        |        |        |        |           |
| 1. All Addenda released must be submitted in proposal - Addenda not included in proposal. |        |        |        |        |        |        |           |
| 2. Annual Revenue for past two years - not submitted. |        |        |        |        |        |        |           |
| 3. Names and P.O. requiring financial interest in company - only submitted name of VP of Sales. |        |        |        |        |        |        |           |
| 4. Proof of authorization to conduct business in Florida - not submitted. |        |        |        |        |        |        |           |
| 6. A listing of personnel with qualifications to be assigned to this project - only submitted name of VP. |        |        |        |        |        |        |           |
| **Total**                            | $12,905.24 | $25,067.24 | $38,966.00 | $52,459.76 | $65,469.76 | $78,469.76 |           |
| **COST**                             | $12,905.24 | $25,067.24 | $38,966.00 | $52,459.76 | $65,469.76 | $78,469.76 |           |
| **TOTAL COST**                       | $252,596.61 |           |           |           |           |           |           |

| **Totalview**                        |        |        |        |        |        |        |           |
| Comments on Solution Proposed        |        |        |        |        |        |        |           |
| Internally managed solution Proposed. |        |        |        |        |        |        |           |
| Did Not Meet Mandate Submittal Requiremnts |        |        |        |        |        |        |           |
| 1. All Addenda released must be submitted in proposal - Addenda not included in proposal. |        |        |        |        |        |        |           |
| 2. Annual Revenue for past two years - not submitted. |        |        |        |        |        |        |           |
| 3. Names and P.O. requiring financial interest in company - only submitted name of VP of Sales. |        |        |        |        |        |        |           |
| 4. Proof of authorization to conduct business in Florida - not submitted. |        |        |        |        |        |        |           |
| 6. A listing of personnel with qualifications to be assigned to this project - only submitted name of VP. |        |        |        |        |        |        |           |
| **Total**                            | $12,905.24 | $25,067.24 | $38,966.00 | $52,459.76 | $65,469.76 | $78,469.76 |           |
| **COST**                             | $12,905.24 | $25,067.24 | $38,966.00 | $52,459.76 | $65,469.76 | $78,469.76 |           |
| **TOTAL COST**                       | $233,421.39 |           |           |           |           |           |           |
Town of Surfside
Commission Communication

Agenda Item # 5C

Agenda Date: April 12, 2011

Subject: Agreement with Municipal Code Corporation for MuniBill$ for Invoicing Water, Sewer and Stormwater

Background: It has been the direction of the Town Commission to modernize the billing procedures for water, sewer, and stormwater. Specifically, the Town Commission requested that credit card payment be added to our customer service. As part of the rate study done by TischlerBise last year, it was recommended that the utility bills be mailed on a monthly basis. In order to have the ability to increase services to the community and also reduce cost, staff has done research to identify the options.

Analysis: To implement the ability to accept credit cards, four factors were identified as follows:

- Purchase/lease of a credit card reading device for Town Hall,
- Set up of accounts with the bank and bank charges similar to the accounts for the electronic multi-space meters,
- Programming cost to add the portal to the Town’s website to complete the transaction,
- Reimbursement of fees and charges to the Town.

Currently there are 1500 water, sewer, stormwater invoices created every other month. Recently one full time position was eliminated from the front office. New duties have been added to the front office such as, library reimbursement applications, collection of red light camera fines, and issuance of Commercial vehicle decals.

Per the direction of the Town Commission, once the microwave readable water meters are in place, we will begin invoicing monthly, as it will lessen the impact of adjusted rates on our customers.

The process to create a water, sewer, stormwater invoice involves several steps, simplified as follows:

1. Meters are read by the Department of Public Works currently by visual methods
2. Reading data is entered into the computer by the front office staff
3. A report is run to verify that the data is accurate
4. Obvious misreads and trouble spots are identified and the front office works with the Department of Public Works to investigate
5. Computer software then converts the data to a file and then creates an invoice
6. Invoices are printed, folded, stuffed in envelopes, taken to the post office and mailed.

Printing of the invoices, stuffing of envelopes and mailing is a time consuming and labor intensive process. It is estimated that the cost of segment 6 of the process is approximately $.50 to $.60 per bill in staff time, plus an additional $.19 per bill for the invoice and envelope.
The proposed system will be the same, but our staff will stop at step 4. The information file for steps 5 and 6 will be transmitted to Munibill$ from which they will prepare and mail the invoices.

Munibill$ is a division of Municipal Code Corporation (MCC), a privately owned Corporation. They have been in business for more than 55 years and serve local governments nationwide. Municipal Code Corporation started with codification of municipal ordinances and town codes. They have expanded to include document imaging and records management software (Laserfiche), document scanning services, electronic agenda management, amongst other governmental processes. On page 4 of the attached Professional Services Proposal you will find additional information in their Executive Summary.

**Budget Impact:** Municode will charge a one-time set up fee of $2,700 to create a more customer friendly invoice (copies from other Munibill$ clients are attached) and set up the credit card processing. Paper invoices will be produced by them at a cost of $.16 each. A return envelope can be included for an additional one cent. The Town may also opt to have Municode send reminder notices for an additional $.17 each. Both the original invoicing and the late notice services will cost approximately $283 per month combined. All in all, the transition will save approximately $4,000 annually if we continue to bill on a bimonthly basis. When we transition to monthly billing the savings will be doubled by outsourcing.

Of key importance, is that staff will be more able to absorb the additional duties that have been generated by the passage of new ordinances and will be able to concentrate on the collection of delinquent accounts and the recording of liens. We will implement an intensive customer service training program to ensure the ease of transition to the new process.

Municode will provide the software necessary to put the link on the Town’s website at no additional cost. Municode will assist in setting up the bank account necessary to use the credit card utilizing their experience to assist us to obtain the best possible rates. User fees will be established based upon cost to reimburse the Town for the costs incurred by the credit card user.

Included in the cost, Municode will provide the ability to pay and to accept checks on line. The online check payments will be credited to the Town account in the same manner as a credit card.

The user will be able to view up to three billings of invoices online in a pdf format. They will be able to print copies and will be able to pay with either a credit card or online check using the account and routing numbers.

In order to mitigate the cost of the bank charges, credit card and online check customers will be charged a convenience fee. Customers cannot be charged a convenience fee when a credit card transaction is processed in person. In order to stay within budget and recoup the cost of doing business, a walk in customer wishing to use a credit card will be directed to a computer kiosk in the lobby. Staff will guide the customer through the process and the Town will receive a convenience fee of between two and three percent that will mitigate the cost of the credit card transaction. The final convenience fee percentage will be determined when the bank is selected.

A computer is now available in the lobby of Town Hall for the viewing of red light camera violations. The same computer will allow the customer to go on line and pay their water, sewer, stormwater invoice by credit card or check or they may do it from their own location. Should waiting times become too long, a second terminal will be added.

Once the payment is received by the bank, an email will be generated to the front office. The front office will then post the account as though they had received the payment in the mail. Staff has opted to select this plan as opposed to one that might automatically post payments directly to the Town’s accounting software due to the cost. The cost of the recommended plan is reasonable and accomplishes the goals communicated by the Town Commission and taxpayers.
Staff Impact: The current staff will still input data from meter readings, run reports for accuracy and apparent misreads or possible leaks. We believe that the utilization of this firm and their technology will allow the achievement of key modernization of customer service without additional staff and with cost savings.

Recommendation: Under our purchasing policy, entering into this agreement is within the authority granted to the Town Manager (Section 3-13(2)) since this expense is less than $8,500. It is estimated that the services will be available with the issuance of the June, 2011 billing statements. The new procedure is being reported to the Town Commission to make you aware of the progress in updating the way that we do business and our ability to offer the residents of Surfside improved customer service as directed by the Town Commission.

\[Signature\]
Department Head

\[Signature\]
Town Manager
RESOLUTION NO. __________

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSDIE, FLORIDA, AUTHORIZING THE TOWN TO ENTER INTO AN AGREEMENT WITH MUNICIPAL CODE CORPORATION FOR MUNIBILLS FOR INVOICING WATER, SEWER AND STORMWATER; AUTHORIZING THE FUNDS TO PAY FOR; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town Commission of the Town of Surfside, Florida wishes to enter into an Agreement with Municipal Code Corporation for MuniBill$ (hereinafter “Municode”) (See Attachment “A”) for invoicing water, sewer and stormwater; and

WHEREAS, it has been the direction of the Town Commission to modernize the billing procedures for water, sewer, and stormwater and that credit card payment be added to our customer service; and

WHEREAS, as part of the rate study done by TischlerBise last year, it was recommended that the utility bills be mailed on a monthly basis; and

WHEREAS, currently there are 1500 water, sewer and stormwater invoices created every other month; and

WHEREAS, Municode will charge a onetime set up fee of $2,700 to create a more customer friendly invoice and set up the credit card processing.

WHEREAS, Municode will provide the software necessary to put the link on the Town’s website at no additional cost and Municode will assist in setting up the bank account necessary to use the credit card using their experience to assist us to obtain the best possible rates.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF SURFSDIE, FLORIDA AS FOLLOWS:

Section 1. Recitals. That the above and foregoing recitals are true and correct and are incorporated herein by reference.
Section 2. Authorization to enter into an agreement. The Town Commission hereby authorizes the Town Manager to enter into the attached agreement with Municode.

Section 3. Implementation. The Town Manager and the Town Attorney are hereby authorized to take any and all action necessary to implement this Resolution and Agreement in accordance with the terms, conditions and purposes of this Resolution and Agreement.

Section 4. Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED this ____ day of ____, 2011.

Motion by Commissioner ________________, second by Commissioner ________________.

FINAL VOTE ON ADOPTION

Commissioner Michael Karukin
Commissioner Edward Kopelman
Commissioner Marta Olchyk
Vice Mayor Joseph Graubart
Mayor Daniel Dietch

Daniel Dietch, Mayor

Resolution No. ____________
ATTEST:

Debra E. Eastman, MMC
Town Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY FOR
THE TOWN OF SURFSIDE ONLY:

[Signature]
Lynn M. Dannheisser
Town Attorney

Resolution No. _________
MUNIBILLS
SAMPLES
FROM
OTHER MUNICIPALITIES
<table>
<thead>
<tr>
<th>Service</th>
<th>ERU's</th>
<th>Cost per ERU</th>
<th>Monthly Charge</th>
<th>Amount Due</th>
<th>Service Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stormwater</td>
<td>1</td>
<td>$4.00</td>
<td>$4.00</td>
<td>$12.00</td>
<td>July-Sept 2008</td>
</tr>
</tbody>
</table>

Stormwater fees paid late are subject to a 10% late charge and 8% interest per annum. All unpaid fees, charges and interest shall become a lien upon the property for which the fees are due and owing. In order to contest the filing of a lien for nonpayment, a property owner is required to request an appeal to the Code Enforcement Special Master, in writing, within ten (10) days of receipt of this bill. All requests for appeal shall be sent to the attention of the Finance Director at the address listed below. Nonpayment of any portion of the Stormwater utility fee shall be considered as nonpayment of all other utilities appearing on the bill and may result in the termination of all utility services appearing on the bill.

If you would like information on upcoming city events, review city budgets and financial statements, or just browse through the city's website. Visit us at www.miamigardens-fl.gov

**PLEASE BRING ENTIRE BILL IF PAYING IN PERSON. PLEASE DETACH AND RETURN BOTTOM PORTION IF PAYING BY MAIL. PLEASE DO NOT STAPLE OR FOLD. PLEASE WRITE YOUR ACCOUNT NUMBER ON YOUR CHECK.**

---

**Customer**

City of Miami Gardens
1515 NW 167th Street Bldg 5 #200
Miami Gardens Florida 33169
Address Service Requested

111 AV 0.324
Customer
PO Box 314
Opa Locka FL 33054-0314
For questions regarding your bill: Water & Sewer Dept. 101 Old Main Street Monday - Thursday 7:30 AM - 6 PM (941) 932-3400

PAY YOUR BILL ONLINE AT WWW.CITYOFBRADENTON.COM...... IT'S FREE

Customer  VALUED CUSTOMER  
Service Location  123 MAIN STREET

<table>
<thead>
<tr>
<th>Date</th>
<th>Service Fee</th>
<th>Service Fee Details</th>
<th>Amount Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/6/2010</td>
<td>Previous Balance</td>
<td>Account # 106.12.030 104 15TH ST W</td>
<td>99.72</td>
</tr>
<tr>
<td>1/25/2010</td>
<td>Payment - thank you</td>
<td>Account # 106.12.030 104 15TH ST W</td>
<td>99.72 CR</td>
</tr>
<tr>
<td>1/28/2010</td>
<td>Closing Bill</td>
<td>Account # 106.12.030 104 15TH ST W</td>
<td>70.74</td>
</tr>
</tbody>
</table>

- 3/4" Water Meter
- Connection Charges 1/21/2010 1 22.11
- Residential Refuse 1 15.00
- Utility Tax 1 8.11
- 3/4" Sewer - Residential 1 2.21
- Storm Water 1 14.80
- Res County Dumping 1 3.23
- 1 5.28

1/29/2010 Billing Credit | Account # 106.12.030 104 15TH ST W | 251.67 CR
- Deposit 11/2/2009 11 225.00
- Deposit 9/1/2008 5 5.70
- Deposit 9/12/2008 9 5.70
- Deposit 9/3/2007 9 5.70
- Deposit 9/3/2008 9 5.70
- Deposit 9/13/2009 9 5.70

1/28/2010 Payment - thank you | Account # 106.12.030 104 15TH ST W | 70.74 CR

---

If payment is received after the Due Date, a 10% Late Charge will be added to your next bill. If payment is not received, service may be disconnected without further notice. Service will be resumed only after payment of the Balance, Late Charge, $30.00 Reconnect Fee and Additional Deposit.

- 0 - 30 Days $0.00
- 31 - 60 Days $0.00
- 61 - 90 Days $0.00
- Over 90 Days $0.00

---

101 OLD MAIN ST
BRADENTON FL 34205-7865

---

VALUED CUSTOMER
123 MAIN STREET
ANNA MARIA FL 34205

---

Please remit and make checks in US funds payable to:
CITY OF BRADENTON - WATER & SEWER
PO BOX 1339
BRADENTON FL 34206-1339

Amount Enclosed $ ____________________________

Page 325
**DELINQUENT NOTICE**

ACCOUNT NUMBER: 000000-01
STATEMENT DATE: 11/26/2009
DISCONNECT DATE FOR PAST DUE BALANCE: 12/03/2008
PAST DUE BALANCE: $3.00
CURRENT CHARGES: $20.00
CURRENT CHARGES DUE: 12/16/2008
TOTAL AMOUNT DUE: $32.00

**ACCOUNT NAME** | **SERVICE ADDRESS**
--- | ---
SAMPLE, BILL | 6123 MAIN

| CURRENT READ | PREVIOUS READ | CONSUMPTION |
--- | --- | ---
173 | 171 | 2 |

| SERVICE FROM | SERVICE TO |
--- | ---
10/21/2008 | 11/20/2008 |

**DATE** | **ACCOUNT ACTIVITY** | **CHARGES**
--- | --- | ---
11/07/2008 | PAYMENTS | -$24.48
11/26/2008 | ADJUSTMENT | -$28.98
11/26/2008 | RESIDENTIAL WATER SF | $11.66
11/26/2008 | RESIDENTIAL SEWER SF | $13.19
11/26/2008 | UTILITY TAX SF 5/8" | $0.93
11/26/2008 | STORMWATER RES SF | $3.22

---

**Visit us on the web at www.coconutcreek.net**

---

**DISCONNECTION DATE FOR PAST DUE BALANCE** | **PAST DUE BALANCE**
--- | ---
12/03/2008 | $3.00
CURRENT CHARGES DUE | CURRENT CHARGES
12/16/2008 | $20.00
AMOUNT ENCLOSED | TOTAL AMOUNT DUE
--- | ---
--- | $32.00

- Check box for change of address (see reverse side of return paying document)

Please remit and make checks in US funds payable to:
CITY OF COCONUT CREEK
PO BOX 970907
COCONUT CREEK FL 33097-0907
**Okeechobee Utility Authority**
100 SW 5th Avenue, Okeechobee, Florida 34974-4221
Telephone 863.763.9460 Fax 863.763.9036

Normal office hours (including teller windows and drive through)
Monday - Friday 8:00 a.m. - 5:00 p.m.

PLEASE SEE BACK OF STATEMENT FOR ADDITIONAL INFORMATION

<table>
<thead>
<tr>
<th>ACCOUNT NUMBER</th>
<th>ACCOUNT NAME</th>
<th>RT &amp; SEQUENCE #</th>
<th>SERVICE ADDRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td></td>
<td>311 - 08820</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SERVICE PERIOD</th>
<th>METER READING</th>
<th>CONSUMPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>FROM</td>
<td>TO</td>
<td>PREVIOUS</td>
</tr>
<tr>
<td>09/12/08</td>
<td>10/10/08</td>
<td>51,716</td>
</tr>
<tr>
<td>7,879</td>
<td>10/20/08</td>
<td>3</td>
</tr>
</tbody>
</table>

**CURRENT CHARGES**

- Previous Balance: $94.86
- Payments: $94.86
- Adjustments: $0.00
- Water Base Rate: $17.74
- Water Consumption: $38.59
- Sewer Base Rate: $19.79
- Sewer Consumption: $48.53
- Franchise Fee: $0.00
- Fire Protection Fee: $0.00
- Sewer Maintenance Fee (Kings Bay): $0.00
- Deposit Credited to Account: $0.00

**TOTAL AMOUNT DUE**

(Minus Sign Indicates Credit Balance)

$124.65

**NOTES:**

- Please detach and return bottom portion with your payment

- Change of address or new phone number? Please check the box and provide us your updates on the back of the return document.

---

1 1 av 0.324
Elvis Presley
136 35th Ct
Okeechobee FL 34972-0119

---
<table>
<thead>
<tr>
<th>SERVICE ADDRESS</th>
<th>123 MAIN ST</th>
</tr>
</thead>
<tbody>
<tr>
<td>SERVICE</td>
<td>PREVIOUS READING</td>
</tr>
<tr>
<td>1100</td>
<td>71/100</td>
</tr>
</tbody>
</table>

**Account Information**

<table>
<thead>
<tr>
<th>ACCOUNT NUMBER</th>
<th>BILLING DATE</th>
<th>BALANCE FORWARD</th>
<th>CURRENT CHARGES</th>
<th>TOTAL DUE</th>
<th>DATE DUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>00000</td>
<td>01/29/2010</td>
<td>$0.00</td>
<td>$61.05</td>
<td>$61.05</td>
<td>02/22/2010</td>
</tr>
</tbody>
</table>

**Detail of Charges**

- **SERVICE PERIOD**: 11/16/2009 - 01/12/2010
- **SERVICE DESCRIPTION**: AMOUNT
  - Water Base Charge: $6.00
  - Water - So Bo In Town: $9.38
  - Sewer - So Bo In Town: $39.67
  - Land Fill Bi-Monthly: $6.00

**Total Current Charges**: $61.05

**Your Usage History**

- Current Month: 2090
- Last Month: 2430

**Important Information**

Please pay your bill by 5 PM on February 22 in order to avoid paying a penalty. If not paid by 5 PM on March 1, a $40 non-payment fee will be added and services may be disconnected.

**Failure to Receive Bill Does Not Excuse Responsibility for Payment**

Visit us on the web at: www.hcsa.us

---

Please send either a check or money order with the payment stub in pre-addressed envelope provided. Payments may be made at the County Administration Building - 134 South Main Street in the Town of Halifax between the hours of 8:30 am & 5:00 pm Monday - Friday and after hours in the drop box located beside the main entrance. Do not place cash in the after hours drop box. The Authority is not responsible for lost cash. After hours payments are applied to your account on the next business day.

---

HCSA
PO Box 640
HALIFAX VIRGINIA 24558-0640

Sample, Bill
Customer Sample
PO Box 100
DOHA

---

**Bill Date** | **Account Number** | **Date Due**
--- | --- | ---
01/29/2010 | 00000 | 02/22/2010

**Service Address**

- 123 MAIN

**Total Due**: $61.05

Amount due if paid after 5:00 pm on due date (includes late fee): $67.16

Amount due if paid after 5:00 pm on cut-off date (includes late & non-payment fee): $107.16

Amount Enclosed $**********

Please remit and make checks in US funds payable to:

HCSA
PO BOX 640
HALIFAX VIRGINIA 24558-0640
# Baldwin County Water Department

**PO BOX 9**  
**HARDWICK GA 31034**

Visit us on the web at: www.baldwincountyga.com  
Office hours for questions regarding your bill:  
Monday - Friday 8:30 AM - 4:45 PM  
3014 Heritage Road  
Milledgeville GA 31061  
(478) 445-4237 Fax: (478) 445-6501  
Water or sewer emergencies after hours call (478) 445-4237

## ACCOUNT NUMBER:  
**00000000-00**

<table>
<thead>
<tr>
<th>SERVICE</th>
<th>CURRENT READING</th>
<th>DATE READ</th>
<th>PREVIOUS READING</th>
<th>USAGE</th>
<th>CHARGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>WATER</td>
<td>14</td>
<td>7/8/2009</td>
<td>9</td>
<td>5</td>
<td>$26.35</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$10.75</td>
</tr>
</tbody>
</table>

**Shut Off Date:** 8/25/2009

## IMPORTANT INFORMATION

The Due Date pertains to the current charges only. The amount shown as Previous Balance is past due and your service is subject to disconnection on 8/25/2009 and a reinstatement fee of $50.

## BOOKKEEPING INFORMATION

<table>
<thead>
<tr>
<th>BILL DATE</th>
<th>ACCOUNT NUMBER</th>
<th>CURRENT CHARGES</th>
<th>DATE DUE</th>
<th>TOTAL DUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>8/1/2009</td>
<td>00000000-00</td>
<td>$40.10</td>
<td>8/15/2009</td>
<td>$95.20</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Due Date pertains to the current charges only. Your Previous Balance is past due and your service is subject to disconnection on 8/22/2009.

Amount Enclosed $ ____________

Please remit and make checks in US funds payable to:  
**Baldwin County Water Department**  
**PO BOX 9**  
**HARDWICK GA 31034**

---

**Bill Sample**  
**123 MAIN AVENUE**  
**MILLEDGEVILLE GA 31061**

---

**Page 329**
### Service Address

**123 MAIN STREET**

<table>
<thead>
<tr>
<th>Service</th>
<th>Previous Reading</th>
<th>Current Reading</th>
<th>Read Date</th>
<th>Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>WATER</td>
<td>774700</td>
<td>778950</td>
<td>12/29/08</td>
<td>4250</td>
</tr>
</tbody>
</table>

### Detail of Charges

**Service Period:** 12/02/08 - 12/29/08

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>WATER</td>
<td>$36.52</td>
</tr>
</tbody>
</table>

**Total Current Charges:** $36.52

**Adjusted Charges:**

**Total Adjustments:** $0.00

### Your Usage History

<table>
<thead>
<tr>
<th>Current Month</th>
<th>Last Month</th>
<th>Current Month - Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>4250 Gallons</td>
<td>3900 Gallons</td>
<td>8180 Gallons</td>
</tr>
</tbody>
</table>

### Important Information

The City of Auburn will send the Final garbage charge in the February 20th bill which is due by March 15th.

### Failure to Receive the Bill Does Not Excuse Service Disconnection

**Date Due:** 02/15/09

**Amount Due if Paid After 4:30 PM on 02/15/09:** $40.17

Includes 10% Penalty on the Balance

**Shut Off Date:** 02/25/09

Account subject to disconnection and $25 Admin Fee

---

**Utility Bill May be Paid by Mail (Only Send Check or Money Order).**

City Hall during hours of operation and at the after hours box located at City Hall (Only check or money order only). Payments are applied to your account the next business day. Do not place cash in after hours box. City is not responsible for lost cash.

---

**Visit us on the web at:** www.cityofauburn-ga.org

**Please detach and return bottom portion if paying by mail. Please do not staple or fold. Please write your account number on your check.**

---

**Bill Date: 01/20/09**

**Account Number: 4436**

**Date Due: 02/15/09**

**Cycle #: 1**

**Parcel #:**

**Total Due:** $36.52

**Amount Due if Paid After 4:30 PM on 02/15/09:** $40.17

Includes 10% Penalty on the Balance

**Shut Off Date:** 02/25/09

Account subject to disconnection and $25 Admin Fee

---

**Amount Enclosed: $**

---

11 AV 0.324

John Doe
123 Main Street
Auburn GA 30011-0004

---

**CITY OF AUBURN**

**PO BOX 1059**

**AUBURN GA 30011-1059**

---

---
MUNIBILLS
PUBLIC
INFORMATION
SAMPLES
Your bill has a new look!

You will notice your monthly billing statement has changed. We haven’t changed the content of your statement, but have improved the layout making your statement easier to read and understand. We’ve kept many of the features you liked about your current bill while making a few changes which will make it easier to locate important information. We added a new section to provide you important dates and amounts so you always know what’s due on your account and when.

Have questions about your bill or a problem with your service? Contact information is located where it is easy to find quickly.

Your account name and address is available at the top of your statement for quick reference.

Your summary detail information is listed in the same format as before keeping it simple and straight forward.

Your historical usage has changed to a smaller, easier to understand format.

To help us process your payments quickly and accurately, the tear off return payment coupon is located at the bottom of your statement. This coupon should accompany your payment to help insure proper credit to your account. (Please remember not to send cash)


In this section you will find important messages about your account, DeLand announcements, notices and activities.

Please remember to not send cash. Only check or money orders are safe methods of payment and accepted through the mail. Credit card payments are available online or by phone 24 hours a day. Please see back of bill for information.

When placing your payment coupon in the enclosed return payment envelope be sure the address is showing correctly in the window.
Your next bill will have a **new look**!

You will notice a few changes on your billing statement next month. We haven’t changed the content of your statement, but have improved the layout to make your statement easier to read and understand. We’ve kept many of the features you liked about your current bill while making a few changes which will make it easier to locate important information.

---

**CITY OF PLANT CITY**

**UTILITY DEPARTMENT**

**PO BOX 69**

**PLANT CITY, FL 33564**

---

### Account Information

<table>
<thead>
<tr>
<th>ACCOUNT #</th>
<th>BILL DATE</th>
<th>DUE DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>0000</td>
<td>1/1/18</td>
<td>1/17/18</td>
</tr>
</tbody>
</table>

### Current Charges

<table>
<thead>
<tr>
<th>Current Charges</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garbage</td>
<td>$22.00</td>
</tr>
<tr>
<td>Stormwater</td>
<td>$8.50</td>
</tr>
<tr>
<td>Water</td>
<td>$5.11</td>
</tr>
<tr>
<td>Water - Tax</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

### Total Amount Due

| Total Amount Due | $43.56 |

---

### Contact Information

- **Phone:** (813) 452-2201
- **Fax:** (813) 452-4201
- **Website:** www.plantcity.gov

---

**Utility Department**

**302 W Reynolds St.**

**PO Box C**

**Plant City, FL 33564-0003**

---

**Page 333**
Your bill has a new look!

You will notice your monthly billing statement has changed. We haven’t changed the content of your statement, but have improved the layout making your statement easier to read and understand. We’ve kept many of the features you liked about your current bill while making a few changes which will make it easier to locate important information.

Have questions about your bill or a problem with your service? Contact information is located where it is easy to find quickly.

Your account summary information is easy to find at the top of your statement for quick reference. Here you will find important due dates and amounts so you know exactly what is due on your account at any time.

In this section you will find important messages about your account, Opa-locka announcements, notices and activities.

Important messages regarding your account are located here.

Please remember to not send cash. Only check or money orders are safe methods of payment and accepted through the mail.

Moving? Please let us know here. Please remember to complete the portion on the back of the return document.

To aid us in posting your payment correctly be sure to write in the amount you are paying here.
January 27th, 2011

Debra Eastman
Town Clerk
Town of Surfside
Surfside, FL

Dear Debra,

Thank you for your interest in Municipal Code Corporation (MCC) and the MuniBill® services we provide to local governments. MCC understands your community has unique needs and we offer a variety of services to meet those needs. We are pleased to provide the attached proposal for your billing requirements.

ABOUT MCCadventure  MCCadventure, a division of MCC, specializes in providing local governments with high-quality, leading-edge statement processing and bill presentment services. We offer a wide variety of statement output options to ensure your customers receive the type of statement that is right for them. MCC's approach to statement processing sets the standard in the industry.

WHY USE MCC?  MCC is family owned and operated and focuses on providing the highest possible level of professionalism and customer service. The following distinguishes MCC as the best:

- TRUST - Municipal Code Corporation (MCC) has more than 55 years of experience focused solely on providing services to local government. MCC has over 3,000 city and county customers in 49 states.

- CUSTOM-DEVELOPED SOLUTIONS - Our statements are easy to read and understand. We work directly with your staff to insure your statements are exactly the way you and your customers want them. Our staff has over 28 years of billing experience.

- FAST TURNAROUND - We know how important your revenue stream is. Statements normally reach the USPS within one business day of our receipt of your data file. We work closely with the USPS to insure speedy delivery to your customers.

- QUALITY - Our "Advantage 10" quality process insures quality and integrity on each and every statement that leaves our door. MCC's cutting-edge printing technology produces some of the best print quality in the industry.

- IN-HOUSE CREATIVE SERVICES - MCC has been in the publishing business for over 55 years, and has kept up with the evolution of technologies to the benefit of our customers. We have a creative team of talented graphic artists to help you create statement inserts, newsletters or any other important customer communications.

- DISASTER RECOVERY - All data sent to MCC is saved, archived and available at your request in the event of a natural disaster. Additionally, MCC's disaster plan is thorough and tested; a copy is available on request.

- PAYMENT OPTIONS TO FIT YOUR CUSTOMER'S LIFESTYLES - If you are interested in return payment options, please contact us for further information.
SAFE AND SECURE - You can be assured your customer’s information is safe and secure from prying eyes. At MCC we take no risks and employ all necessary measures to insure your data is always protected.

If you have any questions or desire additional information, please call me anytime. I would also be happy to schedule a conference call with all interested parties, or meet with you personally.

Sincerely,

J Scott Molenburg
General Manger - MCCa
MCCadventure
a division of Municipal Code Corporation
PROFESSIONAL SERVICES PROPOSAL
FOR BILLING SERVICES

EXECUTIVE SUMMARY

MCCadvantage, a division of MCC will provide you and your customers the highest possible level of service. Our corporate goal is to focus on the details of each customer's needs. MCCadvantage team members are creative, good communicators, ask questions and leverage their experience to solve problems. The company was founded in 1951 and offers services to local governments nationwide. While MCCadvantage is a relatively new division, MCC has more than 55 years of service to local governments. The MuniBill$ service takes advantage of MCC's skill, equipment and technology to offer you the most efficient and affordable services available. We work hard to maintain the high level of service and integrity our Clients have come to expect in all our services.

Customer Service/Sales Approach

Our focus on service begins with our sales approach. We listen carefully to your concerns and address each issue individually. Our response time to inquiries is normally a couple of minutes via e-mail (constantly monitored) or within the half-hour for phone communication. Customers frequently send notes and emails reminding us how rare this level of service is. But at MCC we make it a priority. MCC is a family-owned, medium-sized business, which means our clients receive a level of personal service unparalleled in the industry. Our size also allows us to provide technological resources smaller firms can't offer. Our most valuable assets are our customers and our reputation. We earn our reputation by offering helpful suggestions and solutions for your unique situation.

Employee Focus

MCC is a privately owned Corporation. We are financially sound, having been in business for more than 55 years. MCC's President and Board of Directors are focused on improving MCC though investments in people, technology and facilities. MCC has recently refurbished many offices and has a Health and Fitness Gym with showers, Laundromat, and a walking trail through our 10-acre campus. MCC also provides employees a Quarterly Production Reward system based on the profits of the company. Through this incentive, our employees feel an ownership in the company.
SCOPE OF WORK

MUNICIPAL CODE CORPORATION, a corporation duly organized and existing under the laws of the State of Florida, hereinafter referred to as MCC, hereby offers to perform billing services for TOWN OF SURFSIDE UTILITIES hereinafter referred to as Client.

MCCadvantage, a division of MCC, agrees to provide Client “MuniBill$” services defined herein and at pricing contained in Schedule 1.0. The Client agrees that MCCadvantage shall be its exclusive provider of these goods and services during the term of this agreement.

COMPENSATION – In full and complete compensation for all goods and services provided by MCCadvantage hereunder, Client agrees to pay MCCadvantage according to the rates set forth in Schedule 1.0. Prices quoted in Schedule 1.0 are based upon specifications provided by the Client. If there is a change in specifications or instructions to the original quotation, the work performed will be billed at an adjusted rate agreed to by Client. MCCadvantage will provide to Client an invoice after each production run consisting of all fees, as outlined in Schedule 1.0, including a summary of postage used. A monthly late payment charge may be assessed on statements not paid within thirty (30) days. The price for materials may be re-evaluated at the annual anniversary date of the effective date of the contract, taking into account any fluctuations in the price of paper and supplies. Any price increase will be supported by supplier documentation and provided to the Town for review. In no event may any increase be greater than the actual increases in the cost of materials.

POSTAGE – MCCadvantage will require that the Client maintain a permanent postage deposit in connection with this agreement. Client shall deposit in advance with MCCadvantage the initial sum specified in Schedule 2.0 as the permanent postage deposit. The amount of this deposit is based on expected volumes and postage rates and is subject to change based on changes to the volume and prices defined in Schedule 2.0, or customer payment history. All mail pieces are sent at the lowest possible postage qualifying rate taking full advantage of automated USPS discounts. Client will be notified in writing in advance if a change in the amount of the deposit is necessary. Upon termination of the Agreement, MCCadvantage shall return the deposit amounts to Client after payment of all services and postage. If client fails to maintain the deposit at the prescribed levels, or if client fails to maintain current status of all invoices as described in the “Compensation” section, MCCadvantage may suspend its performance under this agreement and hold customers statements/bills (at MCCadvantage discretion) until the deposit is received. The outgoing statements/bills will leave MCCadvantage utilizing the MCC postage permit for USPS postage payment.

FORCE MAJEURE – Neither party shall be responsible for delays or failures in performance resulting from acts or occurrences beyond reasonable control of such party, including, without limitation: fire, explosion, power failure, flood, earthquake, hurricane or other act of God, civil commotion, terrorism, or acts of public enemies; any law, order, regulation, ordinance, or requirement of any government or legal body or any representative of any such government or legal body; or labor unrest, including without limitation, strikes, slowdowns, picketing or boycotts. In such event, the party affected shall be excused from such performance (other than any obligation to pay money) on a day-to-day basis to the extent of such interference. The other party shall, likewise, be excused from performance of its obligations on a day-to-day basis to the extent such party’s obligations relate to the performance so interfered.

CONFIDENTIALITY – MCCadvantage agrees that any and all data, reports and documentation supplied by Client or its affiliates or third parties on Client’s behalf, which are confidential and which are clearly designated as confidential, shall be subject only to the disclosure requirement for the performance of MCCadvantage’s obligations hereunder, and will be held in strict confidence and shall not be disclosed or otherwise disseminated by MCCadvantage without the written consent of Client.

LIMITATION OF LIABILITY – The parties hereto agree that this agreement is only for the production of goods and services. MCCadvantage shall be liable only to the extent of re-mailing a correction or
corrected job as soon as possible to rectify the mistake. Breach of contract damages shall be limited to the value of the work performed. In the event of a breach of the terms of this agreement, MCCadvantage shall not be liable for loss of business, incidental or consequential damages, or costs in excess of billing for services related to the specific job. MCCadvantage is not liable for incidental or consequential damages, including revenue, even if MCCadvantage has been advised of the possibility of such loss or damage.

PERFORMANCE – MCCadvantage shall handle the laser printing and mailing of the Client’s bills. Expected volumes are defined in schedule 1.0. MCCadvantage will receive data for the billing from the Client multiple times per month. MCCadvantage will receive data in a format mutually determined by both MCCadvantage and the Client. Data compression is allowed as mutually agreed to by MCCadvantage and Client. MCCadvantage shall simplex (one side) laser print the data on pre-printed forms as described in schedule 1.0. If required, MCCadvantage shall set up the form and program to include scan lines for intelligent inserting. The Client will then provide the matching criteria for such intelligent programming.

INSERTS - Client may request that inserts be included with mailings. The Client has the option of either providing the inserts or contracting with MCCadvantage Creative Services to provide inserts. Inserts provided by the Client are required to meet MCCadvantage’s inserting equipment specifications. (A MCCadvantage specification sheet is available upon request.) Inserts provided by Client normally must arrive no earlier than two (2) weeks in advance of the first required mailing and no later than three (3) days before the first mailing day. Upon arrival, inserts are “Quality” checked to insure they meet specifications. At Client’s request and MCCadvantage’s approval, MCCadvantage may attempt to use inserts not meeting minimal specifications. However, additional costs may be assessed and/or mailings may be delayed. It is MCCadvantage’s policy to ALWAYS work with the Client through issues that may arise and do what’s best for the Client and their customer. Any unused inserts will be destroyed or returned at Client’s request (shipping charges apply).
CLIENT RESPONSIBILITY - The Client agrees to:

- Transmit data files to MCCadvantage’s FTP site in the method agreed upon according to the provided schedule.
- Ensure postage funds are available per specifications provided in “Scope of Work”.
- Quality check data files in advance of sending to MCCadvantage.
- Provide camera ready artwork for graphics.
- Pay MCCadvantage for services billed (Net 30).
- Provide MCCadvantage insert specifications to Client's insert vendors (if other than MCCadvantage).
- Provide an explanation of billing record layout or mapping document to MCCadvantage.
- Meet USPS “NCOA” and “Move Update” requirements (unless done through MCCadvantage). If done through MCCadvantage, client agrees to update their records with matches per USPS requirements.
- Review and approve design of billing statements.
- Pay applicable state or sales tax.
- Pay for any unused forms of as a result of a format change or contract modification.
- Client is encouraged to QC billing statement content using PDF images during each mailing to insure statement quality.
- Client is required to sign off on parallel testing once completed to insure statements meet Client expectations.
- Client is required to sign off on "deployment" normally after the first month’s mailings. The deployment period may be extended with mutual agreement from Client and MCCadvantage. At the conclusion of the deployment period, changes will be billed at Technical Services rates in accordance with Schedule 1.
- Client must approve billing statement layout at least 3 (three) weeks prior to deployment date. If not, an additional surcharge on the initial order of preprinted forms may apply.
## MuniBill$ QUOTATION SHEET FOR
Town of Surfside Utilities

### Schedule 1.0 – Fees for Goods & Services

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Cost</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Custom Paper Bill</td>
<td></td>
<td>Per bill</td>
</tr>
<tr>
<td>• Data processing &amp; Simplex printing</td>
<td>.16</td>
<td>Per bill</td>
</tr>
<tr>
<td>• Single 8½x11 document with 3½&quot; perforated return, white, long-grain 24 lb bond paper stock, Awareness does not include postage, Two color highlight (includes black print), Address error reporting</td>
<td></td>
<td>Per bill</td>
</tr>
<tr>
<td>• #10 windowed envelope, white, 20 lb</td>
<td></td>
<td>Per bill</td>
</tr>
<tr>
<td>• Folding, inserting and delivery to USPS</td>
<td></td>
<td>Per bill</td>
</tr>
<tr>
<td>• CASS/PAVE certification of customer mailing list</td>
<td></td>
<td>Per bill</td>
</tr>
<tr>
<td>• Price does not include postage</td>
<td></td>
<td>Per bill</td>
</tr>
<tr>
<td>• Two color highlight (includes black print)</td>
<td></td>
<td>Per bill</td>
</tr>
<tr>
<td>• Address error reporting</td>
<td></td>
<td>Per bill</td>
</tr>
<tr>
<td>• Variable formatting of statements</td>
<td></td>
<td>Per bill</td>
</tr>
<tr>
<td>• Selective insert of inserts</td>
<td></td>
<td>Per bill</td>
</tr>
<tr>
<td>• Householding</td>
<td></td>
<td>Per bill</td>
</tr>
</tbody>
</table>

Selectively included with your paper bill

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Cost</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>• #9 single windowed reply envelope, white, 20 lb</td>
<td>.01</td>
<td>Per bill</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Cost</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial programming and set-up. (Includes consultation on statement design)</td>
<td>800</td>
<td>One time</td>
</tr>
<tr>
<td>Optional: Market message on the statement (setup if required)</td>
<td>25</td>
<td>Per message</td>
</tr>
<tr>
<td>Optional: Subsequent pages to statement</td>
<td>.04</td>
<td>Per page</td>
</tr>
<tr>
<td>Optional: Technical Services (Including programming &amp; insert composition if needed)</td>
<td>125</td>
<td>Per hour</td>
</tr>
<tr>
<td>Optional: Additional copies of statements or rwerk</td>
<td>.50</td>
<td>Each</td>
</tr>
<tr>
<td>Optional: Additional Inserts - (Does not include printing or design of insert)</td>
<td>.01</td>
<td>Each</td>
</tr>
<tr>
<td>Optional: CD/DVD archiving of billing data</td>
<td>25</td>
<td>Flat rate for CD/DVD creation and $.01 per record per cycle</td>
</tr>
</tbody>
</table>

Freight, courier, shipping, etc. for items shipped at customer request.                                                                                                                                              |        | Per Request|

Optional: MCCadvantage Disaster Protection – 3 Years                                                                                                                                                                  |        | Included   |
Optional: MuniBill E – Paperless emailing of statements to customers                                                                                                                                                  | .125   | Per Bill   |
Optional: MuniBill PDF (includes processing & creation) 3 months online                                                                                                                                              |        | Included   |
Optional: Statement Optimal Design Review & Consulting                                                                                                                                                                |        | Included   |
Optional: USPS NCOA (Endorsement)                                                                                                                                                                                   |        | Included   |
Optional: Late notices, final bills and cancellation notice (1-color black)                                                                                                                                             | .17    | Each       |
Optional: MuniView – Secure online viewing of statements (3 months available)                                                                                                                                            | .015   | Per record |
Optional: MuniForwarding - NCOA forwarding of statements                                                                                                                                                               | .015   | Per record |

Optional: Inserts for statements are printed on MCC's site. Pricing available based on requested insert. Client may elect to purchase MCC inserts or elect to have them printed on shipped to MCC meeting inserting specifications. |        | Available upon request |
Schedule 2.0 – Permanent Postage Deposit

**Permanent Postage Deposit - Estimated volumes X .44**
(All automated statements are manifested for tracking)

*All statements are mailed at the lowest possible qualifying postage rate (.335 is current 5 digit rate). This is a minimum USPS requirement of 500 pieces of qualifying mail to receive postage discount. If your mail qualifies, it will be sent at the lowest possible rate.*

Schedule 3.0 – Credit Card Process Setup and Fee

The pricing below includes credit card processing setup by where payments are posted by the client via reports generated by our payment system. Output files may be generated which may be imported into your billing system depending on your billing system’s requirements. Real-time processing is available but because of the complexity and customization required, programming and setup is billed at $150 an hour. A typical setup takes 5 to 10 hours for setup and testing.

