

**AGENDA FOR REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF  
INVERNESS, FLORIDA, CITY HALL, 212 WEST MAIN STREET**

**June 7, 2016 - 5:30 PM**

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**NOTICE TO THE PUBLIC**

Any person who decides to appeal any decision of the Governing Body with respect to any matter considered at this meeting will need a record of the proceedings and, for such purpose, may need to provide that a verbatim record of the proceeding is made, which record includes testimony and evidence upon which the appeal is to be based (Section 286.0105, Florida Statutes).

Accommodation for the disabled (hearing or visually impaired, etc.) may be arranged with advance notice of seven (7) days before the scheduled meeting, by dialing (352) 726-2611 weekdays from 8 AM to 4 PM.

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**ENCLOSURES\***

- 1) INVOCATION, PLEDGE OF ALLEGIANCE AND ROLL CALL**
- 2) PLEASE SILENCE ELECTRONIC DEVICES**
- 3) ACCEPTANCE OF AGENDA**
- 4) PUBLIC HEARINGS**
  - 4 - 60 a) Comprehensive Plan Amendment (EAL) Ordinance (Final Reading)\*
- 5) OPEN PUBLIC MEETING**

*The public is invited to express opinion on any item for this meeting or pending action at a future meeting of City Council. (Speaking time limit: Individual - 3 minutes; Group/Organization - 5 minutes)*
- 6) PRE-SCHEDULED PUBLIC APPEARANCES**
  - 61 - 154 a) Festival of Arts Scholarship Presentation
  - b) Audit Presentation\*

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**June 7, 2016 - 5:30 PM**

**7) MAYOR'S LOCAL ACHIEVEMENT AWARDS**

None

**8) CITY ATTORNEY REPORT**

**9) CONSENT AGENDA**

155 - 156 a) Bill Listing \*

*Recommendation - Approval*

157 - 165 b) Council Minutes - 05/10/16 & 05/17/16\* \*

*Recommendation - Approval*

**10) CITY MANAGER'S REPORT Correspondence/Reports/Recommendations**

166 - 172 a) Budget Transfers - Contingencies\*

173 - 178 b) Sweetwater Pointe- Set Public Hearing - Resolution\*

179 - 183 c) FRS - Special Risk - Fire Department\*

184 - 190 d) Budget Hearing Dates (Tentative & Final)\*

e) Other

**11) COUNCIL/MAYOR SUBJECTS**

**12) NON-SCHEDULED PUBLIC COMMENT**

*(Speaking time limit: Individual - 3 minutes; Group/Organization - 5 minutes)*

**13) ADJOURNMENT**

a)

**AGENDA FOR REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF  
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**June 7, 2016 - 5:30 PM**

**DATES TO REMEMBER**

Flag Day Ceremony

Tuesday, June 14, 2016 @ 7:00pm

Inverness Government Center

Friday Night Thunder

Friday, June 17, 2016 @ 5:00pm

Courthouse Square

Inverness City Council Regular Meeting

Tuesday, June 21, 2016 @ 5:30pm

Inverness Government Center

## Agenda Memorandum – *City of Inverness*

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**DATE:** June 3, 2016  
**ISSUE:** Evaluation and Appraisal Based Comprehensive Plan Amendments  
**FROM:** City Manager (Prepared by Bruce Day)  
**CC:** City Clerk  
**ATTACHED:** Comprehensive Plan Amendment Ordinance

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Florida Statutes §163.3191 requires the City of Inverness to periodically review its Comprehensive Plan and determine whether plan amendments are necessary to reflect changes in state law requirements. (Operative words are “state law requirements.”) A review was conducted and determined that Comprehensive Plan modifications are necessary to reflect changes in state law.

Through the evaluation and appraisal process, city staff assembled a set of comprehensive plan amendments for consideration. Importantly, the City’s Planning and Zoning Commission held a required public hearing and recommends approval of the amendments. City Council subsequently held a transmittal public hearing at first reading to send the amendment package for state and regional review. The state review generated additional changes to the policy language.

The primary purpose of the amendments is to maintain compliance with changes in state law. In some cases, amendments serve to update the Comp Plan to reflect changing conditions in the community. Other amendments are purely editorial. Additionally included are maps that need to be updated to reflect changes previously adopted by Council, including a summary of the adopted capital improvements plan.

Commentary in “bold italics” accompanies each amendment to clarify the scope and rationale for the amendments. Commentary is intended to assist City Council and reviewing agencies. Comments are not intended to be adopted as comprehensive plan policy content. New changes from state review are highlighted and shown in double underline / ~~double strikethrough~~ format.

### ***Recommended Action –***

1. Motion, second and vote to read the Ordinance by title only
  - a. Clerk reads the Ordinance title
2. Open the Public Hearing to receive Public comment
  - a. Those for, Those against
3. Close the Public Hearing to deliberate by Council
4. To proceed, motion and second to adopt Ordinance No. 2016-713 on second reading by roll call.

  
Frank DiGiovanni

RESPONSE TO THE FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY (DEO)  
REGARDING: OBJECTIONS, RECOMMENDATIONS AND COMMENTS (ORC)  
FOR  
CITY OF INVERNESS  
AMENDMENT 16-1ER

**SUMMARY OF ORC RESPONSE**

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The Department of Economic Opportunity transmitted the ORC Report for Inverness' proposed EAL-based amendments which report consists of objections, recommendations and comments regarding amendments to various element of the Comprehensive Plan. The Department's objections, recommendations and comments to the proposed amendments are discussed below. Each is followed by the City's response.

The DEO's objections recommendations and comments appear below in normal text. Responses from the City, summarizing additional changes adopted into the City of Inverness Comprehensive Plan, appear in **bold** text following each objection and recommendation. The amendment language remains in underline / ~~striketrough~~ format as required.

**Please Note\*** new revisions to policy language that have not been reviewed are shown in double-underline/~~double striketrough~~ format.

**Objection 1.** The City's future land use map has been updated to include Conservation and Preservation land use categories. However, there is no policy language associated with the categories to provide development standards and/or limitations and therefore fails to establish meaningful and predictable standards for the use and development of land and provide meaningful guidelines for the content of more detailed land development and use regulations.

Statutory Authority: Sections 163.3177(1), 163.3177(6)(a), and 163.3184(2)(a), F.S.

Recommendation: Establish future land use element policies identifying development allowed, densities and intensities, and any applicable limitations on development for the Conservation and Preservation future land use categories.

*City Response: Amendment to City's comprehensive plan initiated by the DEO objection is accomplished by revising the subject heading and adding a new policy to comply. The FLUM shows that all lands in the conservation land use district are part of the Withlacoochee State Forest holdings within the City Limits. Said lands are subject to adopted management plans. Changes are shown below:*

**Recreation/Conservation**

**Policy 1.9.1.5:** All lands within the Conservation land use category on the Future Land Use Map are holdings within the Withlacoochee State Forest. Permitted uses shall include those established in adopted management plans.

**Objection 2.** Proposed Policy 4.1.9.11 provides that environmentally sensitive lands for protection shall be identified based on jurisdictional wetlands determinations as well as by the Florida Fish and Wildlife Conservation Commission (FWC). However, this policy does not define “environmentally sensitive lands” and therefore fails to establish meaningful and predictable standards for the use and development of land and provide meaningful guidelines for the content of more detailed land development and use regulations.

Statutory Authority: Sections 163.3177(1), 163.3177(6)(a), (6)(d)1., (6)(d)2.j. and k., and 163.3184(2)(a), F.S.

Recommendation: Amend Policy 4.1.9.11 to add a definition of “environmentally sensitive lands.”

*City Response: The Policy has been revised to define environmentally sensitive lands. The City of Inverness amends its plan accordingly to direct the implementation of environmental protection measures and to recognize the determinations of environmental agencies.*

**Policy 4.1.9.11:** The City shall designate environmentally sensitive land to include wetlands, sinkholes, hydric soil types and flood-prone areas for protection measures based on jurisdictional wetlands determinations and /or such protection designations adopted by an appropriate jurisdictional authority ~~the criteria provided by in the FWC 1994 Report: “Closing The Gaps In Florida’s Wildlife Habitat Conservation System” including strategic habitat conservation areas and biodiversity hot spots of 7 or more focal species~~ to further the goals and objectives of the conservation element.

**Objection 3.** The Hernando/Citrus Long Range Transportation Plan 2040 is not adopted by policy reference in either the Capital Improvements Element or the Multi-Modal Element. The Citrus/Hernando MPO is the entity that performs the transportation planning responsibilities for Citrus and Hernando Counties. The Citrus/Hernando MPO Long Range Transportation Plan 2040 includes programmed transportation improvements and Level of Service (LOS) standards for transportation facilities as coordinated by the Florida Department of Transportation (FDOT), both of which are required to be included in the comprehensive plan. The element should be revised to include a policy to adopt the Hernando/Citrus MPO LRTP 2040 by reference within the Capital Improvements Element or the Multi-Modal Element.

Statutory Authority: Sections 163.3177(6)(b) and 163.3184(2)(a), F.S.

Recommendation: Add a comprehensive plan policy incorporating the Hernando/Citrus Long Range Transportation Plan 2040 by reference.

*City Response: The City has adopted a new Transportation Element policy as shown below.*

**Policy 6.1.1.8:** The City of Inverness hereby incorporates by reference, the Hernando/Citrus Long Range Transportation Plan 2040 (LRTP) into this comprehensive plan. The City will continue to coordinate through the MPO to implement the LRTP and to participate in developing updates to the LRTP as an ongoing effort.

**Comment 1. Residential/Office Land Use Category**

The City’s Future Land Use Element includes a future land use category identified as “Residential/Office.” The category includes a density standard but not an intensity standard to correlate to the non-residential portion of the category. If residential and non-residential development are allowed in a single future land use category, a residential density and a non-residential intensity must be included to be consistent with Section 163.3177 (6)(a)1., F.S.

*City Response: Future Land Use Element - Policy 1.6.3.1 establishes intensities for each commercial land use category. Within this policy the intensity is established for “Office.” The residential density for “Residential/Office” is established in Policy 1.3.1.1. The City has revised Policy 1.6.3.1 to clarify commercial intensity as follows.*

**Policy 1.6.3.1:** The maximum intensities for commercial and office uses in land use categories on the Future Land Use Map and as set forth in the Inverness Land Development Regulations shall be as follows:

<b>Land Use Category</b>	<b>Max. Development Potential</b>
a. Commercial	50% Max. Lot Coverage, FAR of .50 and 3.0 Story Max. Height;*
b. <u>Residential/</u> Office	45% Max. Lot Coverage, FAR of .45 and 4.0 Story Max. Height;*
c. CBD	<del>90</del> 70% Max. Lot Coverage, FAR of 2.5 and 6.0 Story Max. Height*
d. Mixed Use	<u>No greater commercial intensity or residential density than CBD *</u>

\*Buildings are required to meet the most restrictive limitation.

**Comment 2. Uses Allowed in Land Use Categories**

The future land use categories identified within the Future Land Use Element are not defined by the uses to be included within those land use categories in accordance with Section 163.3177(6)(a)1., F.S. The City should consider revising the future land use categories to define the allowed uses or clarify what uses are prohibited.

*City Response: The City’s system of regulatory governance seeks to use the Comprehensive Plan to focus toward policy guidance while generally avoiding regulatory specificity. The City employs the Land Development Code and Code of Ordinances to implement those policies by providing a greater level of detail regarding permitted uses in each district. Where possible, duplication of regulations is avoided to increase clarity.*

**Comment 3. Content of the Comprehensive Plan**

The City revised the comprehensive plan in 2012 to ensure coordination with the Northern Planning Region of the Southwest Florida Water Management District’s Regional Water Supply Plan, as well as ensuring that the City’s water supply would be updated within 18 months after adoption of the regional water supply plan. These policies, while adopted, are not currently reflected in the City’s comprehensive plan that is available to the public online. The City should consider consolidating the comprehensive plan into one cohesive document to reflect and include all amendments to the plan as they occur.

*City Response: Upon completion of the 2016 amendment process, The City will undertake the task of compiling all adopted content into a single Comprehensive Plan. The compiled plan will continue to be available on the City of Inverness website.*

**Additional Un-reviewed changes**

*Based on the City's ongoing implementation of alternative transportation facilities the following two un-reviewed policies are added to the Transportation Element.*

**Policy 6.1.4.12** The City of Inverness supports the Complete Streets Guiding Principles as a means to facilitate the development of Complete Streets in Inverness. The City of Inverness will work in cooperation with the Hernando-Citrus County Metropolitan Planning Organization (MPO), Tampa Bay Area Regional Transportation Authority (TBARTA), the Florida Department of Transportation (FDOT) and bicycling and pedestrian organizations to assist in developing, implementing and funding complete streets.

**Policy 6.1.4.13** The City of Inverness is the primary hub for the Withlacoochee State Trail which is an integral part of the local transportation network. Therefore, as a part of planning for and implementing a alternative transportation system, the City supports designation as a Bicycle Friendly Community.

ORDINANCE NO 2016- 713

AN ORDINANCE OF THE CITY OF INVERNESS, FLORIDA AMENDING THE COMPREHENSIVE PLAN, ORDINANCE 2008-654 OF THE INVERNESS CODE OF ORDINANCES: PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR THE ADOPTION OF EVALUATION AND APPRAISAL BASED AMENDMENTS TO THE GOALS, OBJECTIVES, AND POLICIES OF THE COMPREHENSIVE PLAN; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Part II, Chapter 163, Florida Statutes, set forth minimum requirements for comprehensive plans, and

WHEREAS, the City of Inverness has prepared an Evaluation and Appraisal Letter for the Comprehensive Plan based upon the foregoing state statute and rule, and

WHEREAS, the Evaluation and Appraisal Letter identified amendments to the Comprehensive Plan, and

WHEREAS, the State of Florida, Department of Community Affairs, has determined that the following amendments are necessary to bring the Comprehensive Plan into compliance.

NOW THEREFORE, be it enacted by the City Council of The City of Inverness, Florida, in regular meeting this \_\_\_\_ day of \_\_\_\_\_ 2016, as follows:

**Section 1:** The Code of Ordinances of the City of Inverness, specifically Ordinance 2008-654, the Comprehensive Plan, is hereby amended as follows:

**Section 2:** Findings of Fact – Based upon the legislative intent heretofore articulated, the City Council of the City of Inverness, Florida, make the following findings of fact:

- a. The City of Inverness is authorized and required by the State of Florida to adopt a comprehensive growth management plan.
- b. The City of Inverness Planning Commission, as the designated Local Planning Agency, has provided for broad dissemination of all elements of the Comprehensive Plan; and has held the required public hearing with due public notice to solicit public comment regarding the amendments.
- c. The City Council of the City of Inverness has held the required public hearings with due public notice to solicit public comment on all of the elements of the Comprehensive Plan, and complied with all other requirements of the applicable state statute and rule.

**Section 3:** Adoption of Amendments. – The City Council of the City of Inverness does hereby adopt the amendments to the Goals, Objectives, and Policies document of the Comprehensive Plan, attached hereto and marked as Exhibit “A” and Capital Improvement Plan “Exhibit “B”.

**Section 4:** Severability – In the event any section, paragraph, sentence, clause, or portion of the Ordinance shall for any reason be held unconstitutional, invalid, or ineffective, the same shall not repeal, nullify, or in any way affect any other section, paragraph, sentence, clause, or portion of this Ordinance. The City Council of the City of Inverness hereby declares that it would have enacted each separate section, paragraph, sentence, clause, or portion of this Ordinance irrespective of any other section, paragraph, sentence, clause, or portion thereof. All ordinances or parts of ordinances in conflict herewith, are, to the extent of such conflict, hereby repealed.

**Section 5:** Effective Date - The effective date of this Ordinance shall be as provided by law.

UPON MOTION DULY MADE AND CARRIED, the foregoing Ordinance was approved on first reading on the 1<sup>st</sup> day of March, 2016.

UPON MOTION DULY MADE AND CARRIED, the foregoing Ordinance was adopted on second reading on the \_\_\_\_\_ day of \_\_\_\_\_, 2016.

CITY OF INVERNESS, FLORIDA

By: \_\_\_\_\_  
JACQUIE HEPFER, President

By: \_\_\_\_\_  
ROBERT PLAISTED, Mayor

ATTEST:

\_\_\_\_\_  
DEBORAH DAVIS, City Clerk

Approved as to form and correctness:

\_\_\_\_\_  
LARRY HAAG, City Attorney

EXHIBIT A TO ORDINANCE 2016-713

*City of Inverness ~ Comprehensive Plan*  
Evaluation and Appraisal Based Amendments

GOALS OBJECTIVES AND POLICIES

*The following goal, objective and policy amendments are to be incorporated into the comprehensive plan as a part of the periodic evaluation of the plan. The primary purpose of the amendments is to maintain compliance with changes in state law. In some cases the amendments serve to update the plan based on current development trends or due to changing conditions in the community.*

*Commentary in “bold italics” accompanies the amendments to clarify the scope and rationale for the amendments. This commentary is intended to assist decision makers and review agencies and not intended to be adopted as comprehensive plan policy content.*

FUTURE LAND USE ELEMENT

*Based on information from the Florida Office of Economic and Demographic research, The City’s population projection for the next ten years predicts very modest growth. The modest projection is largely based on recently estimated population loss in Citrus County. Therefore, land use needs analysis in the existing comprehensive plan provides sufficient support. The future land use map will easily accommodate the projected permanent and seasonal population. The vast majority of the changes to policy are aspirational; leading toward a future to which the City aspires.*

*NOTE\* The proposed amendments approved for state review in March are shown below in underline/strikethrough format (underline = additions ~~strikethrough~~ = deletions)*

*New revisions resulting from state review are highlighted and shown in double underline / ~~double strikethrough~~ format.*

**Goal 1.1:** The Future Land Use Element will maintain a Future Land Use Plan to provide balanced and controlled city growth over the long term; to secure local residents’ comfort and welfare, and to insure that the character, magnitude, and location of all land uses provide ultimate direction toward a system for orderly growth and development.

**Policy 1.2.1.2:** The City shall solicit recommendations from ~~Withaloochee Regional Planning Council, DCA,~~ and other appropriate agencies to assist in identification of preservation areas, historical areas, and community revitalization actions.

**Policy 1.2.2.4:** The City shall achieve compatibility near airports by discouraging new land uses that will diminish the airport’s operational capabilities. The City will maintain compatible relationships between airports and existing adjacent land uses and will facilitate mitigation of differences when present.

**Policy 1.2.5.3:** The City shall explore funding opportunities to complete an inventory and a bicycle and pedestrian master plan by the end of each planning period ~~year 2010~~.

**Policy 1.3.1.1:** The residential land use categories on the Future Land Use Map and the Inverness Land Development Regulations shall be based on the following gross residential densities:

Land Use Category	Dwelling Units/Acre
a. Suburban Low Density	2.5 units/acre
b. Low Density	5.0 units/acre
c. Urban Low Density	7.5 units/acre
d. Low Medium Density	10.0 units/acre
e. Medium Density	12.5 units/acre
f. Residential/Office	10.0 units/acre
g. Commercial	12.5 units/acre
h. Central Business District	12.5 units/acre

**Policy 1.3.1.2:** The City shall encourage the use of innovative land development techniques including provisions in the Inverness Land Development Regulations for planned unit developments, zero lot line subdivisions antiquated subdivisions, land-use blending, and cluster housing.

**Policy 1.3.1.3:** The City may explore the provision of a mixed land use category limited to the Community Redevelopment Area ~~Transportation Concurrency Exception Area~~ surrounding the Central Business District and Transportation Concurrency Exception Area ~~Community Redevelopment Agency~~.

**Policy 1.4.2.1:** The City shall require that new developments be designed to limit the post-development rate of stormwater discharge, volumes, and pollutant loads to amounts which are equal to, or less than those which existed prior to development in accordance with the Environmental Resource Permit Applicant's Handbook subsection 62-330.010(4), F.A.C. (effective Oct 2013) ~~the Chapters 40D-4 and 40D-40, FAC, administered by SWFWMD.~~

**Policy 1.6.2.2:** Mixed land uses including residential, commercial, and office uses shall be permitted at the maximum densities/intensities allowed by this plan in the designated Central Business District (CBD), to promote ~~the CBD's~~ historic, residential, and business character and pedestrian-orientation.

**Policy 1.6.2.3:** Mixed Use – This land use category will be implemented by one or more mixed use zoning provisions such as land use blending and/or PUD. Implementation of this district will require a concurrent application for approval of applicable zoning. The zoning provisions will limit development to a minimum tract size. A minimum open space and buffering requirement will also be clarified. Density and intensity limits for projects within this category will not exceed those adopted for the Central Business District (CBD) land use category. Development approval shall be limited to the contents of a site specific Development Plan approved by the City. Said Development Plan shall include a land use distribution table suitable for site impact assessment. The mix of land uses ~~within the CBD~~ must contain at least two of the following uses with amounts of each within the range indicated: residential (0-75%); commercial (0-75%); and office (0-75%).

**Policy 1.6.3.1:** The maximum intensities for commercial and office uses in land use categories on the Future Land Use Map and as set forth in the Inverness Land Development Regulations shall be as follows:

Land Use Category	Max. Development Potential
a. Commercial	50% Max. Lot Coverage, FAR of .50 and 3.0 Story Max. Height;*
b. <u>Residential/</u> Office	45% Max. Lot Coverage, FAR of .45 and 4.0 Story Max. Height;*
c. CBD	<del>90</del> 70% Max. Lot Coverage, FAR of 2.5 and 6.0 Story Max. Height*
d. Mixed Use	No greater commercial intensity or residential density than CBD *

\*Buildings are required to meet the most restrictive limitation.

**Policy 1.7.1.6:** The maximum intensity for industrial development in the Industrial land use category on the Future Land Use Map and as set forth in the Inverness Land Development Regulations shall be as follows:

<b>Land Use Category</b>	<b>Max. Development Potential</b>
Industrial	50% Max. Lot Coverage, FAR of .50 and 3.0 Story Max. Height*

\*Buildings are required to meet the most restrictive limitation

*The state land planning agency requested a more definitive description of the Conservation land use category. In response, the City creates a new comprehensive plan policy as shown below:*

**Recreation/Conservation**

**Policy 1.9.1.5:** All lands within the Conservation land use category on the Future Land Use Map are holdings within the Withlacoochee State Forest. Permitted uses shall include those established in adopted management plans.

*As shown in the future land use map series the City’s community redevelopment area has expanded significantly. The policy cluster below is excerpted from the Inverness Community Redevelopment Plan (2014). The Inverness Community Redevelopment Agency has reviewed and forwarded the redevelopment policies below with a recommendation for inclusion in the comprehensive plan.*

**~~Downtown~~ Redevelopment**

**Objective 1.11.2: Land Use and Development Regulations**

Work with the City, County, private property owners, and others as needed to implement future land use and zoning regulations that potentiate innovative development within the Redevelopment Area.

**Policy 1.11.2.1:** Utilize available public and private resources through the redevelopment process, acquire land (if needed), master plan, design, and construct new development. The CRA may develop all or part of the Redevelopment Area independent of or in conjunction with the private sector, including hiring of design and construction professionals, and/or disposition of its interest in real property pursuant to the provisions of the Redevelopment Act.

**Policy 1.11.2.2:** Implement land acquisition strategies to target sites for demolition and redevelopment to new improved land uses based on market opportunities ensuring consistency with objectives contained in the Redevelopment Plan pursuant to acquisition policies of the Agency.

**Policy 1.11.2.3:** Promote and locate strategic land use activities of regional importance within the Redevelopment Area to capture additional market opportunities while reinforcing the unique character of the community.

**Objective 1.11.3 : Economic Development**

Establish a diverse, identifiable character for the Redevelopment Area while promoting economic vitality through private sector investment.

**Objective 1.11.4 : Supporting Existing Businesses and New Investment**

Create a proactive environment supporting existing businesses and encouraging new business development and capital investment.

**Policy 1.11.4.1:** Establish partnerships between the public sector and private sector for the purpose of promoting the mutual benefits of proposed redevelopment projects.

**Policy 1.11.4.3:** Improve the investment image of the Redevelopment Area and utilize selected public actions to stimulate private investment including street-scaping, landscaping, and gateway enhancements, as well as conducting and sponsoring area events and promotions.

**Policy 1.11.4.4:** Expand the economic base of the Redevelopment Area retaining existing jobs while creating new diverse employment opportunities by implementing improvements to and around the W Main Street/E Gulf to Lake Highway/SR 44/ US 41 corridor and to the White Lake industrial area.

**Policy 1.11.4.5:** Create investment opportunities that will increase the tax base thereby generating additional revenues to finance actions that support public goals.

**Policy 1.11.4.6:** Work with the City, County, Chamber, and Economic Development Council, Tourist Development Council, and other organizations and agencies as appropriate to establish business retention, recruitment, and expansion programs including but not limited to creation of a business incubator, small business assistance program, and other programs that can help local entrepreneurs establish and grow businesses in the Redevelopment Area.

**Policy 1.11.4.7:** Design and fund financial incentive initiatives to support business formation, relocation, expansion, and job creation.

**Policy 1.11.4.8:** Work with the Citrus County Tourist Development Council and Visitors & Convention Bureau (Visit Citrus) to promote the Redevelopment Area and market its assets as related to the community's environmental and eco-tourism attributes and activities.

**Policy 1.11.4.9:** Project the image of the Redevelopment Area as a safe and exciting place to go while encouraging both business and family oriented patronage by continuing to sponsor and hold community events, eco-tourism, and other promotional activities.

#### *Future Land Use Map Series*

*The Future Land Use Map (attached) has been revised to show:*

- Land use change for 0.65 acres adopted by Ordinance 2009-660
- Land use change for 0.50 acres adopted by Ordinance 2014-702

*Community Redevelopment Areas Map - (Attached) Community redevelopment areas map is a part of the FLUM Series.*

*The Floodplain Map (attached) has been revised to show:*

- 2014 FEMA/Flood Insurance Rate Map designations adopted by Ordinance 2014-704.

#### **HOUSING ELEMENT**

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*Based on the lack of population change in the past few years or predicted change in the future, the City's housing stock is expected to remain sufficient and affordable to well accommodate the demographic expected for the next ten years. Existing housing analysis also remains valid.*

**Policy 2.1.3.3:** The City shall ensure that residents displaced by state and/or local government programs will be relocated in accordance with the applicable relocation assistance plan and provisions of the Florida Statutes Section 421.55, FS.

#### **RECREATION AND OPEN SPACE ELEMENT**

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**Objective 3.1.4:** Provide public access to all existing and future public recreation facilities, including freshwater beaches and shores, through the end of the planning period. ~~year 2015.~~

## CONSERVATION ELEMENT

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*As a lakefront community, Inverness maintains an appropriate and suitable level of stewardship in its comprehensive plan policies. There have been no significant changes in the natural resource inventory or ecological characteristics of the community during the past planning period. The purpose of the plan amendments is largely to recognize changes in State law and agency (re)organization. The amendments change the degree of regulatory specificity but not the meaning or intent of the original policy.*

**Objective 4.1.1:** Continue to meet or exceed state and federal National Ambient Air Quality Standards established by the Florida Department of Environmental Protection in cooperation with the EPA, 40 CFR Part 58 and adopted in Section 62, FAC.

**Policy 4.1.2.3:** The City shall require development activities to adequately treat stormwater runoff through adherence to state and federal permitting requirements ~~Chapters 62-25 and 40D-4, FAC.~~

**Policy 4.1.6.2:** The City shall consult with the Florida Department of Agriculture, ~~Division of Forestry~~ Florida Forest Service on the use of best management practices (BMP) for proposed developments and activities adjacent to the Withlacoochee State Forest and Whispering Pines Park, prior to issuance of development authorization.

**Policy 4.1.9.9:** The City shall require all wetland encroachments to be mitigated according to all applicable state and federal permit requirements ~~chapters 62-25 and 40D-4, FAC, and Section 404, Clean Water Act,~~ and mitigation compliance to be monitored by FDEP, SWFWMD, and ACOE or other regulatory authority.

*The Policy has been revised, at the urging of the state, to better define environmentally sensitive lands. The City of Inverness amends its plan accordingly to direct the implementation of environmental protection measures.*

**Policy 4.1.9.11:** The City shall designate environmentally sensitive land to include wetlands, sinkholes, hydric soil types and flood-prone areas for protection measures based on jurisdictional wetlands determinations and or such protection designations adopted by an appropriate jurisdictional authority ~~the criteria provided by in the FWC 1994 Report: "Closing The Gaps in Florida's Wildlife Habitat Conservation System" including strategic habitat conservation areas and biodiversity hot spots of 7 or more focal species~~ to further the goals and objectives of the conservation element.

## INFRASTRUCTURE ELEMENT

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*There are no existing or projected level of service issues with regard to maintaining adopted levels of service for City infrastructure in this element. The City will continue to extend services to new areas based on need and availability of funding. The city will continue to master plan its infrastructure networks with the goal to protect the environment and the residents' quality of life. Amendments to the infrastructure element focus on the changing regulatory structure in the State. Statutory citation has been eliminated to reduce the level of regulatory specificity in the comprehensive plan.*

### *Potable Water Subelement*

**Policy 5.1.1.3:** The City shall establish and utilize levels of service provided for facilities as outlined in ~~Florida statute 9J 5.005(3) level of service standards and 9J 5.015(3)(b)3, coordination of levels of service~~ standards for public facilities with state, regional and local authorities entities or otherwise consistent with state law

**Policy 5.1.2.1:** The City shall develop water treatment capacity to process sufficient quantities of potable water to meet the projected long-range (year 2026 ~~2015~~) needs of Inverness.

**Objective 5.1.3:** Develop a potable water distribution system plan on the basis of projected water needs to the year 2026 ~~2015~~ and the established level of service standards for potable water.

### *Sanitary Sewer Subelement*

**Policy 5.2.2.1:** Effluent and sludge from all City owned treatment plants shall meet all biological and chemical standards of the applicable regulatory authority(s) Chapters 62-600 and 62-640, FS

**Objective 5.2.4:** Maintain an ongoing program for wastewater treatment capacity expansion necessary to accommodate projected future water flows through 2026 ~~2015~~.

**Policy 5.2.4.1:** The City shall plan for wastewater facilities expansion including design, permitting, and construction, in compliance with planning requirements set forth by the applicable regulatory authority(s) in 62-600.405, FAC.

### *Stormwater Drainage Subelement*

**Policy 5.4.1.2:** ~~The City shall establish water quality standards for stormwater discharge. Water quality standards for stormwater discharge shall be for all new and existing stormwater management systems. The City shall rely on the resources and expertise of the applicable regulatory authority(s) for assisting the City to maintain ~~consider Chapter 17-40, F.A.C. in formulating water quality standards and may be adopted by reference Chapter 62-25, F.A.C., as standards for water quality or otherwise remain consistent with state law.~~~~

**Policy 5.4.2.1:** The City's level of service standards for drainage plans and facilities are as follows:

- a. Residential (single family) - First one inch of rainfall runoff;
- b. Nonresidential developments and new subdivisions or planned developments - 25 year storm/24 hour duration rainfall (peak flow); and,
- e. ~~Culvert structures—10 year design.~~

**Policy 5.4.2.2:** The Inverness Land Development Regulations shall continue to require that all new stormwater control facilities treat stormwater for removal of pollutants as required by, ~~Chapter 40D-4 and 40D-40, FAC, as administered by SWFWMD.~~ the applicable regulatory authority

**Policy 5.4.2.3:** The City shall require the application of ~~Class III~~ water quality standards as established by the applicable regulatory authority provided in Chapter 62-302, FAC, to maintain water bodies for recreation and the propagation and maintenance of a healthy, well-balanced population of fish and wildlife.

**Policy 5.4.2.4:** The adopted flood protection level of service standards for the City of Inverness shall be equivalent to the FEMA design criteria for special flood hazard areas. "E", as defined in Section III.B.1 of this element. ~~By the end of the planning period 1999, the City shall assign specific flood protection strategies for ~~level of service standards by individual drainage basins.~~~~

**Policy 5.4.2.5:** By the end of the planning period 2003, the City shall evaluate the water quality treatment capacity for each sub-basin and parcel in the City for use in developing water quality level of service standards. As part of the evaluation, the City shall identify point sources of pollution and quantify impacts to receiving waters. ~~By 2005,~~ the City shall develop and implement water quality level of service standards in an effort to meet water quality goals of maintaining the water quality of local water bodies. identified in Chapter 62-40, FAC.

### **TRANSPORTATION ELEMENT**

---

*Growth rates in the City of Inverness are expected to continue to be modest as evidenced by population projections discussed in the future land use element. Existing traffic projections for 2020 are therefore deemed valid through 2026. Those data and analyses accurately predict the congestion on U.S. 41 North which stands as the highest priority*

*traffic issue. Most of the policy amendments contained in the transportation element are in connection to Inverness becoming a member government of the Hernando/Citrus MPO.*

**Objective 6.1.1:** Continue to coordinate with Citrus County, ~~the Citrus/Hernando MPO,~~ and the FDOT to mitigate the projected capacity deficiencies along segments of state and county roadways and evacuation routes.

**Policy 6.1.1.1:** The City will work with the County and the MPO to establish a transportation coordinating committee. ~~by the end of year 2008 in anticipation of the establishment of a Citrus County Metropolitan Planning Organization (MPO) after the next census.~~ Said committee will focus on various transportation needs in and around the City, with a focus on the mitigation of impacts to all congested roadways. ~~SR 44, a SIS facility, including the CR 581 project and potential future fixed route transit.~~

*The City adopts a new Transportation Element policy as shown below to comply with state law.*

**Policy 6.1.1.8:** The City of Inverness hereby incorporates by reference, the Hernando/Citrus Long Range Transportation Plan 2040 (LRTP) into this comprehensive plan. The City will continue to coordinate through the MPO to implement the LRTP and to participate in developing updates to the LRTP as an ongoing effort.

**Policy 6.1.2.2:** For the purpose of the issuance of development orders, the City's level of service standard for US 41 North will be LOS E - peak hour, the current operating level of service for this roadway, ~~as provided for in Rule 9J-5.0055(2)(d), FAC.~~ The City will adopt the peak hour level of service standard LOS "C" for SR 44, a roadway on the Florida Intrastate Highway System (FIHS) and Strategic Intermodal System (SIS). ~~This is consistent with 14-94.003, F.S.~~

**Policy 6.1.2.8:** The City will coordinate traffic signalization improvements with the State of Florida and Citrus County and will abide by state standards for the erection and maintenance of traffic signals. The City will monitor high traffic/accident locations in order to identify existing and potential problem areas. As identified ~~in the EAR,~~ the following intersections will be monitored:

- a. S. Apopka Avenue and Highland Boulevard
- b. Tompkins Street and N. Line Avenue
- c. Ella Avenue and Tompkins Street and US 41
- d. Highland Boulevard and S. Montgomery Avenue
- e. Highland Boulevard and S. Line Avenue
- f. Tompkins Street and Seminole Avenue

**Policy 6.1.2.12:** The City supports the creation of business incentive programs that reduce or waive proportionate fair share and concurrency requirements for significant economic development projects.

**Policy 6.1.3.5:** By the end of the planning period year 2012, the City will adopt a Master Roadway Network Map delineating the necessary rights-of-way required for the roadways for the next 20 years consistent with the MPO's long range plans by the year 2020.