<table>
<thead>
<tr>
<th>Volume Assumptions</th>
<th>Amount</th>
<th>Setup Fees</th>
<th>MCCa</th>
<th>Unit Charge</th>
<th>Total Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Volume</td>
<td>1,500</td>
<td>1,600.00</td>
<td>203.00</td>
<td>100.00</td>
<td>2,000.00</td>
</tr>
<tr>
<td>Total Online Payment Rate</td>
<td>10.00%</td>
<td>0.75</td>
<td>24.75</td>
<td>12.75</td>
<td>42.50</td>
</tr>
<tr>
<td>CC Transactions</td>
<td>10.00%</td>
<td>125.00</td>
<td>115.00</td>
<td>100.00</td>
<td>225.00</td>
</tr>
<tr>
<td>ACH Transactions</td>
<td>10.00%</td>
<td>20.00</td>
<td>4.35</td>
<td>4.35</td>
<td>8.70</td>
</tr>
<tr>
<td>Average Monthly Bill</td>
<td>12.00%</td>
<td>10.00</td>
<td>22.50</td>
<td>22.50</td>
<td>45.00</td>
</tr>
</tbody>
</table>

Credit Card Transaction Fee Breakdown
- Merchant Account Monthly Fee
- Utility Transaction Interchange Fee
- Merchant Account Authorization Fee
- Payment Gateway Processing Fee
- ACH/ISO

MCCA Transaction Fee 1.50 225.00
Total Monthly Credit Card Transaction Fees 462.45

Schedule 4.0 – MCCadvantage Guarantee

MCCadvantage will deliver client bills/statements to USPS within an average of one (1) business day after applicable determination date. Determination date is based on timely delivery of customer data file to MCCadvantage at the agreed upon delivery dates and times. Files received before noon, are normally delivered to the USPS same day or next business day. MCCadvantage works closely with the USPS insuring timely delivery of statements taking advantage of USPS delivery efficiencies.
ADDITIONAL SERVICES

MCC and MCCadvantage can provide additional services/products under this contract. Any of the following services may be purchased pursuant to this contract.

Document Imaging and Records Management Software (Laserfiche) - MCCi offers Laserfiche (LF) Software and related services which provides a records repository allowing storage, retrieval and imaging of all documents. Capabilities include an intuitive browse window, index cards, full-text indexing, keyword template search, fuzzy word search, and virtually unlimited folders, giving users access to any document instantly.

Document Scanning Services (MuniScan) - MCCi offers scanning, indexing and integration of hard copy documents with Laserfiche Software to provide the Client with the most powerful index retrieval search engine available with the following features: intuitive browse window, index cards, and fuzzy logic.

Process Management Software (MuniTrackIt) - MCCi offers the MuniTrackIt Software (developed by Brandt Information Services, Inc.) which is a web based solution designed specifically for Government organizations. MuniTrackIt will save time and money by streamlining business processes.

Code Supplementation and Codification Services (MuniCode) - Municipal Code Corporation offers supplementation of existing Codes, Codification of Ordinances and Recodification of existing Codes. Our optional services include legal review, republishing, editorial and index work and electronic options (CD, Internet).

Creative Services - MCCadvantage can provide design and printing services of inserts. We have a creative team of talented graphic artists to help you quickly create statement inserts, newsletters or any other important customer communications at competitive rates.

Electronic Agenda Management (MuniAgenda) - MCCi offers MuniAgenda Software and related services which provides electronic automation and creation of Agendas
This proposal shall be valid for a period of ninety (90) days from the date appearing on the signature page of this proposal unless signed and authorized by MCC and the Client.

**Term of Agreement**  This agreement shall begin upon execution by the parties hereto and continue for a period of 3 years with additional 1 year renewals with the agreement of both parties. This contract may be canceled with a 30 day written notice. Client will be responsible for unused paper stock if canceled for any reason other than MCC performance. This contract will auto-renew without notice.

Submitted by:

MUNICIPAL CODE CORPORATION ADVANTAGE
*a division of Municipal Code Corporation*

MCC Vice President: ___________________________________________

Witness: ______________________________________________________

Date: _________________________________________________________

Accepted by: ________________________________

Page 345
Town of Surfside Utilities

By: ________________________________

Title: ________________________________

Witness: ________________________________

Date: ________________________________
ADDENDUM TO PROFESSIONAL SERVICES PROPOSAL

The following Addendum are terms and conditions incorporated into and form a part of the Professional Services Proposal for Billing Services ("Agreement") dated ______________, between Municipal Code Corporation Advantage, a division of Municipal Code Corporation, a corporation authorized to transact business in the State of Florida (hereinafter referred to as "MCC") and the Town of Surfside, a Florida municipal corporation located in Miami-Dade County, Florida (hereinafter referred to as the "Town” or “Customer”).

Addendum Controlling. In the event there is a conflict between the terms and conditions of the Addendum and of the Professional Services Proposal ("Agreement"), any standard, special or supplemental terms and conditions, or any attachments, exhibits or amendments not executed by the Town utilizing the same formalities as were used in the approval and execution this Agreement by the Town, and this Addendum, this Addendum shall control.

The following language will be added to the Agreement as between MCC and the Town:

1. Nothing in this agreement shall be deemed or otherwise interpreted as waiving the Town’s sovereign immunity protections existing under the laws of the State of Florida, or as increasing the limits of liability as set forth in Section 768.28, Florida Statutes.
2. The Town Manager may, at any time, for convenience of the Town and for no cause, cancel the Agreement by giving MCC thirty (30) days prior written notice by certified mail, return receipt requested, which may be confirmed by an e mail or fax receipt, of the Town’s cancellation which will be effective thirty (30) days from the date of such notice. MCC will be paid its actual fees and charges under the Agreement and shall have no other recourse against the Town besides seeking payment of its actual fees and charges through the effective date of cancellation.
3. The Town as a municipal corporation will never pay a late charge, or similar penalty or imposition, or a monthly late charge under any circumstances. MCC’s sole remedy for payments it claims are due are to receive simple interest at the rate of ten (10%) per cent per annum on the unpaid balance in accordance with the applicable provisions of the Local Government Prompt Payment Act, Chapter 218, Part VII, Fla. Stat. (2010), as amended.
4. Venue for any litigation between the parties shall be in Miami-Dade County, Florida. Each party shall bear their own respective attorney’s fees.
5. The Agreement, as it may be renewed, will not be renewed for more than five (5) successive terms of one (1) year each. The total term of the Agreement, inclusive of any renewals, shall not exceed eight (8) years.
6. MCC will hold harmless, indemnify and defend the Town from any actions, claims, liabilities, suits or damages arising out of MCC’s negligent actions or omissions under this Agreement including, without limitation, negligent acts or omissions by MCC, patent or copyright infringement claims for any software or hardware used by MCC, unfair trade practice claims, gross negligence, or willful and wanton actions or omissions of MCC.
7. No amendment to the Agreement, applicable terms and conditions, or any attachments, exhibits or amendments thereto will be binding upon the Town unless it has been approved by the Town Commission and executed by the Town Manager.
8. Confidentiality of documents. MCC understands the Town is subject to Florida's Public Records Act, Chapter 119, Fla. Stat. and that such books, records, documents and data maintained by the Town are public records unless expressly exempted by general law.

9. Any additional services will require compliance with the applicable Procurement Laws, Rules and Regulations and an amendment or other addendum executed by the parties.

10. Expressly superseding the automatic renewal without notice provision of the Agreement for this Agreement to renew this Agreement the Town Manager must, in writing, request such renewal at least thirty (30) days prior to the expiration of the current term or the Agreement will automatically expire at such time.

<table>
<thead>
<tr>
<th>Accepted by Town of Surfside, A Florida municipal Corporation,</th>
<th>Authorized by MCC,</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIGNATURE: ____________________________</td>
<td>SIGNATURE: _____________</td>
</tr>
<tr>
<td>PRINT NAME: Roger Carlton, Town Manager</td>
<td>PRINT NAME: ____________________</td>
</tr>
<tr>
<td>DATE: _________________</td>
<td>TITLE: ______________________</td>
</tr>
<tr>
<td></td>
<td>DATE: ______________________</td>
</tr>
</tbody>
</table>

Attest:

| SIGNATURE: ____________________________ |
| PRINT NAME: Debra E. Eastman, Town Clerk |

Approved as to Form and Legal Sufficiency:

| SIGNATURE [Signature]                        |
| PRINT NAME: Lynn M. Dannheisser, Town Attorney |
| DATE: ______________________ |
Town of Surfside
Commission Communication

Agenda Item #: 5D

Agenda Date: April 12, 2011

Subject: Resolution Establishing the Final Terms for the Water, Sewer, Storm Drainage Bond Issue

Objective: Attached is the “shell” of the Town Commission resolution which will be utilized during the April 12, 2011 meeting to establish the terms of the bonds. The Bond Ordinance also appears on the agenda for second reading along with a detailed explanation of the structure of the debt and the requirements of the Town. Many previous presentations have been made to the Town Commission regarding the need, scope and procedures for the water, sewer, storm drainage project and the Town Manager will provide a presentation regarding the many questions and issues raised by certain citizens during the Town Commission meeting.

The resolution is presented as a “shell” because the final terms are not available by the agenda deadline. In fact the bids from the banks which will finance the project are due in by 5:00 pm, April 6, 2011 and the Financial Advisor Sergio Masvidal and Bond Counsel JoLinda Herring will make a presentation to the Citizen Oversight Committee at 4:00 pm, April 7, 2011. Once the Oversight Committee, whose members are Gerard Chenevert, Walter Lugo, Irving Levine, Jason Nevader, Marty Oppenheimer, Pete Hernandez and Bertha Goldenberg, makes their recommendation, the “shell” will be completed and delivered to the Town Commission as a completed product in a Supplemental Agenda Item. The Supplemental Agenda Item will include a matrix comparing all the bid proposals.

Staff believes the Town Commission’s ability to review the resolution with the details of the debt parameters is enhanced if you are given the “shell” in advance.

Roger M. Carlton, Town Manager
RESOLUTION NO. _____

A RESOLUTION OF THE TOWN OF SURFSIDE, FLORIDA SUPPLEMENTING ORDINANCE NO. _____; AUTHORIZING THE NEGOTIATED AND PRIVATE SALE OF THE NOT TO EXCEED $16,000,000 TOWN OF SURFSIDE, FLORIDA UTILITY SYSTEM REVENUE BONDS, SERIES 2011; AWARDING SAID SERIES 2011 BONDS TO THE ORIGINAL PURCHASERS THEREOF; APPROVING THE TERMS OF SAID SERIES 2011 BONDS; PROVIDING FOR THE DELIVERY OF SAID SERIES 2011 BONDS TO THE ORIGINAL PURCHASER; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND SETTING FORTH THE EFFECTIVE DATE OF THIS RESOLUTION.

WHEREAS, the Town of Surfside, Florida (the “Issuer”), by Ordinance No. _____ enacted on April __, 2011, authorized the issuance of not to exceed $16,000,000 Utility System Revenue Bonds (the “Bond Ordinance”), to provide funds for the purpose of financing the cost of the construction of improvements to the water, sewer and stormwater facilities (the “Project”), as defined in the Bond Ordinance; and

WHEREAS, all capitalized undefined terms used herein shall have the meanings set forth in the Bond Ordinance; and

WHEREAS, it is the determination of the Town Commission of the Issuer that the purposes of the Issuer will be best facilitated and accomplished by selling the Series 2011 Bonds (as hereinafter defined in Section 1 hereof) through the means of a negotiated and private sale because ________ (the “Original Purchaser”), has offered to purchase said Series 2011 Bonds at an interest rate less than the rates that could be obtained from private investors. The size of the issue and the rate of interest demanded by the current market for municipal bonds is such that if the Issuer must sell the Series 2011 Bonds at a rate of interest in excess of the rate obtainable from said sale to the Original Purchaser, the Project would not be financially feasible; and

WHEREAS, the Issuer must also establish a maturity schedule for payment of such Series 2011 Bonds and redemption provisions for such Series 2011 Bonds; and

WHEREAS, the Issuer has been or will be provided all applicable disclosure information required by Section 218.385, Florida Statutes, a copy of which is attached hereto as Exhibit “B”.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF TOWN OF SURFSIDE, FLORIDA, THAT:
Section 1.  **Approval of Sale.** The negotiated and private sale of the Series 2011 Bonds in the aggregate principal amount of not to exceed $16,000,000 is hereby authorized and approved.

Section 2.  **Terms and Details of Series 2011 Bonds.**

(i)  **Interest Rate.**

(ii) **Principal and Interest Payment Dates.** Interest on the Series 2011 Bond shall be paid _____, commencing ______, and on each subsequent ____1 and ____1 thereafter until maturity. Principal on the Series 2011 Bond shall be paid annually on ____1, beginning on ____1, 2011. A final payment in the amount of the entire unpaid principal balance, together with all accrued and unpaid interest hereon, shall be due and payable in full on the Maturity Date of the Series 2011 Bond.

(iii) **Final Maturity.** The final maturity date of the Series 2011 Bond shall be _______ (the “Maturity Date”).

(iv) **Prepayment Provisions.** The Series 2011 Bond shall be subject to prepayment at the option of the Issuer in whole or in part on any date at a price equal to the principal amount thereof to be prepaid, plus accrued interest to the date fixed for prepayment, without penalty.

[(v) **Authorized Denomination.** The minimum authorized denomination of the Series 2011 Bond is its principal amount.]

(vi) **Redemption.**

(vii) **Form of the Series 2011 Bond.** The Series 2011 Bond is to be in substantially the form set forth on Exhibit A attached hereto, together with any changes as may be approved by the Mayor, such approval to be conclusively evidenced by the execution thereof by the Mayor.

Section 3.  **Award of Series 2011 Bonds.** Because of the characteristics of the Series 2011 Bonds, prevailing market conditions, and additional savings to be realized from an expeditious sale of the Series 2011 Bonds, it is in the best interest of the Issuer to accept the offer of the Original Purchaser to purchase the Series 2011 Bonds at a private negotiated sale. Prior to the issuance of the Series 2011 Bonds, the Issuer shall receive from the Original Purchaser a Purchaser’s Certificate, the form of which is attached hereto as Exhibit C and the Disclosure Letter containing the information required by Section 218.385, Florida Statutes, a form of which is attached hereto as Exhibit B.
The Series 2011 Bonds are hereby sold and awarded to the Original Purchaser, at the price of par. The Series 2011 Bonds shall be delivered to the Original Purchaser on or about _____, 2011, in Surfside, Florida, or such other date and place as may be mutually agreed. The Mayor and the Town Clerk of the Issuer are authorized and directed to deliver the Series 2011 Bonds to the Original Purchaser upon receipt of payment thereof on the date as provided herein and to execute, sign and seal said Series 2011 Bonds as provided in the Bond Ordinance.

Section 4. **Application of Proceeds of Series 2011 Bond.** The proceeds, together with other legally available moneys of the Issuer, shall be applied by the Issuer simultaneously with the delivery of such Series 2011 Bond to the Original Purchaser, as follows:

(A) An amount to be deposited to the Construction Account hereby established to pay for the costs of the Project.

(B) An amount shall be used to pay when due the costs of issuance of the Series 2011 Bond, including, without limitation, legal, financial advisory, and other related costs of issuance.

(C) An amount, if any, set forth in a certificate of the Mayor delivered at closing of the Series 2011 Bond.

Section 5. **Covenants of Issuer.** The Issuer herby covenants that:

(i) It will do all things necessary to maintain the tax-exempt status of interest of the Series 2011 Bonds under the Internal Revenue Code in effect from time to time, including but not limited to compliance with the provisions of the Internal Revenue Code of 1986, as amended.

(ii) [To come]

Section 6. **Authorizations.** The appropriate officials of the Issuer are authorized and directed to receive on behalf of the Issuer the proceeds of the sale of the Series 2011 Bonds and to deposit, apply and disburse the proceeds of said Series 2011 Bonds, in the manner and for the purposes provided in the Bond Ordinance authorizing the issuance of the Series 2011 Bonds and in this Resolution. The Mayor and the Town Clerk of the Issuer and other appropriate officers of the Issuer are authorized to execute such delivery papers, receipts and documents as may be necessary in connection with the delivery of the Series 2011 Bonds and receipt for the proceeds and to take all actions and do all things necessary to deliver said Series 2011 Bonds to the Original Purchaser and to receive the proceeds of the sale of the Series 2011 Bonds.

Section 7. **Repealer.** All ordinances and resolutions of the Issuer, which are in conflict or inconsistent with this Resolution are to the extent of such conflict or inconsistency hereby repealed.
Section 8.  Captions. The captions and headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

Section 9.  Effective Date. This Resolution shall take effect immediately upon passage.

PASSED AND ADOPTED by the Town Commission of the Town of Surfside, Florida this ______ day of ______, 2011.

TOWN OF SURFSIDE, FLORIDA

(SEAL)

By: __________________

Mayor

ATTEST:

______________________

Town Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

______________________

Town Attorney
EXHIBIT A

[FORM OF SERIES 2011 BONDS]

ANY HOLDER SHALL, PRIOR TO BECOMING A HOLDER, EXECUTE A PURCHASER'S CERTIFICATE CERTIFYING, AMONG OTHER THINGS, THAT SUCH HOLDER IS AN "ACCREDED INVESTOR" AS SUCH TERM IS DEFINED IN THE SECURITIES ACT OF 1933, AS AMENDED, AND REGULATED THEREUNDER.

R-1

$___________

STATE OF FLORIDA
COUNTY OF MIAMI-DADE
TOWN OF SURFSIDE
UTILITY SYSTEM REVENUE BONDS, SERIES 2011

DATED DATE
INTEREST RATE
MATURITY DATE

Registered Owner:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS that the Town of Surfside, Florida (hereinafter called the "Issuer") for value received, hereby promises to pay to the order of the Registered Owner identified above or registered assigns, as herein provided, on the Maturity Date identified above, upon the presentation and surrender hereof at the principal corporate trust office of _______ in the City of _______, Florida, from the revenues hereinafter mentioned, the Principal Amount identified above in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and to pay, solely from said sources, to the Registered Owner hereof by wire transfer or check transmitted to the Registered Owner at his address as it appears on the Bond registration books of the Issuer as it appears on the 15th day of the calendar month preceding the applicable interest payment date, interest on said Principal Amount at the Interest Rate per annum identified above on each _________ and _________, 1 commencing _________, _______ from the interest payment date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated as of an interest payment date, in

Exhibit A-1
which case it shall bear interest from said interest payment date, or unless this Bond is registered and authenticated prior to ______, __, in which event this Bond shall bear interest from ______, __.

This Bond may be prepaid at the option of the Issuer in whole or in part on any date at a price equal to the principal amount thereof to be prepaid, plus accrued interest to the date fixed for prepayment, without penalty.

If any date for the payment of principal and interest hereon shall fall on a day which is not a Business Day the payment due on such date shall be due on the next succeeding day which is a Business Day, but the Issuer shall not receive credit for the payment until it is actually received by the Owner.

All payments by the Issuer pursuant to this Bond shall apply first to accrued interest, then to other charges due the Owner under the Ordinance or this Bond, and the balance thereof shall apply to principal.

Notice of such prepayment shall be given in the manner required by the Ordinance described below.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of $_______ of like date, tenor and effect, except as to number, principal amount, maturity redemption provisions and interest rate, issued to finance the cost of refunding certain outstanding obligations of the Issuer, all in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter 166, Part II, Florida Statutes, and Ordinance No. ____ duly enacted by the Issuer on ____, 2011 1998, as supplemented by Resolution No. ____ duly adopted by the Issuer on ____ 2011, hereinafter, collectively called the “Ordinance”) and is subject to all the terms and conditions of such Ordinance. All capitalized undefined terms used herein shall have the meaning set forth in the Ordinance.

This Bond is payable solely from and secured by a pledge of the Pledged Revenues as defined in the Ordinance.

This Bond does not constitute a general indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provision or limitation, and it is expressly agreed by the Holder of this Bond that such Bondholder shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer or taxation of any real or personal property therein for the payment of the principal of and

Exhibit A-2
interest on this Bond or the making of any debt service fund, reserve or other payments provided for in the Ordinance.

It is further agreed between the Issuer and the Holder of this Bond that this Bond and the indebtedness evidenced thereby shall not constitute a lien upon the System, or any part thereof, or on any other property of or in the Issuer, but shall constitute a lien only on the Pledged Revenues, all in the manner provided in the Ordinance.

This Bond may be exchanged or transferred by the Owner hereof but only upon the registration books maintained by the Issuer and in the manner provided in the Ordinance.

It is certified that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and Statutes of the State of Florida.

This Bond is and has all the qualities and incidents of a negotiable instrument under Article 8 of the Uniform Commercial Code, the State of Florida, Chapter 678, Florida Statutes.

The transfer of this Bond is registrable by the Bondholder hereof in person or by his attorney or legal representative at the principal corporate trust office of the Registrar but only in the manner and subject to the conditions provided in the Ordinance and upon surrender and cancellation of this Bond.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Ordinance until it shall have been authenticated by the execution by the Registrar of the certificate of authentication endorsed hereon.
IN WITNESS WHEREOF, the Town of Surfside, Florida, has issued this Bond and has caused the same to be signed by its Mayor and countersigned and attested to by its Town Clerk (the signatures of the Mayor and the Town Clerk being authorized to be facsimiles of such officers' signatures), and its seal or facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the ___ day of __________, 2011.

TOWN OF SURFSIDE, FLORIDA

(SEAL)

(manual or facsimile)
Mayor

ATTESTED AND COUNTERSIGNED:

(manual or facsimile)
Clerk
CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds issued under the provisions of the within mentioned Ordinance.

Date of Authentication:

________________________

ATTEST:

By: ___________________
    Authorized Officer

Registrar, as Authenticating Agent

By: ___________________
    (manual signature)
    Authorized Officer

Exhibit A-5
ASSIGNMENT AND TRANSFER

For value received the undersigned hereby sells, assigns and transfers unto (Please insert Social Security or other identifying number of transferee) the attached bond of the Town of Surfside, Florida, and does hereby constitute and appoint ________________, attorney, to transfer the said Bond on the books kept for Registration thereof, with full power of substitution in the premises.

Date______________

Signature Guaranteed by

____________________

[member firm of the New York Stock Exchange or a commercial bank or a trust company.]

By: (manual signature)   Title:______________

NOTICE: No transfer will be registered and no new Bonds will be issued in the name of the Transferee, unless the signature to this assignment corresponds with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied.

[END OF FORM OF BOND]
EXHIBIT B

FORM OF PURCHASER'S CERTIFICATE

This is to certify that _____ (the "Purchaser") has not required the Town of Surfside, Florida (the "Issuer") to deliver any offering document and has conducted its own investigation, to the extent it deems satisfactory or sufficient, into matters relating to business affairs or conditions (either financial or otherwise) of the Issuer in connection with the issuance of $______. Town of Surfside, Florida Utility System Revenue Bonds, Series 2011 (the "Series 2011 Bonds"), and no inference should be drawn that the Purchaser, in the acceptance of said Series 2011 Bonds, is relying on Bond Counsel or Issuer's Counsel as to any such matters other than the legal opinions rendered by Bond Counsel, Bryant Miller Olive P.A. and by Issuer's Counsel. Any capitalized undefined terms used herein not otherwise defined shall have the meaning set forth in the Ordinance No. ____ enacted on ____, 2011, as supplemented by a resolution adopted on _____, 2011 (collectively, the "Ordinance").

We are aware that investment in the Series 2011 Bonds involves various risks, that the Series 2011 Bonds are not a general obligation of the Issuer or payable from ad valorem tax revenues, and that the payment of the Series 2011 Bonds is secured solely from the sources described in the Ordinance (the "Pledged Revenues").

We have made such independent investigation of the Pledged Revenues as we, in the exercise of sound business judgment, consider appropriate under the circumstances. In making our investment decision, we have relied upon the accuracy of information which has been provided to us by the Issuer.

We have knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of our investment in the Series 2011 Bonds and can bear the economic risk of our investment in the Series 2011 Bonds.

We acknowledge and understand that the Ordinance is not being qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"), and is not being registered in reliance upon the exemption from registration under Section 3(a)(2) of the Securities Act of 1933, Section 517.051(1), Florida Statutes, and/or Section 517.061(7), Florida Statutes, and that neither the Issuer, Bond Counsel nor Issuer's Counsel shall have any obligation to effect any such registration or qualification.

Exhibit B-1
We are not acting as a broker or other intermediary, and are purchasing the Series 2011 Bonds as an investment for our own account and not with a present view to a resale or other distribution to the public. We understand that the Series 2011 Bonds may not be transferred in a denomination less than $100,000 in any circumstances.

We are a bank, trust company, savings institution, insurance company, dealer, investment company, pension or profit-sharing trust, or qualified institutional buyer as contemplated by Section 517.061(7), Florida Statutes. We are not purchasing the Series 2011 Bonds for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of Chapter 517, Florida Statutes.

We are an "accredited investor" within the meaning of the Securities Act of 1933, as amended, and Regulation D thereunder.

DATED this ____ of _____, 2011.

[BANK]

By: _______________________
Name:______________________
Title:_______________________
EXHIBIT C
FORM OF DISCLOSURE LETTER

The undersigned, as purchaser, proposes to negotiate with the Town of Surfside, Florida (the "Issuer") for the private purchase of its Utility System Revenue Bonds, Series 2011 (the "Series 2011 Bonds") in the principal amount of $_____. Prior to the award of the Series 2011 Bonds, the following information is hereby furnished to the Issuer:

1. Set forth is an itemized list of the nature and estimated amounts of expenses to be incurred for services rendered to us (the "Bank") in connection with the issuance of the Series 2011 Bonds (such fees and expenses to be paid by the Issuer):

   Bank’s Counsel
   $_______

2. (a) No other fee, bonus or other compensation is estimated to be paid by the Bank in connection with the issuance of the Series 2011 Bonds to any person not regularly employed or retained by the Bank (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Bank, as set forth in paragraph (1) above.

   (b) No person has entered into an understanding with the Bank, or to the knowledge of the Bank, with the Issuer, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer and the Bank or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Series 2011 Bonds.

3. The amount of the underwriting spread expected to be realized by the Bank is $0.

4. The management fee to be charged by the Bank is $0.
5. **Truth-in-Bonding Statement:**

The Series 2011 Bond is being issued primarily to refinance the Refunded Bonds and pay the costs of issuance.

Unless earlier redeemed, the Series 2011 Bonds are expected to be repaid by _____; at an interest rate of _____% and total interest paid over the life of the Series 2011 Bonds is estimated to be $______________.

The Series 2011 Bonds will be payable solely from the Pledged Revenues in the manner and to the extent described in Ordinance No. ____ enacted on _____, 2011, as supplemented by Resolution No. ____ adopted on ____, 2011 (collectively, the "Ordinance"). Issuance of the Series 2011 Bonds is estimated to result in approximately $_______ of revenues of the Issuer not being available to finance the services of the Issuer during the life of the Series 2011 Bonds. This paragraph is provided pursuant to Section 218.385, Florida Statutes.

6. The name and address of the Bank is as follows:

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Letter on behalf of the Bank this ____ day of ________, 2011.

[BANK]

By: ____________________
Name: ____________________
Title: ____________________
The Ad-Hoc Code Enforcement Committee comprised of Randal Rubin, Anthony Blate, Barbara McLaughlin, Rick Zambrano, Mitchell Kinzer and Commissioner Edward Kopelman serving as the Town Commission liaison had a total of five meetings during which we discussed the overall philosophy of achieving a balance of reasonable code enforcement given Surfside's eclectic housing and demographic mix. The Committee generally agreed that Objective versus Subjective evaluation of code enforcement issues, not nit picking or extreme strictness seemed to be the desire of "most" residents protecting the unique individuality of our homes, recognizing that subjectively what might be without taste to one is attractive to others. As smaller lot sizes in Surfside encourage residents to really "know each other" a relaxed and "live and let live philosophy" is apparent. On the flip side, egregious conditions are magnified by this compactness. Our goal was to prioritize issues concerning public safety, unsightly yards, nuisance behavior, abandoned property, and the perceived appearance of the business district. The focus should be on the obvious, chronic and seemingly un-resolvable cases which clearly infringe on the safety and enjoyment of others.

The Code Enforcement Department asked members to score 19 infraction items in terms of perceived priority with the following results:

**High Priority:**

1. Abandoned or inoperable vehicles
2. Commercial Vehicle Prohibited in Residential Area
3. Vessel/Boat Not Properly Stored
4. Debris/Trash and Vegetation accumulation
5. Exterior property maintenance
6. Unsecured Swimming Pool
7. Work without a permit

**High/Moderate**

8. Sidewalk and or Street obstruction
9. Dogs Barking/Vicious Dog/Feed Stray Cats/Animal Cruelty
10. Failure to display street address
11. Multi-family use in a single family zone
12. Storage P.O.D.S.

**Moderate/High**

13. Lawn and or shrub overgrowth / hedges not to code
14. Vision Clearance
15. Noise

**Moderate:**

16. Trailer on premises
17. Parking on grass or unpaved or unapproved surfaces
18. Illegal Signs
19. Fence

The Committee had discussions on various subjects, some seemingly mundane and others more complex requiring more study and discussion by staff, residents and the Town Commission. They included:

1. *Chain link fence ordinance*. A previous six month extension of time for removal has run out. Our committee was divided on recommending enforcing this (in fairness to residents that have already done so) or "grand fathering" them in until the property was sold (in fairness to residents "attached" to the comfort of the fence, or for financial concerns and also considering that the fences were legal at one time with virtually no complaints about their presence). *CONCLUSION*: While no new *chain link fences are allowed going forward*, *existing ones could be grand fathered in until the property is sold*, with the understanding that they would be *maintained*, including *obscuring* by plants wherever possible.

2. *Power leaf blowers*. While universally annoying, we recommended allowing them as long as debris was blown back onto the property for aesthetic purposes.

3. Take home commercial vehicles. While Chief Allan advised us that there were numerous complaints about these (primarily taxi cabs) the committee was sympathetic to residents (especially long time and established) who needed to park these vehicles at their home. Recommendations of considering registration and parking on the owner's property were suggested to the Commission. Of note, this meeting was well attended by residents who owned such vehicles and were obviously in support.

4. *Garage Sales*. It was recommended allowing for not more than twice per year per property and the requirement of a $10.00 fee.

5. *Registration of abandoned/vacant property, as defined in the code*, to include a $50.00 fee. This is not to be confused with part time or seasonal residents who can alert the Surfside Police Department of their vacancy.

6. *Registration of all lawn companies operating within the Town* for a fee of $10.00 per year, with issuance of a decal.

7. *Political signs* to pay a $50.00 bond to ensure all signs are removed by the candidate 72 hours after the election or run off election.

8. *Consistency of Real estate signs* to avoid a hodgepodge of various and numerous signs in a bad market. Our suggestion is a maximum of 18" x 24" with white background and 2" black letters. An annual fee of $25.00 per sign was suggested.

9. *Banner signs in the business district*: A permit fee of $25.00 for banner signs, not to exceed 20 sq. ft.

10. *Code enforcement procedure* should continue with its current level of enforcement as follows:

   a) First Inspection: Courtesy notice with time to comply
   b) Extenuating circumstance, extend date to comply
c) Second inspection: Non-compliance, civil citation, Special masters and possible fines.

11. _Feral cats:_ Manager Roger Carlton is presenting a comprehensive, humane and consistent program to address both population control and specific feeding areas/feeder to minimize the human health issues concerned with this problem.

12. _Dog feces:_ Mr. Carlton has initiated installation of dog waste stations as well as an educational campaign encouraging owners to clean up after their dogs as well as perpetuating other owners to follow suit.

13. _Paint Palette:_ While we realize residents should be encouraged in freedom of expression with regards to painting their homes, extreme colors should be avoided. Mr. Gioia will provide a paint palette of widely acceptable color choices with latitude for comparing the sample to the finished product.

14. _SHORT TERM RENTALS:_ The committee discussed this issue at length. Current code restricts leases to six months and one day in the RESIDENTIAL districts, and the committee felt that those restrictions should continue. In the case of Hotels, short term rentals are considered 30 days or less. Condominium-Residential buildings are considered RESIDENTIAL, unless zoned Condominium-Hotel, Condominium-Timeshare, etc. Thus under current code short term rentals are both illegal and in most cases deprive the Town of the required Tourist Tax. Mr. Gioia explained that should a condominium association request these other use classifications and hence a rezoning, all general and specific requirements germane to Hotel/Lodging use would have to be met, specifically but not limited to safety, handicapped access, posting of room rates, etc., beyond the general legal requirements of the individual owners and condominium association. This most complicated issue is being further studied by Tourist Director Tavares and Town Attorney Dammheisser.

15. A discussion of a Town required and or voluntary (for fee) PRE SALE inspection. This controversial requirement/service is being studied and/or implemented in various degrees in municipalities around the country. While interesting and good intentioned we felt that caution had to be exercised as this issue impinged on various legal and property rights issues.

16. Inclusion of _tourist tax on beer_ served in restaurants.

17. _Safety issues of overgrown hedges:_ The town has certain rules on the books concerning planting in the setbacks which have been informally relaxed over many years. The general feeling was that as long as these were maintained and presented no safety issue they did offer a certain aesthetic and individuality which benefits the Town. Overgrown hedges however (both in height and protrusion over the roadway) pose an obvious safety hazard. To address this, Mr. Gioia suggested implementing the following with regard to hedges and planting IN THE SETBACK AREAS:

(1) No hedge may be installed, or maintained within six feet of any fire hydrant or other emergency apparatus.

(2) No hedge may be installed, or maintained which in any manner creates a visual obstruction to vehicular traffic. In no event shall any hedge which obstructs or obscures vision or any hedge exceed four feet in height within 30 feet of the intersection of official right-of-way lines.
(3) Hedge heights will be limited to four feet in the front setbacks so that such hedges do not interfere with vehicular traffic or visibility on public rights-of-way and are neatly trimmed.

(4) The property owner responsible for planting the hedge shall maintain the entire hedge, including the sides facing the neighboring properties.

(5) Hedge planting is strictly prohibited within the Town right-of-way or easement area.

General discussion and thoughts going forward

Committee members discussed code enforcement from the resident and staff point of view, recognizing its importance but sympathetic to property owners who have difficulty (financial/age/health) issues complying for which there are creative ways of relief. We recognize too that some people simply refuse to comply forcing Special Master hearings with resultant actions, fines and costs.

The issue is how to encourage people to comply and what our Town at large wants to see going forward. For example should the "open parking" policy of the Town (THE ONLY FREE BEACH) parking in Dade, Broward and Palm Beach counties) continue forward? Some people are wary of the "manicurization" of Surfside. The personal nature of the Town has led to an evolution of how codes are applied, the "Boat Issue" being a prime example Mr. Gioia has suggested that his department hire additional staff as well as a review of the existing codes on the books which may be outdated. Towards this end, the committee felt that reconstitution of a committee of this nature might be worthwhile going forward, helping deliver the type of code enforcement best fitting the Town of Surfside.

Accompanying this report is a summary of 'Most Enforced Codes' prepared by Mike Garcia. We thank him, Dave Allen, and Paul Gioia and Roger Carlton for their help and knowledge of these issues.

Respectfully submitted,

Attachment: Resolution No. 2010-1962
RESOLUTION NO. 2010-1962

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, CREATING AN AD HOC COMMITTEE TO STUDY THE CURRENT CODE ENFORCEMENT PROGRAM AND TO IDENTIFY OPPORTUNITIES AND MAKE RECOMMENDATIONS FOR THE FUTURE AND TO REPORT BACK TO THE TOWN COMMISSION.

WHEREAS, the Town of Surfside Town Commission is interested in reviewing the current Code Enforcement program and wish to identify opportunities for potential improvement; and

WHEREAS, the Town of Surfside Town Commission recognizes an opportunity to review Code Enforcement to maintain reasonable aesthetic and quality of life standards for a safe community; and

WHEREAS, the Town of Surfside Town Commission has determined to review enforcement standards and procedures, short term rentals, and other policies; and

WHEREAS, Members of the Town Commission have provided the names of residents who volunteered to be a part of the Committee; and

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA,

Section 1. Recitals. That the above and foregoing recitals are true and correct and are incorporated herein.

Section 2. Authorization. The Town Commission hereby appoints an ad hoc Code Enforcement Committee. The members of the committee are listed in Exhibit “A” attached and may be changed from time to time by vote of the Commission.
Section 3. Implementation. The Code Enforcement Committee is charged with reporting progress to the Town Commission at their regular meeting on December 14, 2010 and providing the final report and recommendations at the March, 2011 Town Commission meeting.

Section 4. Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED this 12th day of October, 2010.

Daniel Dietch, Mayor

Attest:

Debra E. Eastman, MMC
Town Clerk

Approved as to form and legality for the use and benefit of the Town of Surfside only:

Lynn M. Dannheisser
Town Attorney

Move: Comm. Kopolman
Second: Vice Mayor Graubart
Comm. Kopolman yes
Comm. Kaukin yes
Comm. Olehyk yes
Vice Mayor Graubart yes
Mayor Dietch yes
EXHIBIT “A”

CODE ENFORCEMENT AD HOC COMMITTEE

Randall Rubins
Anthony Blate
Barbara McLaughlin
Mitchell Kinzer
Town of Surfside

To: Code Enforcement Committee Members: Randall Rubins, Anthony Blate, Barbara McLaughlin, Mitchell Kinzer

From: Roger M. Carlton, Interim Town Manager

Date: October 12, 2010

Subject: Code Enforcement Ad Hoc Committee

Objective: To charter and support the Code Enforcement Ad Hoc Committee to perform a review of Surfside’s current code enforcement program and identify opportunities and make recommendations to the Town Commission to improve the program, including, but not limited to the structure, provisions and enforcement that result in the improvements to the program.

Background: At its regular meeting in June, 2010, the Surfside Town Commission provided policy direction to the Town Manager to create a Code Enforcement AD Hoc Committee to study and report back to the Town Commission on potential improvements to the Town’s code enforcement program.

The Town Commission is charging the Code Enforcement Ad Hoc Committee with reviewing the Town’s codes for enforcement for reasonable enforcement, guidelines on enforcement, procedures and standards, short-term rental policy, code enforcement policy (stringency/consistency), public information campaign and an assessment of code enforcement manpower needs for Surfside. The Committee will work with Town Staff including the Town Manager, Building Official, Code Enforcement Officer, Tourist Director, Finance Director, Chief of Police and Planning and Zoning Board to formulate recommendations to the Town Commission for policy direction.

Consideration: Effective code enforcement is fundamental to maintaining minimum aesthetic and “quality of life” standards and a safe community. However, uniform code enforcement has been adversely impacted by inconsistent policy over the past few years. The Town Commission recently enacted legislation that provides a 120 day “amnesty” period to allow code violations to be rectified without the imposition of penalties. The exception to this “amnesty” period relates to life-safety violations.

While Town resources are limited, an effective code enforcement program is possible, but it requires clear Commission policy. With the “amnesty” period, this Commission has created a breathing period to review the current code for applicability and clarity and to be prepared to implement a code enforcement program that reflect reasonableness, is easily understandable, and has an enforcement component that relates to the seriousness of the infraction. As an underlying philosophy, code enforcement should educate our residents and business people to obtain voluntary compliance.
Building Official, Paul Gioia and Code Enforcement Officer, Michael Garcia will provide staff support to the Committee. An interim report is expected to the Town Manager and Town Commission for the December 14, 2010 Town Commission meeting. A final report and recommendations are to be made to the Town Commission at their March, 2011 meeting.

Cc: Planning and Zoning Board
    Paul Gioia, Building Official
    Michael Garcia, Code Enforcement Officer
    David Allen, Police Chief
    Duncan Tavares, Tourist Bureau Director
    Martin Sherwood, Finance Director
Agenda Item # 9B

Agenda Date: April 12, 2011

Subject: Change of Meeting Date-July, 2011

Background: The Regular Town Commission meeting is scheduled to take place on Tuesday, July 12, 2011. The agenda for the meeting is scheduled to be distributed on Wednesday, July 6, 2011. Due to the fourth of July holiday and the fact that much of staff will be vacationing on the week of the Fourth of July, preparation of materials for the distribution of the agenda on July 6, 2011 will be impacted.

Analysis: N/A

Budget Impact: None

Staff Impact: N/A

Recommendation: It is recommended that the July Regular Town Commission meeting date be changed to Tuesday, July 19, 2011 in order to accommodate staff in the preparation of the agenda.