**Policy 6.1.4.2:** The City will continue to budget \$25,000 annually for new sidewalks. Left over money will be allowed to roll over into the subsequent year to fund larger projects. ~~Once the existing pedestrian plan is adopted as a bicycle/pedestrian plan, this annual allowance will be increased. The following projects are currently planned bicycle/pedestrian projects:~~

- ~~Bike lanes on Tompkins Street~~
- ~~Bike lanes on Highland Boulevard~~
- ~~Sidewalk on Eden Drive from US 41S to Old Floral City Road~~
- ~~Sidewalk on S. Apopka Avenue from US 41S to Highland Boulevard~~

- ~~Sidewalk on S. Apopka Avenue from Highland Boulevard to Hill Street~~
- ~~Sidewalk on LeRoy Billamy Road from Washington Avenue to Trails~~
- ~~Sidewalk on Washington Avenue from SR 44E to LeRoy Billamy Road~~
- ~~Sidewalk on Mossy Oak Drive from Old Floral City Road to Landing Boulevard~~
- ~~Sidewalk on Seminole Avenue from Hill Street to Highland Boulevard~~
- ~~Sidewalk on Citrus Avenue from Hill Street to Highland Boulevard~~
- ~~Sidewalk on Hill Street from Seminole Avenue to Citrus Avenue~~
- ~~Sidewalk on S. Park Avenue from Highland Boulevard to Grace Street~~
- ~~Sidewalk on Eden Drive from Old Floral Road to City Limit~~
- ~~Sidewalk on Independence Highway from SR 44W to City Limit~~

**Policy 6.1.4.8:** The City will coordinate with the Florida Department of Transportation (FDOT), the Citrus/Hernando County MPO and Citrus County on implementing changes for state trail improvements and provide for bicycle/pedestrian facilities on county and/or state roadways throughout the City.

**Policy 6.1.4.11:** The City currently has no direct rail access but will coordinate with the Florida Department of Transportation (FDOT), the Citrus/Hernando County MPO and Citrus County on implementing changes to improve connectivity to railroad infrastructure and coordinate rail improvements.

*Based on the City's ongoing implementation of alternative transportation facilities the following two un-reviewed policies are added to the Transportation Element.*

**Policy 6.1.4.12** The City of Inverness supports the Complete Streets Guiding Principles as a means to facilitate the development of Complete Streets in Inverness. The City of Inverness will work in cooperation with the Hernando-Citrus County Metropolitan Planning Organization (MPO), Tampa Bay Area Regional Transportation Authority (TBARTA), the Florida Department of Transportation (FDOT) and bicycling and pedestrian organizations to assist in developing, implementing and funding complete streets.

**Policy 6.1.4.13** The City of Inverness is the primary hub for the Withlacoochee State Trail which is an integral part of the local transportation network. Therefore, as a part of planning for and implementing an alternative transportation system, the City supports designation as a Bicycle Friendly Community.

**Objective 6.1.7:** The City of Inverness will ~~maintain~~ ~~establish~~ a Transportation Concurrency Exception Area (TCEA) within the geographic area depicted on Map 6-1, for the purpose of promoting redevelopment within the downtown area consistent with Policy 6.1.7.1 and the Future Land Use Element.

**Policy 6.1.7.5:** Through the committee established in Policy 6.1.1.1, the City will coordinate with Citrus County, the MPO and FDOT to give the highest priority for funding to capacity improvement projects relieving congested roadways within the TCEA.

**Policy 6.1.7.7:** The City will mitigate the impact of the TCEA on SR 44 in the short term by providing directional signage and encouraging the use of parallel, under-utilized facilities such as Highland Boulevard and Tompkins Street through the Central Business District, and investing in infrastructure for bicyclists and pedestrians in this area. These improvements have been funded and are included in the Capital Improvements Program.

~~The City has initiated discussions with the school board on the potential to move the schools' access off of Highland Boulevard, and to increase the posted speed limit on this facility in order to attract more regional trips and increase automobile mobility.~~

**Policy 6.1.7.8:** The City will pursue, as a long term strategy, the extension of CR 581 north to US 41N and the CR 581 to US 41S connector south of the City ~~as shown in Map 6-2~~ as a reliever facility to US 41 which runs in

conjunction with SR 44 through the TCEA. The City shall work with the County and the FDOT to identify and program funding for this improvement, ~~with an initial corridor study for the CR 581 corridor to be programmed as soon as funding becomes available, with a goal for the study to be funded by 2015.~~

**Objective 6.2:** Coordinate with the FDOT, MPO and Citrus County to ensure a mechanism exists to address any issues related to the Inverness airport.

**Policy 6.2.1:** Through the committee established in Policy 6.1.1.1 of this element and in Policy 7.1.1.4 of the Intergovernmental Coordination Element, the City will coordinate with Citrus County staff to identify short term and long term needs within the City limits for Inverness airport coordination.

## INTERGOVERNMENTAL COORDINATION ELEMENT

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*Intergovernmental coordination policy changes are in response to governmental reorganization. The City is now a member of the Hernando/Citrus MPO which raises the need for additional coordination under State comprehensive plan requirements.*

**Policy 7.1.1.5:** The City will work with the County and the Citrus/Hernando MPO to ~~establish a transportation coordinating committee by the end of year 2008 in anticipation of the establishment of a Citrus County Metropolitan Planning Organization (MPO). Said committee would~~ focus on various transportation needs in and around the City, with a focus on the mitigation of impacts to all congested roads, to SR 44, a SIS facility, including the CR 581 project and potential future fixed route transit.

**Policy 7.1.2.3:** The City shall utilize the dispute resolution process provided by the Tampa Bay Withlacoochee Regional Planning Council for resolving conflicts with other governments when applicable.

**Policy 7.1.2.6:** The City supports inter-local agreements as a tool for better land use planning around the airport.

**Policy 7.1.3.2:** Should the need arise; the City shall resolve conflicts with other local governments through the regional planning council's ~~information~~ mediation process.

**Policy 7.1.6.1:** The City shall maintain inventory and update interlocal agreements as required in Florida Law ~~rule~~.

## CAPITAL IMPROVEMENTS ELEMENT

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*Policy changes included below are related to a reduction of comprehensive planning requirements. State law now allows unfunded grant project to be listed in the capital improvements plan. Previously grant funding was not deemed financially feasible.. Since Inverness is a member local government in the Hernando/ Citrus MPO the 5-year transportation improvement plan is adopted by reference with regard to the projects located in the City of Inverness municipal limits. The City's 5-year schedule of capital improvements is attached.*

**Policy 8.1.1.1:** The City Council shall adopt an adequate facilities ordinance to ensure that at the time the development order is issued adequate facility capacity is available or will be available when needed to serve the development or as otherwise provided for in ~~Rule 9J-5.0055, FAC~~ State law.

**Policy 8.1.1.3:** The City of Inverness shall construct a financially realistic ~~feasible~~ Capital Improvements Plan which may include prospective, grant funded projects.

**Policy 8.1.3.8:** Grants that are not under the control of the City during the annual update of this Element shall be

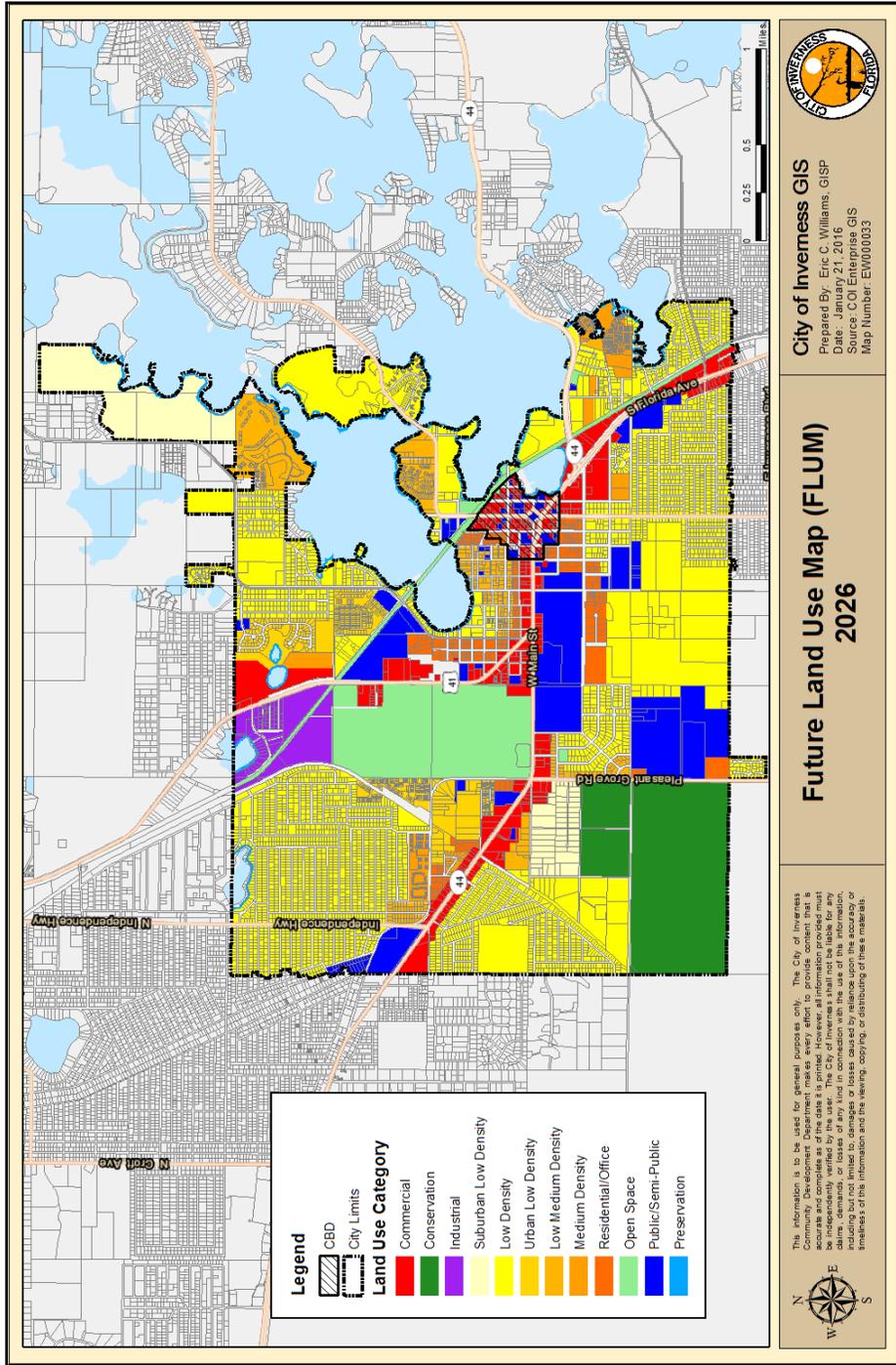
considered “planned funds” and ~~not be utilized during Years 1-3~~ in the five (5) year schedule of capital improvements ~~in order to meet the definition of financial feasibility in Section 163.3164(32), Florida Statutes.~~

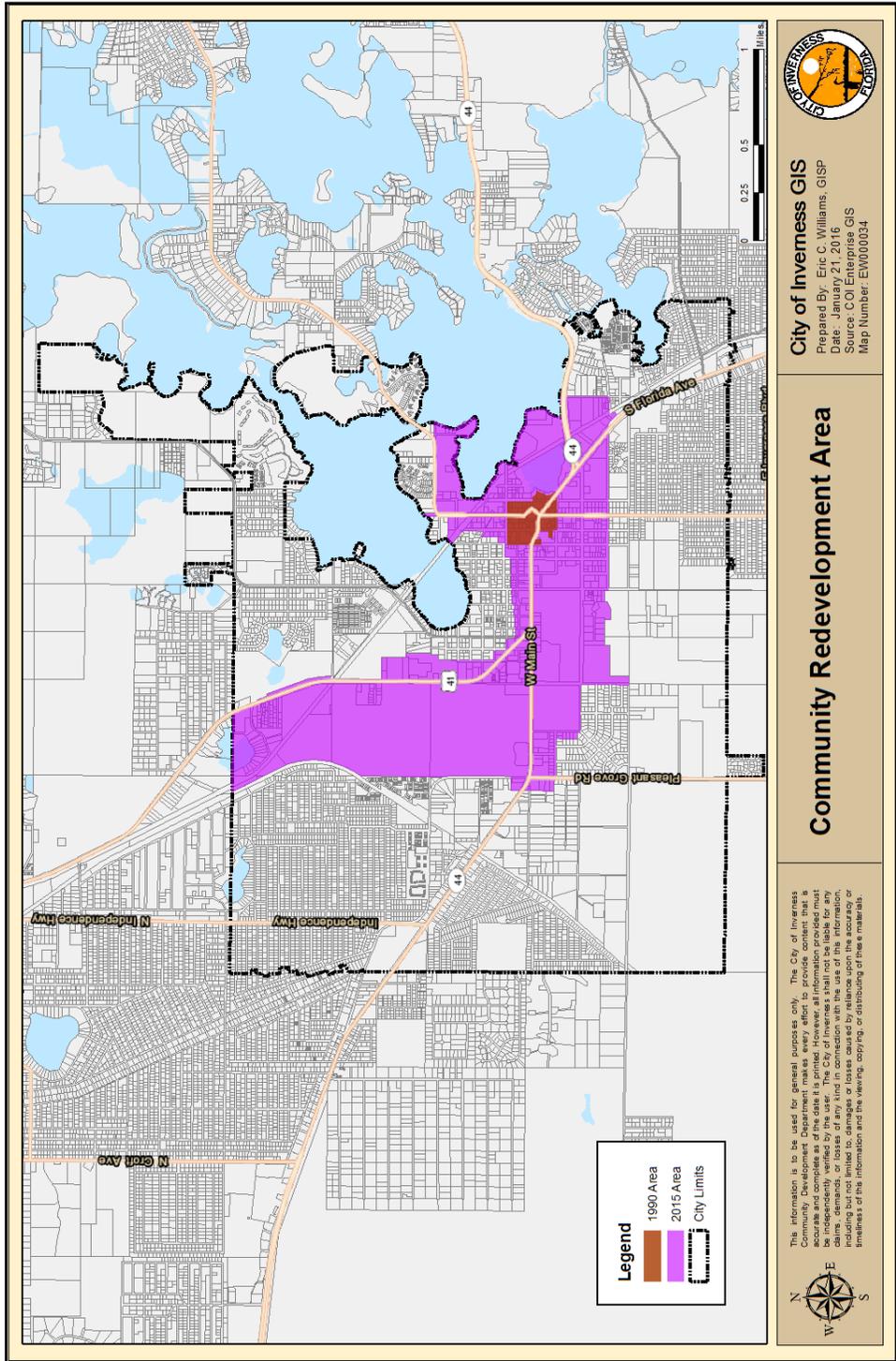
**Policy 8.1.5.4:** All capital improvements shall be implemented ~~made~~ in a financially feasible manner and take into account the plans of state agencies, local governments and water management districts that provide facilities within The City of Inverness.

*Five Year Schedule of Capital Improvements*

*The City’s 5-Year Schedule of Capital Improvements (attached) has been revised to:*

- Update to current years 2016 – 2020*
- Incorporate the Hernando/Citrus MPO 5-Year Improvement Plan*





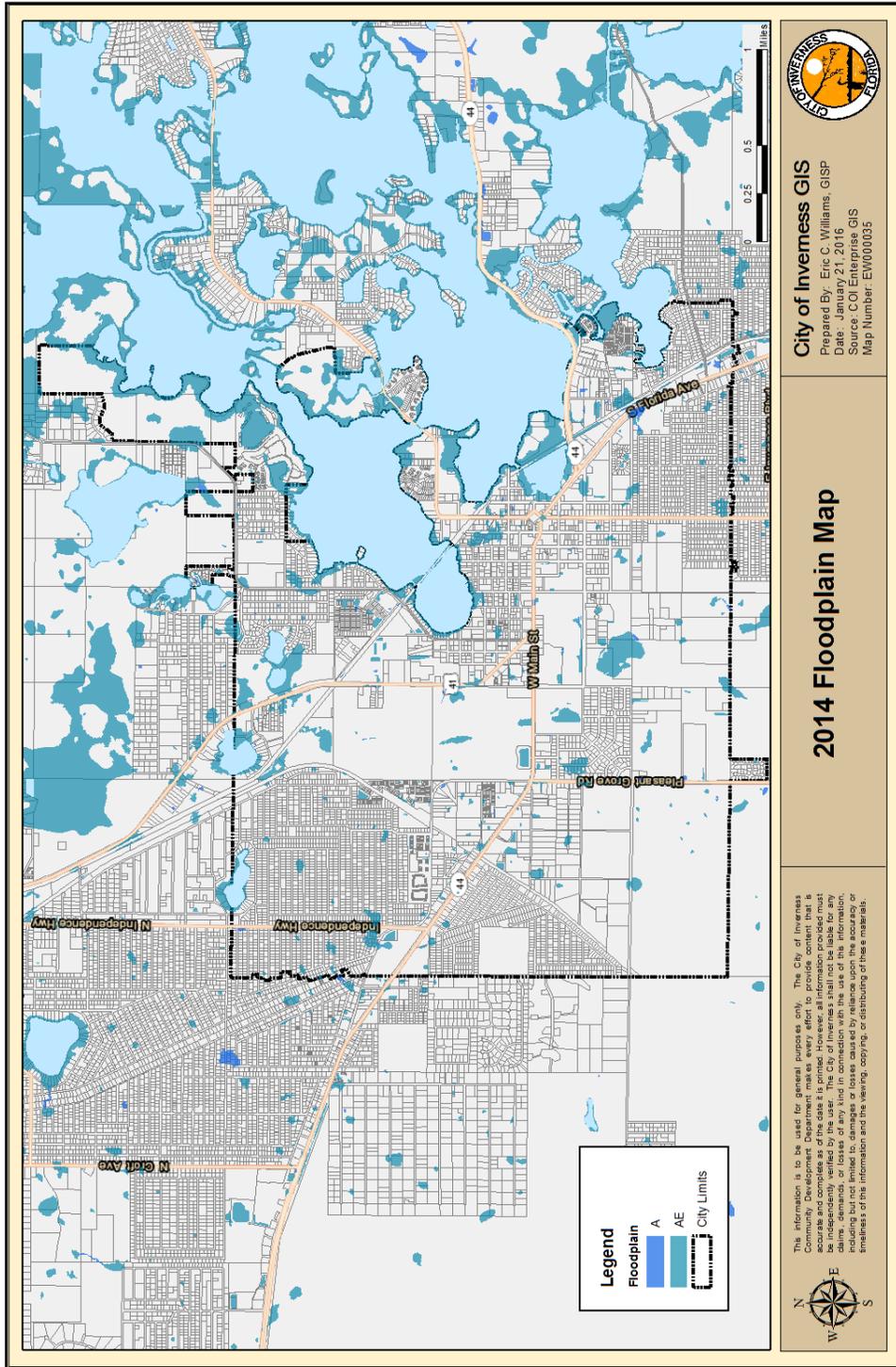


EXHIBIT B TO ORDINANCE 2016-713

*City of Inverness ~ Comprehensive Plan*

**Capital Improvements Summary  
Five Year Schedule of Capital Improvements 2016-2020**

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While there are numerous benefits to municipal capital improvements planning, the primary motivator under the state statutes is to adequately plan those facilities linked to comprehensive plan levels of service (LOS) therefore enabling level of service sufficiency. Internal fiscal assessment ensures that the City of Inverness will pursue a Capital Improvements Schedule based on accepted financial and accounting practices. Financial feasibility is based on the outcome of internal analysis which shows revenues are set to exceed expenditures over the course of the five (5) year schedule.