__________________________  ___________________________
Department Head                      Town Manager
Town of Surfside
Commission Communication

Agenda Item #: 9C
Agenda Date: April 12, 2011

Subject: Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended September 30, 2010

Background: The Fiscal Year 2010 CAFR is the first CAFR prepared since Fiscal Year 2006 a period of four years. During that four year period only audited financial statements were prepared. While an audited financial statement meets the minimum standard of reporting it does not provide the broad base of financial information and transparency that the current Town Commission requires and that the Administration has been directed to provide. Additionally, the independent auditing firm of Marcum, LLP has provided the Commission with a communication letter, dated April 4, 2011, detailing that all procedures were performed in accordance with generally accepted auditing standards and that no material misstatements existed.

Due to the complexity of the CAFR and the limited financial knowledge that many of our citizens may have, the following is a list of the highlights with a brief explanation:

1. Of great importance is the Independent Auditors Report (page 1) which reflects an unqualified ("clean") audit opinion which is the highest assurance given that the overall Town’s financial statements are in conformity with generally accepted accounting standards and principles. A clean audit opinion should give comfort to the Town Commission and the citizens of our community that the finances are being handled properly and that there is no need for a forensic audit which would be both expensive and wasteful.

2. The first major section of the CAFR (page 3) is the Management Discussion and Analysis which introduces the Town’s basic financial statements. The basic elements of this analysis are as follows:
   a. The Town’s net assets exceed liabilities by $24,706,676 and increased by nearly $1,632,000 during the fiscal year. This analysis is comparable to a balance sheet in the private sector and we are in substantial surplus. (Chart page 7, detail page 16)
b. For the Governmental Activities element of the Town operation general government required 29.4% of resources available including offsetting grants and revenues, public safety required 51.9%, physical environment 11.7%, leisure services 7.9% and transportation showed a surplus of 1% (due to grants). (Page 9)

c. Major proprietary funds showed operating income of $527,516 for water and sewer, $182,185 for parking and $295,042 for sanitation. (Page 9 and page 21)

d. The only long term debt reflected in the CAFR is for compensated absences (sick and annual leave) that are convertible upon termination. The total amount of $393,306 is spread out over the careers of employees as they leave Town service (page 13). There is a short term non-interest bearing $100,000 payment due in April 2011 for the balance of the acquisition of the 95th Street parking lot.

e. The business type activities of the Town (non ad valorem programs) transferred $208,502 to the General Fund (ad valorem tax supported) to fund their cost for administrative activities including legal department costs. (Page 16)

f. The Pension Trust Fund included $10,643,601 as of September 30, 2010 and was 99.1% fully funded. The fund has absorbed most of the losses to its portfolio during the past three years from poor performance of the stock market and as of the December 31, 2010 quarterly report has returned to full funding. The Town funded the full actuarial established requirement in all recent years even though the requirement grew substantially to make up for poor investment performance. (Page 24, 45, 53)

g. The financial management and accounting policies of the Town are described in detail in pages 26-50 of the CAFR. These descriptions are included in twelve "Notes" which describe financial management processes including how funds are invested cautiously, how we depreciate assets, how we handle receivables (monies owed to the Town), the status of the Pension Plan, the new "Other Post Employment Benefits" reporting requirements (state mandated retirees benefits) and, our risk management.

h. A key analysis appears in Budgetary Comparison Schedule (page 51). If a citizen concerned about the finances of the Town wishes to read only one chart, this is it. Bottom line is that all major General Fund revenue line items for the FY 09/10 budget were exceeded by actual audited performance with the minor exception of franchise taxes. The full revenue increase for the fiscal year was $362,499 favorably over budget. Audited expenditures in the same property tax supported fund were under budget in every area by $608,727 with police coming in $256,029, parks and recreation coming in $194,244 and legal coming in $43,029 favorably under budget. While individual small items may cause consternation to some, Town Staff performed wonderfully to hold the line on expenses and worked hard to generate non ad valorem revenues. The net of the two numbers is $971,226 described as an "excess" of revenues over expenditures and these funds add
to reserves and/or can be used to help balance the budget for the fiscal year 2012 currently being prepared.

i. In addition to the general government and proprietary funds there are three "non major" governmental funds (Tourism, Transportation Surtax and Police Forfeiture) that are reported on page 56. All of these funds are in surplus and Staff watches expenditures closely. (Page 56-60)

j. The Statistical Section of the CAFR describes financial trends, revenue and debt capacity, demographics and operating information. This information covers 7-10 years of available data and is invaluable to anyone who wants to analyze trends, revenue and debt capacity, demographics and operating information over many years. (Page 61-90) Specifically the reader should look at the chart (page 69) which shows the decline in our property tax revenue, which the Town Commission and the Administration met with reduced spending to still bring in a surplus.

k. The Independent Auditors Report on Internal Controls over Financial Reporting (page 91) states that there are no deficiencies or material weaknesses in our financial controls during fiscal year 2010. This supports the "clean" audit opinion previously mentioned.

l. The final section is the "Management Letter" in accordance with the Rules of the Auditor General of the State of Florida” which would disclose any State of Florida deficiencies and make recommendations for improvement. The Management Letter also tracks previous findings to determine if the weaknesses have been resolved. Bottom line, there were no weaknesses disclosed in fiscal years 2009 and 2010 (page 93). This should be another signal to our citizens that Staff and the Town Commission are managing the finances and implementing effective policies to protect their funds.

Recommendation: It is recommended that the Town Commission accept the Comprehensive Annual Financial Report, as audited by Marcum LLP CPA’s for the fiscal year ended September 30, 2010, including the communications letter dated April 4, 2011. It is further recommended that the Town Commission join me in expressing gratitude and congratulations to Finance Support Services Director Martin Sherwood and his Staff, Mayte Gamiotea, Controller and Marisol Rodriguez, Accounting Clerk for their diligence and hard work and effort leading up to the production of the CAFR and the "clean" report five months earlier as compared to fiscal year 2009. It is also important to acknowledge the hard work of all our Department Directors who finished the year with savings big and small and their continual effort to generate non ad valorem revenues that helped create a significant surplus in all operations of the Town.

Finance Support Services Dept.  
Town Manager
TOWN OF SURFSIDE, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2010
TOWN OF SURFSIDE, FLORIDA
Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2010

Prepared by
Finance Support Services Department
Martin D. Sherwood, CPA CGFO
Finance Support Services Director
INTRODUCTORY SECTION
TOWN OF SURFSIDE, FLORIDA

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Page 381
April 4, 2011

To the Honorable Mayor and Vice Mayor, Town Commissioners, and the Citizens of the Town of Surfside, Florida:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Town of Surfside, Florida (the Town), for the fiscal year ended September 30, 2010. Florida Statutes requires that every general-purpose local government publish within twelve months of the close of each fiscal year a complete set of audited financial statements. In addition to meeting this legal requirement, the report continues to present the Town’s strong tradition of full financial disclosure. This philosophy is reflected by the informative financial analysis provided by the Town’s Finance Support Services Department and the exhibits and statistical tables included herein.

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

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

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Town. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly present the financial position and results of operations of the Town; and that all disclosures necessary to enable the reader to gain an understanding of the Town’s financial activity have been included.

Marcum LLP, independent auditors, has issued an unqualified opinion on the Town of Surfside’s financial statements for the fiscal year ended September 30, 2010. The independent auditors’ report is located at the front of the financial section of this report. The Town’s Financial Statements have been prepared in conformity with generally accepted accounting principles as promulgated by the Governmental Accounting Standard Board (GASB). The Town’s Management Discussion and Analysis document (the MD&A) immediately follows the independent auditors’ report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A compliments the letter of transmittal and should be read in conjunction with it.

ACCOUNTING AND INTERNAL CONTROLS

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

PROFILE OF THE GOVERNMENT

The Town is a beautiful oceanfront community located in the tropical paradise of South Florida. The Town was incorporated in 1935 celebrating its 75th anniversary during FY 2010 and is home to approximately 5,300 residents. The Town of Surfside includes a tranquil, attractive, residential neighborhood, multi-family establishments, a traditional “home town” business district and tourist facilities that welcome visitors year round.

The Town is a Commission-Manager form of government. The Town is governed by five part-time Town Commissioners, elected Townwide to two-year terms. Collectively known as the Town Commission, they appoint a full-time Town Manager, who is responsible for the administration of the Town operations. The Town Commission establishes policy for the operation of the government, enacts ordinances for the safety, welfare, and orderly interaction of the citizens of the Town, adopts a millage rate and annual budget, appoints the Town Attorney, as well as members to various boards, agencies, and authorities within the Town, and engages an independent auditor.

SERVICES PROVIDED

The Town provides a full range of municipal services. These services include police, parks and recreation programs, tourism development, public works, building, code enforcement, and planning and zoning. The Town also provides water and sewer services to its citizens, municipal parking, sanitation services and a stormwater utility.

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. Despite the continued economic downturn, Surfside has maintained its strong financial position through prudent long-term financial planning and fiscal actions to reduce or contain fixed costs.

Our building permits have increased from $6.6 million in 2009 to $16.1 million in 2010. The Surfside real estate market has seen foreclosures rates less than the statewide average. However, we anticipate a continued slight downward trend in taxable value growth.

Surfside is a tourist destination point in southeast Florida. In fact, with over 37 acres of pristine beach frontage, Surfside has approximately 3 percent of all pristine beach frontage in Miami-Dade County. Thanks to the Town’s tax rate, diversified commercial business base, a Town-sponsored shuttle system, community participation and quality of life, Surfside continues to develop.

The Town Commission has adopted financial policies. Management has made every effort to comply with these policies and we believe that we are in compliance with the adopted policies. During FY 2011, a newly developed long-range financial plan has been presented to the Town Commission. This document forecasts the General Fund and several other fund operations for the next five years and will be used to guide the development of the annual operating budget and create guidance for achieving responsible levels of reserves.

The Town has also recognized the long-term financial cost implications of its pension benefits and for fiscal year 2010 continued to fund 100% of the actuarially determined employer contribution. Accordingly, the funded ratio is nearly 100%. The Town continues to monitor all of its pension costs for sustainability and to provide cost containment so as not to shift the costs to future taxpayers.

The Capital Improvements Program (CIP) is prepared and presented to the Town Commission as part of the annual budget process. The projects represent the Town's plan for infrastructure improvement and major equipment acquisition for the next five years.
AWARDS

In an effort to present the Town’s financial information to all interested parties, the Town has prepared a CAFR. The Town has submitted this CAFR to the Government Finance Officers Association of the United States and Canada (GFOA) to determine its eligibility to be awarded a Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is a prestigious national award, presented to less than 4,000 of approximately 90,000 governmental units nationwide, recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such reports must satisfy both GAAP and applicable legal requirements.

ACKNOWLEDGEMENTS

The preparation of this CAFR would not have been possible without the efficient and dedicated service of the Finance Support Services Department. The accounting staff consisting of Mayte Gamiete, Controller and Marisol Rodriquez, Accounting Clerk is to be especially thanked for preparing this report. Thank you to our Department heads for understanding the importance of the financial status of this Town and as such, worked diligently to provide quality service within our financial means. We also wish to extend our appreciation to the auditing firm of Marcum LLP for their professionalism in conducting the audit of the Town’s basic financial statements and related note disclosures.

Finally, credit also must be given to the Town Commission for their unfailing support for maintaining the highest standards of professionalism in the management of the Town’s finances.

Respectfully Submitted,

[Signature]
Roger M. Carlton
Town Manager

[Signature]
Martin D. Sherwood, CPA CGFO
Finance Support Services Director
TOWN OF SURFSIDE, FLORIDA

LISTING OF ELECTED OFFICIALS AND ADMINISTRATIVE PERSONNEL.

FISCAL YEAR ENDED SEPTEMBER 30, 2010

TOWN COMMISSION

Daniel Dietch, Mayor

Joe Graubart, Vice Mayor

Michael Karukin, Commissioner

Edward Kopelman, Commissioner

Marta Olchyk, Commissioner

OFFICIALS

Roger M. Carlton, Town Manager (October 2010 to Current)

Gary L. Word, CM-ICMA, Town Manager (April 2008 to September 2010)

David Allen, Police Chief

Debra E. Eastman, MMC, Town Clerk

Lynn M. Dannheisser, Esq., Town Attorney

Tim Milian, Parks and Recreation Director

William H. Evans, Public Works Director (January 2011 to Current)

Duncan Tavares, Tourist Bureau Director

Martin D. Sherwood, CPA CGFO, Finance Support Services Director

TOWN AUDITORS

Marcum LLP
FINANCIAL SECTION
INDEPENDENT AUDITORS' REPORT
INDEPENDENT AUDITORS’ REPORT

Honorable Mayor, Town Commission and Town Manager
Town of Surfside, Florida

We have audited the accompanying financial statements of the governmental activities, the
business-type activities, each major fund and the aggregate remaining fund information of the
Town of Surfside, Florida (the Town) as of and for the year ended September 30, 2010, which
collectively comprise the Town’s basic financial statements as listed in the table of contents.
These financial statements are the responsibility of the Town’s management. Our responsibility
is to express opinions on these financial statements based on our audit. We did not audit the
financial statements of the Retirement Plan for the Employees of the Town of Surfside, Florida
(Pension Trust Fund) which represents approximately 88% and 72% respectively, of the assets
and revenues of the aggregate remaining fund information. Those financial statements were
audited by other auditors whose report thereon has been furnished to us, and our opinion on the
financial statements, insofar as it relates to the amounts included for the Retirement Plan for the
Employees of the Town of Surfside, Florida (Pension Trust Fund), is based solely on the report
of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United
States of America and the standards applicable to financial audits contained in Government
Auditing Standards, issued by the Comptroller General of the United States. Those standards
require that we plan and perform the audit to obtain reasonable assurance about whether the
financial statements are free of material misstatement. An audit includes consideration of
internal control over financial reporting as a basis for designing audit procedures that are
appropriate in the circumstances, but not for the purpose of expressing an opinion on the
effectiveness of the Town’s internal control over financial reporting. Accordingly, we express
no such opinion. An audit also includes examining, on a test basis, evidence supporting the
amounts and disclosures in the financial statements, assessing the accounting principles used and
the significant estimates made by management, as well as evaluating the overall financial
statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements
referred to above present fairly, in all material respects, the respective financial position of the
governmental activities, the business-type activities, each major fund and the aggregate remaining
fund information of the Town, as of September 30, 2010, and the respective changes in financial
position and cash flows, where applicable, thereof for the year then ended in conformity with
accounting principles generally accepted in the United States of America.
In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2011 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management’s Discussion and Analysis and the Required Supplementary Information on pages 3 through 14 and pages 51 through 55 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town’s basic financial statements. The introductory section, combining and individual fund statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Town. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole. The information identified in the table of contents as 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 express no opinion on them.

*Marcum LLP*

Miami, FL
April 4, 2011
Within this section of the comprehensive annual financial report for the Town of Surfside (the Town), the Town's management is pleased to provide this narrative discussion and analysis of the financial activities of the Town for the fiscal year ended September 30, 2010. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

2010 FINANCIAL HIGHLIGHTS

- The Town's assets exceeded its liabilities by $24,706,676 (total net assets) as of September 30, 2010.
- Total net assets increased $1,631,851 and are comprised of the following:
  1. Capital assets, net of related debt, of $11,633,979 include property and equipment, net of accumulated depreciation, and reduced for $100,000 of outstanding debt related to the purchase of land.
  2. Net assets of $2,490,218 are restricted by constraints imposed from the Town in the amount of $1,822,858 for capital project renewal and replacement and from outside the Town such as grantees, laws, or regulations in the amount of $667,360.
  3. Unrestricted net assets consist of $10,582,478 that may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's governmental funds reported total ending fund balance of $8,718,755 at September 30, 2010. This compares to the prior year total ending fund balance of $8,560,997 showing an increase of $157,758 during the current year. Unassigned fund balance is $967,897 at September 30, 2010.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was $867,887, or 11.6% of total General Fund expenditures. The unrestricted fund balance, which consists of the unassigned and assigned fund balance, for the General fund was $3,163,038 or 42.2% of total General Fund expenditures.
- The economy has had significant impact on many of the Town's 2010 revenue streams.
- Overall, the Town continues to maintain a strong financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the Town's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Town also includes in this report additional information to supplement the basic financial statements. Comparative data is presented to allow comparison to the prior fiscal year.

Government-wide Financial Statements

The Town's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Town's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Assets. This is the government-wide statement of position presenting information that includes all of the Town's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town as a whole is improving or deteriorating. Evaluation of the
overall health of the Town would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of the Town’s infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the Town’s net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Town’s distinct activities or functions on revenues provided by the Town’s taxpayers.

Both government-wide financial statements distinguish governmental activities of the Town principally supported by taxes from business-type activities intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works, leisure services and transportation. Business-type activities include water and sewer, municipal parking, sanitation and storm water utilities activities.

The government-wide financial statements are presented on pages 15 and 16 of this report.

**Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Town’s most significant funds rather than the Town as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The Town has three types of funds:

*Governmental funds* are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Town’s governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 17 - 18 of this report.

Individual fund information for nonmajor governmental funds is found in combining statements in a later section of this report.

*Proprietary funds* are reported in the fund financial statements and generally report services for which the Town charges customers a fee. The Town’s proprietary funds are classified as enterprise funds. The enterprise funds essentially encompass the same function reported as business-type activities in the government-wide statements.

The basic proprietary fund financial statements are presented on pages 20 - 23 of this report.

The Town’s *Fiduciary fund* is reported in the fiduciary fund financial statements, but is excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund the Town’s programs. The Town’s fiduciary fund reports the Town’s single employer pension plan balances and activities.
The basic fiduciary fund financial statements are presented on pages 24 and 25 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 26 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary. A budgetary comparison schedule is included as "required supplementary information" for the General Fund. Budgetary comparison schedules for all other governmental funds can be found in the supplementary information section of this report. These schedules demonstrate compliance with the Town's adopted and final revised budget. In addition, some required trend information for the Town's pension trust fund and other post employment benefits (OPEB) plan are presented in this section. Required supplementary information can be found on pages 51 - 55 of this report.

Supplementary Information

As discussed, the Town reports major funds in the basic financial statements. Combining and individual fund statements and schedules for nonmajor funds are presented in a supplementary information section of this report beginning on page 56.

(This page continued on the subsequent page)
FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

The Town's net assets at fiscal year-end are $24,706,676. The following table provides a summary of the Town's net assets:

<table>
<thead>
<tr>
<th>Summary of Net Assets</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>$9,932,611</td>
<td>$9,527,341</td>
<td>$4,701,524</td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>219,989</td>
<td>222,138</td>
<td>374,439</td>
</tr>
<tr>
<td>Capital assets</td>
<td>9,596,672</td>
<td>9,205,412</td>
<td>2,137,307</td>
</tr>
<tr>
<td>Total assets</td>
<td>19,749,272</td>
<td>18,954,891</td>
<td>7,213,270</td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>1,240,097</td>
<td>1,066,703</td>
<td>678,404</td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>263,814</td>
<td>220,952</td>
<td>73,551</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,503,911</td>
<td>1,287,655</td>
<td>751,955</td>
</tr>
<tr>
<td>Net assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in capital assets, net of related debt</td>
<td>9,596,672</td>
<td>9,205,412</td>
<td>2,037,304</td>
</tr>
<tr>
<td>Restricted</td>
<td>667,360</td>
<td>724,122</td>
<td>1,822,858</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>7,981,329</td>
<td>7,737,702</td>
<td>2,601,153</td>
</tr>
<tr>
<td>Total net assets</td>
<td>$18,245,361</td>
<td>$17,667,236</td>
<td>$6,461,315</td>
</tr>
</tbody>
</table>

(This page continued on the subsequent page)
The following chart reports the Town’s total net asset balances from fiscal year 2004 - 2010.

Note over the last six years, the total net assets have increased $5,215,729 or 26.8%.

Current assets in both governmental activities and business-type activities increased in fiscal year September 30, 2010. Cash for governmental activities increased approximately $1.2 million. For business-type activities, cash increased approximately $488,000.

The Town continues to maintain high current ratios. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 8.0 to 1 as compared to 8.9 to 1 at September 30, 2009. The current ratio for business-type activities is 6.9 to 1 as compared to 5.5 to 1 at September 30, 2009. Overall, the total current ratio at September 30, 2010 improved to 7.6 to 1 as compared to 7.4 to 1 at September 30, 2009.

The Town reported positive balances in net assets for both governmental and business-type activities. During 2010, net assets increased $578,125 for governmental activities and increased $1,053,726 for business-type activities. The Town's overall financial position improved during fiscal year 2010. The Town remains in a strong financial position, in spite of a depressed economy.

Note that approximately 48.6% of the governmental activities’ total assets are tied up in capital assets. The Town uses these capital assets to provide services to its citizens. Approximately, 30% of the business-type activities are included in capital assets. These capital assets provide utility and parking services to the Town’s citizens. By combining governmental activities with business-type activities, the Town has invested approximately 43.5% of its total assets in capital assets, as presented in the government-wide statement of net assets.
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
Town of Surfside, Florida  
As of and For the Year Ended September 30, 2010

The following table provides a summary of the Town's changes in net assets:

<table>
<thead>
<tr>
<th>Summary of Changes in Net Assets</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$319,313</td>
<td>$521,445</td>
<td>$4,414,060</td>
</tr>
<tr>
<td>Operating grants and contributions</td>
<td>773,508</td>
<td>269,317</td>
<td>-</td>
</tr>
<tr>
<td>General:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>5,323,728</td>
<td>6,325,721</td>
<td>-</td>
</tr>
<tr>
<td>Other taxes</td>
<td>878,582</td>
<td>1,235,906</td>
<td>-</td>
</tr>
<tr>
<td>Unrestricted intergovernment</td>
<td>905,255</td>
<td>862,137</td>
<td>-</td>
</tr>
<tr>
<td>Investment earnings (losses)</td>
<td>98,208</td>
<td>(36,049)</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>56,462</td>
<td>81,280</td>
<td>124,569</td>
</tr>
<tr>
<td>Total revenues</td>
<td>8,555,076</td>
<td>9,259,757</td>
<td>4,538,629</td>
</tr>
<tr>
<td>Program Expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>2,404,067</td>
<td>2,844,246</td>
<td>-</td>
</tr>
<tr>
<td>Public safety</td>
<td>3,786,485</td>
<td>4,094,093</td>
<td>-</td>
</tr>
<tr>
<td>Public works</td>
<td>803,147</td>
<td>961,381</td>
<td>-</td>
</tr>
<tr>
<td>Leisure services</td>
<td>1,080,071</td>
<td>1,558,000</td>
<td>-</td>
</tr>
<tr>
<td>Transportation</td>
<td>105,683</td>
<td>114,121</td>
<td>-</td>
</tr>
<tr>
<td>Water and sewer</td>
<td>-</td>
<td>-</td>
<td>1,990,702</td>
</tr>
<tr>
<td>Municipal parking</td>
<td>-</td>
<td>-</td>
<td>222,108</td>
</tr>
<tr>
<td>Sanitation</td>
<td>-</td>
<td>-</td>
<td>949,505</td>
</tr>
<tr>
<td>Stormwater utility</td>
<td>-</td>
<td>-</td>
<td>114,086</td>
</tr>
<tr>
<td>Total expenses</td>
<td>8,185,453</td>
<td>9,571,841</td>
<td>3,276,401</td>
</tr>
<tr>
<td>Changes in net assets before transfers</td>
<td>369,623</td>
<td>(312,084)</td>
<td>1,262,228</td>
</tr>
<tr>
<td>Transfers</td>
<td>208,502</td>
<td>121,893</td>
<td>(208,502)</td>
</tr>
<tr>
<td>Changes in net assets after transfers</td>
<td>578,125</td>
<td>(190,191)</td>
<td>1,053,726</td>
</tr>
<tr>
<td>Beginning net assets</td>
<td>17,667,236</td>
<td>17,857,427</td>
<td>5,407,589</td>
</tr>
<tr>
<td>Ending net assets</td>
<td>$18,245,361</td>
<td>$17,667,236</td>
<td>$6,461,315</td>
</tr>
</tbody>
</table>

**Governmental Activity Revenues**

The Town is heavily reliant on property taxes to support governmental operations. Property taxes provided 62.2% of the Town's total revenues as compared to 68.3% in fiscal year 2009. Other taxes, which includes resort, franchise, utility and communications taxes provided 10.3% of the Town's total revenues as compared to 13.3% in fiscal year 2009. Because of the Town's healthy financial position, we have been able to earn approximately $98,208 in investment earnings to support governmental activities.
Note that program revenues covered 12.3% of governmental operating expenditures as compared to 8.3% in fiscal year 2009. This means that the government’s taxpayers and the Town’s other general revenues fund 87.7% of the governmental activities in fiscal year 2010 as compared to 91.7% in fiscal year 2009, primarily from property taxes, other taxes and unrestricted intergovernmental revenue due primarily to a decline in property values.

**Governmental Activity Expenses**

The following table presents the cost of each of the Town’s services, including the net costs (i.e., total cost less program revenues generated by the activities). The net costs illustrate the financial burden that is placed on the Town’s taxpayers by each of these services.

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>Total Cost of Services</th>
<th>Percentage of Total</th>
<th>Net Cost of Services</th>
<th>Percentage of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General government</td>
<td>$2,404,067</td>
<td>29.4%</td>
<td>$2,029,511</td>
<td>29.4%</td>
</tr>
<tr>
<td>Public safety</td>
<td>3,786,485</td>
<td>46.3%</td>
<td>3,579,232</td>
<td>51.9%</td>
</tr>
<tr>
<td>Physical environment</td>
<td>803,147</td>
<td>9.8%</td>
<td>803,147</td>
<td>11.7%</td>
</tr>
<tr>
<td>Leisure services</td>
<td>1,086,071</td>
<td>13.3%</td>
<td>546,631</td>
<td>7.9%</td>
</tr>
<tr>
<td>Transportation</td>
<td>105,683</td>
<td>1.3%</td>
<td>(65,890)</td>
<td>-1.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$8,185,453</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>$6,892,631</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

The public safety expenditures, both gross and net of program revenues total over 46% of total costs. As noted, total cost and net costs do not differ substantially by percentage for each service.

**Business-Type Activities**

The Town reports three major enterprise funds and one nonmajor (Stormwater) enterprise fund.

**Overall Analysis of Major Funds** – Total operating revenues increased $563,473 or 17.2%. Operating expenses increased $299,576 or 10.5%. In total, the operating income increased $153,894. The total increase in net assets was $1,053,726.

The operating income for each major enterprise fund was as follows for fiscal years 2010 and 2009:

<table>
<thead>
<tr>
<th>Service</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Amount</td>
</tr>
<tr>
<td>Water and sewer</td>
<td>$527,516</td>
<td>$297,438</td>
</tr>
<tr>
<td>Municipal parking</td>
<td>182,185</td>
<td>220,295</td>
</tr>
<tr>
<td>Sanitation</td>
<td>295,042</td>
<td>233,116</td>
</tr>
</tbody>
</table>
The following includes an analysis of the fiscal year 2010 financial activities for each fund.

**Water and Sewer Fund** - The total assets increased $412,877. Total liabilities decreased $171,357. Operating revenues increased $551,303 or 28%. This increase relates to a major rate increase. Water rates were increased 41% and sewer rates increased 24.5%. In total, operating expenses increased $321,225 or 19.2%, due primarily to wholesale water and sewer rate increases charged to the Town. Water system operating expenses increased $145,869 or 24.7% due to a 37.77% increase in wholesale water rates. Sewer system operating expenses increased $177,834 or 26.1% due to a sewer rate increase of almost 20%.

Net assets increased $584,235 or 27.3%, resulting in ending net assets of $2,727,609.

**Municipal Parking Fund** – The total assets increased $203,257. Total liabilities increased $102,279 due primarily to the outstanding note payable of $100,000 for the land purchase. Operating revenues increased just $9,318 or 2.4%. In total, operating expenses increased $47,428 or 27.2%. The cost of personal services increased $47,340 or 52.2% due to an allocation of 25% of both the assistant police chief and an operations assistant's salaries and benefits charged directly to this fund. As a result, operating income decreased $38,110.

Net assets increased $160,978 or 6.1%, resulting in ending net assets of $2,794,992.

**Sanitation Fund** - The total assets decreased $58,765. Total liabilities decreased $250,242, primarily due to the payment of the interfund payable from the General Fund. Operating revenues were approximately the same as the fiscal year 2009 amount. In total, operating expenses decreased $59,374 or 8.8%. Personal services costs went down $65,272 due to modifications to staffing (including reductions) and changes in service levels, that were implemented in late fiscal year 2009.

Net assets increased $191,477 from a net asset deficit of $34,544 at September 30, 2009 to a positive $158,933.

**FUND ANALYSIS**

**Governmental Funds**

Governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $8,718,755 compared to $8,560,994 at September 30, 2009.

The total governmental expenditures exceeded revenues by $50,744. This difference is a result of the commencement of the Community Center construction project, with the Town incurring costs in fiscal year 2010 of over $700,000, which was funded by a transfer from the General Fund (see below). Total revenues exceeded total current operating costs, which exclude capital outlay expenditures, by $826,628.

The General Fund decreased its fund balance by approximately $4.1 million in this year, primarily through a transfer of approximately $5 million to the Capital Projects Fund to build a new Community Center, which includes swimming facilities. The project replaces a Community Center that was demolished in mid-2008.

Governmental funds report total fund balance of $8,718,755. Of this year-end total, $667,360 is legally restricted. $4.2 million is committed to the Community Center project. $2 million is assigned in the General Fund for emergencies and disasters since we are a coastal community subject to hurricane risk, as well as for working capital, and $685,878 is assigned in the Capital Projects Fund for future capital projects. $295,171 is considered non-spendable and $867,867 is unassigned and available for future appropriation within the General Fund.

The total ending fund balances of governmental funds show an increase of $157,758 or 1.8% over the prior year.
Major Governmental Funds

The Town reports two major governmental funds, the General Fund and the Capital Projects Fund.

General Fund - The General Fund is the Town’s primary operating fund and the largest source of day-to-day service delivery. The General Fund’s fund balance decreased by $4.1 million or approximately 56.6% as compared to a 5.9% increase in 2009 primarily due to a large transfer of approximately $5 million for the Community Center project. The ending assigned and unassigned fund balance is considered adequate, representing the equivalent of 38.3% of annual expenditures. This compares to 83.3% at September 30, 2009.

Property taxes decreased $1,001,993 or 15.8%. This decrease relates to reduction in the taxable value of property, with no offsetting millage rate increase from the prior year. However, in total, all tax revenues were $777,988, or 8.7% above those of 2009.

Total General Fund expenditures decreased $1,121,767 or 13% below the fiscal year 2009 level. Total staffing for governmental activities was reduced by approximately 25 positions or just fewer than 25%. Because of the shrinking economy, the Town had to reduce personnel and some employees went from full-time to part-time status.

The most significant changes, by department, from fiscal year 2009 are described below:

General government costs were down $216,393 or 9%. Public safety costs were down $264,195 or 6.9%. Both of these decreases related to reduced staffing. Public works costs were $159,884 or 18.7% below fiscal year 2009 level because of staffing reduction of two employees and a reduction in the costs of outside professional services.

Leisure services were $473,714 or 32.6% below the 2009 level. Due to the sagging economy, we closed our library and reduced lifeguard coverage to only weekends and holidays.

Capital Projects Fund - This fund is financed primarily from transfers from the General Fund, as indicated above. At September 30, 2010, this fund reported approximately $1.8 million in cash and an interfund receivable of $3.2 million from the General Fund, which approximates the $5 million transfer from the General Fund. Fund balance at year-end totaled approximately $4.9 million.

Proprietary Funds

Proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. The business-type activities analysis above discusses the Town’s enterprise funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund’s revenue budget was amended downward in this fiscal year, by $31,452. The property tax budget was amended downward by $46,964; however, actual revenues were $97,314 over the amended budget. The amended budget reflects a more conservative budgeting approach and in Miami-Dade County, there were many tax assessment appeals, resulting in slower tax collections.

The licenses and permits budget was increased $123,555 or 77.2%. This increase relates to fee increases and the Town hired an in-house building official who was assertive in imposing and collecting statutory fees. Ultimately, we recognized $90,901 over the amended budget.

Overall, the Town recognized 105% of the amended revenue budget.

The General Fund’s expenditure budget was increased $72,271 or 9%.
Total general government function was under budget by $119,842 or 5.2%. The public safety was under budget by $258,029 or 6.6%. The legal department was under budget $43,029 or 10%. Overall, the total General Fund budget was under spent due to tight Departmental Director expenditure controls and not immediately filling vacant positions.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town’s investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of September 30, 2010, was $9,596,652 and $2,137,304 respectively. The change in this net investment was an approximate 4.3% increase for governmental activities and a 67.1% increase for business-type activities. See Note 6 for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

The following table provides a summary of capital asset activity:

<table>
<thead>
<tr>
<th>Capital Assets</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2009</td>
<td>2010</td>
</tr>
<tr>
<td>Non-depreciable assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$1,461,229</td>
<td>$1,461,229</td>
<td>$487,467</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>2,523,406</td>
<td>1,742,581</td>
<td>1,113,889</td>
</tr>
<tr>
<td>Total non-depreciable</td>
<td>3,984,635</td>
<td>3,203,810</td>
<td>1,601,347</td>
</tr>
<tr>
<td>Depreciable assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>3,912,966</td>
<td>3,912,966</td>
<td>-</td>
</tr>
<tr>
<td>Machinery, equipment and furniture</td>
<td>3,097,454</td>
<td>3,119,126</td>
<td>591,378</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>2,162,770</td>
<td>2,096,725</td>
<td>2,268,260</td>
</tr>
<tr>
<td>Total depreciable assets</td>
<td>9,173,190</td>
<td>9,128,817</td>
<td>2,859,638</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>3,561,153</td>
<td>3,127,215</td>
<td>2,323,678</td>
</tr>
<tr>
<td>Book value - depreciable assets</td>
<td>5,612,037</td>
<td>6,001,602</td>
<td>535,960</td>
</tr>
<tr>
<td>Percentage depreciated</td>
<td>39%</td>
<td>34%</td>
<td>81%</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$9,596,672</td>
<td>$9,205,412</td>
<td>$2,137,307</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$11,733,979</td>
</tr>
</tbody>
</table>

At September 30, 2010, the depreciable capital assets for governmental activities were 39% depreciated. This compares to the 34% at September 30, 2009. With the Town’s business-type activities, 81% of the asset values were depreciated at September 30, 2010 compared to 79% at September 30, 2009. However, the Town has undertaken a $16 million capital project, which will be funded by revenue bonds, for the following improvements:

- Water and Sewer maintenance and replacement
- Wastewater (sewer) rehabilitation
- Stormwater pollution control
In this fiscal year, the Town purchased land in the Municipal Parking Fund, which will be used for metered parking to benefit the downtown commercial district.

For governmental activities, the balance of construction-in-progress relates to the following projects:

- The above mentioned community center
- Crosswalk markers
- Seawall improvements

The construction in progress for business-type activities at September 30, 2010 includes:

- Water system maintenance and replacement
- Sewer system rehabilitation
- Replacement of individual parking meters to pay station meters

Debt

The Municipal Parking Fund reports a $100,000 non-interest bearing note, which is the remaining amount of short-term debt on the purchase of land for this fund. This note is due in April 2011.

The only long-term debt that the Town reports is the compensated absences liability due to its employees.

The following table reports long-term debt balances at September 30, 2010 and 2009:

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2009</td>
<td>2010</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2009</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>$321,311</td>
<td>$283,314</td>
<td>$71,995</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$66,426</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$393,306</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$349,741</td>
</tr>
</tbody>
</table>

See Note 8 for additional information about the Town’s long-term debt.

**A SUMMARY OF THE ECONOMIC CONDITIONS AFFECTING THE TOWN**

The State of Florida, by constitution, does not have a state personal income tax and therefore the State operates primarily using sales, gasoline and corporate income taxes. Local governments (towns and cities, counties, school boards) primarily rely on property and an array of permitted other taxes (utility taxes, franchise fees and occupational taxes) as well as intergovernmental revenues for their governmental activities. For business-type activities and certain governmental activities (building/construction services and recreational programs), the user pays a related fee or charge associated with the service.

The unemployment rate for Miami-Dade County/Fort Lauderdale is currently 12.1%, which is an increase from a rate of 10.9% a year ago. The Town’s residents would expect to have a lower unemployment rate than is reported for the county. However, inflationary trends in the region compare favorably to national indices, which is a positive sign.

In the 2010 – 2011 adopted budget, we continue operating in a tight economic environment. There are some preliminary indications of a stabilization of the decline in housing values and related taxable values.
Some of the key elements affecting the fiscal year 2011 budget include:

- A decline in taxable values
- A continuing low interest yield environment
- Increasing crude oil prices which may assert some inflationary pressures
- Slow growth rates of building construction and rehabilitation
- Little new growth in the State of Florida shared revenues

All of these factors result in many budget challenges in fiscal year 2011 and beyond. The Town is addressing these issues through the development of a five (5) year financial plan which will provide guidance to evolving policies to increase non-advalorem revenues and reduce reliance on property taxes while shifting a portion of the burden of property taxes away from residents.

The millage rate for fiscal year 2011 was increased from 4.7732 to 5.6030, the latter being below the rollback rate. This increase was primarily levied to offset the loss in the assessed taxable values of property.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Town's finances, comply with finance-related laws and regulations, and demonstrate the Town's commitment to public accountability. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Finance Support Services Director, Town of Surfside, 9293 Harding Avenue, Surfside, FL 33154.
BASIC FINANCIAL STATEMENTS

These basic financial statements contain Government-wide Financial Statements, Fund Financial Statements and Notes to the Financial Statements.
TOWN OF SURFSIDE, FLORIDA

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2010

<table>
<thead>
<tr>
<th>Assets</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 8,741,261</td>
<td>$ 4,032,864</td>
<td>$12,774,125</td>
</tr>
<tr>
<td>Investments</td>
<td>224,561</td>
<td>12,255</td>
<td>236,816</td>
</tr>
<tr>
<td>Receivables</td>
<td>671,618</td>
<td>654,997</td>
<td>1,326,615</td>
</tr>
<tr>
<td>Prepaid items</td>
<td>107,171</td>
<td>13,663</td>
<td>120,834</td>
</tr>
<tr>
<td>Asset held for resale</td>
<td>188,000</td>
<td>--</td>
<td>188,000</td>
</tr>
<tr>
<td>Restricted assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash, and cash equivalents</td>
<td>--</td>
<td>362,184</td>
<td>362,184</td>
</tr>
<tr>
<td>Net pension asset</td>
<td>219,989</td>
<td>--</td>
<td>219,989</td>
</tr>
<tr>
<td>Capital assets not being depreciated</td>
<td>3,984,635</td>
<td>1,601,347</td>
<td>5,585,982</td>
</tr>
<tr>
<td>Capital assets being depreciated, net</td>
<td>5,612,037</td>
<td>535,960</td>
<td>6,147,997</td>
</tr>
<tr>
<td>Total Assets</td>
<td>19,749,272</td>
<td>7,213,270</td>
<td>26,962,542</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>513,081</td>
<td>129,793</td>
<td>642,874</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>575,843</td>
<td>271,175</td>
<td>847,018</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>34,720</td>
<td>--</td>
<td>34,720</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>90,212</td>
<td>170,040</td>
<td>260,252</td>
</tr>
<tr>
<td>Note payable</td>
<td>--</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Noncurrent liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due within one year</td>
<td>26,241</td>
<td>7,396</td>
<td>33,637</td>
</tr>
<tr>
<td>Due in more than one year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensated absences</td>
<td>236,176</td>
<td>66,570</td>
<td>302,746</td>
</tr>
<tr>
<td>Net OPEB obligation</td>
<td>27,638</td>
<td>6,981</td>
<td>34,619</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>1,503,911</td>
<td>751,955</td>
<td>2,255,866</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Assets</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>9,596,672</td>
<td>2,037,307</td>
<td>11,633,979</td>
</tr>
<tr>
<td>Restricted for</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tourism</td>
<td>179,035</td>
<td>--</td>
<td>179,035</td>
</tr>
<tr>
<td>Transportation</td>
<td>416,500</td>
<td>--</td>
<td>416,500</td>
</tr>
<tr>
<td>Law enforcement</td>
<td>71,825</td>
<td>--</td>
<td>71,825</td>
</tr>
<tr>
<td>Renewal and replacement</td>
<td>--</td>
<td>1,822,858</td>
<td>1,822,858</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>7,981,329</td>
<td>2,601,150</td>
<td>10,582,479</td>
</tr>
<tr>
<td>Total Net Assets</td>
<td>$ 18,245,361</td>
<td>$ 6,461,315</td>
<td>$ 24,706,676</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
# TOWN OF SURFSIDE, FLORIDA

## STATEMENT OF ACTIVITIES

**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Expenses</th>
<th>Program Revenues</th>
<th>Net (Expense) Revenue and Changes in Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Charges for Services</td>
<td>Operating Grants and Contributions</td>
</tr>
<tr>
<td><strong>Governmental Activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>$2,404,067</td>
<td>$374,556</td>
<td>$--</td>
</tr>
<tr>
<td>Public safety</td>
<td>3,786,485</td>
<td>--</td>
<td>207,253</td>
</tr>
<tr>
<td>Public works</td>
<td>803,147</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Leisure services</td>
<td>1,086,071</td>
<td>144,757</td>
<td>3,810</td>
</tr>
<tr>
<td>Transportation</td>
<td>105,682</td>
<td>--</td>
<td>276,302</td>
</tr>
<tr>
<td><strong>Total Governmental Activities</strong></td>
<td>8,185,452</td>
<td>519,313</td>
<td>487,365</td>
</tr>
<tr>
<td><strong>Business-type Activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water and sewer</td>
<td>1,990,702</td>
<td>2,518,218</td>
<td>--</td>
</tr>
<tr>
<td>Municipal parking</td>
<td>222,108</td>
<td>404,293</td>
<td>--</td>
</tr>
<tr>
<td>Sanitation</td>
<td>949,505</td>
<td>1,244,547</td>
<td>--</td>
</tr>
<tr>
<td>Stormwater utility</td>
<td>114,086</td>
<td>247,002</td>
<td>--</td>
</tr>
<tr>
<td><strong>Total Business-type Activities</strong></td>
<td>3,276,401</td>
<td>4,414,060</td>
<td>--</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$11,461,853</td>
<td>$4,933,373</td>
<td>$487,365</td>
</tr>
</tbody>
</table>

### General Revenues

- **Taxes**
  - Property taxes: 5,323,728
  - Resort taxes: 390,873
  - Franchise fees based on gross receipts: 414,835
  - Utility taxes: 463,747
  - Communications services tax: 343,440
- **Unrestricted intergovernmental revenues**: 457,085
- **Unrestricted investment earnings**: 98,208
- **Miscellaneous revenues**: 56,482
- **Transfers**: 208,502

**Total general revenues**: 7,756,900

**Change in Net Assets**: 578,125

**Net Assets - Beginning**: 17,667,236

**Net Assets - Ending**: $18,245,361

$6,461,315 $24,706,676

The accompanying notes are an integral part of these financial statements.
# TOWN OF SURFSIDE, FLORIDA

## BALANCE SHEET

### GOVERNMENTAL FUNDS

#### SEPTEMBER 30, 2010

<table>
<thead>
<tr>
<th>Assets</th>
<th>General</th>
<th>Capital Projects</th>
<th>Nonmajor Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$6,140,632</td>
<td>$1,981,519</td>
<td>$619,110</td>
<td>$8,741,261</td>
</tr>
<tr>
<td>Investments</td>
<td>164,784</td>
<td>51,844</td>
<td>7,933</td>
<td>224,561</td>
</tr>
<tr>
<td>Receivables</td>
<td>621,924</td>
<td>--</td>
<td>49,694</td>
<td>671,618</td>
</tr>
<tr>
<td>Prepaid items</td>
<td>107,171</td>
<td>--</td>
<td>--</td>
<td>107,171</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>--</td>
<td>3,247,866</td>
<td>--</td>
<td>3,247,866</td>
</tr>
<tr>
<td>Asset held for resale</td>
<td>188,000</td>
<td>--</td>
<td>--</td>
<td>188,000</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$7,222,511</td>
<td>$5,281,229</td>
<td>$676,737</td>
<td>$13,180,477</td>
</tr>
</tbody>
</table>

| Liabilities and Fund Balances | | | | |
| Liabilities | | | | |
| Accounts payable | $157,443 | $346,261 | $9,377 | $513,081 |
| Accrued liabilities | 529,236 | -- | -- | 529,236 |
| Due to other funds | 3,247,866 | -- | -- | 3,247,866 |
| Other liabilities | -- | 46,611 | -- | 46,611 |
| Unearned revenue | 34,720 | -- | -- | 34,720 |
| Customer deposits | 90,212 | -- | -- | 90,212 |
| **Total Liabilities** | 4,059,477 | 392,872 | 9,377 | 4,461,726 |

| Fund Balances | | | | |
| Restricted for: | | | | |
| Tourism | -- | -- | 179,035 | 179,035 |
| Transportation Surplus | -- | -- | 416,500 | 416,500 |
| Police Forfeiture | -- | -- | 71,825 | 71,825 |
| Committed to: | | | | |
| Capital projects fund | -- | 4,201,479 | -- | 4,201,479 |
| Assigned to: | | | | |
| General fund | 2,000,000 | -- | -- | 2,000,000 |
| Capital projects fund | -- | 686,878 | -- | 686,878 |
| Non-spendable: | | | | |
| General fund | 295,171 | -- | -- | 295,171 |
| Unassigned: | | | | |
| General fund | 867,867 | -- | -- | 867,867 |
| **Total Fund Balances** | 3,163,038 | 4,888,357 | 667,360 | 8,718,755 |

| Total Liabilities and Fund Balances | $7,222,515 | $5,281,229 | $676,737 |

Amounts reported for governmental activities in the statement of net assets are different because:

- Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.
- A negative (NPO) net pension obligation is not considered to represent a financial asset and therefore is not reported in the governmental funds.
- Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.
- Compensated absences
- Net OPEB obligation

**Net Assets of Governmental Activities**

$18,245,361

The accompanying notes are an integral part of these financial statements.
TOWN OF SURFSIDE, FLORIDA

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

FISCAL YEAR ENDED SEPTEMBER 30, 2010

<table>
<thead>
<tr>
<th>Revenues</th>
<th>General</th>
<th>Capital Projects</th>
<th>Nonmajor Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property taxes</td>
<td>$ 5,323,728</td>
<td>$</td>
<td>--</td>
<td>$ 5,323,728</td>
</tr>
<tr>
<td>Resort taxes</td>
<td>249,327</td>
<td>--</td>
<td>141,546</td>
<td>390,873</td>
</tr>
<tr>
<td>Utility taxes</td>
<td>463,747</td>
<td>--</td>
<td>--</td>
<td>463,747</td>
</tr>
<tr>
<td>Communications services tax</td>
<td>343,440</td>
<td>--</td>
<td>--</td>
<td>343,440</td>
</tr>
<tr>
<td>Franchise fees</td>
<td>414,835</td>
<td>--</td>
<td>--</td>
<td>414,835</td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>374,556</td>
<td>--</td>
<td>--</td>
<td>374,556</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>575,297</td>
<td>--</td>
<td>170,243</td>
<td>745,540</td>
</tr>
<tr>
<td>Charges for services</td>
<td>144,757</td>
<td>--</td>
<td>--</td>
<td>144,757</td>
</tr>
<tr>
<td>Fines and forfeitures</td>
<td>150,342</td>
<td>--</td>
<td>39,901</td>
<td>190,243</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>75,542</td>
<td>22,666</td>
<td>5,368</td>
<td>103,576</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>56,482</td>
<td>--</td>
<td>3,299</td>
<td>59,781</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>8,172,053</td>
<td>22,666</td>
<td>360,357</td>
<td>8,555,076</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>General</th>
<th>Capital Projects</th>
<th>Nonmajor Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>2,199,236</td>
<td>--</td>
<td>116,318</td>
<td>2,315,554</td>
</tr>
<tr>
<td>Public safety</td>
<td>3,591,263</td>
<td>--</td>
<td>57,503</td>
<td>3,648,766</td>
</tr>
<tr>
<td>Public works</td>
<td>695,642</td>
<td>--</td>
<td>--</td>
<td>695,642</td>
</tr>
<tr>
<td>Leisure services</td>
<td>977,449</td>
<td>--</td>
<td>--</td>
<td>977,449</td>
</tr>
<tr>
<td>Transportation</td>
<td>--</td>
<td>--</td>
<td>91,037</td>
<td>91,037</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>30,503</td>
<td>700,608</td>
<td>146,261</td>
<td>877,372</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>7,494,093</td>
<td>700,608</td>
<td>411,119</td>
<td>8,605,820</td>
</tr>
</tbody>
</table>

| Excess (Deficiency) of Revenues over Expenditures | 677,960 | (677,942) | (50,762) | (50,744) |

| Other Financing Sources (Uses) |         |                 |                             |                          |
| Transfers in                   | 214,502  | 5,024,959       | --                          | 5,239,461                |
| Transfers out                  | (5,024,959) | --              | (6,000)                     | (5,030,959)               |
| **Total Other Financing Sources (Uses)** | (4,810,457) | 5,024,959 | (6,000) | 208,502 |

| Net Change in Fund Balances     | (4,132,497) | 4,347,017 | (56,762) | 157,758 |

| Fund Balances - Beginning       | 7,295,535  | 541,340   | 724,122   | 8,560,997 |
| Fund Balances - Ending          | $ 3,163,038 | $ 4,888,357 | $ 667,360 | $ 8,718,755 |

The accompanying notes are an integral part of these financial statements.
TOWN OF SURFSIDE, FLORIDA

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

FISCAL YEAR ENDED SEPTEMBER 30, 2010

Amounts reported for governmental activities in the statement of activities (Page 16) are different because:

Net change in fund balances - total governmental funds (Page 18) $ 157,758

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 and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

The details of the difference are as follows:

Cost of assets $ 877,372
Depreciation (485,659)
Net adjustment 391,713

Loss on disposal of capital assets (453)

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

The detail of the difference is as follows:

Compensated absences 58,894
Net OPEB obligation (27,638)

Governmental funds report pension contributions as expenditures. However, contributions in excess of annual pension cost is reported as a net pension asset in the statement of net assets.

Change in net assets of governmental activities (Page 16) $ 578,125

The accompanying notes are an integral part of these financial statements.
TOWN OF SURFSIDE, FLORIDA

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

SEPTEMBER 30, 2010

<table>
<thead>
<tr>
<th>Business-type Activities - Enterprise Funds</th>
<th>Water and Municipal</th>
<th>Nonmajor Stormwater Utility</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sewer</td>
<td>Parking</td>
<td>Sanitation</td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 1,768,491</td>
<td>$ 2,052,249</td>
<td>$ 64,028</td>
</tr>
<tr>
<td>Accounts receivables, net</td>
<td>523,659</td>
<td>1,925</td>
<td>74,723</td>
</tr>
<tr>
<td>Prepaid items</td>
<td>5,252</td>
<td>611</td>
<td>7,800</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>2,297,402</td>
<td>2,054,785</td>
<td>146,551</td>
</tr>
<tr>
<td>Noncurrent Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>12,255</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>362,184</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction in progress</td>
<td>459,255</td>
<td>273,347</td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>--</td>
<td>487,467</td>
<td>--</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>1,273,253</td>
<td>729,279</td>
<td>--</td>
</tr>
<tr>
<td>Equipment</td>
<td>132,217</td>
<td>95,649</td>
<td>343,512</td>
</tr>
<tr>
<td>1,884,725</td>
<td>1,585,742</td>
<td>343,512</td>
<td></td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(1,266,036)</td>
<td>(733,784)</td>
<td>(264,069)</td>
</tr>
<tr>
<td>Total Capital Assets, Net</td>
<td>618,689</td>
<td>851,958</td>
<td>79,443</td>
</tr>
<tr>
<td>Total Noncurrent Assets</td>
<td>995,128</td>
<td>851,958</td>
<td>79,443</td>
</tr>
<tr>
<td>Total Assets</td>
<td>3,290,530</td>
<td>2,906,743</td>
<td>225,994</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>105,706</td>
<td>5,426</td>
<td>15,298</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>254,633</td>
<td>3,629</td>
<td>11,055</td>
</tr>
<tr>
<td>Note payable</td>
<td>--</td>
<td>100,000</td>
<td>--</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>3,007</td>
<td>193</td>
<td>3,945</td>
</tr>
<tr>
<td>Payable from restricted assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer deposits</td>
<td>170,040</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>532,386</td>
<td>109,248</td>
<td>30,298</td>
</tr>
<tr>
<td>Noncurrent Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net OPEB obligation</td>
<td>2,470</td>
<td>766</td>
<td>3,256</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>27,065</td>
<td>1,737</td>
<td>35,507</td>
</tr>
<tr>
<td>Total Noncurrent Liabilities</td>
<td>29,535</td>
<td>2,503</td>
<td>38,763</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>562,921</td>
<td>111,751</td>
<td>69,061</td>
</tr>
<tr>
<td>Net Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>618,689</td>
<td>751,958</td>
<td>74,723</td>
</tr>
<tr>
<td>Restricted for renewal and replacement</td>
<td>1,668,920</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>440,000</td>
<td>2,043,034</td>
<td>82,210</td>
</tr>
<tr>
<td>Total Net Assets</td>
<td>$ 2,727,609</td>
<td>$ 2,794,992</td>
<td>$ 156,933</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
<table>
<thead>
<tr>
<th>Operating Revenues</th>
<th>Water and Municipal Parking</th>
<th>Sanitation</th>
<th>Nonmajor Stormwater Utility</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charges for services:</td>
<td>$1,213,719</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Water sales</td>
<td>1,301,973</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Parking fees</td>
<td>404,293</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Garbage charges</td>
<td>--</td>
<td>--</td>
<td>1,088,065</td>
<td>--</td>
</tr>
<tr>
<td>Recycling fees</td>
<td>--</td>
<td>--</td>
<td>116,801</td>
<td>--</td>
</tr>
<tr>
<td>Drainage fees</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>247,002</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>2,526</td>
<td>--</td>
<td>39,681</td>
<td>--</td>
</tr>
<tr>
<td>Total Operating Revenues</td>
<td>2,518,218</td>
<td>404,293</td>
<td>1,244,547</td>
<td>247,002</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th>Water and Municipal Parking</th>
<th>Sanitation</th>
<th>Nonmajor Stormwater Utility</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal services</td>
<td>287,673</td>
<td>137,970</td>
<td>438,470</td>
<td>68,592</td>
</tr>
<tr>
<td>Administrative</td>
<td>55,407</td>
<td>67,989</td>
<td>125,092</td>
<td>32,208</td>
</tr>
<tr>
<td>Water system</td>
<td>736,755</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Sewer system</td>
<td>890,225</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Solid waste system</td>
<td>--</td>
<td>--</td>
<td>371,501</td>
<td>--</td>
</tr>
<tr>
<td>Depreciation</td>
<td>20,542</td>
<td>16,149</td>
<td>14,442</td>
<td>13,286</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>1,990,702</td>
<td>222,108</td>
<td>949,505</td>
<td>114,086</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Income</th>
<th>Water and Municipal Parking</th>
<th>Sanitation</th>
<th>Nonmajor Stormwater Utility</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest earnings</td>
<td>11,224</td>
<td>3,752</td>
<td>295</td>
<td>351</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income before Contributions and Transfers</th>
<th>Water and Municipal Parking</th>
<th>Sanitation</th>
<th>Nonmajor Stormwater Utility</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital contributions</td>
<td>108,947</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Transfers out</td>
<td>(63,452)</td>
<td>(24,959)</td>
<td>(103,860)</td>
<td>(16,231)</td>
</tr>
<tr>
<td>Total Contributions and Transfers</td>
<td>45,495</td>
<td>(24,959)</td>
<td>(103,860)</td>
<td>(16,231)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change in Net Assets</th>
<th>Water and Municipal Parking</th>
<th>Sanitation</th>
<th>Nonmajor Stormwater Utility</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Assets (Deficit) - Beginning</td>
<td>2,143,374</td>
<td>2,634,014</td>
<td>(34,544)</td>
<td>664,745</td>
</tr>
<tr>
<td>Net Assets - Ending</td>
<td>$2,727,609</td>
<td>$2,794,992</td>
<td>$156,933</td>
<td>$781,781</td>
</tr>
</tbody>
</table>

*The accompanying notes are an integral part of these financial statements.*
TOWN OF SURFSIDE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2010

<table>
<thead>
<tr>
<th>Business-type Activities - Enterprise Funds</th>
<th>Water and Sewer</th>
<th>Municipal Parking</th>
<th>Sanitation</th>
<th>Stormwater Utility</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flows from Operating Activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>2,811,865</td>
<td>404,293</td>
<td>1,344,574</td>
<td>287,991</td>
<td>4,848,723</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(1,854,141)</td>
<td>(66,045)</td>
<td>(536,369)</td>
<td>(74,471)</td>
<td>(2,531,026)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(277,063)</td>
<td>(135,565)</td>
<td>(431,411)</td>
<td>(67,446)</td>
<td>(911,485)</td>
</tr>
<tr>
<td>Net Cash Provided by Operating Activities</td>
<td>680,661</td>
<td>202,683</td>
<td>376,794</td>
<td>146,074</td>
<td>1,406,212</td>
</tr>
<tr>
<td>Cash Flows from Noncapital Financing Activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to other funds</td>
<td>--</td>
<td>209,201</td>
<td>(209,201)</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Transfers out</td>
<td>(63,452)</td>
<td>(24,959)</td>
<td>(103,850)</td>
<td>(16,231)</td>
<td>(208,502)</td>
</tr>
<tr>
<td>Net Cash Provided (Used) by Noncapital and Related Financing Activities</td>
<td>(63,452)</td>
<td>184,242</td>
<td>(313,061)</td>
<td>(16,231)</td>
<td>(208,502)</td>
</tr>
<tr>
<td>Cash Flows from Capital and Related Financing Activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition and construction of capital assets</td>
<td>(159,462)</td>
<td>(760,817)</td>
<td>--</td>
<td>(2,719)</td>
<td>(922,998)</td>
</tr>
<tr>
<td>Capital contributions</td>
<td>108,947</td>
<td></td>
<td></td>
<td></td>
<td>108,947</td>
</tr>
<tr>
<td>Acquisition of note payable</td>
<td>--</td>
<td>100,000</td>
<td>--</td>
<td>--</td>
<td>100,000</td>
</tr>
<tr>
<td>Net Cash Used by Capital and Related Financing Activities</td>
<td>(50,515)</td>
<td>(660,817)</td>
<td>--</td>
<td>(2,719)</td>
<td>(714,051)</td>
</tr>
<tr>
<td>Cash Flows from Investing Activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest earnings</td>
<td>11,224</td>
<td>3,752</td>
<td>295</td>
<td>351</td>
<td>15,622</td>
</tr>
<tr>
<td>Sale of investments</td>
<td>49</td>
<td></td>
<td></td>
<td></td>
<td>49</td>
</tr>
<tr>
<td>Net Cash Provided (Used) by Investing Activities</td>
<td>11,273</td>
<td>3,752</td>
<td>295</td>
<td>351</td>
<td>15,671</td>
</tr>
<tr>
<td>Net Increase (Decrease) in Cash and Cash Equivalents</td>
<td>577,967</td>
<td>(270,140)</td>
<td>64,028</td>
<td>127,475</td>
<td>499,330</td>
</tr>
<tr>
<td>Cash and Cash Equivalents - Beginning</td>
<td>1,552,708</td>
<td>2,322,389</td>
<td>--</td>
<td>20,621</td>
<td>3,895,718</td>
</tr>
<tr>
<td>Cash and Cash Equivalents - Ending</td>
<td>$2,130,675</td>
<td>$2,052,249</td>
<td>$64,028</td>
<td>$148,096</td>
<td>$4,395,048</td>
</tr>
<tr>
<td>Cash and Cash Equivalents per Statement of Net Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>$1,768,491</td>
<td>$2,052,249</td>
<td>$64,028</td>
<td>$148,096</td>
<td>$4,032,864</td>
</tr>
<tr>
<td>Restricted</td>
<td>362,184</td>
<td></td>
<td>--</td>
<td>--</td>
<td>362,184</td>
</tr>
<tr>
<td>Total</td>
<td>$2,130,675</td>
<td>$2,052,249</td>
<td>$64,028</td>
<td>$148,096</td>
<td>$4,395,048</td>
</tr>
<tr>
<td>Non Cash Investing Activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized gains on investments</td>
<td>$5,077</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>$5,077</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
### Reconciliation of Operating Income to Net Cash Provided by Operating Activities

<table>
<thead>
<tr>
<th>Operating income</th>
<th>Water and Municipal Sewer</th>
<th>Municipal Parking</th>
<th>Nonmajor Stormwater Sanitation</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustments to reconcile operating income to net cash provided by operating activities</td>
<td>$527,516</td>
<td>$182,185</td>
<td>$295,042</td>
<td>$132,916</td>
</tr>
<tr>
<td>Depreciation</td>
<td>20,642</td>
<td>16,149</td>
<td>14,442</td>
<td>13,286</td>
</tr>
<tr>
<td>Changes in assets and liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) decrease in:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>306,089</td>
<td>1,925</td>
<td>108,214</td>
<td>40,989</td>
</tr>
<tr>
<td>Prepaid items</td>
<td>(2,228)</td>
<td>145</td>
<td>138</td>
<td>--</td>
</tr>
<tr>
<td>Increase (decrease) in:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(215,921)</td>
<td>(126)</td>
<td>(39,914)</td>
<td>(42,263)</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>8,730</td>
<td>1,488</td>
<td>1,859</td>
<td>191</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>(590)</td>
<td>151</td>
<td>1,944</td>
<td>466</td>
</tr>
<tr>
<td>Net OPEB obligation</td>
<td>2,470</td>
<td>766</td>
<td>3,256</td>
<td>489</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>(12,442)</td>
<td>--</td>
<td>(8,187)</td>
<td>--</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>46,395</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Total adjustments</td>
<td>153,145</td>
<td>20,498</td>
<td>81,752</td>
<td>13,158</td>
</tr>
</tbody>
</table>

### Net Cash Provided by Operating Activities

| Water and Municipal Sewer | $680,661 | | $376,794 | | $146,074 | $1,406,212 |
| Municipal Parking | $202,683 | | |
| Nonmajor Stormwater Sanitation | | | | | |

*The accompanying notes are an integral part of these financial statements.*
TOWN OF SURFSIDE, FLORIDA

STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUND

SEPTEMBER 30, 2010

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and Cash Equivalents</strong></td>
<td>$ 379,388</td>
</tr>
<tr>
<td><strong>Receivables</strong></td>
<td></td>
</tr>
<tr>
<td>Plan members' contributions</td>
<td>21,810</td>
</tr>
<tr>
<td>Interest</td>
<td>40,298</td>
</tr>
<tr>
<td><strong>Total Receivables</strong></td>
<td>62,108</td>
</tr>
<tr>
<td><strong>Prepaid insurance</strong></td>
<td>9,080</td>
</tr>
<tr>
<td><strong>Investments, at Fair Value</strong></td>
<td></td>
</tr>
<tr>
<td>U.S. Government securities</td>
<td>777,919</td>
</tr>
<tr>
<td>U.S. Government agency bonds</td>
<td>255,139</td>
</tr>
<tr>
<td>Mortgage backed securities</td>
<td>669,605</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>1,669,268</td>
</tr>
<tr>
<td>Municipal obligations</td>
<td>133,573</td>
</tr>
<tr>
<td>Common stocks</td>
<td>5,343,232</td>
</tr>
<tr>
<td>Mutual funds - I shares</td>
<td>1,430,682</td>
</tr>
<tr>
<td><strong>Total Investments</strong></td>
<td>10,279,418</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>10,729,994</td>
</tr>
</tbody>
</table>

| Liabilities and Net Assets                  |       |
| **Liabilities**                             | 25,662 |
| Accounts payable                           | 60,731 |
| Refunds payable                            | 86,393 |
| **Total Liabilities**                       |       |
| **Net Assets Held in Trust for Pension Benefits** | $ 10,643,601 |

*The accompanying notes are an integral part of these financial statements.*
## TOWN OF SURFSIDE, FLORIDA

### STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

#### PENSION TRUST FUND

**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

<table>
<thead>
<tr>
<th>Additions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contributions</strong></td>
<td></td>
</tr>
<tr>
<td>Employer's contributions</td>
<td>$553,919</td>
</tr>
<tr>
<td>Plan members' contributions</td>
<td>281,069</td>
</tr>
<tr>
<td><strong>Total Contributions</strong></td>
<td>834,988</td>
</tr>
<tr>
<td><strong>Investment Earnings</strong></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>152,822</td>
</tr>
<tr>
<td>Dividends</td>
<td>141,131</td>
</tr>
<tr>
<td>Net appreciation in fair value of investments</td>
<td>533,529</td>
</tr>
<tr>
<td><strong>Less: investment expenses</strong></td>
<td>74,136</td>
</tr>
<tr>
<td><strong>Net Investment Earnings</strong></td>
<td>753,346</td>
</tr>
<tr>
<td><strong>Total Additions</strong></td>
<td>1,588,334</td>
</tr>
<tr>
<td><strong>Deductions</strong></td>
<td></td>
</tr>
<tr>
<td>Benefits paid</td>
<td>574,121</td>
</tr>
<tr>
<td>Refunds of contributions</td>
<td>49,843</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>69,101</td>
</tr>
<tr>
<td><strong>Total Deductions</strong></td>
<td>693,065</td>
</tr>
<tr>
<td><strong>Net Increase</strong></td>
<td>895,269</td>
</tr>
</tbody>
</table>

### Net Assets in Trust for Pension Benefits

| Net assets - beginning | 9,748,332 |
| Net assets - ending | $10,643,601 |

*The accompanying notes are an integral part of these financial statements.*
NOTES TO BASIC
FINANCIAL STATEMENTS
TOWN OF SURFSIDE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Surfside was incorporated on May 19, 1935. The Town of Surfside's Charter was adopted under the provisions of Chapter 27914, Laws of Florida, 1951. The Town is governed by an elected five-member Board of Commissioners and operates under a commissioner-manager form of government. The Town provides services to its approximately 5,800 residents in many areas including general government, public safety (police), physical environment, solid waste collection, transportation (maintenance of roads and streets), culture and recreation, tourism development, water and sewer utilities, and general administrative services.

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

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

A. FINANCIAL REPORTING ENTITY

In accordance with accounting principles generally accepted in the United States of America, these financial statements present the Town and its organizations for which the Town is considered financially accountable. Financial accountability includes 1) the appointment of a voting majority of the organization's governing body, 2) the ability of the primary government to impose its will on the organization, or 3) if there is a financial benefit/burden relationship. In addition, an organization, which is fiscally dependent on the primary government, should be included in its reporting entity. Based on the application of these criteria, there were no organizations that met the criteria described above.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Town. The effect of interfund activity has been removed from these statements. 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.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

The statement of activities demonstrates the degree to which the direct expenses of a function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. 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. The Town does not employ an indirect cost allocation system.

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as required by accrual accounting, except for debt service expenditures and expenditures related to compensated absences, which are recorded when payment is due.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Property taxes and other taxes (such as franchise taxes, utilities taxes, and sales tax), charges for services, intergovernmental revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The reporting practices of the proprietary fund types closely parallel comparable commercial financial reporting, which recognize revenue when earned and expenses when incurred (the accrual basis) including, in the case of the enterprise funds, depreciation on its exhaustible capital assets. Earned, but unbilled service receivables have been accrued as revenue in the enterprise funds.

The Town reports the following major governmental funds:

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund is used to account for the capital projects of the Town which have received the approval of the Town Commission. Transfers from the general and other funds are made to this fund to cover such expenditures.

The Town reports the following major proprietary funds:

The Water and Sewer Fund is used to account for water and sewer utility operations, which are financed and operated in a manner similar to private business enterprises. The intent of the Town is that the costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

The Municipal Parking Fund accounts for all parking revenues and expenses.

The Sanitation Fund is used to account for the activities of the Town residential and commercial refuse and recycling.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

The nonmajor proprietary fund of the Town is as follows:

The Stormwater Utility Fund is used to account for the stormwater utility fees, which are collected to construct, operate, and maintain a stormwater management system.

Additionally, the government reports the following fund type:

The Pension Trust Fund is used to account for the Town’s single-employer defined benefit pension plan covering substantially all of its employees.

The private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The Town has the option of following subsequent private-sector guidance for their business-type activities and enterprise funds subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town’s enterprise functions and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. The general revenues include all taxes.

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues and expenses of the Town’s enterprise fund are charges to customers for services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.
TOWN OF SURFSIDE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

1. Deposits and Investments
The Town utilizes a pooled cash account for cash and investments of all Town funds other than those which are required to be physically segregated. The pooled cash account concept allows each participating fund to benefit from the economies of scale and improved yield which are inherent to a larger investment pool. Formal accounting records detail the individual equities of the participating funds. The pooled cash system utilizes a single checking account for Town receipts and disbursements with a separate checking account for payroll disbursements.

The Town's cash and cash equivalents are considered to be cash and short-term investments with original maturities of three months or less from the date of acquisition. The Town's cash and cash equivalents include cash on hand, demand deposits, certificates of deposit and investments with Florida PRIME (formerly known as the Local Government Surplus Funds Trust Fund (LGIP) administered by the State Board of Administration. Fund B, which is also administered by the State Board of Administration, is classified as an investment.

The Town's investment policy follows the requirements of Florida Statutes Chapter 218.415, Local Government Investment Policies, and attempts to promote, in order of priority, safety of principal, adequate liquidity, and maximization of total return. Investments in the Town of Surfside's local government surplus funds are governed by the provisions of Florida Statutes Section 218.415. Investments in the Town's retirement plan are governed by the Plan's investment policy. All investments of the Town, except Florida PRIME and Fund B, are reported at fair value using quoted market prices. The Florida PRIME is recorded at its value of the pool shares (2a-7 like pool), which is fair value. Fund B is a fluctuating NAV pool and is reported based on a fair value factor. Income or loss is recorded in the respective funds as it is earned.

2. Receivables and Payables
Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY (CONTINUED)

2. Receivables and Payables (continued)
   current portion of the interfund loans). Any residual balances outstanding between the
governmental activities and business-type activities are reported in the government-wide
financial statements as "internal balances".

3. Prepaid Items
   Certain payments to vendors reflect costs applicable to future accounting periods and are
   recorded as prepaid items in the fund financial statements.

4. Restricted Assets
   Certain resources set aside for the repayment of certain obligations are classified as
   restricted assets on the balance sheet because they are maintained in separate bank accounts
   and/or their use is limited. Additionally, the Town reports amounts paid by customers for
   water and sewer deposits as restricted assets.

5. Capital Assets
   Capital assets, which include property, plant, machinery, furniture and equipment, and
   infrastructure assets (e.g., sidewalks and other 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 Town as assets with an initial, individual cost of more than
   $1,000 and an estimated useful life in excess of one year, except for infrastructure and
   intangible assets for which the Town utilizes a $25,000 capitalization threshold. Capital
   assets are recorded at historical cost or estimated historical cost if purchased or constructed.
   Donated capital assets are recorded at estimated fair market value at the date of donation.
   The costs of normal maintenance and repairs that do not add to the value of the asset or
   materially extend assets lives are not capitalized. The Town was not required to and did
   not retroactively report infrastructure assets acquired prior to the implementation of GASB
   Statement No. 34 during the fiscal year ended September 30, 2004.

   During the year ended September 30, 2010, the Town implemented GASB Statement No.
   51 “Accounting and Financial Reporting for Intangible Assets”. The Town was not
   required to and did not retroactively report their intangible assets. There was no impact on
   the Town’s financial statements.

   Major outlays for capital assets and improvements are capitalized as projects are
   constructed.
TOWN OF SURFSIDE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY (CONTINUED)

5. Capital Assets (continued)
Capital assets of the Town are depreciated using the straight-line method over the estimated useful lives:

<table>
<thead>
<tr>
<th>Assets</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>15-50</td>
</tr>
<tr>
<td>Machinery, furniture and equipment</td>
<td>5-10</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>10-30</td>
</tr>
<tr>
<td>Intangibles</td>
<td>10-30</td>
</tr>
</tbody>
</table>

6. Compensated Absences
The Town's policy is to permit employees to accumulate earned but unused sick as well as vacation pay benefits, limited to certain maximums. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences of the governmental funds are typically liquidated from the general fund.

7. 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 business-type activities or proprietary fund type statement of net assets.

8. Fund Equity/Net Assets
During the year ended September 30, 2010, the Town early implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions", which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the Town Commission through an ordinance or resolution are classified as committed fund balances. Amounts that are constrained by the Town’s intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY (CONTINUED)

8. Fund Equity/Net Assets (continued)
Assignments are made by Town management based on Commission direction. Non spendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The government-wide and proprietary fund financial statements utilize a net asset presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted, and unrestricted. Restricted net assets is that portion of net assets that has been restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net assets consist of all net assets that do not meet the definition of either of the other two components.

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

NOTE 2 – DEPOSITS AND INVESTMENTS

DEPOSITS

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized.
NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS – TOWN

The Town's Investment Policy authorizes Town officials to invest in those instruments authorized by the Florida Statutes and the Town's Investment Policy, including the certificates of deposit and money market funds (placed with "qualified public depositories"); U.S. Treasury and Government Agency securities; corporate bonds; commercial paper; mutual funds; repurchase agreements; and the Florida PRIME (formerly known as the Local Government Surplus Funds Trust Fund (LGIP)) administered by the Florida State Board of Administration.

Florida PRIME and Fund B are both governed by Chapter 19-7 of the Florida Administrative Code and Chapters 215 and 218 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME and Fund B. The Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of $1 per share. The fair value of the position in the Florida PRIME is equal to the value of the pool shares. The Fund B does not meet the requirements of an SEC 2a-7 like fund and therefore is accounted for as a fluctuating NAV pool. As of September 30, 2010, the fair value factor for Fund B was $0.70706 per share. The Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the SBA, are effected by transferring eligible cash or securities to the Florida PRIME, consistent with the pro rata allocation of pool shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as liquid balance within the Florida PRIME. The investments in the Florida PRIME and Fund B are not insured by FDIC or any other governmental agency.

As of September 30, 2010, the Town had the following investments:

<table>
<thead>
<tr>
<th>Investments</th>
<th>Fair Value</th>
<th>Weighted Average Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Florida PRIME</td>
<td>$ 3,091,957</td>
<td>52 days</td>
</tr>
<tr>
<td>Fund B</td>
<td>236,816</td>
<td>7.49 years</td>
</tr>
<tr>
<td><strong>Total Investments - Town</strong></td>
<td><strong>$ 3,328,773</strong></td>
<td></td>
</tr>
</tbody>
</table>

Florida PRIME is presented as cash and cash equivalents in the financial statements.
NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS – TOWN (CONTINUED)

Interest Rate Risk
The Town has an investment policy to invest in a manner that is consistent with sound business practices in order to protect the assets of the Town residents, provide effective cash management to meet anticipated obligations and earn a rate of return consistent with these inherent restraints. Safety of capital and liquidity are also inherent in the Town’s policy. The policy is structured to provide sufficient liquidity to pay obligations as they come due. The Town’s investment policy limits the maturities to no more than 7 years for direct United States obligations and to no more than 5 years for United States agency obligations and corporate obligations. Term repurchase agreements are limited to maturities of 90 days or less and certificate of deposits are limited to 2 years or less.

Credit Risk
The Town’s investment policy limits investments to the highest ratings issued by a nationally recognized statistical rating organization (NRSRO). The Florida PRIME is rated AAAm by Standard and Poor’s. The Fund B is not rated by an NRSRO.

Concentration of Credit Risk
The Town’s investment policy states that assets shall be diversified to control the risk of loss resulting from concentration of assets to a specific maturity, instrument, issue, dealer, or bank through which these securities are bought and sold. As of September 30, 2010, the Town’s portfolio did not have any investments subject to a concentration of credit risk.

INVESTMENTS – PENSION TRUST FUND
The investment activity of the Plan is directed by an investment advisory firm. The Investment Manager is empowered to invest in cash equivalents, to which quality and minimum risk guidelines apply. The Investment Manager may also invest in U.S. Government obligations; certificates of deposit with major money center banks; commercial paper rated A-1 or P-1 by Standard and Poor’s or Moody’s respectively; U.S. Government and Government agency securities; and bonds or other evidence of indebtedness issued by a corporation listed on one or more of the recognized national stock exchanges or National Market System of the NASDAQ with an investment quality rating within the top three rating classifications by either Standard and Poor’s or Moody’s; and equity securities listed on one of the Nation's major stock exchanges with an investment quality ranking within the top three quality classifications by a major rating service. The aggregate investment in any issuing company shall not exceed five percent of the outstanding capital stock, nor shall it exceed ten percent of the fund equity assets. According to the Investment Policy the allowable investment in equities is sixty-five percent (65%) of total assets at market value.
NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS – PENSION TRUST FUND (CONTINUED)

As of September 30, 2010, the Plan has the following investments types.

<table>
<thead>
<tr>
<th>Investments</th>
<th>Fair Value</th>
<th>Average Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. treasuries</td>
<td>$777,919</td>
<td>8.4 years</td>
</tr>
<tr>
<td>Government agency bonds</td>
<td>255,139</td>
<td>9.7 years</td>
</tr>
<tr>
<td>Mortgage backed securities</td>
<td>669,605</td>
<td>4.7 years</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>1,669,268</td>
<td>5.21 years</td>
</tr>
<tr>
<td>Build America bonds (municipal obligations)</td>
<td>133,573</td>
<td>23.12 years</td>
</tr>
<tr>
<td>Common stock</td>
<td>5,343,232</td>
<td>NA</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>1,430,682</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Total Investments - Pension Trust Fund</strong></td>
<td><strong>$10,279,418</strong></td>
<td></td>
</tr>
</tbody>
</table>

Portfolio weighted average maturity                | 4.58 years |

**Interest Rate Risk**

In accordance with its investment policy, the Plan manages its exposure to declines in the fair market value of its securities through a conservative approach of managing portfolio exposure to duration, maturity and sector relative to market indices.

**Credit Risk**

State law limits investments in commercial paper to the two top ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the Plan's policy to limit its investments in these investment types to the top rating issued by the NRSROs.

As of September 30, 2010, the Plan's investments in the U.S. Treasury Portfolio was rated AAA by Standard & Poor's, and Aaa by Moody's Investors Service. The Investment Policy of the Plan states it is permitted to invest in corporate bonds with an investment quality rating with the three top rating classifications by at least two major rating services (Standards & Poor, Moody's or Fitch). The corporate bonds held by the Plan were in the top three rating classifications. The mortgage backed securities were rated AAA and Aaa by Standard & Poor's, and Moody's, respectively.
TOWN OF SURFSIDE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2010

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS – PENSION TRUST FUND (CONTINUED)

Concentration of Credit Risk
The Plan's investment policy does not allow for an investment in any one issuer, other than U.S. Government securities, that is in excess of five percent of the Plan's total net assets. No investment in any one organization represents five percent or more of the net assets available for benefits.

Custodial Credit Risk
For an investment, this is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the securities, whether fixed or equities are held in the name of the Plan.

NOTE 3 - RECEIVABLES

Receivables as of September 30, 2010 for the Town's major and non major funds, including the applicable allowances for uncollectible accounts, are as follows:

<table>
<thead>
<tr>
<th>Receivables</th>
<th>General</th>
<th>Nonmajor</th>
<th>Water and Sewer</th>
<th>Municipal Parking</th>
<th>Sanitation</th>
<th>Stormwater Utility (Nonmajor)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property taxes</td>
<td>$318,726</td>
<td>$--</td>
<td>$--</td>
<td>$--</td>
<td>$--</td>
<td>$--</td>
<td>$318,726</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>86,648</td>
<td>49,694</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>136,342</td>
</tr>
<tr>
<td>Other</td>
<td>216,550</td>
<td>--</td>
<td>--</td>
<td>1,925</td>
<td>--</td>
<td>--</td>
<td>218,475</td>
</tr>
<tr>
<td>Accounts - billed</td>
<td>--</td>
<td>--</td>
<td>88,842</td>
<td>--</td>
<td>87,908</td>
<td>13,380</td>
<td>190,130</td>
</tr>
<tr>
<td>Accounts - unbilled</td>
<td>--</td>
<td>--</td>
<td>440,826</td>
<td>--</td>
<td>--</td>
<td>41,310</td>
<td>482,136</td>
</tr>
<tr>
<td>Gross receivables</td>
<td>621,924</td>
<td>49,694</td>
<td>529,668</td>
<td>1,925</td>
<td>87,908</td>
<td>54,690</td>
<td>1,345,809</td>
</tr>
<tr>
<td>Less: allowance for uncollectibles</td>
<td>--</td>
<td>--</td>
<td>(6,002)</td>
<td>--</td>
<td>(13,185)</td>
<td>--</td>
<td>(19,194)</td>
</tr>
<tr>
<td>Total Receivables, Net</td>
<td>$621,924</td>
<td>$49,694</td>
<td>$523,659</td>
<td>$1,925</td>
<td>$74,723</td>
<td>$54,690</td>
<td>$1,326,615</td>
</tr>
</tbody>
</table>
NOTE 4 – PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessments, also, are designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10.0 mils. The millage rate assessed by the Town for the fiscal year ended September 30, 2010, was 4.7332. The tax levy of the Town is established by the Town Commission prior to October 1 each year, and the County Property Appraiser incorporates the millage into the total tax levy, which includes Miami-Dade County, Miami-Dade County School Board and special taxing districts.

All property is reassessed according to its fair market value as of January 1 each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statutes.

All real and tangible personal property taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified by the County Property Appraiser. Miami-Dade County mails to each property owner on the assessment roll a notice of taxes due and Miami-Dade County collects the taxes for the Town. Taxes may be paid upon receipt of such notice from Miami-Dade County, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January, and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April 1 of the year following the year in which the taxes were assessed. Procedures for the collection of delinquent taxes by Miami-Dade County are provided for in the laws of the State of Florida. As of September 30, 2010, there were no material delinquent taxes.
NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

INTERFUND TRANSFERS

The composition of the interfund transfers as of September 30, 2010 is as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Transfers In</th>
<th>Transfers Out</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$ 214,502</td>
<td>$ 5,024,959</td>
</tr>
<tr>
<td>Capital Projects Fund</td>
<td>5,024,959</td>
<td>--</td>
</tr>
<tr>
<td>Transportation Surtax Fund</td>
<td>--</td>
<td>6,000</td>
</tr>
<tr>
<td>Water and Sewer Fund (Enterprise Fund)</td>
<td>--</td>
<td>63,452</td>
</tr>
<tr>
<td>Municipal Parking Fund (Enterprise Fund)</td>
<td>--</td>
<td>24,959</td>
</tr>
<tr>
<td>Solid Waste Fund (Enterprise Fund)</td>
<td>--</td>
<td>16,231</td>
</tr>
<tr>
<td>Sanitation Fund (Enterprise Fund)</td>
<td>--</td>
<td>103,860</td>
</tr>
<tr>
<td><strong>Total Interfund Transfers</strong></td>
<td><strong>$ 5,239,461</strong></td>
<td><strong>$ 5,239,461</strong></td>
</tr>
</tbody>
</table>

General Fund Transfers In consisted entirely of $214,502 from the Town's other funds providing cost reimbursement to recover general fund management, human resource utilization, payroll/accounts payable functions, pension/benefits management, billing, collection as well as legal recovery services.