Over the planning period, the City of Inverness expects only modest growth. According to the comprehensive plan, growth will occur at a slow but steady rate. The comprehensive plan places emphasis on infill development on existing, platted lots within the city. Projection of total future development would rely on presently unknown growth factors. However, it is fully expected that growth will not affect other major systems necessary to maintain quality of life.

Currently there are no of service deficiencies within the City, except for US 41 North and South. That roadway functions below LOS requirements, establishing a transportation backlog of uncalculated fiscal impact for the facility. All other capital facilities and services meet or exceed levels of service standards. Therefore, fiscal impacts related to level of service should be minimal. Planned capital improvements support the comprehensive plan as well as all applicable city codes and requirements. Timing and location of capital improvements proceeds with all state comprehensive plan policies, goals, and objectives considered as well as the plans of all outside, concerned public agencies. The City herewith adopts by reference the 2016-2020 Transportation Improvement Plan adopted by the Hernando / Citrus MPO with regard to those projects located within the Inverness City Limits.

Annual review of the Capital Improvement Element will help guide and inform future capital improvement planning within the City. The annual capital improvement process of review will affirm the validity of the five (5) year Capital Improvements Schedule. Moreover, annual review should help build a more coherent relationship between the Comprehensive Plan, the Capital Improvement Plan, and the annual budgeting process.



# City of Inverness

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May 29, 2015

**TO:** CITY COUNCIL & MAYOR

**FROM:** CITY MANAGER

**SUBJECT:** CAPITAL IMPROVEMENT PLAN (CIP) BUDGET SUBMITTAL FOR FISCAL YEARS 2016-2020

**CC** CITY CLERK, ASSISTANT CITY MANAGER AND DEPARTMENT DIRECTORS

The City of Inverness Five-Year Capital Improvement Plan (CIP) outlines a progressive program of scheduled investment funding. The plan continues a long-term focus of economic benefits and quality of life issues to improve the community. The plan incorporates input of City Council; knowledge of the community and integrates management's recommendations after consultation with Senior Staff Members. To align allocations, the project schedule is reviewed systemically to ensure fiscal responsibility for the totality of the ensuing five-year period. Proper development of a balanced and affordable budget to accomplish planned improvements and overall fiscal stability. By targeting resources and directing them to where they are most needed, the growth of general spending and been able to maintain affordability to residential and business interests. The City's reserve funds is a resource that provides the ability to fund the design and construction of most all that is planned. Effectively, City Government has stabilized budgetary spikes while maintaining a pattern of significantly improving the city's appearance.

The entire process of budget development is designed to follow the stewardship of City Council. A public Council meeting will discuss the full CIP document on Thursday, June 4, 2015, at 5:30 p.m. in Council Chambers. Presentation will provide an opportunity for input to be accomplished in 2016 and beyond.

We look forward to the opportunity to work with you to achieve a positive future, and as always, we welcome your input.

  
Frank DiGiovanni

CAPITAL IMPROVEMENT PROGRAM  
SUMMARY BY FUNDING SOURCE  
FISCAL YEAR 2016

FISCAL YEAR 2016 CIP FUND SUMMARY	Impact Fees	Grants	Capital Interest	1990 CRA	2013 CRA	Debt Proceeds	Equipment Reserves	Transfer from General Fund	IGC Reserves	Transfer from Land Acquisition Reserves	Carry Forward Reserves
<b>PROJECT</b>											
General Government Svcs			\$ 10,000					\$ 395,000	\$ 60,000	\$ 170,000	
Community Development	\$ 127,300	\$ 144,800						\$ 67,500			\$ 31,000
Public Safety											
Roads and Streets		\$ 120,000					\$ 175,000	\$ 286,000			\$ 40,000
Satellite Parks		\$ 97,321						\$ 90,000			\$ 50,000
Special Events								\$ 14,500			
ICRA				\$ 65,000	\$ 270,000	\$ 500,000					
Whispering Pines Park							\$ 82,000				\$ 130,200
<b>TOTAL BY FUNDING SOURCE</b>	<b>\$ 127,300</b>	<b>\$ 362,121</b>	<b>\$ 10,000</b>	<b>\$ 65,000</b>	<b>\$ 270,000</b>	<b>\$ 500,000</b>	<b>\$ 257,000</b>	<b>\$ 853,000</b>	<b>\$ 60,000</b>	<b>\$ 170,000</b>	<b>\$ 251,200</b>

GENERAL FUND  
CAPITAL IMPROVEMENT PROGRAM  
2016 - 2020

GENERAL FUND SERVICES	Actual 2013	Actual 2014	Budget 2015	Projected 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019
<b>FUNDING SOURCES</b>								
Transfer from Road Fund		\$ 142,382						
Transfer from CDBG Fund Closeout								
Interest	\$ 17,591	\$ 15,730	\$ 20,000	\$ 18,000	\$ 10,000		\$ 10,000	
Transfer from General Fund	\$ 1,322,368	\$ 657,500	\$ 707,000	\$ 707,000	\$ 853,000	\$ 589,100	\$ 585,284	\$ 551,700
Transfer from General Fund-Land		\$ 600,000			\$ 170,000			
Transfer from Equipment Resv			\$ 77,000	\$ 35,000	\$ 257,000	\$ 64,000	\$ 15,000	\$ 30,000
One Time CIP Transfer-General Fund	\$ 1,500,000							
Transfer from Utilities								
Transfer from WPP Fund	\$ 89,500	\$ 42,000	\$ 75,000	\$ 50,500				
Transfer from ICRA	\$ 210,000	\$ 65,000	\$ 100,000	\$ 104,112				
Transfer from CDBG Fund								
CRA - 1990					\$ 65,000	\$ 45,000	\$ 45,000	\$ 35,000
CRA-2013					\$ 270,000	\$ 428,000	\$ 517,366	\$ 498,564
IGC Building Reserve					\$ 60,000	\$ 10,000	\$ 10,000	\$ 10,000
Citrus Information Cooperative			\$ 20,000	\$ 20,000				
Cemetery Reserves								
Impact Fees - Transportation			\$ 580,043	\$ 242,043		\$ 338,000		
Debt Proceeds								
Impact Fees - City Transportation					\$ 127,300	\$ 352,300		
Interlocal Revenue								
State Grants		\$ 48,479	\$ 615,321	\$ 500,000	\$ 317,121	\$ 584,800	\$ 320,000	\$ 20,000
DOT Landscape Maintenance Fee			\$ 20,500	\$ 20,500				
Federal Grants			\$ 700,000			\$ 700,000		
County CIGP Grant		\$ 11,319	\$ 670,000	\$ 257,500				
County Grant SHIP								
County Contribution	\$ 80,000							
SWFWMD Grant			\$ 45,000	\$ 45,000	\$ 45,000	\$ 200,000	\$ 400,000	\$ 220,000
Street Assessment								

GENERAL FUND  
CAPITAL IMPROVEMENT PROGRAM  
2016 - 2020

GENERAL FUND SERVICES	Actual 2013	Actual 2014	Budget 2015	Projected 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019
Reimbursement - Tompkins (customer)		\$ 21,662						
Storm Water Utility (proposed)								
Lease Proceeds								
Loan Proceeds								
Reserve Transfer from DDS								
Loan/Bond Proceeds			\$ 1,500,000	\$ -	\$ 500,000	\$ 1,275,000	\$ 1,225,000	
Contingency Reserves								
Adjust Reserves		\$ 882						
Event Sponsorships			\$ 4,300	\$ 4,300				
Public/Private Partnership						\$ 75,000		
Recreation User Fees								\$ 20,000
<b>Total Revenues</b>	<b>\$ 3,219,459</b>	<b>\$ 1,604,954</b>	<b>\$ 5,134,164</b>	<b>\$ 2,003,955</b>	<b>\$ 2,674,421</b>	<b>\$ 4,586,200</b>	<b>\$ 3,202,650</b>	<b>\$ 1,385,264</b>
Carry Forward Reserves	\$ 7,659,531	\$ 5,997,602	\$ 5,970,160	\$ 5,029,404	\$ 1,216,146	\$ 964,946	\$ 474,946	\$ 339,730
Road Reserves	\$ 153,583	\$ 12,274	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL FUNDING SOURCES</b>	<b>\$ 11,032,573</b>	<b>\$ 7,614,830</b>	<b>\$ 11,104,324</b>	<b>\$ 7,033,359</b>	<b>\$ 3,890,567</b>	<b>\$ 5,551,146</b>	<b>\$ 3,677,596</b>	<b>\$ 1,724,994</b>
<b>DEPARTMENT - Division</b>								
General Government	\$ 3,956,537	\$ 1,452,296	\$ 1,099,575	\$ 964,160	\$ 635,000	\$ 135,000	\$ 115,000	\$ 95,000
Community Development	\$ 608,724	\$ 503,610	\$ 4,768,345	\$ 3,258,345	\$ 370,600	\$ 1,493,600	\$ 55,000	\$ 55,000
ICRA					\$ 835,000	\$ 1,848,000	\$ 1,987,366	\$ 533,564
Public Safety			\$ 250,000	\$ 250,000		\$ 50,000	\$ 50,000	\$ 50,000
Roads & Streets	\$ 77,932	\$ 533,980	\$ 2,238,433	\$ 1,082,933	\$ 621,000	\$ 1,287,000	\$ 907,500	\$ 560,000
Satellite Parks	\$ 169,171	\$ 9,534	\$ 383,946	\$ 203,175	\$ 237,321	\$ 136,000	\$ 146,000	\$ 111,000
Special Events		\$ -	\$ 18,100	\$ 18,100	\$ 14,500	\$ 10,600	\$ -	\$ -
Whispering Pines Parks	\$ 67,952	\$ 73,157	\$ 251,200	\$ 40,500	\$ 212,200	\$ 116,000	\$ 77,000	\$ 105,700
<b>TOTAL PROJECT COSTS</b>	<b>\$ 4,880,316</b>	<b>\$ 2,572,577</b>	<b>\$ 9,009,599</b>	<b>\$ 5,817,213</b>	<b>\$ 2,925,621</b>	<b>\$ 5,076,200</b>	<b>\$ 3,337,866</b>	<b>\$ 1,510,264</b>
Road Reserves	\$ 154,655	\$ 12,849	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>PROJECTED SURPLUS (DEFICIT)</b>	<b>\$ 5,997,602</b>	<b>\$ 5,029,404</b>	<b>\$ 2,094,725</b>	<b>\$ 1,216,146</b>	<b>\$ 964,946</b>	<b>\$ 474,946</b>	<b>\$ 339,730</b>	<b>\$ 214,730</b>

CAPITAL IMPROVEMENT PROGRAM SUMMARY BY FUNDING SOURCE  
GENERAL GOVERNMENT SERVICES  
FY 2016

GENERAL GOVERNMENT SERVICES	IGC Reserves	CAPITAL INTEREST	TRANSFER FROM GENERAL FUND	LAND ACQUISITION RESERVES	TOTAL
<b>PROJECT</b>					
<b><u>Planning/Studies</u></b>					
Government Plaza			\$ 350,000		\$ 350,000
<b>Total Planning/Studies</b>	\$ -	\$ -	\$ 350,000	\$ -	\$ 350,000
<b><u>Land Acquisition</u></b>					
Pine Street Property			\$ -	\$ 170,000	\$ 170,000
<b>Total Planning/Studies</b>	\$ -	\$ -	\$ -	\$ 170,000	\$ 170,000
<b><u>Buildings</u></b>					
IGC Maintenance Sustainability	\$ 60,000				\$ 60,000
<b>Total Buildings</b>	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000
<b><u>Improvements</u></b>					
IGC Landscape Protection Plan		\$ 10,000	\$ 10,000		\$ 20,000
<b>Total Improvements</b>	\$ -	\$ 10,000	\$ 10,000	\$ -	\$ 20,000
<b><u>Equipment/Software</u></b>					
Information Technology Projects			\$ 35,000		\$ 35,000
<b>Total Equipment/Software</b>	\$ -	\$ -	\$ 35,000	\$ -	\$ 35,000
<b>TOTAL BY FUNDING SOURCE</b>	<b>\$ 60,000</b>	<b>\$ 10,000</b>	<b>\$ 395,000</b>	<b>\$ 170,000</b>	<b>\$ 635,000</b>

CITY OF INVERNESS  
 CAPITAL IMPROVEMENT PROGRAM  
 GENERAL GOVERNMENT SERVICES  
 FY 2016 - 2020

GENERAL GOVERNMENT SERVICES	Actual 2013	Actual 2014	Budget 2015	Projected 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019	Budget 2020
<b>FUNDING SOURCES</b>									
Interest	\$ 16,831	\$ 15,730	\$ 20,000	\$ 18,000	\$ 10,000		\$ 10,000		\$ 10,000
Transfer from General Fund	\$ 514,500	\$ 1,014,000	\$ 401,500	\$ 401,500	\$ 395,000	\$ 85,000	\$ 95,000	\$ 85,000	\$ 145,000
Transfer from General Fund - Land Acq					\$ 170,000				
Citrus Information Cooperative			\$ 20,000	\$ 20,000					
IGC Building Reserve					\$ 60,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Public/Private Partnership-Revenue									
State Grant									
Reserve Transfer-IGC Debt Payoff	\$ 1,000,000								
Reserve Transfer from Rds/Sts		\$ 422,566							
Fund Balance Transfer -General Fund	\$ 1,500,000								
Adjust Ending Reserves									
<b>Subtotal Revenues</b>	<b>\$ 3,031,331</b>	<b>\$ 1,452,296</b>	<b>\$ 441,500</b>	<b>\$ 439,500</b>	<b>\$ 635,000</b>	<b>\$ 95,000</b>	<b>\$ 115,000</b>	<b>\$ 95,000</b>	<b>\$ 165,000</b>
Carry Forward Reserves	\$ 2,141,940	\$ 1,216,734	\$ 933,589	\$ 1,216,734	\$ 40,000	\$ 40,000	\$ 0	\$ 0	\$ 0
<b>TOTAL FUNDING SOURCES</b>	<b>\$ 5,173,271</b>	<b>\$ 2,669,030</b>	<b>\$ 1,375,089</b>	<b>\$ 1,656,234</b>	<b>\$ 675,000</b>	<b>\$ 135,000</b>	<b>\$ 115,000</b>	<b>\$ 95,000</b>	<b>\$ 165,000</b>
<b>PROJECT</b>									
<b>Planning/Studies</b>									
Cemetery Study (4400)			\$ 90,000	\$ 90,000					
Government Plaza		\$ 52,775	\$ 242,175	\$ 242,175	\$ 350,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 100,000
<b>Total Planning/Studies</b>	<b>\$ -</b>	<b>\$ 52,775</b>	<b>\$ 332,175</b>	<b>\$ 332,175</b>	<b>\$ 350,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 100,000</b>
<b>Land</b>									
Land Acquisition - Godowski Property		\$ 570,982							
Land Acquisition - Dampier Street		\$ 187,500							
Land Acquisition - Pine/Dampier Street		\$ 41,813							
Land Acquisition - Pine Street					\$ 170,000				
Land Acquisition - Carry Fwd			\$ 29,000	\$ -					
<b>Total Land</b>	<b>\$ -</b>	<b>\$ 800,295</b>	<b>\$ 29,000</b>	<b>\$ -</b>	<b>\$ 170,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Buildings</b>									
IGC Build out	\$ 51,852	\$ 441,131							
IGC Maintenance Sustainability			\$ 165,000	\$ 165,000	\$ 60,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
<b>Total Buildings</b>	<b>\$ 51,852</b>	<b>\$ 441,131</b>	<b>\$ 165,000</b>	<b>\$ 165,000</b>	<b>\$ 60,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>
<b>Improvements</b>									
Streetscape Lighting Retrofit			\$ 37,500	\$ 37,500	\$ -	\$ -	\$ -	\$ -	\$ -
IGC Landscape Sprinkler Replacements			\$ 2,000	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -
IGC External Remediation Project					\$ -				
IGC Landscape Protection Plan			\$ 40,000	\$ 40,000	\$ 20,000		\$ 20,000		\$ 20,000