General Fund Transfers Out consisted of $5,024,959 to provide the capital projects fund with funding required for the construction of the new community center.

Capital Projects Fund Transfers In includes the $5,024,959 previously mentioned in the General Fund Transfers Out.

Transportation Surtax Fund Transfers Out of $6,000 were transferred to cost reimburse the General Fund as previously mentioned.

All of the Transfers Out pertaining to the Water and Sewer, Municipal Parking, Solid Waste and Sanitation Funds were transferred to reimburse the General Fund as previously mentioned.
NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2010 was as follows:

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>Beginning Balances</th>
<th>Increase</th>
<th>Decrease</th>
<th>Ending Balances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Assets Not Being Depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$1,461,229</td>
<td></td>
<td></td>
<td>$1,461,229</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>1,742,581</td>
<td>805,580</td>
<td>24,755</td>
<td>2,523,406</td>
</tr>
<tr>
<td>Total Capital Assets Not Being Depreciated</td>
<td>3,203,810</td>
<td>805,580</td>
<td>24,755</td>
<td>3,984,635</td>
</tr>
<tr>
<td>Capital Assets Being Depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>3,912,966</td>
<td></td>
<td></td>
<td>3,912,966</td>
</tr>
<tr>
<td>Machinery, furniture and equipment</td>
<td>3,119,126</td>
<td>30,502</td>
<td>52,174</td>
<td>3,097,454</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>2,096,725</td>
<td>66,045</td>
<td></td>
<td>2,162,770</td>
</tr>
<tr>
<td>Total Capital Assets Being Depreciated</td>
<td>9,128,817</td>
<td>96,547</td>
<td>52,174</td>
<td>9,173,190</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation for</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>1,085,528</td>
<td>72,495</td>
<td></td>
<td>1,158,023</td>
</tr>
<tr>
<td>Machinery, furniture and equipment</td>
<td>1,716,092</td>
<td>310,564</td>
<td>51,721</td>
<td>1,974,935</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>325,595</td>
<td>102,600</td>
<td></td>
<td>428,195</td>
</tr>
<tr>
<td>Total Accumulated Depreciation</td>
<td>3,127,215</td>
<td>485,659</td>
<td>51,721</td>
<td>3,561,153</td>
</tr>
<tr>
<td>Total Capital Assets Being Depreciated, Net</td>
<td>6,001,602</td>
<td>(389,112)</td>
<td>453</td>
<td>5,612,037</td>
</tr>
<tr>
<td>Governmental Activities Capital Assets, Net</td>
<td>9,205,412</td>
<td>416,468</td>
<td>25,208</td>
<td>9,596,672</td>
</tr>
<tr>
<td>Business-type Activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Assets Not Being Depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$885,227</td>
<td>$487,467</td>
<td></td>
<td>$487,467</td>
</tr>
<tr>
<td>Construction in progress</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Capital Assets Not Being Depreciated</td>
<td>685,227</td>
<td>916,120</td>
<td></td>
<td>1,601,347</td>
</tr>
<tr>
<td>Capital Assets Being Depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>584,498</td>
<td>6,880</td>
<td></td>
<td>591,378</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>2,268,260</td>
<td></td>
<td></td>
<td>2,268,260</td>
</tr>
<tr>
<td>Total Capital Assets Being Depreciated</td>
<td>2,852,758</td>
<td>6,880</td>
<td></td>
<td>2,859,638</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation for</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>457,789</td>
<td>24,548</td>
<td></td>
<td>482,337</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>1,801,370</td>
<td>39,971</td>
<td></td>
<td>1,841,341</td>
</tr>
<tr>
<td>Total Accumulated Depreciation</td>
<td>2,259,159</td>
<td>64,519</td>
<td></td>
<td>2,323,678</td>
</tr>
<tr>
<td>Total Capital Assets Being Depreciated, Net</td>
<td>593,599</td>
<td>(57,639)</td>
<td></td>
<td>535,960</td>
</tr>
<tr>
<td>Business-type Activities Capital Assets, Net</td>
<td>$1,278,826</td>
<td>$858,481</td>
<td></td>
<td>$2,137,307</td>
</tr>
</tbody>
</table>
TOWN OF SURFSIDE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2010

NOTE 6 – CAPITAL ASSETS (CONTINUED)

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

Governmental Activities
General government $ 117,167
Public safety 137,719
Public works 107,505
Leisure services 108,622
Transportation 14,645

Total Depreciation Expense – Governmental Activities $ 485,659

Business-type Activities
Water and sewer $ 20,642
Municipal parking 16,149
Sanitation 14,442
Stormwater utility 13,286

Total Depreciation Expense – Business-type Activities $ 64,519

NOTE 7 – NOTE PAYABLE

On April 12, 2010, the Town signed a non interest bearing promissory note for $100,000 which is due in one installment dated April 11, 2010. The proceeds of the note were used to acquire a property to be used for municipal parking.

NOTE 8 – LONG-TERM LIABILITIES

COMPENSATED ABSENCES

Changes in long-term liabilities for the fiscal year ended September 30, 2010 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending Balance</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensated absences</td>
<td>$ 321,311</td>
<td>35,241</td>
<td>94,135</td>
<td>$ 262,417</td>
<td>$ 26,241</td>
</tr>
<tr>
<td>Business-type Activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensated absences</td>
<td>$ 71,995</td>
<td>4,185</td>
<td>2,214</td>
<td>$ 73,966</td>
<td>$ 7,396</td>
</tr>
</tbody>
</table>
NOTE 9 – ENCUMBRANCES

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. At September 30, 2010, an amount of approximately $139,000 was encumbered for capital projects.

NOTE 10 – EMPLOYEE RETIREMENT PLAN

The following brief description of the Retirement Plan is provided for general information purposes only. Participants should refer to the Plan documents for more complete information.

PLAN DESCRIPTION

The Retirement Plan is a contributory defined benefit single-employer retirement plan covering substantially all employees of the Town of Surfside. All full-time employees are eligible to participate in the Plan immediately upon employment. The administration of the Plan is under the responsibility of a five-member Board of Trustees, which is subject to the ultimate authority of the Town Commission.

The Retirement Plan was established by a Town ordinance approved by the Commissioners and effective January 1, 1962. The Plan is also subject to certain provisions of Chapter 112, Florida Statutes. The benefit provisions and all other requirements, and amendments are established by Town Ordinance.

Financial statements for the Retirement Plan for Employees of the Town are separately issued and are available at the Town Hall location at 9293 Harding Avenue, Surfside, Florida.

CONTRIBUTIONS AND FUNDING POLICY

Funding of the Plan is provided by contributions from the Town and the employees. The Town's funding policy provides for annual actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The Town contributions to the Plan totaled $553,919 for the year ended September 30, 2010.

Initially employees were required to contribute either 5% of their salary or after October 1, 1979, members as of that date had the irrevocable option to contribute either 5% or 7% of their compensation. Effective July 1, 1996, each member had the irrevocable option to increase his or her contribution rate from 5% to 7% or 8% of compensation. See the section below entitled Police Officers for the funding policy and service retirement benefits and other provisions for Police Officers effective October 1, 2005.
NOTE 10 – EMPLOYEE RETIREMENT PLAN (CONTINUED)

CONTRIBUTIONS AND FUNDING POLICY (CONTINUED)

Police Officers
The Town negotiated a Contract with the Police Officers, which included several changes in the Retirement Plan provisions only for certified law enforcement members of the Plan. Some of the changes are summarized as follows:

Police Officers contribute eight percent (8%) of earnable compensation to the Plan.

The Retirement Plan multiplier for creditable service rendered on or after October 1, 2005, is 3% of the monthly average final compensation multiplied by the number of years of creditable service on or after October 1, 2005.

The benefit accrual was increased to 3-1/2% for creditable service rendered on or after October 1, 2007.

At a multiplier of 3-1/2%, the maximum total annuity payable to a Police Officer is ninety percent of average final compensation.

The Town maintains a five-year Deferred Retirement Option (DROP) Program for Police Officers. The eligibility requirement is attainment of normal retirement date. The maximum period of participation in the DROP is five years. A Police Officer’s account shall be credited with interest based upon the actual Fund investment return. No payments may be made from the DROP until the employee actually separates from service with the Town.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The Retirement Plan for Employees of the Town of Surfside's financial statements are prepared on the accrual basis of accounting, reflecting income when earned and contributions for the year (regardless of when received) and expenses and other obligations when incurred (regardless of when paid). Benefit payments and refunds of contributions are recorded as they become due, and payable in accordance with the terms of the Plan. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and payable, and the employer has made a formal commitment to provide the contributions.
NOTE 10 – EMPLOYEE RETIREMENT PLAN (CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Method Used to Value Investments
The Retirement Plan investments are reported at fair value, and are managed by third-party money managers. The Retirement Plan's custodian and individual money manager price each instrument (using various third party pricing sources) and reconcile material differences. Investments that do not have an established market are reported at estimated value. Performance reporting, manager fees, and the retirement's asset valuation are based on the custodian's determination of value.

The net assets of the Retirement Fund are the difference between the total plan assets and the total plan liabilities, and are held in trust for pension benefits.

Both realized and unrealized gains/losses are recognized under the Net Appreciation (in the Fair Value of Investments).

Method Used to Value Investments (continued)
Investment and administrative expenses of the Plan may be paid either by the Town or by the Plan. It is the policy of the Town that these expenses are to be paid by the Plan.

ANNUAL PENSION COST AND NET PENSION ASSET

The Town's annual pension cost and net pension asset (NPA) for the current year are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Required Contribution</td>
<td>$553,919</td>
</tr>
<tr>
<td>Interest on Net Pension Asset</td>
<td>(16,660)</td>
</tr>
<tr>
<td>Adjustment to ARC</td>
<td>18,809</td>
</tr>
<tr>
<td>Annual Pension Cost</td>
<td>556,068</td>
</tr>
<tr>
<td>Town Contributions</td>
<td>(553,919)</td>
</tr>
<tr>
<td>Decrease in NPA</td>
<td>2,149</td>
</tr>
<tr>
<td>Net Pension Asset:</td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>(222,138)</td>
</tr>
<tr>
<td>End of year</td>
<td>(219,989)</td>
</tr>
</tbody>
</table>
NOTE 10 – EMPLOYEE RETIREMENT PLAN (CONTINUED)

**ANNUAL PENSION COST AND NET PENSION ASSET (CONTINUED)**

Annual Pension Cost (APC) is a measure of the periodic cost of an employer's participation in a defined benefit pension plan. The APC for the last three fiscal years follows:

<table>
<thead>
<tr>
<th>Fiscal Year End</th>
<th>Annual Pension Cost (APC)</th>
<th>Percentage of APC Contributed</th>
<th>Net Pension Obligation (Asset)</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 30, 2008</td>
<td>$387,824</td>
<td>99%</td>
<td>$(224,308)</td>
</tr>
<tr>
<td>September 30, 2009</td>
<td>425,917</td>
<td>99%</td>
<td>(222,138)</td>
</tr>
<tr>
<td>September 30, 2010</td>
<td>556,068</td>
<td>100%</td>
<td>(219,989)</td>
</tr>
</tbody>
</table>

**FUNDED STATUS AND FUNDING PROGRESS**

The funded status of the Plan as of October 1, 2010, the most recent actuarial valuation date, is as follows:

<table>
<thead>
<tr>
<th>Actual Valuation Date</th>
<th>Actuarial Value of Assets (a)</th>
<th>Actuarial Accrued Liability (AAL) - Entry Age (b)</th>
<th>Unfunded AAL (UAAL) (b - (a))</th>
<th>Annual Covered Payroll (c)</th>
<th>Annual Ration Payroll (a)/(b)</th>
<th>UAAL As % of Covered Payroll (b - a)/c</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 1, 2010</td>
<td>$12,304,770</td>
<td>$12,414,859</td>
<td>$110,089</td>
<td>$4,016,852</td>
<td>99.1%</td>
<td>2.7%</td>
</tr>
</tbody>
</table>

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the AAL for benefits.
TOWN OF SURFSIDE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2010

NOTE 10 – EMPLOYEE RETIREMENT PLAN (CONTINUED)

FUNDED STATUS AND FUNDING PROGRESS (CONTINUED)

Additional information as of the October 1, 2008, Actuarial Valuation Report, which was used to compute the annual required contribution for the year ended September 30, 2010, as well as information as of the latest Actuarial Valuation Report dated October 1, 2010 is as follows:

<table>
<thead>
<tr>
<th>Actuarial valuation date</th>
<th>October 1, 2008</th>
<th>October 1, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution rates:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employer</td>
<td>9.3%</td>
<td>15.6%</td>
</tr>
<tr>
<td>Plan members</td>
<td>6.9%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Actuarial cost method</td>
<td>Entry age</td>
<td>Entry age</td>
</tr>
<tr>
<td>Amortization method</td>
<td>Level dollar amount, closed</td>
<td>Level dollar amount, closed</td>
</tr>
<tr>
<td>Remaining amortization</td>
<td>30 years</td>
<td>29 years</td>
</tr>
<tr>
<td>Asset valuation method</td>
<td>Five-year smoothed market</td>
<td>Five-year smoothed market</td>
</tr>
<tr>
<td>Actuarial assumptions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment rate of return*</td>
<td>7.5%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Projected salary increases*</td>
<td>6.0% - 15.0%</td>
<td>1.5% - 13.5%</td>
</tr>
<tr>
<td>Cost of living adjustments</td>
<td>1.5%</td>
<td>1.5%</td>
</tr>
<tr>
<td>*Includes inflation at</td>
<td>4.0%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS

GASB Statement No. 45 “Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions” ("OPEB"), established new accounting standards for postretirement benefits. The new standard does not require funding of OPEB expense, but any difference between the annual required contribution ("ARC") and the amount funded during the year is required to be recorded in the employer's Statement of Net Assets as an increase (or decrease) in the OPEB obligation. Recognition of the liability accumulated for prior years will be phased in over 30 years, commencing with the 2010 liability. The effective date to implement GASB 45 for the Town is the current year and accordingly, the Town obtained an actuarial valuation in accordance with the standards of the Statement.
NOTE 11 - OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

PLAN DESCRIPTION

The Town provides an optional single employer defined benefit post-employment healthcare plan to eligible individuals. The plan allows its employees and their beneficiaries, at their own cost, to continue to obtain health and dental insurance benefits upon retirement. The benefits of the plan conform to Florida Statutes, which are the legal authority for the plan. The plan has no assets and does not issue a separate financial report.

FUNDING POLICY AND ANNUAL OPEB COST

The Town does not directly make a contribution to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group rates as are charged to the Town for active employees by its healthcare provider. However, the Town’s actuaries, in their actuarial valuation, calculate an offset to the cost of these benefits as an Employer Contribution, based upon an implicit rate subsidy. This offset equals the total age-adjusted costs paid by the Town or its active employees for coverage of the retirees and their dependents for the year net of the retiree’s own payments for the year.

The annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with GASB Statement No. 45. The annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The annual OPEB cost for the Town for the current year and the related information is as follows:

Required contribution rates:

<table>
<thead>
<tr>
<th>Description</th>
<th>Pay-as-you-go</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer Plan members</td>
<td>N/A</td>
</tr>
<tr>
<td>Annual required contribution</td>
<td>$ 42,919</td>
</tr>
<tr>
<td>Interest on normal cost</td>
<td>--</td>
</tr>
<tr>
<td>Adjustment to the annual required contribution</td>
<td>--</td>
</tr>
<tr>
<td>Annual OPEB cost</td>
<td>42,919</td>
</tr>
<tr>
<td>Estimated employer contribution</td>
<td>(8,300)</td>
</tr>
<tr>
<td>Increase in net OPEB obligation</td>
<td>34,619</td>
</tr>
<tr>
<td>Net OPEB obligation - beginning of year</td>
<td>--</td>
</tr>
<tr>
<td>Net OPEB Obligation - End of Year</td>
<td>$ 34,619</td>
</tr>
</tbody>
</table>
NOTE 11 - OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

FUNDING POLICY AND ANNUAL OPEB COST (CONTINUED)

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2010 was:

<table>
<thead>
<tr>
<th>Fiscal year ended</th>
<th>9/30/2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual OPEB cost</td>
<td>$34,619</td>
</tr>
<tr>
<td>Percentage of OPEB cost contributed</td>
<td>0.00%</td>
</tr>
<tr>
<td>Net OPEB obligation</td>
<td>$34,619</td>
</tr>
</tbody>
</table>

FUNDED STATUS AND FUNDING PROGRESS

The funded status of the plan as of October 1, 2009, the latest actuarial valuation, was as follows:

<table>
<thead>
<tr>
<th>Actuarial Value of Assets (a)</th>
<th>Actuarial Liability (AAL) - (b)</th>
<th>Unfunded AAL (b) - (a)</th>
<th>Funded Ratio (a) / (b)</th>
<th>Covered Payroll (c)</th>
<th>UAAL as a % of Covered Payroll ((b - a) / c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>-- $</td>
<td>315,926</td>
<td>0.0%</td>
<td>4,364,293</td>
<td>7.2%</td>
</tr>
</tbody>
</table>

The actuarial valuation for the calculation of OPEB involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information is designed to provide multi-year trend information to show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. However, the Town has not contributed assets to the plan at this time.

ACTUARIAL METHODS AND ASSUMPTIONS

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Town and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:
NOTE 11 - OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

ACTUARIAL METHODS AND ASSUMPTIONS (CONTINUED)

<table>
<thead>
<tr>
<th>Contribution rate</th>
<th>1.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial valuation date</td>
<td>10/1/2009</td>
</tr>
<tr>
<td>Annual OPEB cost</td>
<td>$42,919</td>
</tr>
<tr>
<td>Contributions made</td>
<td>0</td>
</tr>
<tr>
<td>Actuarial cost method</td>
<td>Entry Age</td>
</tr>
<tr>
<td>Amortization method</td>
<td>Level percent, open</td>
</tr>
<tr>
<td>Remaining amortization</td>
<td>30 years</td>
</tr>
<tr>
<td>Asset valuation method</td>
<td>Unfunded</td>
</tr>
<tr>
<td>Actuarial assumptions:</td>
<td></td>
</tr>
<tr>
<td>Investment rate of return*</td>
<td>4.0%</td>
</tr>
<tr>
<td>Projected salary increases*</td>
<td>6.0% - 15.0%</td>
</tr>
<tr>
<td>Payroll growth assumptions</td>
<td>3.0%</td>
</tr>
<tr>
<td>Initial trend rate</td>
<td>9.0%</td>
</tr>
<tr>
<td></td>
<td>4.5%</td>
</tr>
<tr>
<td></td>
<td>4.0%</td>
</tr>
</tbody>
</table>

NOTE 12 – COMMITMENTS AND CONTINGENCIES

RISK MANAGEMENT

The Town is exposed to various risks and losses related to torts, theft of or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Town participates with other municipalities and governmental units in a public entity risk pool administered by the Florida League of Cities Public Risk Services known as the Florida Municipal Insurance Trust (FMIT). The Town pays annual premiums to the FMIT for its general liability insurance, commercial real and personal property, including electronic data processing equipment, automobile, liability, and physical damage insurance coverage.

The Town also participates in the Florida League of Cities public risk pool known as the Florida Municipal Self Insurers Fund (FMSIF) to which it pays annual premiums for its workers compensation insurance. The agreement with these public risk pools provide that the pools will be self-sustaining through member premiums and will reinsure through commercial companies for workers' compensation and liability insurance for claims in excess of $1,000,000. All policies are issued by FMIT and FMSIF on a non-assessable basis.
NOTE 12 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

RISK MANAGEMENT (CONTINUED)

The Town maintains commercial insurance for corporate fiduciary liability, flood, and windstorm coverage. There was no reduction in insurance coverage from the prior year and there were no settlements that exceeded insurance coverage for each of the past three years.

LITIGATION

The Town is a defendant in various lawsuits incidental to its operations. It is the opinion of Town Management and Town Council, that the ultimate resolution of these matters will not have a material adverse effect on the financial position and results of operations of the Town.

COMMITMENTS

The Town entered into agreements for approximately $5,000,000 for the construction of the new community center. As of September 30, 2010 $4,201,479 was remaining in this obligation.
REQUIRED SUPPLEMENTARY INFORMATION
### TOWN OF SURFSIDE, FLORIDA

#### REQUIRED SUPPLEMENTARY INFORMATION

#### BUDGETARY COMPARISON SCHEDULE

**GENERAL FUND**

**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

<table>
<thead>
<tr>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget - Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>$ 5,273,378</td>
<td>$ 5,226,414</td>
</tr>
<tr>
<td>Resort taxes</td>
<td>235,000</td>
<td>221,500</td>
</tr>
<tr>
<td>Utility taxes</td>
<td>426,457</td>
<td>416,681</td>
</tr>
<tr>
<td>Communications services tax</td>
<td>338,499</td>
<td>344,600</td>
</tr>
<tr>
<td>Franchise taxes</td>
<td>448,771</td>
<td>443,921</td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>160,100</td>
<td>283,655</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>549,865</td>
<td>566,628</td>
</tr>
<tr>
<td>Charges for services</td>
<td>171,315</td>
<td>131,216</td>
</tr>
<tr>
<td>Fines and forfeitures</td>
<td>166,000</td>
<td>144,089</td>
</tr>
<tr>
<td>Interest earnings</td>
<td>31,000</td>
<td>3,600</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>40,621</td>
<td>27,250</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>7,841,006</strong></td>
<td><strong>7,809,554</strong></td>
</tr>
</tbody>
</table>

**Expenditures**

Current:

- General government:
  - Legislative: 61,800  66,800  60,111  6,689
  - Legal services: 425,262  430,177  387,148  43,029
  - Executive, finance and administration: 1,715,876  1,822,101  1,751,977  70,124
  - **Total general government**: 2,202,938  2,319,078  2,199,236  119,842

- Public safety: 3,845,291  3,860,763  3,604,734  256,029
- Public works: 795,144  734,254  695,642  38,612
- Leisure services: 1,187,176  1,188,725  994,481  194,244

**Total Expenditures**: 8,030,549  8,102,820  7,494,093  608,727

**Excess (Deficiency) of Revenues over Expenditures**: (189,543)  (293,266)  677,960  971,226

**Other Financing Uses**

- Transfers in: 214,502  214,502  214,502  --
- Transfers out: (5,024,959)  (5,024,959)  (5,024,959)  --

**Total Other Financing Uses**: (4,810,457)  (4,810,457)  (4,810,457)  --

**Net Change in Fund Balances**: $ (5,000,000)  $ (5,103,723)  $ (4,132,497)

**Appropriated Beginning Fund Balance**: $ --  $ 5,103,723

---

*See notes to budgetary comparison schedule.*
NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

The Town follows these procedures to establish the budgetary data reflected in the financial statements:

Annual appropriated budgets for the governmental (except for the capital projects fund) and proprietary funds are adopted on a basis consistent with accounting principles generally accepted in the United States.

1. Prior to August 1, the Town Manager submits to the Town Commission a proposed operating budget for the fiscal year commencing the following October 1. The budget includes proposed expenditures and the means of financing them.

2. The Town Commission holds a public workshop on the proposed budget. Formal public hearings are conducted in September to obtain taxpayers’ comments.

3. Prior to October 1, the budget is legally adopted by resolution.

Budgets are monitored at department level. Budgetary control over expenditures, including capital outlay and transfers, is maintained at the fund level whereby management cannot transfer or over expend appropriations at the individual fund level. Beginning fund balances, available for financing current appropriations, are considered in the budgetary process but have not been included in the financial statements of the governmental fund types as budgeted revenues.

The Town Manager is authorized to transfer part or all of an encumbered appropriation balance within a particular department or fund; however, any revisions that alter the total appropriations of any fund must be approved by the Town Commission.

If during the course of the fiscal year, it becomes evident that a particular fund is unable to provide the required level of services to the Town because of higher costs of providing services, or unforeseen circumstances, the budget may be amended. The Town Manager submits to the Town Commission a request to amend the budget. The request contains explanations, and includes a proposal for financing if additional appropriations are requested. The amendment requires the Town Commission approval and adoption. All necessary supplemental appropriations are adopted by the Town Commission as part of the budget review process and are included in the “Final Budget” columns on the schedule of revenues, expenditures and changes in fund balance – budget and actual.

Budgets in governmental funds are encumbered upon issuance of purchase orders, contracts or other forms of legal commitments. While appropriations lapse at the end of each year, the succeeding year’s budget ordinance specifically provides for the reappropriation of year end encumbrances.
TOWN OF SURFSIDE, FLORIDA
RETIREMENT PLAN FOR EMPLOYEES

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

<table>
<thead>
<tr>
<th>Actual Valuation Date</th>
<th>Actuarial Value of Assets (a)</th>
<th>Actuarial Accrued Liability (AAL) - Entry Age (b)</th>
<th>Unfunded (AAL) - (UAAL) (b) - (a)</th>
<th>Funded (a) / (b)</th>
<th>Annual Covered Payroll (c)</th>
<th>UAAL As % of Covered Payroll (b - a) / c</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/1/05</td>
<td>$9,924,144</td>
<td>$8,992,940</td>
<td>$(931,204)</td>
<td>110.4%</td>
<td>$3,170,278</td>
<td>(29.4)%</td>
</tr>
<tr>
<td>10/1/06</td>
<td>10,500,533</td>
<td>9,980,193</td>
<td>(520,340)</td>
<td>105.2%</td>
<td>3,653,148</td>
<td>(14.2)%</td>
</tr>
<tr>
<td>10/1/07</td>
<td>11,201,453</td>
<td>10,225,271</td>
<td>(976,182)</td>
<td>109.5%</td>
<td>3,978,291</td>
<td>(24.5)%</td>
</tr>
<tr>
<td>10/1/08</td>
<td>11,701,487</td>
<td>10,971,286</td>
<td>(730,201)</td>
<td>106.7%</td>
<td>4,568,544</td>
<td>(16.0)%</td>
</tr>
<tr>
<td>10/1/09</td>
<td>11,697,998</td>
<td>11,662,297</td>
<td>(35,701)</td>
<td>100.3%</td>
<td>4,059,522</td>
<td>(0.9)%</td>
</tr>
<tr>
<td>10/1/10</td>
<td>12,304,770</td>
<td>12,414,859</td>
<td>110,089</td>
<td>99.1%</td>
<td>4,016,852</td>
<td>2.7%</td>
</tr>
</tbody>
</table>
## TOWN OF SURFSIDE, FLORIDA
RETIREMENT PLAN FOR EMPLOYEES

### REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF EMPLOYER CONTRIBUTIONS

<table>
<thead>
<tr>
<th>Fiscal Year Ended September 30,</th>
<th>Annual Required Contribution (ARC)</th>
<th>Percentage Contributed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$ --</td>
<td>N/A</td>
</tr>
<tr>
<td>2006</td>
<td>203,274</td>
<td>114%</td>
</tr>
<tr>
<td>2007</td>
<td>264,370</td>
<td>100%</td>
</tr>
<tr>
<td>2008</td>
<td>384,905</td>
<td>100%</td>
</tr>
<tr>
<td>2009</td>
<td>423,747</td>
<td>100%</td>
</tr>
<tr>
<td>2010</td>
<td>553,919</td>
<td>100%</td>
</tr>
</tbody>
</table>
TOWN OF SURFSIDE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS*
POST EMPLOYMENT BENEFITS

SEPTEMBER 30, 2010

<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>Actuarial Value of Assets (a)</th>
<th>Actuarial Liability (AAL) (b)</th>
<th>Unfunded AAL (UAAL) (b) - (a)</th>
<th>Funded Ratio (a) ÷ (b)</th>
<th>Covered Payroll (c)</th>
<th>UAAL as a % of Covered Payroll ((b - a) ÷ c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 1, 2009</td>
<td>$ ---</td>
<td>$ 315,926</td>
<td>$ 315,926</td>
<td>0.0%</td>
<td>$ 4,364,293</td>
<td>7.2%</td>
</tr>
</tbody>
</table>

*GASB Statement No. 45, Other Post Employment Benefits, was implemented for the fiscal year ended September 30, 2010.
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**Tourism Fund** – This fund is used to account for the portion of the resort tax collections, which are to be designated to promote tourism related activities of the Town which are restricted to approved functions and activities.

**Transportation Surtax Fund** – This fund is used to account for the proceeds of the Town’s allocable share of the Miami-Dade County Transit System Surtax. The expenditures from this fund are restricted to specific purposes.

**Police Forfeiture Fund** – This fund is used to account for the proceeds of police forfeitures and confiscations, and expenditures, which are restricted to approved functions and activities.
TOWN OF SURFSIDE, FLORIDA  
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>Special Revenue Funds</th>
<th>Total Nonmajor Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tourism</td>
<td>Transportation</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 172,531</td>
<td>$ 382,553</td>
</tr>
<tr>
<td>Investments</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Receivables</td>
<td>8,208</td>
<td>41,486</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$ 180,739</td>
<td>$ 424,039</td>
</tr>
</tbody>
</table>

Liabilities and Fund Balances

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$ 1,704</td>
<td>$ 7,539</td>
<td>$ 134</td>
<td>$ 9,377</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>1,704</td>
<td>7,539</td>
<td>134</td>
<td>9,377</td>
</tr>
</tbody>
</table>

Fund Balances

<table>
<thead>
<tr>
<th>Restricted for:</th>
<th>Tourism</th>
<th>Transportation surtax</th>
<th>Police forfeiture</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>179,035</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>--</td>
<td>416,500</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>--</td>
<td>--</td>
<td>71,825</td>
</tr>
<tr>
<td><strong>Total Fund Balances</strong></td>
<td>179,035</td>
<td>416,500</td>
<td>71,825</td>
</tr>
</tbody>
</table>

| Total Liabilities and Fund Balances | $ 180,739 | $ 424,039 | $ 71,959 | $ 676,737 |
## TOWN OF SURFSIDE, FLORIDA

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

#### NONMAJOR GOVERNMENTAL FUNDS

**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

<table>
<thead>
<tr>
<th></th>
<th>Special Revenue Funds</th>
<th></th>
<th>Total Nonmajor Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tourism</td>
<td>Surtax</td>
<td>Police Forfeiture</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resort taxes</td>
<td>$ 141,546</td>
<td>$</td>
<td>$ --</td>
</tr>
<tr>
<td>Forfeitures</td>
<td>--</td>
<td>--</td>
<td>39,901</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>--</td>
<td>170,243</td>
<td>--</td>
</tr>
<tr>
<td>Interest</td>
<td>511</td>
<td>1,329</td>
<td>3,528</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>3,299</td>
<td></td>
<td>--</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>145,356</td>
<td>171,572</td>
<td>43,429</td>
</tr>
</tbody>
</table>

|                          |                       |              |                                   |                     |
| **Expenditures**         |                       |              |                                   |                     |
| General government       | 116,318               |              | --                                | 116,318              |
| Public safety            | --                    | --           | 57,503                            | 57,503               |
| Transportation           | --                    | 91,037       | --                                | 91,037               |
| Capital outlay           | --                    | 146,261      | --                                | 146,261              |
| **Total Expenditures**   | 116,318               | 237,298      | 57,503                            | 411,119              |

|                          |                       |              |                                   |                     |
| **Excess (Deficiency) of Revenues Over Expenditures** | 29,038               | (65,726)     | (14,074)                          | (50,762) |

|                          |                       |              |                                   |                     |
| **Other Financing Sources** | --                    | (6,000)      | --                                | (6,000)              |

|                          |                       |              |                                   |                     |
| **Net Change in Fund Balances** | 29,038               | (71,726)     | (14,074)                          | (56,762) |

|                          |                       |              |                                   |                     |
| **Fund Balances - Beginning** | 149,997               | 488,226      | 85,899                           | 724,122 |

|                          |                       |              |                                   |                     |
| **Fund Balances - Ending** | $ 179,035             | $ 416,500    | $ 71,825                         | $ 667,360 |

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### TOWN OF SURFSIDE, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

**TOURISM FUND**

**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget - Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td></td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resort taxes</td>
<td>$122,500</td>
<td>$122,500</td>
<td>$141,546</td>
</tr>
<tr>
<td>Interest</td>
<td>500</td>
<td>500</td>
<td>511</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>11,000</td>
<td>11,000</td>
<td>3,299</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>134,000</td>
<td>134,000</td>
<td>145,356</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>134,000</td>
<td>134,000</td>
<td>116,318</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>134,000</td>
<td>134,000</td>
<td>116,318</td>
</tr>
<tr>
<td><strong>Excess of Revenues over Expenditures</strong></td>
<td></td>
<td>$29,038</td>
<td>$29,038</td>
</tr>
<tr>
<td><strong>Appropriated Beginning Fund Balance</strong></td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

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TOWN OF SURFSIDE, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
TRANSPORTATION SURTAX FUND

FISCAL YEAR ENDED SEPTEMBER 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget - Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$175,000</td>
<td>$175,000</td>
<td>$170,243</td>
</tr>
<tr>
<td>Interest</td>
<td>100</td>
<td>100</td>
<td>1,329</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>175,100</td>
<td>175,100</td>
<td>171,572</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>75,000</td>
<td>75,000</td>
<td>91,037</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>142,261</td>
<td>142,261</td>
<td>146,261</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>217,261</td>
<td>217,261</td>
<td>237,298</td>
</tr>
<tr>
<td>Excess (Deficiency) of Revenues over Expenditures</td>
<td>(42,161)</td>
<td>(42,161)</td>
<td>(65,726)</td>
</tr>
<tr>
<td>Other Financing Uses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers out</td>
<td>(6,000)</td>
<td>(6,000)</td>
<td>(6,000)</td>
</tr>
<tr>
<td>Net Changes in Fund Balances</td>
<td>$ (48,161)</td>
<td>$ (48,161)</td>
<td>$ (71,726)</td>
</tr>
<tr>
<td>Appropriated Beginning Fund Balance</td>
<td>$ 48,161</td>
<td>$ 48,161</td>
<td></td>
</tr>
</tbody>
</table>
TOWN OF SURFSIDE, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
POLICE FORFEITURE FUND

FISCAL YEAR ENDED SEPTEMBER 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget - Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forfeitures</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$39,901</td>
</tr>
<tr>
<td>Interest earnings</td>
<td>2,400</td>
<td>2,400</td>
<td>3,528</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>27,400</td>
<td>27,400</td>
<td>43,429</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public safety</td>
<td>73,250</td>
<td>73,250</td>
<td>57,503</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>73,250</td>
<td>73,250</td>
<td>57,503</td>
</tr>
<tr>
<td>Deficiency of Revenues over Expenditures</td>
<td>$ (45,850)</td>
<td>$ (45,850)</td>
<td>$ (14,074)</td>
</tr>
<tr>
<td>Appropriated Beginning Fund Balance</td>
<td>$45,850</td>
<td>$45,850</td>
<td></td>
</tr>
</tbody>
</table>
STATISTICAL SECTION
This part of Surfside's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This information is unaudited.

Contents

Financial Trends
These tables contain trend information that may assist the reader in assessing the Town's current financial performance by placing it in historical perspective.

Page No. 61-77

Revenue Capacity
These tables contain information that may assist the reader in assessing the viability of the Town's most significant "own-source" revenue source, property taxes.

Page No. 78-84

Debt Capacity
The Town has not issued any long-term debt within the last ten years. Therefore, the debt exhibits, with the exception of overlapping debt, are not applicable.

Page No. 85

Demographic and Economic Information
These tables present demographic and economic information intended (1) to assist users in understanding the socioeconomic environment within which the Town operates and (2) to provide information that facilitates comparisons of financial statement information over time and among towns.

Page No. 86-88

Operating Information
These tables contain service and infrastructure indicators that can inform one's understanding how the information in the Town's financial statements relates to the services the Town provides and the activities it performs.

Page No. 89-90

Data Source:
Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial report or financial statements for the applicable year. The Town implemented GASB Statement No. 34 in fiscal year 2004, therefore, only seven years of government-wide financial data is presented.
## Town of Surfside, Florida

### Changes in Net Assets - Governmental Activities (Unaudited)

*Last Seven Fiscal Years*¹  
*(accrual basis of accounting)*

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
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<tbody>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>General government</td>
<td>$2,423,844</td>
<td>$2,484,164</td>
<td>$4,016,141</td>
<td>$3,585,294</td>
<td>$3,393,155</td>
<td>$2,844,246</td>
<td>$2,404,067</td>
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<tr>
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<td>1,591,331</td>
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<td>146,885</td>
<td>89,635</td>
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<td>37,034</td>
<td>53,941</td>
<td>-</td>
<td>173,759</td>
<td>114,121</td>
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<td>8,186,454</td>
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<td></td>
</tr>
<tr>
<td><strong>Program Revenues:</strong></td>
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<tr>
<td>Charges for services</td>
<td></td>
<td></td>
<td></td>
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<td>257,767</td>
<td>340,597</td>
<td>169,749</td>
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<td>374,556</td>
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<td>139,367</td>
<td>150,781</td>
<td>205,692</td>
<td>287,324</td>
<td>199,614</td>
<td>-</td>
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<td>315,847</td>
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<td>289,317</td>
<td>382,835</td>
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<td>1,025,385</td>
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<td>790,732</td>
<td>901,948</td>
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<tr>
<td><strong>Net (Expense) Revenue</strong></td>
<td>(5,397,817)</td>
<td>(6,543,903)</td>
<td>(8,717,591)</td>
<td>(8,447,496)</td>
<td>(9,500,265)</td>
<td>(8,781,081)</td>
<td>(7,283,506)</td>
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<tr>
<td><strong>General Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Taxes:</td>
<td></td>
<td></td>
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<tr>
<td>Property taxes</td>
<td>3,952,862</td>
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<td>5,846,079</td>
<td>7,377,056</td>
<td>6,292,755</td>
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<td>5,323,728</td>
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<td>505,346</td>
<td>546,264</td>
<td>477,583</td>
<td>424,279</td>
<td>398,057</td>
<td>390,873</td>
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<td>385,884</td>
<td>470,561</td>
<td>463,801</td>
<td>463,823</td>
<td>416,728</td>
<td>416,855</td>
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<td>717,418</td>
<td>446,933</td>
<td>457,905</td>
<td>436,336</td>
<td>658,825</td>
<td>120,307</td>
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<td>-</td>
<td>281,143</td>
<td>272,670</td>
<td>337,348</td>
<td>385,486</td>
<td>340,440</td>
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<tr>
<td>Unrestricted intergovernmental revenues</td>
<td>685,798</td>
<td>590,402</td>
<td>562,034</td>
<td>584,219</td>
<td>510,837</td>
<td>862,137</td>
<td>905,255</td>
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<tr>
<td>Unrestricted investment earnings (losses)</td>
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<td>263,603</td>
<td>565,494</td>
<td>639,616</td>
<td>194,695</td>
<td>(36,049)</td>
<td>98,208</td>
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<tr>
<td>Miscellaneous</td>
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<td>344,216</td>
<td>57,941</td>
<td>49,503</td>
<td>81,290</td>
<td>56,461</td>
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<tr>
<td><strong>Total General Revenues</strong></td>
<td>6,628,539</td>
<td>7,256,755</td>
<td>9,360,704</td>
<td>10,321,071</td>
<td>8,720,575</td>
<td>8,468,996</td>
<td>7,653,127</td>
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<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Transfers In (Out)</strong></td>
<td>(35,000)</td>
<td>(259,833)</td>
<td>(284,134)</td>
<td>(110,940)</td>
<td>121,893</td>
<td>206,502</td>
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<tr>
<td><strong>Total General Revenues</strong></td>
<td>6,593,539</td>
<td>6,997,922</td>
<td>9,076,570</td>
<td>10,321,071</td>
<td>8,609,635</td>
<td>8,590,888</td>
<td>7,651,629</td>
</tr>
<tr>
<td><strong>Change in Net Assets</strong></td>
<td>$1,175,722</td>
<td>$453,929</td>
<td>$358,979</td>
<td>$1,873,576</td>
<td>$(890,630)</td>
<td>$(190,193)</td>
<td>$578,123</td>
</tr>
</tbody>
</table>

### Notes:

¹ The Town implemented GASB Statement No. 34 in fiscal year 2004, therefore, only seven years of government-wide financial data is presented.

² Now included in leisure services.