CITY OF INVERNESS  
 CAPITAL IMPROVEMENT PROGRAM  
 GENERAL GOVERNMENT SERVICES  
 FY 2016 - 2020

GENERAL GOVERNMENT SERVICES	Actual 2013	Actual 2014	Budget 2015	Projected 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019	Budget 2020
Wayfind Signs	\$ 21,849		\$ 80,000	\$ 80,000	\$ -	\$ 40,000			
<b>Total Improvements</b>	<b>\$ 21,849</b>	<b>\$ -</b>	<b>\$ 159,500</b>	<b>\$ 159,500</b>	<b>\$ 20,000</b>	<b>\$ 40,000</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>\$ 20,000</b>
<b>Equipment/Software</b>									
Citizen Self Service Implementation	\$ 588								
Dashboard Software Implementation	\$ 2,350								
PC Replacement		\$ 1,872	\$ 1,700	\$ 1,700					
MUNIS Fixed Assets Implementation			\$ 19,900	\$ 19,900					
Applicant Tracking Implementation			\$ 4,800	\$ 4,800					
MapLink GIS Integration	\$ 9,500	\$ 8,500	\$ 1,875	\$ 1,875					
Data Preservation		\$ 25,588	\$ 81,980	\$ 81,980					
Vendor Self Service Implementation			\$ 1,175	\$ 1,175					
Employee Self Service Implementation			\$ 1,200	\$ 1,200					
Security Cameras			\$ 10,825	\$ 10,825					
Replacement of Backup Tape Drive			\$ 15,000	\$ -					
Utility Billing Software Implementation	\$ 7,028	\$ 21,894	\$ 25,800	\$ 25,800					
Central Property File Software Impl			\$ 6,800	\$ 6,800					
Tyler Cashiering	\$ 2,283		\$ 11,415	\$ -					
Mobile Application Development			\$ 12,000	\$ 12,000					
Building Permit/Code Enforcement Impl		\$ 22,000	\$ 39,150	\$ 39,150					
GIS System Development			\$ 40,000	\$ 40,000	\$ -				
Electronic Speed Deterrent			\$ 30,000	\$ -	\$ -				
Arts in Public Places			\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Information Technology Projects	\$ 12,061	\$ 78,441	\$ 60,900	\$ 60,900	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
<b>Total Equipment/Software</b>	<b>\$ 33,788</b>	<b>\$ 158,095</b>	<b>\$ 413,900</b>	<b>\$ 307,485</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>
<b>Other</b>									
IGC Debt Payoff	\$ 3,849,048								
Transfer to Valerie Theatre				\$ 402,074					
Transfer to Fire Services			\$ 250,000	\$ 250,000					
<b>Total Other</b>	<b>\$ 3,849,048</b>	<b>\$ -</b>	<b>\$ 250,000</b>	<b>\$ 652,074</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL PROJECT COSTS</b>	<b>\$ 3,956,537</b>	<b>\$ 1,452,296</b>	<b>\$ 1,349,575</b>	<b>\$ 1,616,234</b>	<b>\$ 635,000</b>	<b>\$ 135,000</b>	<b>\$ 115,000</b>	<b>\$ 95,000</b>	<b>\$ 165,000</b>
<b>PROJECTED SURPLUS (DEFICIT)</b>	<b>\$ 1,216,734</b>	<b>\$ 1,216,734</b>	<b>\$ 25,514</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

CITY OF INVERNESS  
 CAPITAL IMPROVEMENT PROGRAM  
 SUMMARY BY FUNDING SOURCE  
 COMMUNITY DEVELOPMENT  
 FY 2016

COMMUNITY DEVELOPMENT	IMPACT FEES	TRANSFER FROM GENERAL FUND	STATE GRANT	CASH CARRY FORWARD	TOTAL
<b>PROJECT</b>					
<i>Planning/Studies</i>					
LDC Update		\$ 50,000			\$ 50,000
Bicycle Master Plan Update		\$ 17,500	17,500		\$ 35,000
<b>Total Planning/Studies</b>	\$ -	\$ 67,500	\$ 17,500	\$ -	\$ 85,000
<i>Improvements</i>					
CDBG Phase IV Downtown Streetscape				\$ 31,000	\$ 31,000
FDOT Intermodal Safety Improvements - Forest Drive	\$ 127,300		\$ 127,300		\$ 254,600
<b>Total Improvements</b>	\$ 127,300	\$ -	\$ 127,300	\$ 31,000	\$ 285,600
<b>TOTAL BY FUNDING SOURCE</b>	\$ 127,300	\$ 67,500	\$ 144,800	\$ 31,000	\$ 370,600

CITY OF INVERNESS  
CAPITAL IMPROVEMENT PROGRAM  
COMMUNITY DEVELOPMENT  
FY 2016 - 2020

COMMUNITY DEVELOPMENT	Actual 2013	Actual 2014	Budget 2015	Projected 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019
<b>FUNDING SOURCES</b>								
Transfer from General Fund	\$ 478,868	\$ 15,000			\$ 67,500	\$ 105,000	\$ 55,000	\$ 25,000
Transfer from ICRA	210,000	65,000	100,000	\$ 104,112				
CDBG Comm Redevelopment State Grant			\$ 700,000			\$ 700,000		
FDOT Grants(s)		\$ 59,798	\$ 500,000	\$ 500,000	\$ 127,300	\$ 127,300		
FDEP Recreational Trail Grant					\$ 17,500			
County Contribution	\$ 80,000							
Impact Fees			\$ 225,000	\$ 225,000	\$ 127,300	\$ 352,300		
Trf from Equipment Reserve								\$ 30,000
Loan Proceeds			\$ 1,000,000	\$ -				
Transfer from Gen Govt, Rds/Sts, & Satellite Parks	\$ -	\$ -	\$ -	\$ 1,000,000				
<b>Sub-Total</b>	<b>\$ 768,868</b>	<b>\$ 139,798</b>	<b>\$ 2,525,000</b>	<b>\$ 1,829,112</b>	<b>\$ 339,600</b>	<b>\$ 1,284,600</b>	<b>\$ 55,000</b>	<b>\$ 55,000</b>
Carry-Forward Reserves	\$ 2,020,652	\$ 2,180,795	\$ 2,430,946	\$ 1,816,983	\$ 387,750	\$ 356,750	\$ 147,750	\$ 147,750
<b>TOTAL FUNDING SOURCES</b>	<b>\$ 2,789,520</b>	<b>\$ 2,320,593</b>	<b>\$ 4,955,946</b>	<b>\$ 3,646,095</b>	<b>\$ 727,350</b>	<b>\$ 1,641,350</b>	<b>\$ 202,750</b>	<b>\$ 202,750</b>
<b>PROJECT</b>								
<b>Planning/Studies</b>								
LDC Update					\$ 50,000	\$ 50,000		
Bicycle Master Plan Update					\$ 35,000			
<b>Total Planning/Studies</b>	<b>\$ 574</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 85,000</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Buildings</b>								
Valerie Theatre Restoration Project	\$ 16,572	\$ 413,884	\$ 3,106,045	\$ 3,106,045	\$ -			
MLK/Dampier Dwelling Demolition			\$ 15,000	\$ 15,000	\$ -			
<b>Total Buildings</b>	<b>\$ 16,572</b>	<b>\$ 413,884</b>	<b>\$ 3,121,045</b>	<b>\$ 3,121,045</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Improvements</b>								

CITY OF INVERNESS  
 CAPITAL IMPROVEMENT PROGRAM  
 COMMUNITY DEVELOPMENT  
 FY 2016 - 2020

COMMUNITY DEVELOPMENT	Actual 2013	Actual 2014	Budget 2015	Projected 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019
North Apopka Ave Trailhead Project- BMP - Project #1	\$ 575,930	\$ 1,154	\$ 7,100	\$ 7,100				
FDOT Enhancement Projects			\$ 35,000	\$ -				
Downtown Kiosks			\$ 20,000	\$ 20,000				
Façade Grant	\$ 7,500	\$ 7,500	\$ 40,200	\$ 40,200				
CDBG Phase 4 Downtown Streetscape	\$ 8,148	\$ 81,072	\$ 1,405,000	\$ -	\$ 31,000	\$ 1,134,000		
FDOT Intermodal Safety Improvements - Forest Drive					\$ 254,600	\$ 254,600		
Neighborhood Centers			\$ 70,000	\$ -		\$ 25,000	\$ 25,000	\$ 25,000
<b>Total Improvements</b>	<b>\$ 591,578</b>	<b>\$ 89,726</b>	<b>\$ 1,577,300</b>	<b>\$ 67,300</b>	<b>\$ 285,600</b>	<b>\$ 1,413,600</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>
<u>Equipment/Software</u>								
Downtown Amenities Replacement			\$ 70,000	\$ 70,000				
Digital ePlan Review & Storage System						\$ 30,000	\$ 30,000	
Vehicle Replacement								\$ 30,000
<b>Total Equipment/Software</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 70,000</b>	<b>\$ 70,000</b>	<b>\$ -</b>	<b>\$ 30,000</b>	<b>\$ 30,000</b>	<b>\$ 30,000</b>
<b>TOTAL PROJECT COSTS</b>	<b>\$ 608,724</b>	<b>\$ 503,610</b>	<b>\$ 4,768,345</b>	<b>\$ 3,258,345</b>	<b>\$ 370,600</b>	<b>\$ 1,493,600</b>	<b>\$ 55,000</b>	<b>\$ 55,000</b>
<b>PROJECTED SURPLUS (DEFICIT)</b>	<b>\$ 2,180,795</b>	<b>\$ 1,816,983</b>	<b>\$ 187,601</b>	<b>\$ 387,750</b>	<b>\$ 356,750</b>	<b>\$ 147,750</b>	<b>\$ 147,750</b>	<b>\$ 147,750</b>

CITY OF INVERNESS  
 CAPITAL IMPROVEMENT PROGRAM  
 PUBLIC SAFETY  
 FY 2016-2020

PUBLIC SAFETY	Budget 2015	Projected 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019	Budget 2020
<b><i>FUNDING SOURCES</i></b>							
Transfer from Govt Plaza	\$ 250,000	\$ 250,000	\$ -				
Transfer from General Fund			\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
<b>Subtotal Revenues</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Carry Forward Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL FUNDING SOURCES</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>
<b><i>PROJECT</i></b>							
<b><u>Equipment</u></b>							
Class A Fire Engine	\$ 100,000	\$ 100,000					
Startup Equipment Purchases	\$ 75,000	\$ 75,000					
Brush/Rapid Response/4X4 Truck	\$ 50,000	\$ 50,000					
Firestation Retrofit, Equipment, and Appurtenances	\$ 25,000	\$ 25,000					
<b>Total Equipment</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>Reserves</u></b>							
Firestation Reserve				\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Fire Equipment Reserves				\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
<b>Total Reserves</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>
<b>TOTAL PROJECT COSTS</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>
<b>PROJECTED SURPLUS (DEFICIT)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CAPITAL IMPROVEMENT PROGRAM  
SUMMARY BY FUNDING SOURCE  
ROADS AND STREETS DIVISION  
FY 2016

ROADS AND STREETS	EQUIPMENT RESERVES	GRANT FUNDS	TRANSFER FROM GENERAL FUND	CIP CASH CARRY FORWARD	TOTAL
<b>PROJECT</b>					
<b>Improvements</b>					
<i>Roads/Streets/Parking Lot Improvements</i>					
<i>Forest &amp; SR 44 Corner Beautification</i>			\$ 45,000		\$ 45,000
<i>Bicycle Master Plan Share The Road Identification</i>				\$ 10,000	\$ 10,000
<i>Highland Boulevard Widening Project</i>		\$ 75,000			\$ 75,000
<i>Road Resurfacing</i>			\$ 100,000		\$ 100,000
<i>Traffic Calming</i>			\$ 25,000		\$ 25,000
<i>Total Roads/Streets/Parking Lot Improvements</i>	\$ -	\$ 75,000	\$ 170,000	\$ 10,000	\$ 255,000
<b>Sidewalk Improvements</b>					
<i>Permanent and Portable Safety Devices</i>			\$ 25,000		\$ 25,000
<i>Sidewalk Improvements</i>			\$ 20,000		\$ 20,000
<i>Total Sidewalk Improvements</i>	\$ -	\$ -	\$ 45,000	\$ -	\$ 45,000
<b>Storm Water Improvements</b>					
<i>Tompkins Street Inlets</i>				\$ 20,000	\$ 20,000
<i>Storm Water Planning &amp; Maintenance</i>				\$ 10,000	\$ 10,000
<i>Storm Water Improvements</i>		\$ 45,000	\$ 45,000		\$ 90,000
<i>Total Storm Water Improvements</i>	\$ -	\$ 45,000	\$ 45,000	\$ 30,000	\$ 120,000
<b>Other Improvements</b>					
<i>Public Works Facility - Paving</i>			\$ 20,000		\$ 20,000
<i>Total Other Improvements</i>	\$ -	\$ -	\$ 20,000	\$ -	\$ 20,000
<b>Capital Equipment</b>					
<i>Bucket Truck Replacement</i>	\$ 175,000				\$ 175,000
<i>Concrete Planer</i>			\$ 6,000		\$ 6,000
<i>Total Capital Equipment</i>	\$ 175,000	\$ -	\$ 6,000	\$ -	\$ 181,000
<b>TOTAL BY FUNDING SOURCE</b>	<b>\$ 175,000</b>	<b>\$ 120,000</b>	<b>\$ 286,000</b>	<b>\$ 40,000</b>	<b>\$ 621,000</b>

CAPITAL IMPROVEMENT PROGRAM  
ROAD AND STREET DIVISION (including Road Fund)  
FY 2016 - 2020

ROADS & STREETS (includes Road Fund)	Actual 2013	Actual 2014	Budget 2015	Projected 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019	Budget 2020
<b>FUNDING SOURCES</b>									
Impact Fees-County			\$ 338,000	\$ -					
Impact Fees - City			\$ 17,043	\$ 17,043		\$ 338,000			
Trf from General Fund	\$ 274,000	\$ 198,500	\$ 291,700	\$ 291,700	\$ 286,000	\$ 222,500	\$ 167,500	\$ 215,000	\$ 246,500
Trf from Road Imp Fund		\$ 142,382							
Trf from GF-Equipment Res					\$ 175,000	\$ 64,000	\$ 15,000		\$ 61,000
Grant-Tree Mgmt									
State Grant - CIGP			\$ 670,000	\$ 257,500	\$ 75,000	\$ 337,500	\$ 200,000		
State Grant-FDOT									
State DOT-Landscaping Grant			\$ 20,500	\$ 20,500					
SWFWMD			\$ 45,000	\$ 45,000	\$ 45,000	\$ 200,000	\$ 400,000	\$ 220,000	\$ 45,000
Interest	\$ 760								
User Charges - Street Imp		\$ 21,662							
Subtotal Revenues	\$ 274,760	\$ 982,644	\$ 1,882,243	\$ 881,743	\$ 681,000	\$ 1,182,000	\$ 782,600	\$ 436,000	\$ 362,600
Road Imp Fund	\$ 153,583	\$ 11,961	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Carry Forward Reserve	\$ 2,616,860	\$ 1,812,929	\$ 1,945,433	\$ 1,218,927	\$ 481,984	\$ 441,984	\$ 316,984	\$ 191,984	\$ 66,984
<b>TOTAL FUNDING SOURCES</b>	<b>\$ 3,045,203</b>	<b>\$ 2,187,434</b>	<b>\$ 3,327,676</b>	<b>\$ 1,850,670</b>	<b>\$ 1,062,984</b>	<b>\$ 1,603,984</b>	<b>\$ 1,099,484</b>	<b>\$ 626,984</b>	<b>\$ 419,484</b>
<b>PROJECT</b>									
<b>Planning/Studies</b>									
Total Planning/Studies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Land</b>									
Land Acquisition - Storm water		\$ 4,992							
Total Land	\$ -	\$ 4,992	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Buildings</b>									
Public Works Facility Roof Renovations		\$ 152,765							
Total Buildings	\$ -	\$ 152,765	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Improvements</b>									
<b>Roads/Streets/Parking Lot</b>									
<b>Improvements</b>									
Tompkins St Improvement	\$ 25,000		\$ 30,000	\$ -					
Heights - Streetscape Improvements			\$ 25,000	\$ -	\$ -	\$ -	\$ -		
Highland and Montgomery Intersection Enhancements			\$ 75,000	\$ 75,000					
North Apopka Dampler Congregate Area			\$ 70,000	\$ -					
Zephyr Street Intersection Improvements		\$ 3,138	\$ 463,383	\$ 463,383					
Forest & SR 44 Corner Beautification					\$ 45,000				
Bicycle Master Plan Share The Road Identification			\$ 15,000	\$ 15,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ -
Highland Boulevard Widening Project		\$ 19,500	\$ 880,500	\$ -	\$ 75,000	\$ 675,500	\$ 400,000		
Road Resurfacing	\$ 19,884	\$ 344,208	\$ 105,800	\$ 105,800	\$ 100,000	\$ 50,000	\$ 50,000	\$ 100,000	\$ 100,000
Traffic Calming			\$ 81,250	\$ 81,250	\$ 25,000	\$ 25,000			\$ 25,000
Total Roads/Streets/Parking Lot Improvements	\$ 44,884	\$ 366,848	\$ 1,746,933	\$ 741,433	\$ 265,000	\$ 780,500	\$ 480,000	\$ 100,000	\$ 125,000
<b>Median Improvements</b>									
N. Apopka Median Improvements	\$ 12,095								
FDOT Highway Landscape Agreement 4144			\$ 20,500	\$ 20,500					
Median Landscape Improvements			\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -

CAPITAL IMPROVEMENT PROGRAM  
ROAD AND STREET DIVISION (including Road Fund)  
FY 2016 - 2020

ROADS & STREETS (includes Road Fund)	Actual 2013	Actual 2014	Budget 2015	Projected 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019	Budget 2020
<b>Total Median Improvements</b>	\$ 12,095	\$ -	\$ 30,500	\$ 30,500	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sidewalk Improvements</b>									
Permanent and Portable Safety Devices			\$ 25,000	\$ 25,000	\$ 25,000	\$ 12,500	\$ 12,500		
Sidewalk Improvements			\$ 84,000	\$ 84,000	\$ 20,000			\$ 20,000	\$ 20,000
<b>Total Sidewalk Improvements</b>	\$ -	\$ -	\$ 109,000	\$ 109,000	\$ 45,000	\$ 12,500	\$ 12,500	\$ 20,000	\$ 20,000
<b>Storm Water Improvements</b>									
Tompkins Street Inlets			\$ 50,000	\$ 10,000	\$ 20,000				
Storm Water Planning & Maintenance	\$ 2,436	\$ 3,911	\$ 10,000	\$ -	\$ 10,000	\$ 30,000			
Storm Water Improvements			\$ 90,000	\$ 90,000	\$ 90,000	\$ 50,000	\$ 50,000	\$ 90,000	\$ 90,000
Pine Street Streetscape and Storm Water Improvements			\$ 100,000	\$ -		\$ 350,000	\$ 350,000	\$ 350,000	
<b>Total Storm Water Improvements</b>	\$ 2,436	\$ 3,911	\$ 250,000	\$ 100,000	\$ 120,000	\$ 430,000	\$ 400,000	\$ 440,000	\$ 90,000
<b>Other Improvements</b>									
Public Works Facility - Paving					\$ 20,000	\$ 20,000	\$ 20,000		
<b>Total Other Improvements</b>	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	\$ -
<b>Capital Equipment</b>									
Bucket Attachment for John Deere Loader		\$ 5,466							
Solar Compacting Trash Cans	\$ 18,516		\$ 20,000	\$ 20,000	\$ -	\$ -			
Bucket Truck Replacement					\$ 175,000				
Concrete Planer					\$ 6,000				
Vehicle Replacement/Truck Retrofit			\$ 72,000	\$ 72,000		\$ 64,000			
Dump Trailer							\$ 5,000		
Mower Replacement			\$ 10,000	\$ 10,000			\$ 10,000		\$ 10,000
Bobcat-AI Wheel Loader									\$ 50,000
Bobcat Attachments - Sweeper, Auger w/Bits									\$ 6,500
Bobcat Attachment - Forestry Cutter									\$ 25,000
Bobcat Attachment - Brushcat									\$ 6,000
Equipment Trailer									\$ 20,000
<b>Total Capital Equipment</b>	\$ 18,516	\$ 5,466	\$ 102,000	\$ 102,000	\$ 181,000	\$ 64,000	\$ 15,000	\$ -	\$ 117,500
<b>Other</b>									
IGC Defeasance	\$ 1,000,000								
Reserve Transfer Gen Govt		\$ 422,566							
Transfer to Valerie Theatre				\$ 285,753					
<b>Total Other Improvements</b>	\$ 1,000,000	\$ 422,566	\$ -	\$ 285,753	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL PROJECT COSTS</b>	\$ 1,077,932	\$ 956,546	\$ 2,238,433	\$ 1,368,686	\$ 621,000	\$ 1,287,000	\$ 907,500	\$ 560,000	\$ 352,500
Road Fund Reserve	\$ 154,343	\$ 11,961	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>ROAD CIP RESERVE</b>	\$ 1,812,929	\$ 1,218,927	\$ 1,089,243	\$ 481,984	\$ 441,994	\$ 316,984	\$ 191,984	\$ 66,984	\$ 66,984

CAPITAL IMPROVEMENT PROGRAM  
SUMMARY BY FUNDING SOURCE  
SATELLITE PARKS  
FY 2016

SATELLITE PARKS	GRANTS	TRANSFER FROM GENERAL FUND	CARRY FORWARD RESERVES	TOTAL
<b>PROJECT</b>				
<i>Improvements</i>				
Boat Launch Dock	\$ 77,321		\$ 50,000	\$ 127,321
Cooter Pond Boardwalk Deck Replacement		\$ 50,000		\$ 50,000
Mossy Oak Park Improvements	\$ 20,000			\$ 20,000
Cooter Pond Park Improvements		\$ 10,000		\$ 10,000
<b>Total Improvements</b>	<b>\$ 97,321</b>	<b>\$ 60,000</b>	<b>\$ 50,000</b>	<b>\$ 207,321</b>
<i>Equipment</i>				
Wallace Brooks Park Playground Improvements		\$ 30,000		\$ 30,000
<b>Total Equipment</b>	<b>\$ -</b>	<b>\$ 30,000</b>	<b>\$ -</b>	<b>\$ 30,000</b>
<b>TOTAL BY FUNDING SOURCE</b>	<b>\$ 97,321</b>	<b>\$ 90,000</b>	<b>\$ 50,000</b>	<b>\$ 237,321</b>

CAPITAL IMPROVEMENT PROGRAM  
SATELLITE PARKS  
FY 2016 - 2020

SATELLITE PARKS	Actual 2013	Actual 2014	Budget 2015	Projected 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019	
<b><u>FUNDING SOURCES</u></b>									
Transfer from General Fund	\$ 55,000	\$ 30,000			\$ 90,000	\$ 116,000	\$ 126,000	\$ 91,000	\$
State Grant			\$ 115,321	\$ -	\$ 97,321	\$ 20,000	\$ 20,000	\$ 20,000	
<b>Sub-Total</b>	<b>\$ 55,000</b>	<b>\$ 30,000</b>	<b>\$ 115,321</b>	<b>\$ -</b>	<b>\$ 187,321</b>	<b>\$ 136,000</b>	<b>\$ 146,000</b>	<b>\$ 111,000</b>	<b>\$</b>
Carry Forward Reserves	\$ 659,054	\$ 544,882	\$ 497,173	\$ 565,348	\$ 50,000	\$ 0	\$ 0	\$ 0	\$
<b>TOTAL FUNDING SOURCES</b>	<b>\$ 714,054</b>	<b>\$ 574,882</b>	<b>\$ 612,494</b>	<b>\$ 565,348</b>	<b>\$ 237,321</b>	<b>\$ 136,000</b>	<b>\$ 146,000</b>	<b>\$ 111,000</b>	<b>\$</b>
<b><u>PROJECTS</u></b>									
<b><i>Improvements</i></b>									
Information/Direction Signs	\$ 15,337								
Wallace Brooks Park Shuffleboard Court Resurfacing	\$ 23,306								
Liberty Park Board and Gravel Walkway Replacement	\$ 7,065								
Liberty Park Parking Lot	\$ 28,184								
Cooter Pond Theme Lighting Phase I and II	\$ 61,823	\$ 100	\$ 138,175	\$ 138,175	\$ -				
Boat Launch Dock		\$ 9,434	\$ 180,771	\$ -	\$ 127,321				
Satellite Park Improvements and Tree Canopy			\$ 5,000	\$ 5,000					
Cooter Pond Boardwalk Deck Replacement					\$ 50,000	\$ 100,000	\$ 100,000	\$ 50,000	
Mossy Oak Park Improvements					\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	
Cooter Pond Park Improvements			\$ 30,000	\$ 30,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$
Satellite Parks Tree Replacement						\$ 6,000	\$ 6,000	\$ 6,000	\$
<b>Total Improvements</b>	<b>\$ 135,715</b>	<b>\$ 9,534</b>	<b>\$ 353,946</b>	<b>\$ 173,175</b>	<b>\$ 207,321</b>	<b>\$ 136,000</b>	<b>\$ 136,000</b>	<b>\$ 86,000</b>	<b>\$</b>

CAPITAL IMPROVEMENT PROGRAM  
SATELLITE PARKS  
FY 2016 - 2020

<b>SATELLITE PARKS</b>	<b>Actual 2013</b>	<b>Actual 2014</b>	<b>Budget 2015</b>	<b>Projected 2015</b>	<b>Budget 2016</b>	<b>Budget 2017</b>	<b>Budget 2018</b>	<b>Budget 2019</b>	
<i>Equipment</i>									
Wallace Brooks Park Playground Improvements	\$ 14,940		\$ 20,000	\$ 20,000	\$ 30,000	\$ -	\$ -	\$ 15,000	
Solar Compacting Trash Cans	\$ 18,516		\$ 10,000	\$ 10,000	\$ -	\$ -	\$ 10,000	\$ 10,000	\$
<b>Total Equipment</b>	<b>\$ 33,456</b>	<b>\$ -</b>	<b>\$ 30,000</b>	<b>\$ 30,000</b>	<b>\$ 30,000</b>	<b>\$ -</b>	<b>\$ 10,000</b>	<b>\$ 25,000</b>	<b>\$</b>
<i>Other</i>									
Transfer to Valerie Theatre				\$ 312,173					
<b>Total Other</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 312,173</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL PROJECT COSTS</b>	<b>\$ 169,171</b>	<b>\$ 9,534</b>	<b>\$ 383,946</b>	<b>\$ 515,348</b>	<b>\$ 237,321</b>	<b>\$ 136,000</b>	<b>\$ 146,000</b>	<b>\$ 111,000</b>	<b>\$</b>
<b>PROJECTED SURPLUS (DEFICIT)</b>	<b>\$544,882</b>	<b>\$565,348</b>	<b>\$228,548</b>	<b>\$ 50,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$</b>

PROGRAM SUMMARY BY FUNDING SOURCE  
 SPECIAL EVENTS  
 FY 2016

SPECIAL EVENTS	TRANSFER FROM GENERAL FUND	TOTAL
<i>PROJECT</i>		
Portable Lighting	9,000	\$ 9,000
Cord Cables	5,500	\$ 5,500
<b>TOTAL BY FUNDING SOURCE</b>	<b>\$ 14,500</b>	<b>\$ 14,500</b>

CITY OF INVERNESS  
 CAPITAL IMPROVEMENT PROGRAM  
 SPECIAL EVENTS  
 FY 2016-2020

SPECIAL EVENTS	Budget 2015	Projected 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019	Budget 2020
<b>FUNDING SOURCES</b>							
Event Sponsorships	4,300	4,300					
Transfer from General Fund	13,800	13,800	14,500	10,600			
<b>Subtotal Revenues</b>	<b>18,100</b>	<b>18,100</b>	<b>14,500</b>	<b>10,600</b>	<b>0</b>	<b>0</b>	<b>0</b>
Carry Forward Reserves	0	0	0	0	0	0	0
<b>TOTAL FUNDING SOURCES</b>	<b>18,100</b>	<b>18,100</b>	<b>14,500</b>	<b>10,600</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PROJECT</b>							
Barriers - Grand Prix	7,040	7,040					
Event/Visitor's Bureau Furniture	2,427	2,427					
Portable Lighting	8,633	8,633	9,000				
Cord Covers			5,500	5,500			
8 by 10 pop-up promo display				5,100			
<b>TOTAL PROJECT COSTS</b>	<b>18,100</b>	<b>18,100</b>	<b>14,500</b>	<b>10,600</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PROJECTED SURPLUS (DEFICIT)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CAPITAL IMPROVEMENT PROGRAM  
SUMMARY BY FUNDING SOURCE  
ICRA  
FY 2016

INVERNESS COMMUNITY REDEVELOPMENT AGENCY	1990 CRA	2013 CRA	Debt Proceeds	TOTAL
<b>PROJECT</b>				
<i>Planning/Studies</i>				
Storm Water Master Plan		\$ 50,000		\$ 50,000
<b>Total Planning/Studies</b>	\$ -	\$ 50,000	\$ -	\$ 50,000
<i>Buildings</i>				
Dampier - Refurbish City Properties/ CUB Demolition		\$ 20,000		\$ 20,000
<b>Total Buildings</b>	\$ -	\$ 20,000	\$ -	\$ 20,000
<i>Improvements</i>				
Downtown Kiosks	\$ 20,000			\$ 20,000
Godowski Property Development			\$ 200,000	\$ 200,000
Facade Program	\$ 20,000			\$ 20,000
Lakefront Improvement Project			\$ 150,000	\$ 150,000
WPP Campground Facility			\$ 150,000	\$ 150,000
<b>Total Improvements</b>	\$ 40,000	\$ -	\$ 500,000	\$ 540,000
<i>Equipment/Software</i>				
Downtown Amenities	\$ 15,000			\$ 15,000
Street Pole Banners	\$ 10,000			\$ 10,000
Debt Issuance Costs/repayment		\$ 200,000		\$ 200,000
<b>Total Equipment/Software</b>	\$ 25,000	\$ 200,000	\$ -	\$ 225,000
<b>TOTAL BY FUNDING SOURCE</b>	<b>\$ 65,000</b>	<b>\$ 270,000</b>	<b>\$ 500,000</b>	<b>\$ 835,000</b>

CAPITAL IMPROVEMENT PROGRAM  
 INVERNESS COMMUNITY REDEVELOPMENT AGENCY  
 FY 2016 - 2020

INVERNESS COMMUNITY REDEVELOPMENT AGENCY	Actual 2014	Budget 2015	Projected 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019	Budget
<b>FUNDING SOURCES</b>								
Bond Proceeds-CRA 2013				\$ 500,000	\$ 1,275,000	\$ 1,225,000		
Transfer from General Fund						\$ 25,000		\$ 1
State Grant					\$ 100,000	\$ 100,000		
Public Private Partnership						\$ 75,000		
Transfer from CRA - 1990				\$ 85,000	\$ 45,000	\$ 45,000	\$ 35,000	\$
Transfer from CRA - 2013				\$ 270,000	\$ 428,000	\$ 517,366	\$ 498,564	\$ 5
<b>Subtotal Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 835,000</b>	<b>\$ 1,848,000</b>	<b>\$ 1,987,366</b>	<b>\$ 533,564</b>	<b>\$ 6</b>
Carry Forward Reserves					\$ -	\$ -	\$ -	\$ -
<b>TOTAL FUNDING SOURCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 835,000</b>	<b>\$ 1,848,000</b>	<b>\$ 1,987,366</b>	<b>\$ 533,564</b>	<b>\$ 6</b>
<b>PROJECT</b>								
<b>Planning/Studies</b>								
Storm water Master Plan				\$ 50,000				
Medical Arts District Master Plan					\$ 25,000			
White Lakes Business/Industrial Park Master Plan					\$ 25,000			
Whispering Pines Park Master Plan/City- Wide						\$ 25,000		
City-wide Wayfinding Plan/Corridor Enhancement Plan						\$ 25,000		
<b>Total Planning/Studies</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Buildings</b>								
Refurbish (2) Dampier Dwellings/CUB Demo				\$ 20,000				
<b>Total Buildings</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Improvements</b>								
Downtown Kiosks				\$ 20,000				
Godowski Property Development				\$ 200,000	\$ 550,000	\$ 575,000		

CAPITAL IMPROVEMENT PROGRAM  
 INVERNESS COMMUNITY REDEVELOPMENT AGENCY  
 FY 2016 - 2020

INVERNESS COMMUNITY REDEVELOPMENT AGENCY	Actual 2014	Budget 2015	Projected 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019	Budget
Facade Program				\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$
Lakefront Improvement Project				\$ 150,000	\$ 425,000	\$ 425,000		
WPP Campground Facility				\$ 150,000	\$ 425,000	\$ 425,000		
Highland Blvd-Storm Water Improvements					\$ 100,000	\$ 100,000		
Downtown Electrical Infrastructure					\$ 25,000	\$ 25,000	\$ 25,000	\$
Tompkins Street Rehabilitation						\$ 39,366	\$ 100,000	
Pine Street & Main Street Parking Lot						\$ 75,000	\$ 75,000	\$ 2
Roadway/Parking/Drainage WPP							\$ 70,564	\$ 1
<b>Total Improvements</b>	\$ -	\$ -	\$ -	\$ 540,000	\$ 1,545,000	\$ 1,684,366	\$ 290,564	\$ 4
<b>Equipment/Software</b>								
Downtown Amenities				\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$
Street Pole Banners				\$ 10,000	\$ 10,000	\$ 10,000		
<b>Total Equipment/Software</b>	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 15,000	\$
<b>Debt</b>								
Bond Issue Expense/Repayment				\$ 200,000	\$ 228,000	\$ 228,000	\$ 228,000	\$ 2
<b>Total Equipment/Software</b>	\$ -	\$ -	\$ -	\$ 200,000	\$ 228,000	\$ 228,000	\$ 228,000	\$ 2
<b>TOTAL PROJECT COSTS</b>	\$ -	\$ -	\$ -	\$ 835,000	\$ 1,848,000	\$ 1,987,366	\$ 533,564	\$ 6
<b>PROJECTED SURPLUS (DEFICIT)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF INVERNESS  
 CAPITAL IMPROVEMENT PROGRAM  
 SUMMARY BY FUNDING SOURCE  
 WHISPERING PINES PARK FUND  
 FISCAL YEAR 2016

WHISPERING PINES PARK	EQUIPMENT RESERVES	CARRY FORWARD CAPITAL RESERVES	TOTAL
<b>PROJECT</b>			
<b>Building</b>			
Toll Booth Style Parking System		\$ 40,000	\$ 40,000
Comfort Stations Renovation		\$ 10,000	\$ 10,000
<b>Total Building</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>
<b>Improvements</b>			
Fencing (Field) Replacement		\$ 5,700	\$ 5,700
Fence Replacement Program - ROW		\$ 3,000	\$ 3,000
Roadway/Parking/Drainage Improvements		\$ 15,000	\$ 15,000
Field Facility Retrofit		\$ 25,000	\$ 25,000
<b>Total Improvements</b>	<b>\$ -</b>	<b>\$ 48,700</b>	<b>\$ 48,700</b>
<b>Equipment</b>			
Reel Mower Replacement	\$ 40,000		\$ 40,000
Replacement Vehicle and Upgrades	\$ 42,000		\$ 42,000
Pool Pump Replacements		\$ 5,000	\$ 5,000
Playground/Fitness/Trail Equipment Upgrades		\$ 15,000	\$ 15,000
Picnic Tables, Benches, Trash Receptacles		\$ 7,000	\$ 7,000
Aquatic Operations Upgrades		\$ 4,500	\$ 4,500
<b>Total Equipment</b>	<b>\$ 82,000</b>	<b>\$ 31,500</b>	<b>\$ 113,500</b>
<b>TOTAL BY FUNDING SOURCE</b>	<b>\$ 82,000</b>	<b>\$ 130,200</b>	<b>\$ 212,200</b>

CITY OF INVERNESS  
CAPITAL IMPROVEMENT PROGRAM  
WHISPERING PINES PARK  
FY 2016 - 2020

WHISPERING PINES PARK	Actual 2013	Actual 2014	Budget 2015	Projected 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019
<b>FUNDING SOURCES</b>								
Trf from Whispering Pines Park Fund	\$ 89,500	\$ 42,000	\$ 75,000	\$ 50,500				
Loan Proceeds			\$ 500,000	\$ -				
Transfer from the General Fund							\$ 66,784	\$ 85,700
Recreation User Fees								\$ 20,000
Equipment Reserves			\$ 77,000	\$ 35,000	\$ 82,000			
<b>Sub-Total</b>	<b>\$ 89,500</b>	<b>\$ 42,000</b>	<b>\$ 652,000</b>	<b>\$ 85,500</b>	<b>\$ 82,000</b>	<b>\$ -</b>	<b>\$ 66,784</b>	<b>\$ 105,700</b>
Carry Forward Reserve	\$ 221,025	\$ 242,573	\$ 163,019	\$ 211,416	\$ 256,416	\$ 126,216	\$ 10,216	\$ -
<b>TOTAL FUNDING SOURCES</b>	<b>\$ 310,525</b>	<b>\$ 284,573</b>	<b>\$ 815,019</b>	<b>\$ 296,916</b>	<b>\$ 338,416</b>	<b>\$ 126,216</b>	<b>\$ 77,000</b>	<b>\$ 105,700</b>
<b>PROJECT</b>								
<b>Building</b>								
Pool Storage Area	\$ 9,693							
Lightning Protection - Pool Office Bldg	\$ 4,950							
Toll Booth Style Parking System					\$ 40,000			
Comfort Stations Renovation			\$ 10,000	\$ 10,000	\$ 10,000	\$ 5,000	\$ 5,000	\$ 5,000
<b>Total Building</b>	<b>\$ 14,643</b>	<b>\$ -</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 50,000</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>
<b>Improvements</b>								
Jr. Olympic Pool Resurfacing	\$ 31,500							
Pool Deck Pavers		\$ 4,760						
Boy Scout Area Upgrades			\$ 35,000	\$ -				
Fencing (Field) Replacement			\$ 5,700	\$ -	\$ 5,700		\$ 2,000	\$ 5,700
Fence Replacement Program - ROW			\$ -	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Roadway/Parking/Drainage Improvements		\$ 34,825	\$ 50,000	\$ -	\$ 15,000	\$ 15,000	\$ 30,000	\$ 30,000
Field Facility Retrofits					\$ 25,000	\$ 25,000		
Directional/Identification Signage			\$ 5,000	\$ 5,000		\$ 5,000	\$ 5,000	
Traffic Calming Speed Humps						\$ 6,000		\$ 6,000
Athletic Court Resurfacing						\$ 10,000	\$ 10,000	\$ 24,000
Pavilion - Splash Park/Playground			\$ 20,000	\$ -				\$ 20,000
<b>Total Improvements</b>	<b>\$ 31,500</b>	<b>\$ 39,585</b>	<b>\$ 115,700</b>	<b>\$ 5,000</b>	<b>\$ 48,700</b>	<b>\$ 64,000</b>	<b>\$ 50,000</b>	<b>\$ 88,700</b>
<b>Equipment</b>								
In-Field Groomer Replacement	\$ 16,490							

CITY OF INVERNESS  
 CAPITAL IMPROVEMENT PROGRAM  
 WHISPERING PINES PARK  
 FY 2016 - 2020

WHISPERING PINES PARK	Actual 2013	Actual 2014	Budget 2015	Projected 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019
Chemical Controllers - Pools		\$ 13,894						
Equipment Replacement		\$ 9,199						
Gyro Chopper Head for Skid Steerer			\$ 23,000	\$ -	\$ -			
Reel Mower Replacement			\$ 35,000	\$ -	\$ 40,000			
Replacement Vehicle and Upgrades			\$ 42,000	\$ -	\$ 42,000			
Pool Pump Replacements			\$ 1,835	\$ 1,835	\$ 5,000	\$ 5,000		
Playground/Fitness/Trail Equipment Upgrades			\$ 13,000	\$ 13,000	\$ 15,000	\$ 15,000	\$ 5,000	
Picnic Tables, Benches, Trash Receptacles					\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
Aquatic Operations Upgrades	\$ 5,318		\$ 10,665	\$ 10,665	\$ 4,500	\$ 5,000	\$ 5,000	\$ 5,000
Utility Terrain Vehicle - W/Attachments		\$ 10,479				\$ 10,000		
Turf Implements						\$ 5,000	\$ 5,000	
Tractor Replacement								
<b>Total Equipment</b>	<b>\$ 21,808</b>	<b>\$ 33,572</b>	<b>\$ 125,500</b>	<b>\$ 25,500</b>	<b>\$ 113,500</b>	<b>\$ 47,000</b>	<b>\$ 22,000</b>	<b>\$ 12,000</b>
<b>TOTAL PROJECT COSTS</b>	<b>\$ 67,952</b>	<b>\$ 73,157</b>	<b>\$ 251,200</b>	<b>\$ 40,500</b>	<b>\$ 212,200</b>	<b>\$ 116,000</b>	<b>\$ 77,000</b>	<b>\$ 105,700</b>
<b>PROJECTED SURPLUS (DEFICIT)</b>	<b>\$ 242,573</b>	<b>\$ 211,416</b>	<b>\$ 563,819</b>	<b>\$ 256,416</b>	<b>\$ 126,216</b>	<b>\$ 10,216</b>	<b>\$ 0</b>	<b>\$ 0</b>

CITY OF INVERNESS  
 UTILITIES  
 CAPITAL IMPROVEMENT PROGRAM  
 SUMMARY BY FUNDING SOURCE  
 FISCAL YEAR 2016

FISCAL YEAR 2016 CIP FUND SUMMARY	Transfer from W/S Revenue	Grant Proceeds	Equipment Reserves	Total
<i>PROJECT</i>				
Water Plants	\$ 215,000	\$ 100,000		\$ 315,000
Sewer Plants	\$ 508,248	\$ 500,000		\$ 1,008,248
Lines Division	\$ 293,500		\$ 35,000	\$ 328,500
<b>TOTAL BY FUNDING SOURCE</b>				
	<b>\$ 1,016,748</b>	<b>\$ 600,000</b>	<b>\$ 35,000</b>	<b>\$ 1,651,748</b>

CITY OF INVERNESS  
 CAPITAL IMPROVEMENT PROGRAM SUMMARY  
 UTILITIES  
 FISCAL YEAR 2016-2020

<b>WATER/SEWER CIP SUMMARY</b>	<b>2013 Actual</b>	<b>2014 Actual</b>	<b>2015 Budget</b>	<b>2015 Projected</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>FUNDING SOURCES</b>								
Transfer from W/S Revenue	375,000	235,000	423,000	390,000	655,000	855,000	765,000	547,500
Transfer from W/S Revenue - Debt	339,248	208,248	208,248	208,248	208,248	208,248	208,248	208,248
Assessment								30,000
Lease Proceeds		1,896,862						
Use of Equipment Reserves			30,000	30,000	35,000		35,000	
Grants-Water			100,000	100,000	100,000	120,000	120,000	97,500
Grants - Sewer	498,464	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Equipment Reserves	490,000	465,000	435,000	435,000	400,000	400,000	365,000	365,000
Carry Forward Balance (adjusted)	2,352,322	2,665,958	2,655,008	2,891,008	1,729,858	1,729,858	1,729,858	1,729,858
<b>TOTAL FUNDING SOURCES</b>	<b>4,055,034</b>	<b>5,971,068</b>	<b>4,351,256</b>	<b>4,554,256</b>	<b>3,628,106</b>	<b>3,813,106</b>	<b>3,723,106</b>	<b>3,478,106</b>
<b>PROJECT</b>								
Water Plants	3,145	0	227,750	193,000	315,000	230,000	205,000	170,000
Wastewater Plants	41,682	60,513	463,650	463,650	300,000	400,000	375,000	285,000
Water/Sewer Lines	83,219	1,846,299	1,024,500	1,024,500	175,000	345,000	340,000	220,000
Debt Expense	721,792	708,248	708,248	708,248	708,248	708,248	708,248	708,248
<b>TOTAL PROJECT COSTS</b>	<b>849,838</b>	<b>2,615,060</b>	<b>2,424,148</b>	<b>2,389,398</b>	<b>1,498,248</b>	<b>1,683,248</b>	<b>1,628,248</b>	<b>1,383,248</b>
Ending Reserve-Equipment	465,000	465,000	435,000	435,000	400,000	400,000	365,000	365,000
<b>PROJECTED SURPLUS (DEFICIT)</b>	<b>2,740,196</b>	<b>2,891,008</b>	<b>1,492,108</b>	<b>1,729,858</b>	<b>1,729,858</b>	<b>1,729,858</b>	<b>1,729,858</b>	<b>1,729,858</b>

CAPITAL IMPROVEMENT PROGRAM  
WATER  
FY 2016

WATER	PROJECT COSTS	REVENUE SOURCE
<i>PROJECT</i>		
Water capacity modeling analysis	\$ 100,000	<i>REVENUE</i>
Water Quality Improvement Program	\$ 100,000	<i>SWFMD GRANT</i>
Citrus Booster Station MCC	\$ 70,000	<i>REVENUE</i>
Water Booster Pump Replacement	\$ 20,000	<i>REVENUE</i>
Water Plant Equipment Upgrades	\$ 25,000	<i>REVENUE</i>
<b>TOTAL PROJECT COSTS</b>	<b>\$ 315,000</b>	

CAPITAL IMPROVEMENT PROGRAM  
WATER  
FY 2016 - 2020

WATER	Actual 2013	Actual 2014	Budget 2015	Projected 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019	Budget 2020
<b>FUNDING SOURCES</b>									
Transfer from W/S Revenue (4000)		\$ 30,000	\$ 63,000	\$ 30,000	\$ 215,000	\$ 110,000	\$ 85,000	\$ 72,500	\$
Grant Proceeds			\$ 100,000	\$ 100,000	\$ 100,000	\$ 120,000	\$ 120,000	\$ 97,500	\$
Equipment Reserve Fund			\$ 15,000	\$ 15,000					
<b>Sub-Total</b>	<b>\$ -</b>	<b>\$ 30,000</b>	<b>\$ 178,000</b>	<b>\$ 145,000</b>	<b>\$ 315,000</b>	<b>\$ 230,000</b>	<b>\$ 205,000</b>	<b>\$ 170,000</b>	<b>\$</b>
Carry Forward Balance	\$ 523,350	\$ 520,205	\$ 488,045	\$ 550,205	\$ 502,205	\$ 502,205	\$ 502,205	\$ 502,205	\$
<b>TOTAL FUNDING SOURCES</b>	<b>\$ 523,350</b>	<b>\$ 550,205</b>	<b>\$ 664,045</b>	<b>\$ 695,205</b>	<b>\$ 817,205</b>	<b>\$ 732,205</b>	<b>\$ 707,205</b>	<b>\$ 672,205</b>	<b>\$</b>
<b>PROJECT</b>									
<b>Studies/Planning</b>									
Water capacity modeling analysis					\$ 100,000				
<b>Total Studies/Planning</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$</b>
<b>Buildings</b>									
Citrus Booster Station GST Rehab	\$ 3,145		\$ 19,750	\$ -		\$ 20,000	\$ 80,000		
<b>Total Buildings</b>	<b>\$ 3,145</b>	<b>\$ -</b>	<b>\$ 19,750</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,000</b>	<b>\$ 80,000</b>	<b>\$ -</b>	<b>\$</b>
<b>Improvements</b>									
Water Quality Improvement Program			\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 80,000	\$ 60,000	\$
<b>Total Improvements</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 80,000</b>	<b>\$ 60,000</b>	<b>\$</b>
<b>Equipment</b>									
Chlorine Tank Replacement			\$ 15,000	\$ -					
581 WTP Chlorine Skid Replacement			\$ 25,000	\$ 25,000					
581 MCC Upgrade for Well 3			\$ 18,000	\$ 18,000					
Citrus Booster Station MCC			\$ 30,000	\$ 30,000	\$ 70,000				
Water Booster Pump Replacement			\$ 20,000	\$ 20,000	\$ 20,000	\$ 10,000	\$ 20,000	\$ 10,000	\$
Water Plant Equipment Upgrades					\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$
Citrus Generator Replacement						\$ 75,000			
WTP (581) Generator Replacement								\$ 75,000	
<b>Total Equipment</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 108,000</b>	<b>\$ 93,000</b>	<b>\$ 115,000</b>	<b>\$ 110,000</b>	<b>\$ 45,000</b>	<b>\$ 110,000</b>	<b>\$</b>
<b>TOTAL PROJECT COSTS</b>	<b>\$ 3,145</b>	<b>\$ -</b>	<b>\$ 227,750</b>	<b>\$ 193,000</b>	<b>\$ 315,000</b>	<b>\$ 230,000</b>	<b>\$ 205,000</b>	<b>\$ 170,000</b>	<b>\$</b>
<b>PROJECTED SURPLUS (DEFICIT)</b>	<b>\$ 520,205</b>	<b>\$ 550,205</b>	<b>\$ 436,295</b>	<b>\$ 502,205</b>	<b>\$</b>				

CAPITAL IMPROVEMENT PROGRAM  
WASTEWATER TREATMENT  
FY 2016

Wastewater Treatment and Reclamation	PROJECT COSTS	REVENUE SOURCE
<b>PROJECT</b>		
<i>Buildings</i>		
Lift Station Lighting Installation	\$ 20,000.00	REVENUE
Equipment Storage Facility at WRF	\$ 50,000.00	REVENUE
Install Three phase Power at LS	\$ 20,000.00	REVENUE
<i>Total Building</i>	<i>\$ 90,000.00</i>	
<i>Improvements</i>		
WRF Sidewalk Installation	\$ 5,000.00	REVENUE
Master Lift Station Master Pump & Piping	\$ 25,000.00	REVENUE
Lift Station Security Fencing	\$ 10,000.00	REVENUE
Wastewater Infiltration Repairs	\$ 15,000.00	REVENUE
<i>Total Improvements</i>	<i>\$ 55,000.00</i>	
<i>Equipment</i>		
Purchase Off Road Vehicle	\$ 10,000.00	REVENUE
Upgrade WRF computers/ SCADA	\$ 20,000.00	REVENUE
WRF Wash Stations	\$ 5,000.00	REVENUE
WRF Install lightning protection	\$ 50,000.00	REVENUE
Lift Station Safety Grates	\$ 10,000.00	REVENUE
Lift Station Upgrades	\$ 20,000.00	REVENUE
Back-up LS pump units	\$ 15,000.00	REVENUE
WRF Equipment Upgrades	\$ 25,000.00	REVENUE
<i>Total Equipment</i>	<i>\$ 155,000.00</i>	
<i>Debt Service/Other</i>		
Debt/Interest Expense - SRF-WWTP	\$ 708,248.00	REVENUE/DEP GRANT
	\$ 708,248.00	
<b>Total</b>	<b>\$ 1,008,248.00</b>	