### Data Source:

Applicable years’ comprehensive annual financial report or financial statement.
Town of Surfside, Florida

Changes in Net Assets - Governmental Activities - Percentage of Total (Unaudited)

Last Seven Fiscal Years
(accrual basis of accounting)

For the Fiscal Year Ended September 30,

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>36.1%</td>
<td>33.1%</td>
<td>40.7%</td>
<td>37.9%</td>
<td>37.8%</td>
<td>29.7%</td>
<td>29.4%</td>
</tr>
<tr>
<td>Public safety</td>
<td>35.5%</td>
<td>35.8%</td>
<td>30.7%</td>
<td>38.0%</td>
<td>35.6%</td>
<td>42.8%</td>
<td>46.3%</td>
</tr>
<tr>
<td>Physical environment</td>
<td>11.0%</td>
<td>12.2%</td>
<td>11.8%</td>
<td>10.1%</td>
<td>8.2%</td>
<td>10.0%</td>
<td>9.8%</td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>14.8%</td>
<td>16.7%</td>
<td>14.8%</td>
<td>13.1%</td>
<td>18.8%</td>
<td>16.3%</td>
<td>13.3%</td>
</tr>
<tr>
<td>Tourism development</td>
<td>2.2%</td>
<td>1.8%</td>
<td>1.5%</td>
<td>0.9%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Transportation</td>
<td>0.3%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.0%</td>
<td>1.7%</td>
<td>1.2%</td>
<td>1.3%</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Program Revenues:

Charges for services:

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>General government</td>
<td>65.9%</td>
<td>40.7%</td>
<td>22.4%</td>
<td>33.2%</td>
<td>18.7%</td>
<td>25.1%</td>
<td>41.5%</td>
</tr>
<tr>
<td>Public safety</td>
<td>9.3%</td>
<td>19.8%</td>
<td>13.1%</td>
<td>20.1%</td>
<td>31.7%</td>
<td>25.2%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Leisure services</td>
<td>23.4%</td>
<td>39.5%</td>
<td>34.1%</td>
<td>15.9%</td>
<td>13.8%</td>
<td>15.0%</td>
<td>16.0%</td>
</tr>
<tr>
<td>Tourism development</td>
<td>0.1%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Operating grants and contributions</td>
<td>0.8%</td>
<td>0.0%</td>
<td>18.4%</td>
<td>30.9%</td>
<td>35.8%</td>
<td>34.1%</td>
<td>42.5%</td>
</tr>
<tr>
<td><strong>Total Program Revenues</strong></td>
<td>100.1%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

General Revenues:

Taxes:

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<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property taxes</td>
<td>56.8%</td>
<td>65.3%</td>
<td>62.5%</td>
<td>71.5%</td>
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<td>74.7%</td>
<td>69.9%</td>
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<tr>
<td>Resort taxes</td>
<td>8.1%</td>
<td>7.0%</td>
<td>5.8%</td>
<td>4.6%</td>
<td>4.9%</td>
<td>4.3%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Franchise fees based on gross receipts</td>
<td>6.1%</td>
<td>5.3%</td>
<td>5.0%</td>
<td>4.4%</td>
<td>5.3%</td>
<td>4.9%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Utility taxes</td>
<td>15.5%</td>
<td>9.9%</td>
<td>4.8%</td>
<td>4.4%</td>
<td>5.0%</td>
<td>0.8%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Communications services tax</td>
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<td>3.0%</td>
<td>2.5%</td>
<td>3.9%</td>
<td>4.0%</td>
<td>4.5%</td>
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<tr>
<td>Unrestricted intergovernmental revenues</td>
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<td>7.1%</td>
<td>5.7%</td>
<td>6.0%</td>
<td>10.2%</td>
<td>11.8%</td>
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<tr>
<td>Unrestricted investment earnings (losses)</td>
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<td>3.6%</td>
<td>6.0%</td>
<td>6.2%</td>
<td>2.2%</td>
<td>-0.4%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>3.5%</td>
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<td>5.8%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.9%</td>
<td>0.7%</td>
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<tr>
<td><strong>Total General Revenues</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Notes:

1 The Town implemented GASB Statement No. 34 in fiscal year 2004, therefore, only seven years of government-wide financial data is presented.

Data Source:

Applicable years' comprehensive annual financial report or financial statement.
Town of Surfside, Florida  
Changes in Net Assets - Business-type Activities  
Last Seven Fiscal Years  
(accrual basis of accounting)

<table>
<thead>
<tr>
<th>Source</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water and sewer</td>
<td>$1,379,860</td>
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<td>$1,360,734</td>
<td>$1,428,258</td>
<td>$1,798,324</td>
<td>$1,669,477</td>
<td>$1,990,702</td>
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<td>134,292</td>
<td>143,472</td>
<td>107,555</td>
<td>176,715</td>
<td>188,086</td>
<td>174,680</td>
<td>222,108</td>
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<td>875,509</td>
<td>920,823</td>
<td>1,412,283</td>
<td>1,172,075</td>
<td>1,139,619</td>
<td>1,018,579</td>
<td>949,505</td>
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<td>57,044</td>
<td>62,268</td>
<td>82,940</td>
<td>100,970</td>
<td>115,723</td>
<td>128,910</td>
<td>114,086</td>
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<td>3,276,401</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water and sewer</td>
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<td>1,555,453</td>
<td>1,521,173</td>
<td>1,512,757</td>
<td>1,352,247</td>
<td>1,906,915</td>
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<td>288,959</td>
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<td>750,510</td>
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<td>798,028</td>
<td>782,024</td>
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<td>1,244,547</td>
</tr>
<tr>
<td>Stormwater utility</td>
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<td>115,407</td>
<td>115,324</td>
<td>114,134</td>
<td>114,219</td>
<td>243,775</td>
<td>247,002</td>
</tr>
<tr>
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<td>333,674</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
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<td>761</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Program Revenues</td>
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<td>3,058,654</td>
<td>2,714,039</td>
<td>2,557,590</td>
<td>3,857,360</td>
<td>4,414,060</td>
</tr>
<tr>
<td>Net (Expense) Revenue</td>
<td>360,481</td>
<td>464,000</td>
<td>95,142</td>
<td>(163,379)</td>
<td>(674,162)</td>
<td>865,714</td>
<td>1,137,869</td>
</tr>
<tr>
<td>General Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td>30,820</td>
<td>82,036</td>
<td>151,372</td>
<td>201,052</td>
<td>101,307</td>
<td>2,569</td>
<td>15,622</td>
</tr>
<tr>
<td>Capital contributions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>108,947</td>
</tr>
<tr>
<td>Net Transfers</td>
<td>55,000</td>
<td>258,833</td>
<td>285,566</td>
<td>-</td>
<td>110,940</td>
<td>(121,893)</td>
<td>(208,502)</td>
</tr>
<tr>
<td>Total General Revenues</td>
<td>85,820</td>
<td>348,869</td>
<td>437,028</td>
<td>201,052</td>
<td>212,247</td>
<td>(119,324)</td>
<td>(83,933)</td>
</tr>
<tr>
<td>Net Transfers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>$448,301</td>
<td>$804,869</td>
<td>$532,170</td>
<td>$37,673</td>
<td>(461,915)</td>
<td>$746,390</td>
<td>$1,053,726</td>
</tr>
</tbody>
</table>

Notes:
1 The Town implemented GASB Statement No. 34 in fiscal year 2004, therefore, only seven years of government-wide financial data is presented.

DataSource:
Applicable years' comprehensive annual financial report or financial statement.
<table>
<thead>
<tr>
<th>Year</th>
<th>Expenses:</th>
<th>Program Revenues:</th>
<th>Total Program Revenues</th>
<th>Net (Expense) Revenue</th>
<th>General Revenues and Transfers:</th>
<th>Total General Revenues</th>
<th>Change in Net Assets</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$6,164,112</td>
<td>9,750,999</td>
<td>$1,176,887</td>
<td>$1,150,627</td>
<td>$1,025,385</td>
<td>$3,465,092</td>
<td>$3,465,092</td>
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</tr>
<tr>
<td>2006</td>
<td>$7,454,350</td>
<td>10,040,767</td>
<td>$2,593,122</td>
<td>$3,231,752</td>
<td>$2,901,646</td>
<td>$5,425,060</td>
<td>$5,425,060</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>$9,683,218</td>
<td>9,472,880</td>
<td>$2,878,018</td>
<td>$2,253,175</td>
<td>$3,057,590</td>
<td>$5,130,610</td>
<td>$5,130,610</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>$10,400,767</td>
<td>9,571,843</td>
<td>$2,901,646</td>
<td>$2,375,401</td>
<td>$3,161,655</td>
<td>$5,136,498</td>
<td>$5,136,498</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>$8,185,454</td>
<td>9,014,938</td>
<td>$4,445,060</td>
<td>$5,551,460</td>
<td>$5,190,008</td>
<td>$5,741,460</td>
<td>$5,741,460</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>$1,835,560</td>
<td>1,145,847</td>
<td>$3,837,340</td>
<td>$4,444,060</td>
<td>$5,319,008</td>
<td>$5,838,060</td>
<td>$5,838,060</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
1 See Exhibit I
2 See Exhibit III
<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>$6,469,295</td>
<td>$6,583,160</td>
<td>$8,204,180</td>
<td>$8,014,197</td>
<td>$9,102,085</td>
<td>$9,205,412</td>
<td>$9,598,672</td>
</tr>
<tr>
<td>Restricted</td>
<td>3,327,718</td>
<td>3,520,145</td>
<td>3,822,422</td>
<td>788,412</td>
<td>819,427</td>
<td>724,122</td>
<td>667,360</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>5,945,572</td>
<td>6,394,165</td>
<td>7,847,777</td>
<td>9,914,664</td>
<td>7,935,915</td>
<td>7,737,702</td>
<td>7,881,320</td>
</tr>
</tbody>
</table>

| Subtotal Governmental Activities Net Assets | 15,742,545 | 16,515,500 | 16,874,479 | 18,748,055 | 17,857,427 | 17,667,236 | 18,245,361 |

<table>
<thead>
<tr>
<th>Business-type Activities</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>771,812</td>
<td>778,258</td>
<td>921,947</td>
<td>740,133</td>
<td>963,195</td>
<td>1,278,825</td>
<td>2,037,308</td>
</tr>
<tr>
<td>Restricted</td>
<td>340,824</td>
<td>342,346</td>
<td>343,888</td>
<td>343,888</td>
<td>1,689,315</td>
<td>1,358,811</td>
<td>1,822,658</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>2,635,766</td>
<td>3,432,867</td>
<td>3,819,626</td>
<td>4,039,113</td>
<td>2,008,109</td>
<td>2,769,953</td>
<td>2,601,149</td>
</tr>
</tbody>
</table>

| Subtotal Business-type Activities Net Assets | 3,748,402 | 4,553,271 | 5,085,441 | 5,123,114 | 4,661,199 | 5,407,569 | 6,401,315 |

<table>
<thead>
<tr>
<th>Primary Government</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>7,241,107</td>
<td>7,361,418</td>
<td>9,129,127</td>
<td>8,754,330</td>
<td>10,065,280</td>
<td>10,484,237</td>
<td>11,033,980</td>
</tr>
<tr>
<td>Restricted</td>
<td>3,688,542</td>
<td>3,380,491</td>
<td>1,168,290</td>
<td>1,132,280</td>
<td>2,509,242</td>
<td>2,082,933</td>
<td>2,490,218</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>8,581,298</td>
<td>9,826,862</td>
<td>11,867,507</td>
<td>13,984,549</td>
<td>9,944,104</td>
<td>10,507,655</td>
<td>10,582,478</td>
</tr>
</tbody>
</table>


Notes:
1 The Town implemented GASB Statement No. 34 in fiscal year 2004, therefore, only seven years of government-wide financial data is presented.
2 Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt, restricted; restricted; and unrestricted. Net assets are considered restricted only when (1) an external party, such as the State of Florida or the federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the Town. There are no restrictions currently reported as a result of enabling legislation.
Town of Surfside, Florida
Chart: Total Government-wide Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)
Town of Surfside, Florida
General Governmental Revenues by Source (Unaudited) ¹
Last Ten Fiscal Years
(modified accrual basis of accounting)

For the Fiscal Year Ended September 30,

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes</td>
<td>$4,148,313</td>
<td>$4,327,838</td>
<td>$5,087,080</td>
<td>$5,597,524</td>
<td>$6,344,007</td>
<td>$7,590,960</td>
<td>$9,039,295</td>
<td>$7,856,540</td>
<td>$7,561,527</td>
<td>$8,936,623</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>477,578</td>
<td>511,096</td>
<td>572,133</td>
<td>685,798</td>
<td>788,467</td>
<td>1,008,198</td>
<td>858,405</td>
<td>887,507</td>
<td>1,131,454</td>
<td>745,540</td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>232,338</td>
<td>682,959</td>
<td>427,226</td>
<td>365,350</td>
<td>259,024</td>
<td>256,007</td>
<td>340,597</td>
<td>169,749</td>
<td>198,504</td>
<td>374,556</td>
</tr>
<tr>
<td>Charges for services</td>
<td>301,439</td>
<td>305,238</td>
<td>292,820</td>
<td>301,923</td>
<td>366,725</td>
<td>391,537</td>
<td>162,549</td>
<td>125,120</td>
<td>123,327</td>
<td>144,757</td>
</tr>
<tr>
<td>Fines and forfeitures</td>
<td>248,657</td>
<td>249,712</td>
<td>153,748</td>
<td>636,673</td>
<td>311,961</td>
<td>156,755</td>
<td>205,092</td>
<td>287,324</td>
<td>199,914</td>
<td>190,243</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>399,352</td>
<td>113,472</td>
<td>126,196</td>
<td>127,822</td>
<td>263,603</td>
<td>563,494</td>
<td>639,616</td>
<td>194,695</td>
<td>(36,049)</td>
<td>103,576</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>96,102</td>
<td>61,930</td>
<td>58,935</td>
<td>242,917</td>
<td>59,941</td>
<td>544,379</td>
<td>57,941</td>
<td>49,503</td>
<td>96,289</td>
<td>59,781</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$5,843,779</td>
<td>$6,252,245</td>
<td>$6,720,140</td>
<td>$7,648,107</td>
<td>$8,383,728</td>
<td>$10,511,330</td>
<td>$11,304,095</td>
<td>$9,570,438</td>
<td>$9,274,766</td>
<td>$8,555,076</td>
</tr>
<tr>
<td>% change from prior year</td>
<td>-2.8%</td>
<td>7.0%</td>
<td>7.5%</td>
<td>18.3%</td>
<td>5.5%</td>
<td>25.4%</td>
<td>7.5%</td>
<td>-14.5%</td>
<td>-4.1%</td>
<td>-7.8%</td>
</tr>
</tbody>
</table>

Percentage of Total

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes</td>
<td>71.0%</td>
<td>69.2%</td>
<td>75.7%</td>
<td>70.3%</td>
<td>75.7%</td>
<td>72.2%</td>
<td>80.0%</td>
<td>82.3%</td>
<td>81.5%</td>
<td>81.1%</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>8.2%</td>
<td>8.2%</td>
<td>8.5%</td>
<td>8.6%</td>
<td>9.4%</td>
<td>6.9%</td>
<td>7.6%</td>
<td>12.2%</td>
<td>2.1%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>4.0%</td>
<td>10.9%</td>
<td>6.4%</td>
<td>4.6%</td>
<td>3.1%</td>
<td>2.4%</td>
<td>3.0%</td>
<td>1.8%</td>
<td>1.3%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Charges for services</td>
<td>5.2%</td>
<td>4.9%</td>
<td>4.4%</td>
<td>3.8%</td>
<td>4.3%</td>
<td>3.7%</td>
<td>1.4%</td>
<td>1.3%</td>
<td>2.3%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Fines and forfeitures</td>
<td>4.3%</td>
<td>4.0%</td>
<td>2.3%</td>
<td>8.0%</td>
<td>3.7%</td>
<td>1.5%</td>
<td>1.8%</td>
<td>3.0%</td>
<td>2.3%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>5.8%</td>
<td>1.8%</td>
<td>1.9%</td>
<td>1.6%</td>
<td>3.1%</td>
<td>5.4%</td>
<td>5.7%</td>
<td>2.0%</td>
<td>-0.4%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1.5%</td>
<td>1.0%</td>
<td>0.8%</td>
<td>3.1%</td>
<td>0.7%</td>
<td>5.2%</td>
<td>0.5%</td>
<td>0.4%</td>
<td>0.1%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Notes:
¹ Includes all governmental fund types.

Data Source:
Applicable years' comprehensive annual financial report or financial statement.
Town of Surfside, Florida
Chart-Total General Governmental Revenues (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)
Town of Surfside, Florida  
*Tax Revenues by Source - Governmental Funds (Unaudited)*  
*Last Ten Fiscal Years*  
*(modified accrual basis of accounting)*

<table>
<thead>
<tr>
<th>For The Fiscal Year Ended September 30</th>
<th>Property</th>
<th>Resort</th>
<th>Utility</th>
<th>Franchise</th>
<th>Communications Service</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>$2,571,169</td>
<td>$751,205</td>
<td>$478,676</td>
<td>$347,263</td>
<td>$0</td>
<td>$4,148,313</td>
</tr>
<tr>
<td>2002</td>
<td>2,823,088</td>
<td>526,374</td>
<td>629,413</td>
<td>348,983</td>
<td>-</td>
<td>4,327,638</td>
</tr>
<tr>
<td>2003</td>
<td>3,555,405</td>
<td>531,691</td>
<td>687,690</td>
<td>312,324</td>
<td>-</td>
<td>5,087,080</td>
</tr>
<tr>
<td>2004</td>
<td>3,952,662</td>
<td>534,731</td>
<td>698,599</td>
<td>401,532</td>
<td>-</td>
<td>5,587,524</td>
</tr>
<tr>
<td>2005</td>
<td>4,735,259</td>
<td>505,346</td>
<td>717,418</td>
<td>385,984</td>
<td>-</td>
<td>6,344,007</td>
</tr>
<tr>
<td>2006</td>
<td>5,846,079</td>
<td>546,264</td>
<td>728,076</td>
<td>470,541</td>
<td>-</td>
<td>7,590,960</td>
</tr>
<tr>
<td>2007</td>
<td>7,377,955</td>
<td>477,563</td>
<td>457,905</td>
<td>453,901</td>
<td>272,870</td>
<td>9,039,205</td>
</tr>
<tr>
<td>2008</td>
<td>6,292,755</td>
<td>424,279</td>
<td>438,335</td>
<td>463,823</td>
<td>337,348</td>
<td>7,956,540</td>
</tr>
<tr>
<td>2009</td>
<td>6,325,721</td>
<td>366,557</td>
<td>66,625</td>
<td>416,728</td>
<td>385,486</td>
<td>7,561,627</td>
</tr>
<tr>
<td>2010</td>
<td>5,323,728</td>
<td>390,973</td>
<td>463,747</td>
<td>414,835</td>
<td>343,440</td>
<td>6,936,623</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% Change in Dollars Over 10 Years</th>
<th>107.1%</th>
<th>-48.0%</th>
<th>-3.1%</th>
<th>19.5%</th>
<th>100.0%</th>
<th>67.2%</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Percentage of Total</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>62.0%</td>
<td>18.1%</td>
<td>11.5%</td>
<td>8.4%</td>
<td>0.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>2002</td>
<td>65.2%</td>
<td>12.2%</td>
<td>14.5%</td>
<td>8.1%</td>
<td>0.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>2003</td>
<td>69.9%</td>
<td>10.5%</td>
<td>13.5%</td>
<td>6.1%</td>
<td>0.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>2004</td>
<td>70.7%</td>
<td>9.6%</td>
<td>12.5%</td>
<td>7.2%</td>
<td>0.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>2005</td>
<td>74.6%</td>
<td>8.0%</td>
<td>11.3%</td>
<td>6.1%</td>
<td>0.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>2006</td>
<td>77.0%</td>
<td>7.2%</td>
<td>9.6%</td>
<td>6.2%</td>
<td>0.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>2007</td>
<td>81.6%</td>
<td>5.3%</td>
<td>5.1%</td>
<td>5.0%</td>
<td>3.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>2008</td>
<td>79.1%</td>
<td>5.3%</td>
<td>5.5%</td>
<td>5.8%</td>
<td>4.2%</td>
<td>100.0%</td>
</tr>
<tr>
<td>2009</td>
<td>83.7%</td>
<td>4.9%</td>
<td>0.9%</td>
<td>5.5%</td>
<td>5.1%</td>
<td>100.0%</td>
</tr>
<tr>
<td>2010</td>
<td>75.7%</td>
<td>5.6%</td>
<td>6.7%</td>
<td>6.0%</td>
<td>5.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

_Data Source:_  
Applicable years' comprehensive annual financial report or financial statement.
Town of Surfside, Florida
Chart-Tax Revenues by Source - Governmental Funds (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)
Town of Surfside, Florida

General Governmental Expenditures by Function (Unaudited) ¹

Last Ten Fiscal Years
(modified accrual basis of accounting)

<table>
<thead>
<tr>
<th>Function</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>$1,947,110</td>
<td>$1,157,085</td>
<td>$1,742,336</td>
<td>$2,604,325</td>
<td>$2,831,146</td>
<td>$4,555,094</td>
<td>$3,549,729</td>
<td>$3,826,840</td>
<td>$2,703,868</td>
<td>$2,315,554</td>
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<tr>
<td>Public safety</td>
<td>1,994,729</td>
<td>1,828,766</td>
<td>1,970,007</td>
<td>2,292,629</td>
<td>2,537,447</td>
<td>2,870,994</td>
<td>3,501,367</td>
<td>3,584,295</td>
<td>3,923,491</td>
<td>3,048,766</td>
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<tr>
<td>Physical environment</td>
<td>599,326</td>
<td>616,647</td>
<td>791,082</td>
<td>716,840</td>
<td>882,428</td>
<td>869,036</td>
<td>833,631</td>
<td>749,358</td>
<td>855,516</td>
<td>695,642</td>
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<tr>
<td>Culture and recreation</td>
<td>558,020</td>
<td>549,742</td>
<td>623,214</td>
<td>778,698</td>
<td>982,374</td>
<td>1,127,950</td>
<td>1,144,262</td>
<td>1,287,522</td>
<td>1,451,163</td>
<td>977,449</td>
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<tr>
<td>Transportation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>76,722</td>
<td>159,279</td>
<td>99,476</td>
<td>91,037</td>
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<td>Total Current</td>
<td>$4,799,185</td>
<td>4,152,240</td>
<td>5,128,639</td>
<td>6,392,492</td>
<td>7,165,395</td>
<td>9,424,974</td>
<td>9,105,711</td>
<td>9,810,094</td>
<td>9,038,524</td>
<td>7,728,448</td>
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<tr>
<td>% Change From Prior Year</td>
<td>3.2%</td>
<td>-13.5%</td>
<td>23.5%</td>
<td>24.7%</td>
<td>12.1%</td>
<td>31.5%</td>
<td>-3.4%</td>
<td>5.8%</td>
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<td>-14.6%</td>
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<tr>
<td>Capital Outlay</td>
<td>955,745</td>
<td>565,164</td>
<td>314,464</td>
<td>712,975</td>
<td>474,141</td>
<td>1,979,702</td>
<td>321,287</td>
<td>1,903,727</td>
<td>611,486</td>
<td>877,372</td>
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<tr>
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<td>-81.7%</td>
<td>-37.7%</td>
<td>-47.2%</td>
<td>-126.7%</td>
<td>-33.5%</td>
<td>317.5%</td>
<td>-83.8%</td>
<td>492.5%</td>
<td>-57.9%</td>
<td>43.5%</td>
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<tr>
<td>Total Expenditures</td>
<td>$5,754,930</td>
<td>$4,747,404</td>
<td>$5,441,103</td>
<td>$7,105,467</td>
<td>$7,639,536</td>
<td>$11,404,676</td>
<td>$9,426,998</td>
<td>$11,513,821</td>
<td>$9,050,010</td>
<td>$8,605,828</td>
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<tr>
<td>% Change From Prior Year</td>
<td>-13.2%</td>
<td>-17.5%</td>
<td>14.6%</td>
<td>30.6%</td>
<td>7.5%</td>
<td>49.3%</td>
<td>-17.3%</td>
<td>22.1%</td>
<td>-16.2%</td>
<td>-10.8%</td>
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</tbody>
</table>

Notes:
¹ Includes all governmental fund types.

Data Source:
Applicable years' comprehensive annual financial report or financial statement.
Town of Surfside, Florida  
*General Governmental Current Expenditures by Function (Unaudited)*  
*Last Ten Fiscal Years*  
*(modified accrual basis of accounting)*

<table>
<thead>
<tr>
<th>Function</th>
<th>Amounts</th>
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<tbody>
<tr>
<td></td>
<td>2001</td>
</tr>
<tr>
<td>Current:</td>
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<tr>
<td>General government</td>
<td>$1,947,110</td>
</tr>
<tr>
<td>Public safety</td>
<td>$1,684,729</td>
</tr>
<tr>
<td>Physical environment</td>
<td>$599,326</td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>$556,020</td>
</tr>
<tr>
<td>Transportation</td>
<td></td>
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<tr>
<td>Total Current</td>
<td>$4,799,185</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
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</thead>
<tbody>
<tr>
<td>Percentage of Total</td>
<td>40.6%</td>
<td>27.9%</td>
<td>34.0%</td>
<td>40.7%</td>
<td>38.6%</td>
<td>48.3%</td>
<td>39.0%</td>
<td>39.8%</td>
<td>29.9%</td>
<td>30.0%</td>
</tr>
<tr>
<td></td>
<td>35.3%</td>
<td>44.0%</td>
<td>38.4%</td>
<td>35.9%</td>
<td>35.4%</td>
<td>30.5%</td>
<td>38.5%</td>
<td>37.3%</td>
<td>43.5%</td>
<td>47.2%</td>
</tr>
<tr>
<td></td>
<td>12.5%</td>
<td>14.9%</td>
<td>15.4%</td>
<td>11.2%</td>
<td>12.3%</td>
<td>9.2%</td>
<td>9.2%</td>
<td>7.8%</td>
<td>9.5%</td>
<td>9.0%</td>
</tr>
<tr>
<td></td>
<td>11.0%</td>
<td>13.2%</td>
<td>12.2%</td>
<td>12.2%</td>
<td>13.7%</td>
<td>12.0%</td>
<td>12.6%</td>
<td>13.4%</td>
<td>16.1%</td>
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<tr>
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<td>0.0%</td>
<td>0.0%</td>
<td>9.0%</td>
<td>0.7%</td>
<td>1.7%</td>
<td>1.0%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Total Current</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

**Notes:**

*Includes all governmental fund types.*

**Data Source:**

Applicable years' comprehensive annual financial report or financial statement.
### Town of Surfside, Florida

**Summary of Changes in Fund Balances - Governmental Funds (Unaudited)**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$5,843,779</td>
<td>$6,252,245</td>
<td>$6,720,140</td>
<td>$7,948,107</td>
<td>$8,368,728</td>
<td>$10,511,330</td>
<td>$11,304,095</td>
<td>$9,670,438</td>
<td>$9,274,766</td>
<td>$8,555,076</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>5,754,939</td>
<td>4,747,404</td>
<td>5,441,103</td>
<td>7,105,467</td>
<td>7,639,536</td>
<td>11,404,676</td>
<td>9,426,988</td>
<td>11,513,821</td>
<td>9,650,016</td>
<td>8,605,820</td>
</tr>
<tr>
<td><strong>Excess (Deficiency) of Revenues</strong></td>
<td>88,849</td>
<td>1,504,841</td>
<td>1,279,037</td>
<td>842,640</td>
<td>744,192</td>
<td>(893,346)</td>
<td>1,877,097</td>
<td>(1,843,383)</td>
<td>(375,244)</td>
<td>(50,744)</td>
</tr>
<tr>
<td><strong>Over (Under) Expenditures</strong></td>
<td>800,000</td>
<td>427,349</td>
<td>400,000</td>
<td>575,483</td>
<td>56,926</td>
<td>-</td>
<td>181,738</td>
<td>2,665,101</td>
<td>232,878</td>
<td>5,239,461</td>
</tr>
<tr>
<td><strong>Transfers in</strong></td>
<td>900,000</td>
<td>427,349</td>
<td>400,000</td>
<td>575,483</td>
<td>56,926</td>
<td>-</td>
<td>181,738</td>
<td>2,665,101</td>
<td>232,878</td>
<td>5,239,461</td>
</tr>
<tr>
<td><strong>Transfers out</strong></td>
<td>(900,000)</td>
<td>(427,349)</td>
<td>(300,000)</td>
<td>(630,483)</td>
<td>(315,759)</td>
<td>(284,134)</td>
<td>(181,738)</td>
<td>(2,775,041)</td>
<td>(110,949)</td>
<td>(5,030,959)</td>
</tr>
<tr>
<td><strong>Total Other Financing Sources (Uses)</strong></td>
<td>100,000</td>
<td>(55,000)</td>
<td>(258,833)</td>
<td>(284,134)</td>
<td>-</td>
<td>(110,949)</td>
<td>121,893</td>
<td>208,502</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Change in Fund Balances</strong></td>
<td>$88,849</td>
<td>$1,504,841</td>
<td>$1,379,037</td>
<td>$787,640</td>
<td>$485,359</td>
<td>$(1,177,480)</td>
<td>$1,877,097</td>
<td>$(1,954,323)</td>
<td>$(253,351)</td>
<td>$157,758</td>
</tr>
</tbody>
</table>

**Data Source:**
Applicable years' comprehensive annual financial report.
Town of Surfside, Florida
Chart-Changes in Fund Balances - Governmental Funds (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)
Town of Surfside, Florida  
Fund Balances - Governmental Funds (Unaudited)  
Fiscal Years 2001 - 2009  
(modified accrual basis of accounting)  

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserved</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 104,240</td>
<td>$ 101,996</td>
<td>$ 117,013</td>
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<tr>
<td>Unreserved</td>
<td>2,556,973</td>
<td>4,330,773</td>
<td>5,553,798</td>
<td>6,234,808</td>
<td>6,508,243</td>
<td>5,336,016</td>
<td>7,223,228</td>
<td>6,786,540</td>
<td>7,178,522</td>
</tr>
<tr>
<td><strong>Total General Fund</strong></td>
<td>2,556,973</td>
<td>4,330,773</td>
<td>5,553,798</td>
<td>6,234,808</td>
<td>6,508,243</td>
<td>5,336,016</td>
<td>7,327,468</td>
<td>6,888,536</td>
<td>7,295,535</td>
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<tr>
<td>General Fund % Change</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>From Prior Year</td>
<td>38.0%</td>
<td>69.4%</td>
<td>28.2%</td>
<td>12.3%</td>
<td>4.4%</td>
<td>-18.0%</td>
<td>37.3%</td>
<td>-6.0%</td>
<td>5.9%</td>
</tr>
<tr>
<td></td>
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<td></td>
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<td></td>
<td></td>
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<tr>
<td>All Other Governmental Funds</td>
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<td></td>
</tr>
<tr>
<td>Reserved</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,919</td>
<td>8,590</td>
<td>-</td>
</tr>
<tr>
<td>Unreserved</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Revenue Funds</td>
<td>3,357,390</td>
<td>3,088,682</td>
<td>3,223,357</td>
<td>538,085</td>
<td>549,326</td>
<td>2,276,754</td>
<td>1,023,426</td>
<td>783,701</td>
<td>724,122</td>
</tr>
<tr>
<td>Capital Projects Funds</td>
<td>(1,886)</td>
<td>(2,437)</td>
<td>18,890</td>
<td>2,281,356</td>
<td>2,320,130</td>
<td>520,194</td>
<td>2,413,888</td>
<td>1,133,521</td>
<td>541,340</td>
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<tr>
<td><strong>Total All Other Governmental Funds</strong></td>
<td>3,355,504</td>
<td>3,086,245</td>
<td>3,242,257</td>
<td>2,819,441</td>
<td>2,869,456</td>
<td>2,796,948</td>
<td>3,441,203</td>
<td>1,925,812</td>
<td>1,265,462</td>
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<tr>
<td>All Other Governmental Funds % Change From Prior Year</td>
<td>8.8%</td>
<td>-9.0%</td>
<td>5.1%</td>
<td>-13.0%</td>
<td>1.8%</td>
<td>-2.5%</td>
<td>23.0%</td>
<td>-44.0%</td>
<td>-34.3%</td>
</tr>
<tr>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserved</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unreserved</td>
<td>5,912,477</td>
<td>7,417,018</td>
<td>8,796,055</td>
<td>9,054,249</td>
<td>9,377,699</td>
<td>8,132,964</td>
<td>10,660,512</td>
<td>8,703,762</td>
<td>8,443,884</td>
</tr>
<tr>
<td><strong>Total Governmental Funds</strong></td>
<td>$ 5,912,477</td>
<td>$ 7,417,018</td>
<td>$ 8,796,055</td>
<td>$ 9,054,249</td>
<td>$ 9,377,699</td>
<td>$ 8,132,964</td>
<td>$ 10,768,671</td>
<td>$ 8,814,348</td>
<td>$ 8,500,997</td>
</tr>
<tr>
<td>All Governmental Funds % Change From Prior Year</td>
<td>1.5%</td>
<td>25.4%</td>
<td>18.6%</td>
<td>2.9%</td>
<td>3.6%</td>
<td>-13.3%</td>
<td>32.4%</td>
<td>-18.1%</td>
<td>-2.9%</td>
</tr>
</tbody>
</table>

**Notes:**  
The Town implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Definitions, in Fiscal Year 2010 (See Exhibit XII). The Town did not restate the prior nine years.

**Data Source:**  
Applicable years' comprehensive annual financial report or financial statement.
Town of Surfside, Florida
Fund Balances - Governmental Funds (Unaudited)
Fiscal Year 2010
(modified accrual basis of accounting)

<table>
<thead>
<tr>
<th>General Fund: Assigned to:</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergencies and cash flows</td>
<td>$ 2,000,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nonspendable:</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Prepaid items</td>
<td>107,171</td>
</tr>
<tr>
<td>Asset held for resale</td>
<td>188,000</td>
</tr>
</tbody>
</table>

| Unassigned | 867,867 |

| Total General Fund | 3,163,038 |

**All Other Governmental Funds:**

<table>
<thead>
<tr>
<th>Restricted for:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism</td>
<td>179,035</td>
</tr>
<tr>
<td>Transportation surtax</td>
<td>416,500</td>
</tr>
<tr>
<td>Police forfeiture</td>
<td>71,825</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Committed to:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital projects</td>
<td>4,201,479</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assigned to:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital projects</td>
<td>686,878</td>
</tr>
</tbody>
</table>

| Total All Other Governmental Funds: | 5,555,717 |

| Total Governmental Funds | $ 8,718,755 |

**Notes:**
The Town implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Definitions*, in Fiscal Year 2010. The Town did not restate the prior nine years.

**Data Source:**
Applicable years' comprehensive annual financial report or financial statement.
Town of Surfside, Florida

*Taxable Assessed Value - Real and Personal Property (Unaudited)*

*Last Ten Fiscal Years*

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Real Property</th>
<th>Personal Property</th>
<th>Total Assessed Value</th>
<th>Total Direct Tax Rate</th>
<th>Total Annual Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Percentage</td>
<td>Amount</td>
<td>Change</td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>$ 504,164,394</td>
<td>3.2%</td>
<td>$ 11,484,515</td>
<td>3.1%</td>
<td>$ 515,648,909</td>
</tr>
<tr>
<td>2002</td>
<td>551,054,725</td>
<td>9.3%</td>
<td>13,140,027</td>
<td>14.4%</td>
<td>564,194,752</td>
</tr>
<tr>
<td>2003</td>
<td>710,829,366</td>
<td>29.0%</td>
<td>14,414,834</td>
<td>9.7%</td>
<td>725,244,200</td>
</tr>
<tr>
<td>2004</td>
<td>789,958,828</td>
<td>11.1%</td>
<td>13,889,674</td>
<td>-3.6%</td>
<td>803,848,502</td>
</tr>
<tr>
<td>2005</td>
<td>922,780,341</td>
<td>16.8%</td>
<td>13,798,601</td>
<td>-0.7%</td>
<td>936,578,942</td>
</tr>
<tr>
<td>2006</td>
<td>1,130,237,073</td>
<td>22.5%</td>
<td>16,959,267</td>
<td>22.9%</td>
<td>1,147,196,340</td>
</tr>
<tr>
<td>2007</td>
<td>1,434,501,842</td>
<td>26.9%</td>
<td>15,720,579</td>
<td>-7.3%</td>
<td>1,450,222,421</td>
</tr>
<tr>
<td>2008</td>
<td>1,644,730,371</td>
<td>14.7%</td>
<td>15,702,111</td>
<td>-0.1%</td>
<td>1,660,432,482</td>
</tr>
<tr>
<td>2009</td>
<td>1,513,235,324</td>
<td>-8.0%</td>
<td>18,434,095</td>
<td>17.4%</td>
<td>1,531,669,419</td>
</tr>
<tr>
<td>2010</td>
<td>1,270,680,301</td>
<td>-16.0%</td>
<td>12,720,930</td>
<td>-31.0%</td>
<td>1,283,401,231</td>
</tr>
</tbody>
</table>

* $1,047,217,257 $ 14,388,701 $ 975,420,819

** 152.0% 10.8% 148.9%

* Dollar average for ten years.
** Percentage change in dollars over ten years.

**Notes:**

1 All property is assessed at 100% of fair market value.
2 Tax rates expressed in rate per $1,000

**Data Source:**

Miami-Dade County Property Appraiser
Town of Surfside, Florida
Chart-Total Assessed Value (Unaudited)
Last Ten Calendar Years
(modified accrual basis of accounting)
## Overlapping Rates

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Town Direct Millage</th>
<th>Miami-Dade County Operating Millage</th>
<th>Miami-Dade County Service Millage</th>
<th>Total County Millage</th>
<th>Miami-Dade School Board Operating Millage</th>
<th>Miami-Dade School Board Service Millage</th>
<th>Total School Millage</th>
<th>Water Management District</th>
<th>Environmental Project</th>
<th>Special District</th>
<th>Children's Trust</th>
<th>Fire and Rescue</th>
<th>Fire Debt</th>
<th>Overlapping Millage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>5.6030</td>
<td>5.7510</td>
<td>0.6520</td>
<td>6.4030</td>
<td>8.7020</td>
<td>0.9150</td>
<td>9.6170</td>
<td>0.5970</td>
<td>0.1000</td>
<td>0.0410</td>
<td>-</td>
<td>2.6830</td>
<td>0.0690</td>
<td>25.1130</td>
</tr>
<tr>
<td>2002</td>
<td>5.6030</td>
<td>5.7130</td>
<td>0.5520</td>
<td>6.2650</td>
<td>8.5280</td>
<td>0.8480</td>
<td>9.3760</td>
<td>0.5970</td>
<td>0.1000</td>
<td>0.0385</td>
<td>-</td>
<td>2.6830</td>
<td>0.0690</td>
<td>24.7315</td>
</tr>
<tr>
<td>2003</td>
<td>5.6030</td>
<td>5.8890</td>
<td>0.3900</td>
<td>6.2790</td>
<td>8.4820</td>
<td>0.7700</td>
<td>9.2520</td>
<td>0.5970</td>
<td>0.1000</td>
<td>0.0385</td>
<td>-</td>
<td>2.5820</td>
<td>0.1000</td>
<td>24.5305</td>
</tr>
<tr>
<td>2004</td>
<td>5.6030</td>
<td>5.9650</td>
<td>0.2850</td>
<td>6.2540</td>
<td>8.4180</td>
<td>0.6820</td>
<td>9.1000</td>
<td>0.5970</td>
<td>0.1000</td>
<td>0.0385</td>
<td>-</td>
<td>2.5820</td>
<td>0.0790</td>
<td>24.8335</td>
</tr>
<tr>
<td>2005</td>
<td>5.6030</td>
<td>5.9350</td>
<td>0.2850</td>
<td>6.2200</td>
<td>8.0900</td>
<td>0.5970</td>
<td>8.6870</td>
<td>0.5970</td>
<td>0.1000</td>
<td>0.0385</td>
<td>0.5000</td>
<td>2.5820</td>
<td>0.0790</td>
<td>24.8357</td>
</tr>
<tr>
<td>2006</td>
<td>5.6050</td>
<td>5.8350</td>
<td>0.2850</td>
<td>6.1200</td>
<td>7.9470</td>
<td>0.4910</td>
<td>8.4380</td>
<td>0.5970</td>
<td>0.1000</td>
<td>0.0385</td>
<td>0.4442</td>
<td>2.5920</td>
<td>0.0890</td>
<td>24.3507</td>
</tr>
<tr>
<td>2007</td>
<td>5.6000</td>
<td>5.9150</td>
<td>0.2850</td>
<td>5.9000</td>
<td>7.6910</td>
<td>0.4140</td>
<td>8.1050</td>
<td>0.5970</td>
<td>0.1000</td>
<td>0.0385</td>
<td>0.4288</td>
<td>2.6090</td>
<td>0.0520</td>
<td>23.9843</td>
</tr>
<tr>
<td>2008</td>
<td>4.2500</td>
<td>4.5796</td>
<td>0.2850</td>
<td>4.8646</td>
<td>7.5700</td>
<td>0.3780</td>
<td>7.9480</td>
<td>0.5346</td>
<td>0.0894</td>
<td>0.0345</td>
<td>0.4223</td>
<td>2.6090</td>
<td>0.0420</td>
<td>23.4138</td>
</tr>
<tr>
<td>2009</td>
<td>4.7332</td>
<td>4.8379</td>
<td>0.2850</td>
<td>5.1229</td>
<td>7.5330</td>
<td>0.2640</td>
<td>7.7970</td>
<td>0.5346</td>
<td>0.0894</td>
<td>0.0345</td>
<td>0.4212</td>
<td>2.1851</td>
<td>0.0420</td>
<td>20.9599</td>
</tr>
<tr>
<td>2010</td>
<td>4.7332</td>
<td>4.8379</td>
<td>0.2850</td>
<td>5.1229</td>
<td>7.6980</td>
<td>0.2970</td>
<td>7.9950</td>
<td>0.5346</td>
<td>0.0894</td>
<td>0.0345</td>
<td>0.5000</td>
<td>2.1851</td>
<td>0.0420</td>
<td>21.2367</td>
</tr>
</tbody>
</table>

**Notes:**

1. Overlapping rates are those of governments that overlap the Town's geographic boundaries.

**Data Source:**

**Town of Surfside, Florida**  
*Total Property Tax Levies and Collections (Unaudited)*  
*Last Ten Fiscal Years*

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Taxes Levied for the Fiscal Year</th>
<th>Total Taxes Collected</th>
<th>Percentage of Levy</th>
<th>Total Uncollected Taxes</th>
<th>Percentage of Levy</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>$2,626,635</td>
<td>$2,571,169</td>
<td>97.89%</td>
<td>$55,466</td>
<td>2.11%</td>
</tr>
<tr>
<td>2002</td>
<td>2,873,635</td>
<td>2,819,354</td>
<td>98.11%</td>
<td>54,281</td>
<td>1.89%</td>
</tr>
<tr>
<td>2003</td>
<td>3,604,928</td>
<td>3,555,405</td>
<td>98.63%</td>
<td>49,523</td>
<td>1.37%</td>
</tr>
<tr>
<td>2004</td>
<td>4,113,152</td>
<td>3,952,662</td>
<td>96.10%</td>
<td>160,490</td>
<td>3.90%</td>
</tr>
<tr>
<td>2005</td>
<td>4,878,373</td>
<td>4,735,259</td>
<td>97.07%</td>
<td>143,114</td>
<td>2.93%</td>
</tr>
<tr>
<td>2006</td>
<td>6,013,274</td>
<td>5,846,079</td>
<td>97.22%</td>
<td>167,195</td>
<td>2.78%</td>
</tr>
<tr>
<td>2007</td>
<td>7,675,734</td>
<td>7,377,056</td>
<td>96.11%</td>
<td>298,678</td>
<td>3.89%</td>
</tr>
<tr>
<td>2008</td>
<td>6,702,904</td>
<td>6,292,755</td>
<td>93.88%</td>
<td>410,149</td>
<td>6.12%</td>
</tr>
<tr>
<td>2009</td>
<td>6,628,539</td>
<td>6,325,721</td>
<td>95.43%</td>
<td>302,818</td>
<td>4.57%</td>
</tr>
<tr>
<td>2010</td>
<td>5,550,925</td>
<td>5,323,728</td>
<td>95.91%</td>
<td>227,197</td>
<td>4.09%</td>
</tr>
</tbody>
</table>

**Notes:**

1. Currently the tax collections are not available for the year to which they apply.

**Data Source:**

Town Finance Support Services Department
Town of Surfside, Florida  
*Principal Real Property Taxpayers (Unaudited)*  
Fiscal Years Ended September 30, 2010 and 2001

<table>
<thead>
<tr>
<th>Principal Taxpayer</th>
<th>Taxable Assessed Value</th>
<th>Percentage of Total Taxable Assessed Value</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Surf Club</td>
<td>$ 40,373,960</td>
<td>3.18%</td>
<td>1</td>
</tr>
<tr>
<td>9379 Realty Group</td>
<td>13,970,000</td>
<td>1.10%</td>
<td>2</td>
</tr>
<tr>
<td>Beach House</td>
<td>9,000,000</td>
<td>0.71%</td>
<td>3</td>
</tr>
<tr>
<td>Publix Super Markets, Inc.</td>
<td>8,380,000</td>
<td>0.66%</td>
<td>4</td>
</tr>
<tr>
<td>Ohio Savings Bank</td>
<td>5,739,360</td>
<td>0.45%</td>
<td>5</td>
</tr>
<tr>
<td>Transactaa Lanai Development, LTD</td>
<td>5,695,000</td>
<td>0.45%</td>
<td>6</td>
</tr>
<tr>
<td>Collins Avenue Investment Group</td>
<td>3,800,000</td>
<td>0.30%</td>
<td>7</td>
</tr>
<tr>
<td>9501 Collins Avenue, LLC</td>
<td>3,289,000</td>
<td>0.26%</td>
<td>8</td>
</tr>
<tr>
<td>Robert and Rita Swedroe</td>
<td>2,993,148</td>
<td>0.24%</td>
<td>9</td>
</tr>
<tr>
<td>Yoram and Ylea Izhak</td>
<td>2,614,259</td>
<td>0.21%</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total Principal Taxpayers</strong></td>
<td><strong>95,854,727</strong></td>
<td>7.54%</td>
<td></td>
</tr>
<tr>
<td>All Other Taxpayers</td>
<td>1,174,825,574</td>
<td>92.46%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,270,680,301</strong></td>
<td>100.00%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Principal Taxpayer</th>
<th>Taxable Assessed Value</th>
<th>Percentage of Total Taxable Assessed Value</th>
<th>Rank</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Surf Club</td>
<td>$ 12,204,544</td>
<td>2.68%</td>
<td>1</td>
<td>40373960</td>
</tr>
<tr>
<td>Beach House</td>
<td>9,396,329</td>
<td>2.06%</td>
<td>2</td>
<td>13970000</td>
</tr>
<tr>
<td>ACP Heritage II, LLC</td>
<td>6,803,462</td>
<td>1.49%</td>
<td>3</td>
<td>9000000</td>
</tr>
<tr>
<td>Nichols Apartments of Surfside</td>
<td>6,466,475</td>
<td>1.42%</td>
<td>4</td>
<td>8380000</td>
</tr>
<tr>
<td>Beekman Towers, Inc.</td>
<td>4,802,400</td>
<td>1.05%</td>
<td>5</td>
<td>5739360</td>
</tr>
<tr>
<td>Bethal Beach Club Partners, Inc.</td>
<td>4,709,560</td>
<td>1.03%</td>
<td>6</td>
<td>3800000</td>
</tr>
<tr>
<td>Azure Beach Development, LTD</td>
<td>3,519,535</td>
<td>0.77%</td>
<td>7</td>
<td>3289000</td>
</tr>
<tr>
<td>9560 Collins Avenue, #101</td>
<td>2,667,728</td>
<td>0.59%</td>
<td>8</td>
<td>2993148</td>
</tr>
<tr>
<td>Publix Super Markets, Inc.</td>
<td>2,601,088</td>
<td>0.57%</td>
<td>9</td>
<td>2440557</td>
</tr>
<tr>
<td>9201 Partners Limited</td>
<td>2,377,401</td>
<td>0.52%</td>
<td>10</td>
<td>2593221</td>
</tr>
<tr>
<td><strong>Total Principal Taxpayers</strong></td>
<td><strong>55,548,512</strong></td>
<td>12.19%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Other Taxpayers</td>
<td><strong>400,102,333</strong></td>
<td><strong>87.81%</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$455,650,845</strong></td>
<td><strong>100.00%</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Data Source:*
Miami-Dade County Property Appraiser
<table>
<thead>
<tr>
<th>Principal Taxpayer</th>
<th>Taxable Assessed Value</th>
<th>Rank</th>
<th>Percentage of Total Taxable Assessed Value</th>
<th>Principal Taxpayer</th>
<th>Taxable Assessed Value</th>
<th>Rank</th>
<th>Percentage of Total Taxable Assessed Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Florida Power and Light Company</td>
<td>$ 5,242,893</td>
<td>1</td>
<td>41.21%</td>
<td>Florida Power and Light Company</td>
<td>$ 2,897,048</td>
<td>1</td>
<td>26.23%</td>
</tr>
<tr>
<td>Atlantic Broadband</td>
<td>1,209,127</td>
<td>2</td>
<td>9.51%</td>
<td>Beach House</td>
<td>2,678,596</td>
<td>2</td>
<td>23.32%</td>
</tr>
<tr>
<td>Bell South Telecommunications, Inc.</td>
<td>857,154</td>
<td>3</td>
<td>6.74%</td>
<td>Bell South Telecommunications, Inc.</td>
<td>1,936,243</td>
<td>3</td>
<td>16.86%</td>
</tr>
<tr>
<td>Publix Super Markets, Inc.</td>
<td>814,421</td>
<td>4</td>
<td>6.40%</td>
<td>The Surf Club</td>
<td>687,089</td>
<td>4</td>
<td>5.99%</td>
</tr>
<tr>
<td>People's Gas System</td>
<td>652,838</td>
<td>5</td>
<td>5.13%</td>
<td>Gold Coast Cablevision</td>
<td>655,064</td>
<td>5</td>
<td>5.97%</td>
</tr>
<tr>
<td>The Surf Club</td>
<td>332,063</td>
<td>6</td>
<td>2.61%</td>
<td>People's Gas System</td>
<td>536,623</td>
<td>6</td>
<td>4.67%</td>
</tr>
<tr>
<td>Café Ragazzi</td>
<td>258,972</td>
<td>7</td>
<td>2.04%</td>
<td>Beckman Towers, Inc.</td>
<td>402,769</td>
<td>7</td>
<td>3.51%</td>
</tr>
<tr>
<td>CVS</td>
<td>196,807</td>
<td>8</td>
<td>1.55%</td>
<td>Florida Cellular Services, Inc.</td>
<td>274,958</td>
<td>8</td>
<td>2.30%</td>
</tr>
<tr>
<td>Modular Space Corporation</td>
<td>148,275</td>
<td>9</td>
<td>1.17%</td>
<td>Baymar Ocean Resort</td>
<td>180,114</td>
<td>9</td>
<td>1.57%</td>
</tr>
<tr>
<td>Food Gang Restaurant</td>
<td>147,000</td>
<td>10</td>
<td>1.16%</td>
<td>Citibank, FSB</td>
<td>177,996</td>
<td>10</td>
<td>1.55%</td>
</tr>
<tr>
<td><strong>Total Principal Taxpayers</strong></td>
<td><strong>9,859,550</strong></td>
<td></td>
<td><strong>77.51%</strong></td>
<td><strong>Total Principal Taxpayers</strong></td>
<td><strong>10,457,382</strong></td>
<td></td>
<td><strong>91.06%</strong></td>
</tr>
<tr>
<td><strong>All Other Taxpayers</strong></td>
<td><strong>2,861,380</strong></td>
<td></td>
<td><strong>22.49%</strong></td>
<td><strong>All Other Taxpayers</strong></td>
<td><strong>1,027,133</strong></td>
<td></td>
<td><strong>8.94%</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$12,720,930</strong></td>
<td></td>
<td><strong>100.00%</strong></td>
<td><strong>Total</strong></td>
<td><strong>$11,484,515</strong></td>
<td></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

Data Source:
Miami-Dade County Property Appraiser
## Town of Surfside, Florida

*Overlapping Governmental Activities Debt (Unaudited)*

*September 30, 2010*

<table>
<thead>
<tr>
<th>Governmental Unit</th>
<th>Debt Outstanding</th>
<th>Estimated Percentage Applicable</th>
<th>Estimated Share of Underlying Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miami-Dade County</td>
<td>$881,276,000</td>
<td>0.32%</td>
<td>$2,820,083</td>
</tr>
<tr>
<td>Miami-Dade County School Board</td>
<td>348,100,000</td>
<td>0.32%</td>
<td>1,113,920</td>
</tr>
<tr>
<td><strong>Total Overlapping Debt</strong></td>
<td></td>
<td></td>
<td><strong>$3,934,003</strong></td>
</tr>
</tbody>
</table>

### Notes:

1. Applicable percentage was estimated by determining the portion of the Town’s assessed value that is within the County’s geographic boundaries.

### Data Source:

2. Each specific government
Town of Surfside, Florida  
**Demographic and Economic Statistics (Unaudited)**  
*Last Ten Calendar Years*

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Population ¹</th>
<th>Per Capita Personal Income ²</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>-</td>
<td>$27,041</td>
<td>6.1%</td>
</tr>
<tr>
<td>2002</td>
<td>-</td>
<td>27,769</td>
<td>6.5%</td>
</tr>
<tr>
<td>2003</td>
<td>-</td>
<td>28,480</td>
<td>5.9%</td>
</tr>
<tr>
<td>2004</td>
<td>-</td>
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</tr>
<tr>
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<td>-</td>
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<tr>
<td>2006</td>
<td>-</td>
<td>34,934</td>
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<tr>
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<td>5,775</td>
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<tr>
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<td>5,789</td>
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<td>2009</td>
<td>5,838</td>
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<tr>
<td>2010</td>
<td>5,744</td>
<td>36,950</td>
<td>12.7%</td>
</tr>
</tbody>
</table>

**State of Florida³**  
- 6.7%  
- 6.8%  
- 7.0%  
- 6.8%  
- 6.9%  
- 7.0%  
- 7.1%  
- 7.2%  
- 7.3%  
- 7.4%

**United States⁴**  
- 5.0%  
- 5.1%  
- 5.2%  
- 5.3%  
- 5.4%  
- 5.5%  
- 5.6%  
- 5.7%  
- 5.8%  
- 5.9%

**Notes:**  
Information not presented, not readily available  
There are no public schools located within the Town.

**Data Sources:**  
¹ 2007 and 2008, Bureau of Economic and Business Research, University of Florida, April 1 of each year  
² 2009 and 2010 estimated by management.  
³ Real Estate Center, http://recenter.tamu.edu/data/empc/LAUCN132860.htm  
Town of Surfside, Florida
Principal Employers (Unaudited) \(^1\)

For the Fiscal Years Ended September 30, 2010 and 2007 \(^2\)

<table>
<thead>
<tr>
<th>Employer</th>
<th>Type of Business</th>
<th>Number of Employees</th>
<th>Rank</th>
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<tbody>
<tr>
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<td>Retail</td>
<td>150</td>
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</tr>
<tr>
<td>Surf Club</td>
<td>Country Club and Resort</td>
<td>107</td>
<td>2</td>
</tr>
<tr>
<td>Town of Surfside</td>
<td>Government</td>
<td>107</td>
<td>3</td>
</tr>
<tr>
<td>CVS Pharmacy</td>
<td>Retail</td>
<td>19</td>
<td>4</td>
</tr>
<tr>
<td>Best Western Hotels</td>
<td>Hotel</td>
<td>32</td>
<td>5</td>
</tr>
<tr>
<td>Solara</td>
<td>Resort</td>
<td>26</td>
<td>6</td>
</tr>
<tr>
<td>Flanigan</td>
<td>Restaurant</td>
<td>66</td>
<td>7</td>
</tr>
<tr>
<td>Wachovia</td>
<td>Bank</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>Rolling Pin Bakery</td>
<td>Retail</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>Emergency Dental Center</td>
<td>Retail</td>
<td>4</td>
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Total Principal Employers 528

<table>
<thead>
<tr>
<th>Employer</th>
<th>Type of Business</th>
<th>Number of Employees</th>
<th>Rank</th>
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<tr>
<td>Public Supermarkets</td>
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<td>159</td>
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</tr>
<tr>
<td>Surf Club</td>
<td>Country Club and Resort</td>
<td>132</td>
<td>2</td>
</tr>
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<td>Town of Surfside</td>
<td>Government</td>
<td>117</td>
<td>3</td>
</tr>
<tr>
<td>CVS Pharmacy</td>
<td>Retail</td>
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<tr>
<td>Best Western Hotels</td>
<td>Hotel</td>
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<td>5</td>
</tr>
<tr>
<td>Solara</td>
<td>Resort</td>
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<tr>
<td>Flanigan</td>
<td>Restaurant</td>
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<td>Wachovia</td>
<td>Bank</td>
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<td>Rolling Pin Bakery</td>
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<tr>
<td>Emergency Dental Center</td>
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</tbody>
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Total Principal Employers 576

Notes:
\(^1\) The total number of employees in the Town is not available
\(^2\) Information only available back to 2007

Data Source:
\(^3\) Town records.
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<th>Function/Program</th>
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<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
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<td>19</td>
<td>20</td>
<td>19</td>
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<td><strong>Public Safety</strong></td>
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<td>Water/Sewer</td>
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<td>Stormwater</td>
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<td><strong>Leisure Services</strong></td>
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<td>22</td>
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<td>29</td>
<td>27</td>
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<td><strong>Total</strong></td>
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<td>92</td>
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<td>117</td>
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<td><strong>Percentage Change From Prior Year</strong></td>
<td>-</td>
<td>2.2%</td>
<td>7.6%</td>
<td>6.1%</td>
<td>0.0%</td>
<td>11.4%</td>
<td>0.9%</td>
<td>-5.1%</td>
<td>0.9%</td>
<td>-25.2%</td>
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**Data Source:**
Finance Support Services Department
Surfside, Florida
Operating Statistics by Function/Program (Unaudited)
Last Ten Fiscal Years

<table>
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<th>Function/program</th>
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<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
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</thead>
<tbody>
<tr>
<td>Public safety:</td>
<td></td>
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<tr>
<td>Police</td>
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<tr>
<td>Sworn employees</td>
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<td>32</td>
<td>32</td>
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<td>Civilian employees</td>
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<td>14</td>
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<td>$59,501</td>
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<tr>
<td>Municipal water system</td>
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<td>374,956</td>
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<td>Solid waste services</td>
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<tr>
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<tr>
<td>Cable television</td>
<td>3%</td>
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<td>Surfside Shuttle Service</td>
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Notes:
Data not available for items not presented.

Data Source
Various Town Departments
### Town of Surfside, Florida

**Capital Asset Statistics by Function/Program (Unaudited)**

**Last Ten Fiscal Years**

<table>
<thead>
<tr>
<th>Function/Program</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
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<td></td>
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</tr>
<tr>
<td>Land excluding airport (sq. miles)</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
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<tr>
<td>Water</td>
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<td><strong>Infrastructure:</strong></td>
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<td>Canals &amp; waterways</td>
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<td>Storm Drainage (catch basins)</td>
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<td>388</td>
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<td>Town owned street lights</td>
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<td>37</td>
<td>37</td>
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<td>FP&amp;L owned street lights</td>
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<td>Fire Stations</td>
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<tr>
<td>Public Beach (miles)</td>
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<td>1</td>
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<td>1</td>
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<td>Municipal Parks</td>
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<tr>
<td><strong>Municipal Water/Sewer System:</strong></td>
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<tr>
<td>Water mains (miles)</td>
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<td>15.7</td>
<td>15.7</td>
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<td>Reuse water mains (miles)</td>
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<tr>
<td>Wastewater force main (miles)</td>
<td>0.3</td>
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<td>Wastewater lift stations</td>
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<tr>
<td><strong>Municipal Parking:</strong></td>
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<td>-</td>
<td>-</td>
<td>6</td>
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<td>Metered/Pay Station Parking Spaces</td>
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<td>572</td>
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**Notes:**

Data not available for items not presented.

**Data Source**

Various Town Departments
COMPLIANCE SECTION
REPORT OF INDEPENDENT AUDITOR ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON OTHER MATTER BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.
Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Honorable Mayor, Town Commission and Town Manager
Town of Surfside, 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 Town of Surfside, Florida (the Town) as of and for the year ended September 30, 2010 which collectively comprise of the Town’s basic financial statements, and have issued our report thereon dated April 4, 2011. Our report includes a reference to other auditors. 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. Other auditors audited the financial statements of the Retirement Plan for the Employees of the Town of Surfside, Florida (Pension Trust Fund) which represents approximately 88% and 72% respectively, of the assets and revenues of the aggregate remaining fund information. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Town’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town’s internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town’s financial statements will not be prevented, or detected and corrected on a timely basis.
Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of the Mayor, Town Commission, management, and regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

Marcum LLP

Miami, FL
April 4, 2011
MANAGEMENT LETTER IN ACCORDANCE WITH
THE RULES OF THE AUDITOR GENERAL
OF THE STATE OF FLORIDA
Management Letter in Accordance with the Rules of the
Auditor General of the State of Florida

Honorable Mayor, Town Commission and Town Manager
Town of Surfside, Florida

We have audited the accompanying financial statements of the governmental activities, business-
type activities, each major fund, and the aggregate remaining fund information of the Town of
Surfside for the year ended September 30, 2010, and have issued our report thereon dated
April 4, 2011. We did not audit the financial statements of the Retirement Plan for the
Employees of the Town of Surfside, Florida (Pension Trust Fund) which represents
approximately 88% and 72% respectively, of the assets and revenues of the aggregate remaining
fund information. Those financial statements were audited by other independent auditors whose
report thereon has been furnished to us, and our opinion on the financial statements, insofar as it
relates to the amounts included for the Retirement Plan for the Employees of the Town of
Surfside, Florida (Pension Trust Fund), is based solely on the report of the other auditors.

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. We have issued our
Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance
and Other Matters. Disclosures in those reports, which are dated April 4, 2011, should be
considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550,
Rules of the Auditor General, which governs the conduct of local governmental entity audits
performed in the State of Florida. This letter includes the following information, which is not
included in the aforementioned auditors’ reports or schedule:

- 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 significant findings and recommendations
  made in the preceding annual financial audit report. There were no findings reported in the
  preceding annual financial audit report.

- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review
  of the provisions of Section 218.415, Florida Statutes, regarding the investment of public
  funds. In connection with our audit, we determined that the Town complied with Section
  218.415, Florida Statutes.
> Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

> Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of contracts or grant agreements, or abuses that have occurred, or are likely to have occurred, that have an effect on the financial statement that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

> Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

> Section 10.554(1)(i)6., 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 Town of Surfside was incorporated on May 19, 1935. The Town’s Charter was adopted under the provisions of Chapter 27914, Laws of the State of Florida in 1951. There are no component units related to the Town.

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

> Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the Town for the fiscal year ended September 30, 2010, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2010. In connection with our audit, we determined that these two reports were in agreement.

> Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management’s responsibility to monitor the Town’s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Town Commission, management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Marcum LLP

Miami, Florida
April 4, 2011
DISCUSSION ITEM MEMORANDUM

Title: Smoking ban for outdoor dining and cafes

Objective: To protect the majority (and children) from the minority, by banning smoking at outdoor cafes and/or sidewalk dining.

Consideration: Second hand smoke is as disturbing as it is unhealthy.

Consider the following: National Cancer Institute (NCI):

- Secondhand smoke (also called environmental tobacco smoke), involuntary smoke, and passive smoke) is the smoke given off by a burning tobacco product and the smoke exhaled by a smoker.
- At least 69 chemicals in secondhand smoke are known to cause cancer.
- Secondhand smoke causes lung cancer in nonsmokers.
- Secondhand smoke has also been associated with heart disease in adults and sudden infant death syndrome, ear infections, and asthma attacks in children.
- There is no safe level of exposure to secondhand smoke.

For more Info visit: 
http://www.cancer.gov/cancertopics/factsheet/Tobacco/ETS

Direction: Direct Town Attorney to craft an Ordinance banning smoking at outdoor dining facilities such as sidewalk cafes.

Respectfully submitted by Joe Graubart, Vice Mayor
DISCUSSION ITEM MEMORANDUM

Title: September 11th Commemoration

Objective: Ceremony and Plaque to commemorate the Ten Year Anniversary of the historic tragedy of September 11, 2001 – 9/11

Consideration: To authorize Town Manager to prepare and budget for the ten year anniversary of 9/11/2011. And, to report back to the Commission.

Location: In front of Town Hall, Harding Avenue side.

Note: September 11, 2011 falls on a Sunday.

Respectfully submitted by Joe Graubart, Vice Mayor
DISCUSSION ITEM MEMORANDUM

Title: “Grace Period” – Parking Citations in metered parking lots

Objective: To NOT issue overtime parking citations to patrons that have purchased ONE hour or more of parking by adopting a FIVE or TEN minute grace period.

Consideration: Patrons of Surfside’s downtown business district who paid for parking – and return to their cars to find a citation that was issued to them after paying for 1 – 3 hours for being several minutes late – will leave Town disappointed.

Direct Town Manager and Police Department to adopt this policy – yes or no?

Or:

‘study and consider’ adopting this policy.

And, report back to the Commission – i.e. ‘Point of Light’

Respectfully submitted by Joe Graubart, Vice Mayor
Town of Surfside
Commission Communication

Agenda Item #: 9G

Agenda Date: April 12, 2011

Subject: Florida Power & Light (FP&L), telephone and cable Underground Conversion of Existing Overhead Service Lines.

Objective: To improve the reliability of the electrical utility system Town wide while simultaneously improving aesthetics by removing all overhead wires and existing power poles which are currently in various states of disarray.

Background: Based on a number of citizen inquiries, the Town staff has approached FP&L and begun discussions regarding the feasibility of replacing the overhead wires and power poles including cable and telephone with underground conduit and wiring. To date these discussions have been positive and we have investigated the costs, governmental discount funding, financing resources and right of way/versus easement considerations.

Analysis: In our meetings with FPL it has been determined that the underground conversion process could remove existing overhead lines and power poles within the Town limits, excluding the locations where the above ground service enters the Town at both the north and south Town limits. Although the above ground lines and poles could be removed there will still be a need for transformers and switch cabinets to be installed. These transformers and switch cabinets will be placed at ground level (green FPL boxes on concrete pads).

The removal of overhead lines and power poles will greatly increase the reliability of the Town’s electrical utility. The underground lines are not susceptible to being blown over in a storm or having a tree limb impact them during a storm. Although it is less likely to experience a power outage with the underground system, if there is an outage it is normally for a much shorter duration. This is due to the fact that most repairs can be done from a switch cabinet (now located at ground level) and do not require bucket trucks to replace or repair the above ground power poles.

An important reason to undergo the conversion process is aesthetics. Staff has heard numerous resident concerns about the appearance and condition of the existing power poles. This conversion process would remove all poles from the Town limits, except where power enters the Town from neighboring jurisdictions. The entrance poles will be hardened concrete and not wood like the existing poles in Town. Not only does this remove the poles and power lines from the line of sight, but it also allows the trees throughout Town to grow to in areas and heights that the overhead lines previously limited.
**Budget Impact:** The current “non-binding cost estimate” from FPL estimates the FPL design and construction cost at $4.87 Million ($6.50 Million less 25% Governmental Adjustment Factor-GAF). This cost estimate excludes items such as site restoration, service laterals and securing easements. It is estimated that this work will cost an additional $1.2 Million for a total undergrounding cost of approximately $6.07 Million.

Recently FPL gained approval from the Florida Public Service Commission for a tariff to provide local governments with an option to recover the cost of converting overhead distribution facilities to underground. This tariff is called the MGRUF (Mechanism for Governmental Recover of Undergrounding Fees). The tariff says local governments must pay in advance for the entire cost of converting overhead facilities to underground. Local governments identify the FPL customers benefiting from the conversion and contract with FPL to recover the conversion cost from these customers. FPL then bills those customers for a portion of the conversion cost each month, based on a payback schedule of up to 20 years. The monthly charge to these customers may not exceed either:

1. 15% of the customer’s monthly electric bill
2. $30 per residential customer or
3. $50 per every 5,000 kilowatt-hours of consumption per commercial customer

FPL then makes annual payments to the local government, reflecting the entire amount collected from the identified customers. These annual payments (payback the Town’s advance) are estimated to be $450,000. The Town could possibly amortize the cost of the FPL underground lines including the corollary cost for the cable and telephone lines with this revenue stream.

**Staff Impact:** No additional staff is required, but existing staff will work with FPL, cable and telephone providers to manage and direct their efforts.

**Recommendation:** It is recommended that the Town Commission direct staff to further investigate the GAF, MGRUF Tariff and the design/construction/logistics. The Town Staff would then come back to the Commission as soon as possible with a more detailed plan as well as a process to involve the community in the decision to go forward.

**Signature:**

Department Head

Town Manager
Questions?

We share your goal of responding to the needs of your community in considering the installation of underground electric facilities. Please contact your FPL representative if you would like further assistance and information.

Underground Utilities and Your Community

A Guide For Local Governments

Florida Power & Light Company
P.O. Box 14000 Juno Beach, FL 33408
www.FPL.com
Underground vs. Overhead Power Lines

Many communities have considered converting pole-mounted or overhead electric power lines of the type seen in neighborhoods, to underground facilities. These power lines, called distribution lines, are the smaller, overhead power structures that bring electricity to your community’s homes and businesses. Underground power lines are generally viewed as aesthetically preferable to overhead lines. Some customers, however, may object to the associated pad-mounted transformers or switches being placed in easements on or near their property.

The reliability of overhead and underground lines is relatively comparable. For example, both facilities are subject to lightning damage. Although overhead lines may have more exposure to wind and tree damage, underground facilities are more prone to flood damage.

Underground facilities are typically more expensive than are overhead lines. FPL’s standard design calls for overhead facilities, the costs for which we all pay as part of our electric bill. It is the Florida Public Service Commission’s policy, and FPL agrees, that those who request underground facilities in a particular area should pay for the cost differential.

Making The Move To Underground

If your area chooses to convert overhead distribution facilities to underground, we can help. FPL recently gained approval from the Florida Public Service Commission for a tariff to provide local governments with an option to recover the cost of converting overhead distribution facilities to underground. This tariff is called the Mechanism for Governmental Recovery of Undergrounding Fees.

How The Tariff Works

The tariff says local governments must pay in advance for the entire cost of converting overhead facilities to underground. Local governments then identify the FPL customers benefiting from the conversion and contract with FPL to recover the conversion cost from those customers. FPL bills those customers for a portion of the conversion cost each month, based on a payback schedule of up to 20 years. The monthly charge to those customers may not exceed either:

- 15% of the customer’s monthly electric bill
- $30 per residential customer or
- $50 per every 5,000 kilowatt-hours of consumption per commercial customer.

FPL makes annual payments to the local government, reflecting the entire amount collected from the identified customers.

Other Funding Options

Other options that local governments may consider for recovering the cost of converting overhead distribution facilities to underground are:

- Municipal Service Benefit Units and Municipal Service Taxing Units. Another option, 125.010 of the Florida Statutes, lets counties establish these governmental units in certain areas and levy service charges, special assessments or taxes within these units to fund underground conversion costs.

- Special assessments. Chapters 197 and 170 of the Florida Statutes allow municipalities to fund underground conversion costs by levying special assessments imposed on tax bills. Landowners benefiting from the conversion must be identified and the special assessment may be collected directly from the local government imposing the assessment or through annual property tax bills.

- Assessment or through annual property tax bills.
February 11, 2011

Mr. Roger Carlton
Town Manager
Town of Surfside
9293 Harding Ave.
Surfside, FL 33154

Re: Town of Surfside
Electric Facilities Conversion – Ballpark Estimate
Entire Town
WR # 4065309

Dear Mr. Carlton:

FPL welcomes the opportunity to assist you in examining the feasibility of converting from overhead electric distribution facilities to an underground system at the following location:

Entire Town Limits In Surfside, Florida.

As per your request, the non-binding "ballpark" estimate to complete this conversion is $6,500,000. This estimate is provided strictly to assist you in preliminary decision making and it does not include the conversion of any existing streetlight system. It is not an offer from FPL to perform the requested conversion and should not be construed or used as such for detailed planning purposes. This represents an "order of magnitude" figure based on previous FPL experience and reflects the CIAC payment that the Town would ultimately need to make to FPL if the conversion were performed at this point in time. It is our experience that conversions in developed areas are the most complex and challenging types of construction. As such, this estimate likely will not precisely represent the Town's ultimate actual cost to convert, but can assist the Town in preliminary decision-making.

FPL estimates include only estimated charges to be paid by the Town to FPL. The costs of the following items are not included with the estimate and are the responsibility of the Town / residents. These potential costs should be included in future planning of the project:

- Site restoration (sod, landscaping, pavement, sidewalks, etc)
- Rearrangement of customer electric service entrances (requires electrician) from overhead to underground. Also, additional customer expense if local inspecting authorities require customer wiring to be brought to current codes.
- Trenching/backfilling for service laterals.
- Removal and undergrounding of other utilities (e.g. telecom, CATV, etc.)
- Acquiring, describing, securing and recording of easements for underground facilities. In underground systems, major components formerly attached to poles must now occupy "at grade" appurtenances, e.g., ground level pad mounted transformers and switch cabinets. Facilities of an underground distribution system will not be placed in road right-of-way, with the exception of cables required for crossings. (See special note below)
(Continued from Sheet No. 9.726)

9. **Termination Prior to the Conversion Completion.** Failure by the Local Government Applicant to comply with any of the requirements, terms, or conditions of this Agreement or FPL's Electric Tariff shall result in termination of this Agreement. The Local Government Applicant may terminate this Agreement at any time prior to the start of the Conversion and the CIAC paid by the Local Government Applicant will be refunded to the Local Government Applicant; provided however, that the refund of the CIAC shall be offset by any costs incurred by FPL in performing under the Agreement up to the date of termination.

10. **Assignment.** The Local Government Applicant shall not assign this Agreement without the written consent of FPL.

11. **Adoption and Recording.** This Agreement shall be adopted by the Local Government Applicant and maintained in the official records of the Local Government Applicant for the duration of the term of this Agreement. This Agreement also shall be recorded in the Official Records of the County in which the Underground Facilities are located, in the place and in the manner in which deeds are typically recorded.

12. **Conflict between Terms of Franchise Agreement.** In the event of a conflict between the terms of this Agreement and any permit or franchise agreement entered into by Local Government Applicant and FPL, the terms of this Agreement shall control.

IN WITNESS WHEREOF, FPL and the Local Government Applicant have executed this Agreement on the date first set forth above.

**LOCAL GOVERNMENT APPLICANT**

Signed

Name

Title

Signed

Name

Title

Approved as to Terms and Conditions

Signed

Name

Title

Approved as to Form and Legal Sufficiency

Signed

Name

Title

FLORIDA POWER & LIGHT COMPANY

Original Sheet No. 9.727

Issued by: S. E. Romig, Director, Rates and Tariffs

Effective: April 4, 2006

Page 506
UNDERGROUND FACILITIES CONVERSION AGREEMENT –
GOVERNMENTAL ADJUSTMENT FACTOR WAIVER

This Agreement, which is available to customers that sign the Agreement on or before October 30, 2008, is made and entered into this __________ day of __________, 20__, by and between ________________________________ (“Local Government Applicant”), a Florida municipal corporation or county with an address of ___________________________ and FLORIDA POWER & LIGHT COMPANY (“FPL”), a Florida corporation with an address of P.O. Box 14000, 700 Universe Boulevard, Juno Beach, FL 33408-0429.

WHEREAS, the Local Government Applicant has requested that FPL convert certain overhead electric distribution facilities located within the following boundaries (the “Conversion”):

_________________________________________________________________

_________________________________________________________________

_________________________________________________________________

(collectively, the “Existing Overhead Facilities”) to underground facilities, including transformers, switch cabinets and other appurtenant facilities installed above ground as set forth in Attachment A hereto (collectively, the “Underground Facilities”).

NOW THEREFORE, in consideration of the foregoing premises and the covenants and agreements set forth herein, and other consideration the sufficiency of which is hereby acknowledged, the parties intending to be legally bound, hereby covenant and agree as follows:

1. Governmental Adjustment Factor Waiver (“GAF Waiver”) Eligibility Criteria. The Local Government Applicant represents and warrants that it meets the following eligibility criteria for the Conversion:
   a. In order for the Conversion to incorporate a sufficient amount of overhead facilities to provide electrical continuity, the Conversion must include a minimum of approximately 3 pole line miles or approximately 200 detached dwelling units within contiguous or closely proximate geographic areas (the “Conversion Area”). The Conversion may be completed in mutually agreed upon phases, with the project size minimums applying to the aggregate project -- provided that any necessary subsequent phase begins within a 1 year period from completion of the prior phase and the minimums are met within, at most, 3 phases; and
   b. The Local Government Applicant must require all customers within the Conversion Area who currently have overhead service directly from the Existing Overhead Facilities to convert their service entrances to underground within 6 months of completion of the Underground Facilities installation or each phase thereof; and
   c. The Local Government Applicant must be willing and able to execute a right of way (“ROW”) agreement with FPL if the Local Government Applicant requests that facilities be placed in the ROW; and
   d. For any affected laterals, the complete lateral must be converted, including all stages of any multi-stage lateral; and
   c. There are no state or federal funds available to the Local Government Applicant to cover any portion of the cost of the Conversion.

Special Circumstances. Conversions which do not meet the project size minimums described in section 1.a are eligible for the GAF Waiver in the following special circumstances:
   i. 100% of the Existing Overhead Facilities within the Local Government Applicant’s corporate limits are to be converted, but are less than the pole line mileage or dwelling unit minimums; or
   ii. A single lateral that serves at least one Critical Infrastructure Facility as determined by the appropriate local agency with the mutual agreement of FPL; or
   iii. An island or peninsula where 100% of the Existing Overhead Facilities are to be converted; or

(Continued on Sheet No. 9.726)
(Continued from Sheet No. 9.725)

iv. When the aggregate size of the first 3 phases of a project would satisfy the minimum size criteria but, for mutually-agreed engineering or logistical reasons, those phases are non-contiguous; provided that (a) the next (4th) phase must be adjacent to one or more of the first 3 phases such that the combined contiguous area meets the minimum size criteria, and (b) this 4th phase begins within 1 year from completion of the 3rd phase.

2. Contribution-in-Aid-of-Construction (CIAC). The Local Government Applicant shall pay FPL a CIAC as required by FPL’s Electric Tariff and Section 25-6.115 of the Florida Administrative Code with the Otherwise Applicable CIAC amount reduced by the GAF Waiver.
   
   i. Otherwise Applicable CIAC $__________________
   
   ii. GAF Waiver $__________________

   iii. CIAC Due $__________________

In the event the actual cost of the Conversion exceeds the estimate, the Otherwise Applicable CIAC shall be adjusted by the lesser of (a) the difference between the actual cost of the Conversion and the estimate, or (b) 10% of the Otherwise Applicable CIAC identified above. The GAF Waiver shall also be adjusted accordingly and the Local Government Applicant shall pay FPL the resulting difference in the amount of the CIAC Due.

3. Applicant-Installed Facilities. The Local Government Applicant may, upon entering into an applicant-installed facilities agreement satisfactory to FPL, construct and install all or a portion of the Underground Facilities. Such work must meet FPL’s construction standards and FPL will own and maintain the completed facilities. The Local Government Applicant agrees to rectify any deficiencies, found by FPL, prior to the connection of any customers to the Underground Facilities and the removal of the Existing Overhead Facilities.

4. Compliance with Tariff. The Local Government Applicant agrees to comply with and abide by the requirements, terms, and conditions of FPL’s Electric Tariff.

5. Timing of Conversion. Upon compliance by the Local Government Applicant with the requirements, terms, and conditions of FPL’s Electric Tariff, this Agreement and any other applicable agreements, FPL will proceed in a timely manner with the Conversion in accordance with the construction drawings and specifications set forth in Attachment A hereof.

6. Relocation. In the event that the Underground Facilities are part of, or are for the purposes of, relocation, then this Agreement shall be an addendum to the relocation agreement between FPL and the Local Government Applicant. In the event of any conflict between the relocation agreement and this Agreement or the Electric Tariff, this Agreement and the Electric Tariff shall control.

7. Term. This Agreement shall remain in effect for as long as FPL or any successor or assign owns or operates the Underground Facilities.

8. GAF Waiver Repayment. If the Local Government Applicant does not satisfy the relevant eligibility criteria, the Local Government Applicant shall repay the GAF Waiver within 30 days of written notice from FPL of such failure. Additionally, if at any point within 30 years of completion of the Underground Facilities installation, the Local Government Applicant elects to have electric service within the Conversion Area supplied by a provider other than FPL, the Local Government Applicant shall repay FPL a pro-rata share of the GAF Waiver. The pro-rata share (which shall reflect partial years) shall be determined as follows:

   GAF Waiver * [(30 – years since the Underground Facilities completion date) / 30]

(Continued on Sheet No. 9.727)
INSTALLATION OF UNDERGROUND ELECTRIC DISTRIBUTION FACILITIES
FOR THE CONVERSION OF OVERHEAD ELECTRIC DISTRIBUTION FACILITIES

SECTION 12.1 DEFINITIONS

APPLICANT - Any person, corporation, or entity capable of complying with the requirements of this tariff that has made a written request for underground electric distribution facilities in accordance with this tariff.

CONVERSION - Any installation of underground electric distribution facilities where the underground facilities will be substituted for existing overhead distribution facilities, including relocations.

CONTRIBUTION-IN-AID-OF-CONSTRUCTION (CIAC) – The CIAC to be paid by an Applicant under this tariff section shall be the result of the following formula:

\[
\text{CIAC} = \\
1) \text{The estimated cost to install the requested underground facilities;} \\
2) \text{The estimated cost to remove the existing overhead facilities;} \\
3) \text{The net book value of the existing overhead facilities;} \\
4) \text{The estimated cost that would be incurred to install new overhead facilities, in lieu of underground, to replace the existing overhead facilities (the "Hypothetical Overhead Facilities");} \\
5) \text{The estimated salvage value of the existing overhead facilities to be removed;} \\
6) \text{The 30-year net present value of the estimated non-storm overhead v. overhead operational costs differential, which is set at 30 (zero) per pole-line mile of the existing overhead facilities;} \\
7) \text{The 30-year net present value of the estimated average Avoided Storm Restoration Costs ("ASRC") calculated as a percentage of the sum of lines 1) through 6). Simplified eligibility criteria for each ASRC Tier are summarized below. Applicants must enter into an Underground Facilities Conversion Agreement with the Company which provides full details on terms, conditions and compliance requirements.}
\]

<table>
<thead>
<tr>
<th>Tier</th>
<th>Percentage</th>
<th>Pole-Line Miles</th>
<th>Customer Conversion</th>
<th>Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>25%</td>
<td>3 or more</td>
<td>100%</td>
<td>3 phases</td>
</tr>
<tr>
<td>2</td>
<td>10%</td>
<td>1 to &lt;3</td>
<td>100%</td>
<td>3 phases</td>
</tr>
<tr>
<td>3</td>
<td>5%</td>
<td>&lt; 1</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

* The GAF Waiver will apply in lieu of Tier 1 ASRC for eligible conversions by Local Government Applicants.

GAF Waiver:
For Applicants entering into an Underground Facilities Conversion Agreement - Governmental Adjustment Factor Waiver with the Company, the otherwise applicable CIAC amount, as calculated above, shall be reduced by the GAF Waiver. The amount of the GAF Waiver shall be calculated as follows:

\[
\text{GAF Waiver} = \\
25\% \times \text{the otherwise applicable CIAC;} \\
75\% \times \text{the ASRC (avoids double-counting the ASRC embedded in the otherwise applicable CIAC.)}
\]

If the Applicant elects to construct and install all or part of the underground facilities, then for purposes of calculating the ASRC or the GAF Waiver amount only, the otherwise applicable CIAC shall be adjusted to add FPL's estimated cost for the Applicant-performed work. In addition, the Direct Engineering, Supervision, and Support (DESS) costs associated with this Applicant-performed work will be reduced by 20% from the amount that would have applied if FPL performed this work.

DISTRIBUTION SYSTEM - Electric service facilities consisting of primary and secondary conductors, service drops, service laterals, conduits, transformers and necessary accessories and appurtenances for the furnishing of electric power at utilization voltage.

SERVICE FACILITIES - The entire length of conductors between the distribution source, including any conduit and or risers at a pole or other structure or from transformers, from which only one point of service will result, and the first point of connection to the service entrance conductors at a weatherhead, in a terminal, or meter box outside the building wall; the terminal or meter box; and the meter.

(Continued on Sheet No. 6.301)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: April 6, 2010
(Continued from Sheet No. 6.300)

SECTION 12.2 GENERAL

12.2.1 Application
This tariff section applies to all requests for underground electric distribution facilities where the facilities requested will be substituted for existing overhead electric distribution facilities. Any person, corporation, or entity capable of complying with the requirements of this tariff may submit a request as follows. Requests shall be in writing and must specify in detail the overhead electric distribution facilities to be converted or the area to be served by underground electric distribution facilities in lieu of presently existing overhead electric distribution facilities serving said area. Upon receipt of a written request, FPL will determine the feasibility of converting the existing facilities, any necessary revisions to this written request, and the non-refundable deposit amount necessary to secure a binding cost estimate and notify the applicant of said amount.

12.2.2 Contribution-in-Aid-Of-Construction (CIAC)
Upon the payment of a non-refundable deposit by an Applicant, FPL shall prepare a binding cost estimate specifying the contribution in aid of construction (CIAC) required for the installation of the requested underground distribution facilities, where the installation of such facilities is feasible, and provide said estimate to the Applicant upon completion of the estimate along with either an Underground Facilities Conversion Agreement or an Underground Facilities Conversion Agreement - Governmental Adjustment Factor Waiver. The CIAC amount to be collected pursuant to a binding cost estimate from an Applicant shall not be increased by more than 10 percent of the binding cost estimate to account for actual costs incurred in excess of the binding cost estimate. However, the CIAC may be subject to increase or refund if the project scope is enlarged or reduced at the request of the Applicant, or if the CIAC is found to have a material error prior to the commencement of construction. The binding cost estimate provided to an Applicant shall be considered expired if the Applicant does not enter into either an Underground Facilities Conversion Agreement or an Underground Facilities Conversion Agreement - Governmental Adjustment Factor Waiver and pay the CIAC amount specified for the installation of the requested underground electric distribution facilities within 180 days of delivery of the binding cost estimate to the Applicant by FPL.

(Continued on Sheet No. 6.310)
12.2.3 Non-Refundable Deposit
The non-refundable deposit for a binding cost estimate for conversion to a direct buried cable in conduit underground electric distribution system shall be determined by multiplying the number of pole line feet of existing overhead electric distribution facilities to be converted by $1.20. The deposit must be paid to FPL to initiate the estimating process. The deposit will not be refundable, however, it will be applied in the calculation of the CIAC required for the installation of underground distribution facilities. The deposit and the preparation of a binding cost estimate are a prerequisite to the execution of either an Underground Facilities Conversion Agreement or an Underground Facilities Conversion Agreement - Governmental Adjustment Factor Waiver. If the request for underground electric distribution facilities involves the conversion of less than 250 pole line feet of existing overhead facilities, then no deposit will be required for a binding cost estimate, provided, however, that all other requirements of this tariff shall still apply.

12.2.4 Non-Binding Cost Estimates
Any person, corporation, or entity may request a non-binding cost estimate free of charge. The non-binding cost estimate shall be an order of magnitude estimate to assist the requester in determining whether to go forward with a binding cost estimate. Neither an Underground Facilities Conversion Agreement nor an Underground Facilities Conversion Agreement - Governmental Adjustment Factor Waiver may be executed on the basis of a non-binding cost estimate.

12.2.5 Underground Facilities Conversion Agreement
Any Applicant seeking the installation of underground distribution facilities pursuant to a written request hereunder shall execute either the Underground Facilities Conversion Agreement set forth in this tariff at Sheet No. 9.720 or, if applicable, the Underground Facilities Conversion Agreement - Governmental Adjustment Factor Waiver set forth in this tariff at Sheet No. 9.725. The applicable Agreement must be executed and the CIAC paid by the Applicant within 180 days of the delivery of the binding cost estimate to the Applicant. Failure to execute the applicable Agreement and pay the CIAC specified in the Agreement within the 180 day time limit, or termination of the Agreement, shall result in the expiration of the binding cost estimate. Any subsequent request for underground facilities will require the payment of a new deposit and the presentation of a new binding cost estimate. For good cause FPL may extend the 180 day time limit. Upon execution of either the Underground Facilities Conversion Agreement or the Underground Facilities Conversion Agreement - Governmental Adjustment Factor Waiver, payment in full of the CIAC specified in the binding cost estimate, and compliance with the requirements of this tariff, FPL shall proceed to convert the facilities identified in a timely manner. However, new service extensions, maintenance and reliability projects, and service restorations shall take precedence over facilities conversions.

12.2.6 Simultaneous Conversion of Other Pole Licenses
Before the initiation of any project to provide underground electric distribution facilities pursuant to either an Underground Facilities Conversion Agreement or an Underground Facilities Conversion Agreement - Governmental Adjustment Factor Waiver the Applicant shall have executed agreements with all affected pole licensees (e.g. telephone, cable TV, etc.) for the simultaneous conversion of those pole licensees' facilities and provide FPL with an executed copy of the Agreement(s). Such agreements shall specifically acknowledge that the affected pole licensees will coordinate their conversion with FPL and other licensees in a timely manner so as to not create unnecessary delays. Failure to present FPL with executed copies of any necessary agreements with affected pole licensees within 180 days after delivery of the binding cost estimate to the Applicant shall result in the expiration of the binding cost estimate, the return of any CIAC paid, and the termination of any Underground Facilities Conversion Agreement or Underground Facilities Conversion Agreement - Governmental Adjustment Factor Waiver entered into between the Applicant and FPL.

12.2.7 Easements
Before the initiation of any project to provide underground electric distribution facilities pursuant to either an Underground Facilities Conversion Agreement or an Underground Facilities Conversion Agreement - Governmental Adjustment Factor Waiver, the Applicant shall provide FPL, at no cost to FPL, all easements, including legal descriptions of such easements and all survey work associated with producing legal descriptions of such easements, specified as necessary by FPL to accommodate the requested underground facilities along with an opinion of title that the easements are valid. Failure to provide the easements in the manner set forth above within 180 days after the delivery of the binding cost estimate to the Applicant shall result in the expiration of the binding cost estimate, the return of any CIAC paid, and the termination of any Underground Facilities Conversion Agreement or Underground Facilities Conversion Agreement - Governmental Adjustment Factor Waiver entered into between the Applicant and FPL.

(Continued on Sheet No. 6.320)
12.2.8 Affected Customer Services

The Applicant shall be responsible for the costs associated with any modifications to the service facilities of customers affected by the conversion of FPL distribution facilities which are made necessary as a result of the conversion. The Applicant shall be responsible for arranging the conversion of affected residential overhead customer service facilities by providing, at no cost to FPL:

a) any necessary rearranging of the customer's existing electric service entrance facilities to accommodate an underground service lateral through the use of a licensed electrical contractor, in accordance with all local ordinances, codes, and FPL specifications; and

b) in a suitable trench, install FPL provided conduit according to FPL specifications to a point designated by FPL, and perform the backfilling and any landscape, pavement or other similar repairs

FPL shall be responsible for the installation of the service lateral cable, the cost of which shall be included in the Applicant's binding cost estimate. In the event a customer does not allow the Applicant to convert the customer's affected overhead services, or the Applicant fails to comply with the above requirements in a timely manner consistent with FPL's conversion construction schedule, then the Applicant shall pay FPL, in addition to the CIAC specified in the binding cost estimate, the costs associated with maintaining service to said customer through an overhead service drop. The cost for maintaining an overhead service drop from an underground system shall be:

a) the sum of $789 for residential dwellings containing less than five individual units; or,

b) the estimated cost to maintain service for residential dwellings containing five or more individual units.

For existing residential underground service laterals affected by a conversion the Applicant shall be responsible for the trenching, backfilling and any landscape, pavement or other similar repairs and installation of FPL provided conduit, according to FPL specifications, necessary to bring existing underground service laterals of affected customers to an FPL designated handhole or transformer. FPL will install the necessary cable, the cost of which shall be included in the binding cost estimate. However, in the event that a customer owned service lateral fails on connection to the underground distribution system the customer will be responsible for the replacement of their service lateral or compliance with section 10.5 of FPL's tariff.

The Applicant's responsibilities for modifications to the service facilities of non-residential customers affected by the conversion of FPL distribution facilities which are made necessary as a result of the conversion will be specified in an attachment to any Underground Facilities Conversion Agreement or Underground Facilities Conversion Agreement - Governmental Adjustment Factor Waiver.

12.2.9 Other Terms and Conditions

Through the execution of either the Underground Facilities Conversion Agreement set forth in this tariff at Sheet No. 9.720 or the Underground Facilities Conversion Agreement - Governmental Adjustment Factor Waiver set forth in this tariff at Sheet No. 9.720 the Applicant agrees to the following:

a) The Applicant shall be responsible for all restoration of, repair of, or compensation for, property affected, damaged, or destroyed, to accommodate the installation of underground distribution facilities and the removal of FPL's overhead distribution facilities;

b) subject to section 2.7 Indemnity to Company, or section 2.71 Indemnity to Company -- Governmental, FPL's General Rules and Regulations, the Applicant shall indemnify FPL from any claim, suit, or other proceeding, which seeks the restoration of, or repair of, or compensation for, property affected, damaged, or destroyed, to remove existing facilities or to accommodate the installation of underground distribution facilities arising from or brought as a result of the installation of underground distribution facilities;

c) the Applicant shall clear easements provided to FPL of trees, tree stumps and other obstructions that conflict with construction or installation of underground distribution facilities in a timely manner consistent with FPL's construction schedule.

(Continued on Sheet No. 6.330)
12.2.10 **Type of System Provided**

An underground distribution system will be provided in accordance with FPL's current design and construction standards.

12.2.11 **Design and Ownership**

FPL will design, install, own, and maintain the electric distribution facilities up to the designated point of delivery except as otherwise noted. The Applicant may, subject to a contractual agreement with FPL, construct and install all or a portion of the underground distribution facilities provided that:

a) such work meets FPL's construction standards;

b) FPL will own and maintain the completed distribution facilities;

c) the construction and installation of underground distribution facilities by the Applicant is not expected to cause the general body of ratepayers to incur greater costs;

d) the Applicant agrees to pay FPL's current applicable hourly rate for engineering personnel for all time spent for (i) reviewing and inspecting the Applicant's work done, and (ii) developing any separate cost estimates that are either requested by the Applicant to reflect only FPL's portion of the work or are required by FPL to reflect both the Applicant's and FPL's portions of the work for the purpose of a GAF Waiver calculation pursuant to an Underground Facilities Conversion Agreement -- Governmental Adjustment Factor Waiver; and

e) the Applicant agrees to rectify any deficiencies found by FPL prior to the connection of any Customers to the underground electric distribution system and the removal of the overhead electric distribution facilities.

12.2.12 **Relocation**

Where underground electric facilities are requested as part of, or for the purpose of, relocation, the requirements of this tariff shall apply. As applicable, the Underground Facilities Conversion Agreement or the Underground Facilities Conversion Agreement - Governmental Adjustment Factor Waiver shall be executed as an addendum to the relocation agreement between FPL and the Applicant. In the event of any conflict between the relocation agreement and this tariff, the tariff shall control. Furthermore, where the regulations of the Federal or State Department of Transportation (DOT) prevent pre-payment of deposits and other conversion costs, the Federal or State DOT may pay the CIAC after the work has been performed.
Town of Surfside

Overhead to Underground Conversions

March 9, 2011
Topics:

- What are Overhead to Underground Conversions?

- Storm Secure
  - Encouraging Underground Facilities
    - Eligibility Criteria
      - CIAC Computation

- Conversion Process

- Questions
Overhead to Underground Conversions

- The removal of any existing overhead electrical facilities and replaced with electrical facilities placed underground.

aerial... ...to padmount
Storm Secure

- Four Point Program

  - Hardening the Electric Network - Adopt N.E.S.C. "extreme wind velocity" standards for new and upgraded poles
  - Line Clearing/ Vegetation Management – accelerate line clearing efforts so that 75% of the work is completed by July 31st
  - Pole Inspections - Adopt an eight-year pole inspection and record keeping program
  - Encouraging Underground Facilities– Governmental Adjustment Factor (G.A.F.) - 25% incentive of the base CIAC, Contribution-in-Aid-of-Construction
Eligibility Criteria

- 3 pole line miles or minimum 200 detached dwelling units for the Conversion Area.
- The Local Government must require all customers within the Conversion Area served by an overhead service to convert to and underground service within 6 months after completion of the UG facilities installation.
- Easements required or the Local Government must be willing and able to execute a Right-of-Way Agreement.
- No state or federal funds available to the Local Government to cover any portion of the cost of the Conversion.
CIAC Computation

- Contribution-In-Aid-Of-Construction (CIAC)

+ New Underground (hardened)
- Hypothetical Equivalent New Overhead (hardened)
+ Existing Overhead - Net Book Value
+ Existing Overhead - Removal
- Existing Overhead - Salvage Value
+/- Operational Cost Differential (30-year NPV)
CIAC due FPL (non-GAF)
- GAF (25%)
CIAC due to FPL (GAF)
Conversion Process

- Sequence of Events
  - Applicant provides written request to FPL
  - FPL provides non-binding ballpark estimate
  - Applicant secures easements and pays engineering deposit
  - FPL performs detailed engineering and determines cost
  - Engineering deposit applied to total cost if project proceeds
Town of Surfside
Commission Communication

Agenda Item # 9H

Agenda Date: April 12, 2011

Subject: RFP Concessionaire Services for Surfside Community Center/Pool

Background: RFP No. 11-02 Concessionaire Services for Surfside Community Center/Pool was prepared and released on February 28, 2011. A mandatory pre-bid conference was held on March 10, 2011. There were three attendees. Questions were answered and a tour of the Community Center facility was given.

Proposals were due by 10:30 a.m. on March 31, 2011. One proposal was received from David Jacobson of Import International, LLC. The proposer is a resident of Surfside. He has extensive restaurant experience with over twenty-five years in the food service industry and is a French trained chef. He is not currently employed in the food service industry. The proposal submitted was not completely compliant with the bid requirements. For example, proof of authorization to transact business in the State of Florida was not included, contact names and telephone numbers were not provided for references, etc.

Staff contacted the other vendors who attended the pre-bid conference to inquire why they did not submit a proposal. One vendor stated that their schedule was already full and he opted not to bid. The other vendor stated he did not submit a proposal because of the complexity of providing a kosher menu.

Analysis: After conversations with other municipalities with regard to similar RFPs for Concessionaire Services, it has been determined that there are very few willing and qualified vendors in the market at this time. Sunny Isles ran two RFPs for Concessionaries Services over the past 3 months and received only one bid per RFP.

Budget Impact: Staff will have to prepare an operating budget if Concessionaire Services were to be provided by Town employees. A projected cost to expenditures would have to be developed and this would only be an estimate at this time due to the uncertainty of the New Community Center/Pool visitor usage. Additional funds will have to be provided to staff and maintain the concession on a year round basis.

Staff Impact: If the service is provided by Town employees, the Town staff would have to provide the day to day staff operations and maintenance of the concession stand and area.

Recommendation: There are three options to resolve this situation for consideration by the Town Commission as follows:

- Town staff would work with the sole proposer to see if all of the requirements can be satisfied,
- Town staff would operate the concession stand, or
- Prepare a new RFP and go back out to bid.

Given the extremely short time frame till we open the Community Center, it’s recommended that the Town Commission authorize the Town Manager and Town Attorney to waive the irregularities and bring you back an agreement for retroactive approval by the May 10, 2011 Town Commission Meeting.

[Signatures]
Department Head

[Signatures]  
Town Manager
DISCUSSION ITEM MEMORANDUM

Title: “Bicycle Sharing & Rental Program”

Miami Beach has recently established a bicycle rental program known as:

“The Official City of Miami Beach Public Bicycle Sharing & Rental Program”

Direct the Town Manager to inquire about joining the ‘network’ of bicycle rental stations by establishing a ‘rental station’ in the downtown business district area on Town of Surfside property by ‘piggy backing’ on the Miami Beach contract.

Rent: “Visitors can rent at any station by the hour or get a daily ride pass.” OR:

Join: “Florida residents just $15/month for unlimited-rides – BeachPass.”

Surfside residents, their guests, and tourists can ride back and forth to neighboring communities and/or have the option to take the bus back (or vice versa).


At this time, the furthest north for one these ‘rental stations’ is 53rd Street and Collins Avenue.

Word of Caution: These bike rental stations do NOT offer helmets. Therefore, some gathering of statistics from Miami Beach regarding ‘head injuries’ should be reviewed - perhaps by contacting Mt. Sinai hospital and/or Miami Beach Police Department.

Cost: Could bring money in without any cost to Town.

Respectfully submitted by: Joe Graubart, Vice mayor
DISCUSSION ITEM COVER MEMORANDUM

Title: Crime Prevention Initiatives

Objective: That the Surfside Town Commission direct the Town Manager to prepare a plan that identifies proactive and cost effective crime prevention initiatives that can be implemented in a phased approach that focuses on preventing crime “before” it happens.

Consideration: By most standards, Surfside experiences very little crime. However, resident’s perception of crime is an issue in our Town. And with public safety costs at nearly 50% of our municipal budget, there is an expectation that there should be little or no crime.

Most recently, a home was burglarized at 1:00pm in the afternoon, with the burglar entering the residence through a side window, which was clearly visible from the street. In another incident the day before, a resident left his wallet in his car as he was bringing items into his house. When he went out to get it, he discovered that it was stolen. I myself have had a bike stolen from my garage, which happened when I went into the house for only a minute.

The fact is that our Police cannot be everywhere at all times, especially when the number of police officers have been reduced over the past few years as a cost cutting measure. Despite the operational challenges, the Town has initiated several productive community-oriented crime mitigation initiatives such as the citizen’s police academy and the eye-on-crime program, which are aimed at educating our residents. But educating our residents is not sufficient. Therefore, I suggest that it’s time to look at the community as a whole, and develop a comprehensive approach to enhance our current approach and programs, within our tight budgetary constraints. Accordingly, I am sponsoring this discussion item to direct the Town Manager to prepare a plan that identifies proactive and cost effective crime prevention initiatives that can be implemented in a phased approach that focuses on preventing crime “before” it happens.
Town of Surfside
Commission Communication

Date: April 12, 2011

Subject: Photo/Film Ordinance Update

Background: The Town of Surfside, in an effort to balance diverse interests and concerns regarding the filming of movies, television shows and videos (etc) within the Town limits should enact a series of procedures and requirements for filming within Town limits. Presently there is only a basic Film Permit form (see attached) with no guidelines or any advisory committee to help guide and enhance the process.

Filming at locations within Surfside has often occurred without notification to the Town. A series of procedures and requirements will serve as notice to the film community that Surfside requires to be an active partner in film related matters when occurring in Town. Most other jurisdictions already have procedures in place. Since these productions can substantially boost the local economy and improve our image, it is advisable to codify the rules so that there is no misunderstanding in the future.

An ordinance will be presented to the Town Commission for first reading at the May 10, 2011 Commission meeting. At that time the Town Commission will be given recommendations for an ordinance, production guidelines and requirements, as well as recommended Interlocal agreements and a fee structure. These recommendations come from procedures presently in place for the State’s and County’s Film Offices, Miami Beach, Bal Harbour and Bay Harbor Islands.

The T.O. Show: This television show (see attached), which appears on VH1 (www.vh1.com/shows/the_lo_show), recently approached the Town regarding their intent to film their third season at a private residence on Biscaya Drive.

In an effort to balance the rights of the homeowner renting the property with those of neighboring property owners, and to maintain the quality of life of the surrounding neighborhood and Town in general, staff has required the following from the show’s production company:
- Consent signatures from surrounding home owners verified by the Police Department.
- Proof of insurance of at least one million dollars.
- A dedicated contact/liaison name and phone number.
- Adherence to all Town ordinances including those that address noise.
- A copy of the lease with the property owner and the production company.
- No filming outside of the house after 6:00 pm.
- No parking on Biscaya Drive, on Town streets or in Town parking lots.
- Parking permitted in the driveway or garage only. Parking is not permitted on the lawn.
- No generators allowed.
- The Town is to be notified of daily filming schedules.
- If an officer is deemed necessary by the Police Department, the production company will pay for the use of the off-duty officer as outlined in the FOP contract. A $1200 deposit, prior to shooting, is required for such use.
- A non-refundable payment of a $3500 administrative fee for the Town issued permit for filming from April 11 – May 28, 2011.

These requirements, formed with input from the Code Compliance/Building Department, the Police Department, Town Manager and Town Attorney, were all met by the production company. If there is deemed a violation of any terms of the permit, the Town has expressed that the permit will be revoked and filming will be required to be suspended until the production company satisfies any and all requirements. The permit is only valid for the time stated. If production should need to continue after the specified dates, the production company will need to produce a similar set of requirements for the additional time requested.

Based on possible reaction from some neighbors beyond the limits of the supporting letters attached, we felt it appropriate to place this item on the Town Commission agenda for discussion. Since I became Town Manager, the current process has been implemented without any specific objections except for a recent permit on Biscaya Drive that requested weekend "shoots". That concern was resolved by moving the filming away from Sunday. Since that time, the frequency and longevity of the shoots has expanded. Research has revealed that "finders’ fees" are being paid to neighbors who link homeowners to the production companies and second home owners essentially covering their mortgages. This takes an infrequent event into the realm of a business in the single family neighborhood and justifies the need for clarity through regulation. Therefore, staff will present an ordinance with recommended limitation on the process at the May 10, 2011 Town Commission Meeting.

Department Head

Town Manager
Building Department
REQUEST FOR FILMING PERMIT

Date of Request: ______________ Permit Number: ______________

Permit Fee:

Filming Job Address: ____________________________

Filming Company: ____________________________

Bonding Company: ____________________________

Insurance Company: ____________________________

Off Duty Policeman assigned: ____________________________

Policy #: ____________________________

Responsible Person: ____________________________ Phone #: ____________________________

Electrical Contractor: ____________________________ Permit #: ____________________________

Telephone #: ____________________________

Signature of responsible person: ____________________________ Date: / / 2011

This permit is subject to the following of Conditions:

1-
2-
3-
4-
5-
6-

Please be advised, any violation of anyone of the above conditions will prompt a courtesy violation notice, a second violation will cause the revocation of the permit.

For office use only:

Permit Expiration Date: _______________ Permit Issuance Date: _______________

Town Manager:____________________________

Police Chief:_____________________________

Building Official:_________________________
The T.O. Show

From Wikipedia, the free encyclopedia

The T.O. Show is an American reality television show starring American football player Terrell Owens. It began airing on VH1 July 20, 2009.

It follows Owens and his "best friends (Monique Jackson) and publicists (Kita Williams)" as they re-evaluate Owens' personal life, while battling the two sides of his personality and also trying to find romance for him.

Season 1 averaged 1.5 million viewers and on September 9, 2009, VH1 announced that the show has been picked up for a second season. Season Two premiered on VH1 on July 11, 2010.

### Contents

- 1 Cast
  - 1.1 Main cast
  - 1.2 Secondary cast
  - 1.3 Guest Appearances
- 2 Series overview
- 3 References
- 4 External links

### Cast

**Main cast**

- **Terrell Owens** is a wide receiver for the Cincinnati Bengals of the National Football League. He is a six-time NFL All Star, and a six-time Pro-Bowl selection.

- **Kita Williams**, one of Terrell's best friends to help him match his NFL achievements with similar success off the field. The public relations company she founded with partner Monique Jackson, Kita functions as matchmaker, therapist, and best friend while managing the Terrell Owens Brand. Kita is single and is a member of the National Association of Black Female Executives in Music and Entertainment. She is a graduate of the University of Kentucky and also holds an MBA from the University of Phoenix.

- **Monique Jackson**, one of Terrell's best friends. Jackson founded a public relations company with her business partner Kita Williams. Servicing superstar client Terrell Owens, Jackson and Williams manage all aspects of the Owens brand, including marketing, promotions, and public

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### External links

- Website [http://www.vh1.com/shows/the_to_show/series.html](http://www.vh1.com/shows/the_to_show/series.html)
relations. She's Known as "Momma Mo" for her ability to nurture and encourage clients to be
their best, Mo attributes her career vector to her childhood dreams of becoming "a minister, a
nurse and an entertainer."

Secondary cast

- **Kari Klinkenberg**, is Terrell's current girlfriend. She's a model, college graduate and professional
  volleyball player. (season 1-present)
- **Felisha Terrell**, is Terrell's ex-fiancée. (season 1-present)
- **Pablo Cosby**, is Terrell's former Body Guard. (season 1)

Guest Appearances

- Andy Roddick, an professional tennis player.
- Chad Ochocinco, an American football wide receiver for the Cincinnati Bengals.
- Donovan McNabb, an American football Quarterback for the Washington Redskins.
- Jessica White, a model and occasional actress.
- Matthew Hatchette, an American football player.
- Tatyana Ali, an singer and actress

Series overview

*Main article: List of The T.O. Show episodes*

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<th>Season</th>
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<tr>
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<tr>
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<td>10</td>
<td>July 11, 2010</td>
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<td>3</td>
<td>-</td>
<td>Summer 2011</td>
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</tr>
</tbody>
</table>

References

1. ^ Lowry, Brian (16 July 2009). "The T.O. Show; A half-hour image-building exercise for the heavily
  25 July 2010.
3. ^ a b Scidman, Robert (September 9, 2009). "VH1's The T.O. Show renewed for second

External links

- Season One Official website (http://www.vh1.com/shows/the_to_show/series.jhtml)
- Season Two Official website (http://www.vh1.com/shows/the_to_show/season_2/series.jhtml)
Building Department
REQUEST FOR FILMING PERMIT


Permit Fee: $3500 Flat Fee for dates mentioned above payable before start of filming; non-refundable

Filming Job Address: 1292 Biscaya Dr, Surfside FL 33154

Filming Company: Dissident, LLC

Bonding Company: N/A

Insurance Company: Certificate of Insurance Attached

Policy #: Certificate of Insurance Attached

Off Duty Policeman requested: at the discretion of the Town of Surfside

Responsible Person: Maxwell Kaufman Phone #: 310-345-9336 c.

Electrical Contractor: N/A Permit # N/A

Telephone #: N/A
Name of person requesting permit: Maxwell Kaufman

Signature of requesting person: [Signature]
Date: 3/31/11

Notary Signature: [Signature]
Date: 03/24/11
Commission Expires: 07/28/12

This permit is subject to the following conditions:

1- Adherence to the all Town Ordinances Including Noise Ordinance.

2- No filming outside of the house after 6:00 PM.

3- No parking on Biscaya Drive or other Town streets or parking lots.

4- Parking on premises allowed in driveway or garage only. No parking on lawn.

5- No generators.

Please be advised that any violation of the above conditions will prompt a courtesy violation notice; a second violation will result in the revocation of this permit.

For office use only:

Permit Expiration Date: ________________ Permit Issuance Date: ________________

Police Chief: ____________________________

Building Official: _______________________

Town Manager: _________________________
Addendum

Film Permit Number TO 2011

April 4, 2011

The following conditions are additions to film permit # TO 2011:

1) Days of Operation: The Police and Tourist Bureau Departments are to be notified twenty four hours in advance of schedule for the next day’s filming schedule and a determination will be made by the Police Department on the assignment of off-duty coverage, at the expense of the production, if necessary.

2) Hours of Operation: 10:00 am – 10:00 pm Monday through Saturday
   12:00 noon – 10:00 pm on Sunday

3) A deposit of $1200 is required for potential Police services. The remaining amount is fully refundable to the production company after all charges are settled and/or at the completion of filming.

4) Provide a copy of the lease of said property to be delivered to the Town before filming commences.

Person Requesting Permit: ____________________________

Police Chief: ________________________________________

Building Official: __________________________________

Town Manager: ______________________________________

Town of Surfside
9293 Harding Avenue, Surfside Fl. 33154
Ph: (305)861-4863 Fax: (305) 861-1302
ACORD CERTIFICATE OF LIABILITY INSURANCE

PRODUCER
ARTHUR J. GALLAGHER & CO.
INSURANCE BROKERS OF CALIFORNIA, INC.
505 N. BRAND BLVD., SUITE 800
GLENDALE, CA 91203-3944
CONTACT: Hamilia Shika
EMAIL: Hamilia.Shika@ajg.com
DIRECT LINE: (818) 539-1201. FAX: (818) 539-1691

INSURED
Dislident, LLC.
Den of Thieves
1439 N. Gower St.
Hollywood, CA 90028

COVERAGE
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LISTR TYPE OF INSURANCE POLICY NUMBER POLICY EFFECTIVE DATE (MM/DD/YY) POLICY EXPIRATION DATE (MM/DD/YY) LIMITS
GENERAL LIABILITY
X COMMERCIAL GENERAL LIABILITY CP01352-00 02/10/11 02/10/12 GENERAL AGGREGATE $2,000,000
X CLAIMS MADE
X OCCUR
GEN'AL AGGREGATE LIMIT APPLIES PER:
POLICY $2,000,000
PROJECT
LOC
A AUTOMOBILE LIABILITY
ANY AUTO CP01352-09 02/10/11 02/10/12 COMBINED SINGLE LIMIT (Auto accident)
X ALL OWNED AUTOS $1,000,000
SCHEDULED AUTOS
X HIRE RED AUTO
X NON-OWNED AUTOS DEDUCTIBLE
X PHYSICAL DAMAGE $500
A GARAGE LIABILITY
ANY AUTO
A EXCESS UMBRELLA LIABILITY
X OCCUR CLAIMS MADE EX00352-00 02/10/11 02/10/12 EACH OCCURRENCE $500,000
EX00355-00 02/10/11 02/10/12 AGG
X OTHER THAN UMBRELLA FORM
A WORKERS COMPENSATION AND EMPLOYER'S LIABILITY
X ANY PROPRIETOR PARTNER EXECUTIVE OFFICER OR MEMBER EXCLUDED MP00139-00 12/16/10 12/16/11 E.L. EACH ACCIDENT $1,000,000
MP00139-00 02/10/11 02/10/12 E.L. DISEASE - EA EMPLOYEE $1,000,000
MP00139-00 02/10/11 02/10/12 E.L. DISEASE - POLICY LIMIT $1,000,000
MP00139-00 02/10/11 02/10/12 REPLACEMENT COST VALUATION
MP00139-00 02/10/11 02/10/12 LIMIT: $2,000,000 DED: $2,500
MP00139-00 02/10/11 02/10/12 LIMIT: $3,000,000 DED: $2,500
MP00139-00 02/10/11 02/10/12 LIMIT: $2,000,000 DED: $2,500

CERTIFICATE HOLDER
Town of Surfside
9293 Harding Ave
Surfside, FL 33154

CANCELLATION
SHOULD ANY OF THE ABOVE POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

ACORD 25 (2001/08)

ACORD CORPORATION 1988
IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.
TOWN OF SURFSIDE FILMING PERMIT SIGNATURE SURVEY

It may be required that Film and Print productions occurring in the Town of Surfside residential areas survey nearby residents. The survey is used by the Film and Print Office in evaluating neighborhood support for the proposed filming activities. Filming activities such as, gunfire, special effects, helicopters etc., may require notification of additional areas as determined by the Film and Print Office.

Dear resident,

We will be filming scenes of The T.O. Show - Season 3 at 1292 Biscaya Dr Surfside, FL 33154.

(profit title) at (filming address)

Proposed date(s): 4/11/11 - 5/31/11 Hours: from 9:00 AM a.m. to 11:00 PM p.m.

Description of scenes and parking: Season 3 of successful VH1 docu-series. All filming and production parking will be within residence property. The Crew will be small and parked remotely. We will make sure that the street will be kept clear for traffic. Sound levels will be kept very low to avoid disturbing neighbors.

We are applying for all necessary permits and maintain all legally required liability insurance. Additionally, all personnel required to ensure public safety will be on location. We will abide by all Town filming rules and any specific guidelines applicable to your neighborhood. We will make every effort not to disturb you and will treat your neighborhood with the respect it deserves. Thank you, in advance, for your hospitality and cooperation while we are filming in your area.

If you have any questions or concerns regarding this project, please contact us at the production office or by mobile phone/pager.

Production Company: Dissident, LLC (Producing for VH1 Networks)

Production Office Phone #: 323.993.7900

Location Manager name, mobile/pager: Pete Garcia 305.494.7383 -- Coordinating Producer

Production Manager name, mobile/pager: Maxwell Kaufman 310.345.9336

| ☑ I APPROVE of the filming request |
| ☐ I DO NOT APPROVE of the filming request. Reasons (optional) |

[Signature]

[Print Name/ Name of Business]

[Phone (optional - for verification purposes)]

In multiple unit buildings, managers may sign on behalf of the tenants, but must notify all tenants.

Total no. of units in building: 1308 Address signed for: 1308 TONITE

I, as manager of the above building, have notified all of the tenants and know of no substantial objection to the proposed filming activity.

Manager: 1308 TONITE Address: 1308 TONITE Date: 5/23/11

1898 4
1936 out of town
1308 9
1315 TONITE 1257 ✓ TONITE
TOWN OF SURFSIDE FILMING PERMIT SIGNATURE SURVEY

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Dear resident,

We will be filming scenes of \textit{The T. Q. Show - Season 3} at \textbf{1292 Biscaya Dr Surfside, FL 33154} (project title) (filming address)

\textbf{Proposed date(s):} 4/4/11 - 5/31/11 \textbf{Hours:} from 9:00 AM a.m. to 11:00 PM p.m.

\textbf{Description of scenes and parking:} Season 3 of successful VH1 docu-series. All filming and production parking will be within residence property. The Crew will be small and parked remotely. We will make sure that the street will be kept clear for traffic. Sound levels will be kept very low to avoid disturbing neighbors.

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If you have any questions or concerns regarding this project, please contact us at the production office or by mobile phone/pager.

\textbf{Production Company:} Dissident, LLC (Producing for VH1 Networks)

\textbf{Production Office Phone #:} 323.993.7200

\textbf{Location Manager name, mobile/pager:} Pete Garcia 305.494.7383 - Coordinating Producer

\textbf{Production Manager name, mobile/pager:} Maxwell Kaufman 310.345.9336

\begin{tabular}{|c|}
\hline
\textbf{I APPROVE} of the filming request \hline
\textbf{I DO NOT APPROVE} of the filming request. Reasons (optional): \hline
\hline
\textbf{Signature} \hline
\textbf{Print Name/Name of Business} \hline
\end{tabular}

\begin{tabular}{|c|}
\hline
\textbf{ELAINE SCHUETZEL} \hline
\textbf{Address} \hline
\textbf{Phone} (optional - for verification purposes) \hline
\end{tabular}

In multiple unit buildings, managers may sign on behalf of the tenants, but must notify all tenants.

\textbf{Total no. of units in building:} \textbf{Address signed for:} \hline

I, as manager of the above building, have notified all of the tenants and know of no substantial objection to the proposed filming activity.

\begin{tabular}{|c|}
\hline
\textbf{Manager} \hline
\textbf{Address} \hline
\textbf{Date} \hline
\end{tabular}
TOWN OF SURFSIDE FILMING PERMIT SIGNATURE SURVEY

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Dear resident,

We will be filming scenes of The T.O. Show - Season 3 at 1292 Biscaya Dr Surfside, FL 33154.

(project title) (filming address)

Proposed date(s): 4/11/11 - 5/31/11 Hours: from 9:00 AM p.m. to 11:00 PM p.m.

Description of scenes and parking: Season 3 of successful VH1 docu-series. All filming and production parking will be within residence property. The Crew will be small and parked remotely. We will make sure that the street will be kept clear for traffic. Sound levels will be kept very low to avoid disturbing neighbors.

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If you have any questions or concerns regarding this project, please contact us at the production office or by mobile pager:

Marketing Company: 1-800-TELEVISION (for the networks)

Production Writer: 332-333-1222

Location Manager: Mobile Pager: 332-333-1222

Coordinating Producer: Mobile Pager: 332-333-1222

☐ I APPROVE of the filming request

☐ I DO NOT APPROVE of the filming request. Reasons (optional)

[Signature]

Laurie Swedroe

Print Name/Name of Business:

[Address]

In multiple unit buildings, managers may sign on behalf of the tenants, but must notify all tenants.

Total no. of units in building:

Address signed for:

I, as manager of the above building, have notified all of the tenants and know of no substantial objection to the proposed filming activity.

[Manager]

Address

Date

Page 539
TOWN OF SURFSIDE FILMING PERMIT SIGNATURE SURVEY

It may be required that Film and Print productions occurring in the Town of Surfside residential areas survey nearby residents. The survey is used by the Film and Print Office in evaluating neighborhood support for the proposed filming activities. Filming activities such as, gunfire, special effects, helicopters etc., may require notification of additional areas as determined by the Film and Print Office.

Dear resident,

We will be filming scenes of The T.O. Show - Season 3 at 1292 Biscaya Dr Surfside, FL 33154

(project title) (filming address)

Proposed date(s): 4/11/11 - 5/28/11 Hours: from 9:00 AM a.m. p.m. to 11:00 PM p.m.

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Production Office Phone #: 323.993.7900

Location Manager name, mobile/pager: Pete Garcia 305.494.7383 -- Coordinating Producer

Production Manager name, mobile/pager: Maxwell Kaufman 310.345.9336

☐ I APPROVE of the filming request

☐ I DO NOT APPROVE of the filming request. Reasons (optional)

Signature:

Address:

Print Name/Name of Business:

Phone (optional - for verification purposes):

In multiple unit buildings, managers may sign on behalf of the tenants, but must notify all tenants.

Total no. of units in building: Address signed for:

I, as manager of the above building, have notified all of the tenants and know of no substantial objection to the proposed filming activity.

Manager: Address: Date:

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TOWN OF SURFSIDE FILMING PERMIT SIGNATURE SURVEY

It may be required that Film and Print productions occurring in the Town of Surfside residential areas survey nearby residents. The survey is used by the Film and Print Office in evaluating neighborhood support for the proposed filming activities. Filming activities such as; gunfire, special effects, helicopters etc., may require notification of additional areas as determined by the Film and Print Office.

Dear resident,

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Proposed date(s): 4/11/11 - 5/31/11 Hours: from 9:00 AM a.m. to 11:00 PM p.m.

Description of scenes and parking: Season 3 of successful VH1 docu-series. All filming and production parking will be within residence property. The Crew will be small and parked remotely. We will make sure that the street will be kept clear for traffic. Sound levels will be kept very low to avoid disturbing neighbors.

We are applying for all necessary permits and maintain all legally required liability insurance. Additionally, all personnel required to ensure public safety will be on location. We will abide by all Town filming rules and any specific guidelines applicable to your neighborhood. We will make every effort not to disturb you and will treat your neighborhood with the respect it deserves. Thank you, in advance, for your hospitality and cooperation while we are filming in your area.

If you have any questions or concerns regarding this project, please contact us at the production office or by mobile phone/pager.

Production Company: Dissident, LLC (Producing for VH1 Networks)

Production Office Phone #: 323.993.7900

Location Manager name, mobile/pager: Pete Garcia 305.494.7383 --- Coordinating Producer

Production Manager name, mobile/pager: Maxwell Kaufman 310.345.9336

☐ I APPROVE of the filming request

☐ I DO NOT APPROVE of the filming request. Reasons (optional)

Signature: Mel Schlosser

Print Name/Name of Business: 1292 Biscaya Dr

Address signed for: 305.534.2483

Phone (optional - for verification purposes)

In multiple unit buildings, managers may sign on behalf of the tenants, but must notify all tenants.

Total no. of units in building: Address signed for: __________

I, as manager of the above building, have notified all of the tenants and know of no substantial objection to the proposed filming activity.

Manager: ____________________________

Address: ____________________________

Date: __________

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TOWN OF SURFside FILMING PERMIT SIGNATURE SURVEY

It may be required that Film and Print productions occurring in the Town of Surfside residential areas survey nearby residents. The survey is used by the Film and Print Office in evaluating neighborhood support for the proposed filming activities. Filming activities such as gunfire, special effects, helicopters etc., may require notification of additional areas as determined by the Film and Print Office.

Dear resident,

We will be filming scenes of The T.O. Show - Season 3 at 1292 Biscaya Dr Surfside, FL 33154
(project title)
(filming address)

Proposed date(s): 4/11/11 - 5/11/11 Hours: from 9:00 AM a.m. to 11:00 PM p.m.
(a.m. p.m. to p.m.)

Description of scenes and parking: Season 3 of successful VH1 docu-series. All filming and production parking will be within residence property. The Crew will be small and parked remotely. We will make sure that the street will be kept clear for traffic. Sound levels will be kept very low to avoid disturbing neighbors.

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Production Manager name, mobile/pager: Maxwell Kaufman 310.345.9336

☐ I APPROVE of the filming request
☐ I DO NOT APPROVE of the filming request. Reasons (optional)

[Signature]

[Print Name/Name of Business]

[Address]

[Phone (optional - for verification purposes)]

In multiple unit buildings, managers may sign on behalf of the tenants, but must notify all tenants.

Total no. of units in building: ____________________

Address signed for: ____________________

I, as manager of the above building, have notified all of the tenants and know of no substantial objection to the proposed filming activity.

Manager ____________________
Address ____________________
Date ____________________