CAPITAL IMPROVEMENT PROGRAM  
WASTEWATER TREATMENT AND RECLAMATION  
FY 2016-2020

SEWER	Actual 2013	Actual 2014	Budget 2015	Projected 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019	Bu 20
<b>FUNDING SOURCES</b>									
Transfer from W&S Revenue (4000)		\$ 110,000	\$ 140,000	\$ 140,000	\$ 300,000	\$ 400,000	\$ 375,000	\$ 285,000	\$
Transfer from W&S Revenue-Debt Service	\$ 339,248	\$ 208,248	\$ 208,248	\$ 208,248	\$ 208,248	\$ 208,248	\$ 208,248	\$ 208,248	\$
Equipment Reserve			\$ 15,000	\$ 15,000					
Lease Purchase Proceeds		\$ 13,862							
Grant Proceeds-SRF Debt Pmt Proceeds	\$ 498,464	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$
Carry Forward Balance	\$ 865,553	\$ 865,553	\$ 757,062	\$ 928,902	\$ 620,252	\$ 620,252	\$ 620,252	\$ 620,252	\$
<b>TOTAL FUNDING SOURCES</b>	<b>\$ 1,703,265</b>	<b>\$ 1,697,663</b>	<b>\$ 1,620,310</b>	<b>\$ 1,792,150</b>	<b>\$ 1,628,500</b>	<b>\$ 1,728,500</b>	<b>\$ 1,703,500</b>	<b>\$ 1,613,500</b>	<b>\$ 1,</b>
<b>PROJECT</b>									
<b>Studies/Planning</b>									
WRF Permit Renewal						\$ 20,000			
<b>Total Studies/Planning</b>	<b>\$ -</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>				
<b>Buildings</b>									
#24 Lift Station Upgrades			\$ 70,000	\$ 70,000					
Lift Station Upgrades - Combined	\$ 8,223	\$ 7,813	\$ 157,350	\$ 157,350					
WRF Mixer Controller			\$ 32,550	\$ 32,550					
Lift Station Lighting Installation					\$ 20,000				
Equipment Storage Facility at WRF					\$ 50,000				
Install Three phase Power at LS					\$ 20,000	\$ 20,000	\$ 20,000		
Construct New Master Lift Station					\$ -	\$ 50,000	\$ 100,000	\$ 100,000	
<b>Total Building</b>	<b>\$ 8,223</b>	<b>\$ 7,813</b>	<b>\$ 259,900</b>	<b>\$ 259,900</b>	<b>\$ 90,000</b>	<b>\$ 70,000</b>	<b>\$ 120,000</b>	<b>\$ 100,000</b>	<b>\$</b>
<b>Improvements</b>									
WRF Sidewalk Installation					\$ 5,000				
Master Lift Station Master Pump & Piping					\$ 25,000	\$ 25,000			
Lift Station Security Fencing	\$ 33,458		\$ 20,000	\$ 20,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$
Wastewater Infiltration Repairs			\$ 15,000	\$ 15,000	\$ 15,000	\$ 10,000	\$ 15,000	\$ 10,000	\$
WWTP Fence and Security			\$ 15,000	\$ 15,000		\$ 25,000	\$ 15,000		
WRF Spray Field Fence Replacement						\$ 25,000	\$ 25,000		
<b>Total Improvements</b>	<b>\$ 33,458</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 55,000</b>	<b>\$ 95,000</b>	<b>\$ 65,000</b>	<b>\$ 20,000</b>	<b>\$</b>

CAPITAL IMPROVEMENT PROGRAM  
WATER/SEWER LINES  
FY 2016

WATER/SEWER LINES	PROJECT COSTS	REVENUE SOURCES
<i>Improvements</i>		
Fire Hydrant Replacements	\$ 20,000	REVENUE
Water Line Extensions-In City	\$ 10,000	REVENUE
Water Line Extensions - Out of City	\$ 10,000	REVENUE
Water Line Replacements & Upgrades	\$ 35,000	REVENUE
Water Line Upgrades	\$ 25,000	REVENUE
Sewer Lateral Replacement	\$ 20,000	REVENUE
Sewer Line Replacement Program-In-City	<u>\$ 20,000</u>	REVENUE
<i>Total Improvements</i>	<i>\$ 140,000</i>	
<i>Equipment</i>		
Service Vehicle Replacement	<u>\$ 35,000</u>	EQUIP RESERVE
<i>Total Equipment</i>	<i>\$ 35,000</i>	
<i>Debt</i>		
Master Capital Lease-Meter Program	<u>\$ 153,500</u>	REVENUE
<i>Total Debt</i>	<i>\$ 153,500</i>	
<b>TOTAL PROJECT COSTS</b>	<b>\$ 328,500</b>	

CAPITAL IMPROVEMENT PROGRAM  
WATER/SEWER LINES  
FY 2016 - 2020

WATER/SEWER LINES	Actual 2013	Actual 2014	Budget 2015	Projected 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019
<b>FUNDING SOURCES</b>								
Transfer from W&S Revenue (4000)	\$ 375,000	\$ 95,000	\$ 220,000	\$ 220,000	\$ 140,000	\$ 345,000	\$ 305,000	\$ 190,000
Lease Proceeds		\$ 1,883,000						
Assessments/Developer Agree								\$ 30,000
Equipment Reserve	\$ 25,000				\$ 35,000		\$ 35,000	
<b>Subtotal Revenues</b>	<b>\$ 400,000</b>	<b>\$ 1,978,000</b>	<b>\$ 220,000</b>	<b>\$ 220,000</b>	<b>\$ 175,000</b>	<b>\$ 345,000</b>	<b>\$ 340,000</b>	<b>\$ 220,000</b>
Carry Forward Balance	\$ 963,419	\$ 1,280,200	\$ 1,411,901	\$ 1,411,901	\$ 607,401	\$ 607,401	\$ 607,401	\$ 607,401
<b>TOTAL FUNDING SOURCES</b>	<b>\$ 1,363,419</b>	<b>\$ 3,258,200</b>	<b>\$ 1,631,901</b>	<b>\$ 1,631,901</b>	<b>\$ 782,401</b>	<b>\$ 952,401</b>	<b>\$ 947,401</b>	<b>\$ 827,401</b>
<b>PROJECT</b>								
<b>Improvements</b>								
Acquisition - County Utility Areas	\$ 3,448	\$ 1,084	\$ 157,400	\$ 157,400				
Fire Hydrant Replacements			\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Water Line Extensions-In City	\$ 9,990		\$ 20,000	\$ 20,000	\$ 10,000	\$ 100,000	\$ 10,000	\$ 10,000
Water Line Extensions - Out of City			\$ 20,000	\$ 20,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Water Line Replacements & Upgrades	\$ 58,861		\$ 118,800	\$ 118,800	\$ 35,000	\$ 130,000	\$ 180,000	\$ 35,000
Water Line Upgrades					\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Sewer Lateral Replacement			\$ 60,000	\$ 60,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Sewer Line Replacement Program-In-City		\$ 2,624	\$ 113,800	\$ 113,800	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Install Auto Flushers						\$ 20,000	\$ 20,000	\$ 20,000
Hwy 41 Sewer Extension Project								\$ 60,000
<b>Total Improvements</b>	<b>\$ 72,299</b>	<b>\$ 45,708</b>	<b>\$ 510,000</b>	<b>\$ 510,000</b>	<b>\$ 140,000</b>	<b>\$ 345,000</b>	<b>\$ 305,000</b>	<b>\$ 220,000</b>
<b>Equipment</b>								
Automated Meter Reading Collection System		\$ 1,800,591	\$ 514,500	\$ 514,500				
Service Vehicle Replacement	\$ 10,920				\$ 35,000		\$ 35,000	
<b>Total Equipment</b>	<b>\$ 10,920</b>	<b>\$ 1,800,591</b>	<b>\$ 514,500</b>	<b>\$ 514,500</b>	<b>\$ 35,000</b>	<b>\$ -</b>	<b>\$ 35,000</b>	<b>\$ -</b>

CAPITAL IMPROVEMENT PROGRAM  
WATER/SEWER LINES  
FY 2016 - 2020

WATER/SEWER LINES	Actual 2013	Actual 2014	Budget 2015	Projected 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019
<i>TOTAL PROJECT COSTS</i>	\$ 83,219	\$ 1,846,299	\$ 1,024,500	\$ 1,024,500	\$ 175,000	\$ 345,000	\$ 340,000	\$ 220,000
<i>PROJECTED SURPLUS (DEFICIT)</i>	\$ 1,280,200	\$ 1,411,901	\$ 607,401	\$ 607,401	\$ 607,401	\$ 607,401	\$ 607,401	\$ 607,401

5-27-16

5-27-16

# NOTICE OF PUBLIC HEARING FOR COMPREHENSIVE PLAN CHANGE

NOTICE is hereby given by the City Council of the City of Inverness, Florida that pursuant to Chapter 166.041, Florida Statutes a Public Notice be given by the City Council of the City of Inverness that an ordinance entitled:

ORDINANCE NO 2016- 713  
AN ORDINANCE OF THE CITY OF INVERNESS, FLORIDA AMENDING THE COMPREHENSIVE PLAN, ORDINANCE 2008-654 OF THE INVERNESS CODE OF ORDINANCES: PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR THE ADOPTION OF EVALUATION AND APPRAISAL BASED AMENDMENTS TO THE GOALS, OBJECTIVES, AND POLICIES OF THE COMPREHENSIVE PLAN; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE

will be considered for final reading and adoption by the City Council. All interested parties may appear at the meeting and be heard with respect to the proposed Ordinance at 5:31 PM, June 7th, 2016.

Copy of the proposed ordinance will be on file with and available for inspection by the public in the office of the City Clerk in the City Hall, 212 W. Main Street, Inverness, Florida, between the hours of 8:30 AM and 4:00 PM, Monday through Friday of each week.

Be advised that if any person or persons may wish to appeal a decision of the City Council of the City of Inverness, Florida, made at this meeting, a record of the proceedings will be needed by such person or persons and a verbatim record may be needed.

This Notice is issued under my hand as the President of the City Council of the City of Inverness this 23rd day of May, 2016.

/s/ Deborah Davis  
Attest: Deborah Davis  
City Clerk

/s/ David Ryan  
David Ryan  
President of City  
Council

## Agenda Memorandum – *City of Inverness*

---

**DATE:** June 7, 2016  
**ISSUE:** Year End 2015 Audit Presentation  
McDermitt Davis & Company, LLC  
**FROM:** City Manager  
**CC:** City Clerk and Finance Director  
**ATTACHED:** Memorandum by Sheri Chiodo  
2015 City Year End Fiscal Audit

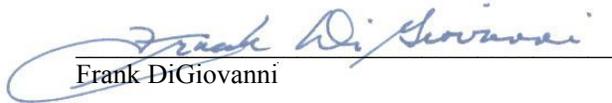
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Kelly Leary, from McDermitt Davis & Company, LLC (City Audit Firm), will present Financial Statements for the Fiscal Period of 2014-15. The process to conduct a thorough audit of activity takes months and requires constant interaction between City Finance staff with representatives from the Audit Firm. The common goal is to provide information that facilitates a proper analysis and detailed audit document.

The year-end audit is a critical review of the financial status and inner workings of City Government. In part, public entities are measured by how they collect, appropriate, invest, expense and account for resources. A copy of the audit report has been made available to Council and public review. Ms. Leary will be prepared to answer questions and comments. We look forward to Council's acceptance of the document.

***Recommended Action –***

At the conclusion of the presentation, City Council is asked to motion, second and vote to accept the Financial Statements, Supplementary Information and Independent Auditor Reports for year ending September 30, 2015, and authorize that documents are forward, to include related paperwork, to the Office of the State Auditor General.

  
Frank DiGiovanni

Administrative Offices  
212 West Main Street, Inverness Florida 34450  
[www.Inverness-FL.gov](http://www.Inverness-FL.gov)



## FINANCE DEPARTMENT

212 W. Main Street  
Inverness, FL 34450  
(352) 726-5016 Phone  
(352) 726-5534 Fax

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# Memorandum

**To: Frank DiGiovanni, City Manager**

**From: Sheri Chiodo, Director of Finance**

**CC: Debbie Davis, City Clerk**

**Date: June 3, 2016**

**Reference: 2015 City Fiscal Year Audit and Financial Report**

---

Kelly Leary, representing the firm McDirmit Davis & Company, LLC, will be presenting the Financial Statements and Audit Findings for Fiscal Year 2015 at the City Council meeting on June 7, 2016. An electronic copy of the Annual Financial Report is provided with this submittal and bound copies will be available at the meeting. Ms. Leary will be prepared to address any questions or comments regarding the report at the meeting.

### **Recommended Action**

At the conclusion of the presentation, it is recommended that City Council motion and vote to accept the Financial Statements, Supplementary Information and Independent Auditor Reports for year ending September 30, 2015, and authorize staff to forward findings and related paperwork to the Office of the State Auditor General.

City of Inverness, Florida  
**ANNUAL FINANCIAL REPORT**  
For The Year Ended September 30, 2015

Prepared by: Finance Department

### **INTRODUCTORY SECTION**

This section contains the following subsections:

- Table of Contents
- List of Principal Officials
- Organizational Chart

CITY OF INVERNESS, FLORIDA

**ANNUAL FINANCIAL REPORT**  
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CITY OF INVERNESS, FLORIDA

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CITY OF INVERNESS, FLORIDA

LIST OF PRINCIPAL OFFICIALS

September 30, 2015

**ELECTED OFFICIALS**

MAYOR	Bob Plaisted
COUNCIL MEMBER - SEAT 1	David Ryan
COUNCIL PRESIDENT	Jacque Hepfer
COUNCIL MEMBER - SEAT 3	Ken Hinkle
COUNCIL MEMBER - SEAT 4	Cabot McBride
COUNCIL MEMBER - SEAT 5	Linda Bega

**STAFF**

CITY MANAGER	Frank DiGiovanni
CITY CLERK	Debbie Davis
ASSISTANT CITY MANAGER	Eric Williams
HUMAN RESOURCES/EXECUTIVE SECRETARY	Shelia Densmore
SPECIAL EVENTS DIRECTOR	Sharon Skeele Hogan
FINANCE DIRECTOR	Cheryl Chiodo
PUBLIC WORKS DIRECTOR	Scott McCulloch
INFORMATION TECHNOLOGY DIRECTOR	Joey Johnston
COMMUNITY DEVELOPMENT DIRECTOR	Bruce Day

**LEGAL COUNSEL**

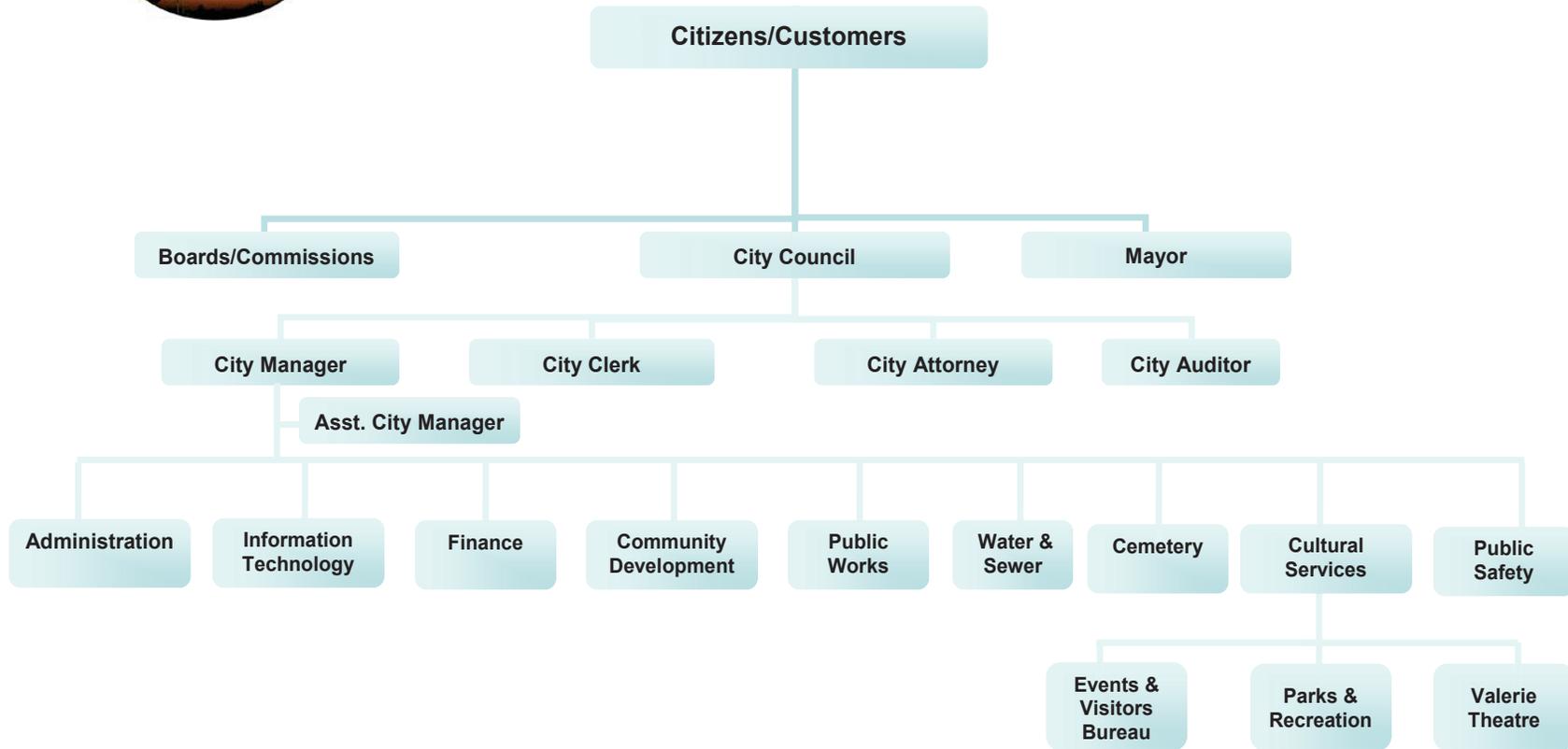
Haag Haag & Freidrich, P.A.

**AUDITORS**

McDermitt Davis & Company, LLC



# City of Inverness, Florida



**FINANCIAL SECTION**

**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and City Council  
*City of Inverness, Florida*

**Report on the Financial Statements**

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

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

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

**Auditor Responsibility**

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Inverness, Florida, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, whispering pines park special revenue fund, and community redevelopment agency fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**MCDIRMIT DAVIS & COMPANY, LLC**

934 North Magnolia Avenue, Suite 100 Orlando, Florida 32803

TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

MEMBERS: PRIVATE COMPANIES PRACTICE SECTION AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

### **Change in Accounting Principle**

As discussed in Note 1 to the financial statements, in 2015 the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America, require that the management's discussion and analysis and pension and the other postemployment benefits disclosures on pages 3 through 14 and 58 through 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Inverness, Florida's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of state financial assistance (the Schedule) is presented for purposes of additional analysis as required by Chapter 10.550, *Rules of the Auditor General*, and is also not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and Schedule are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated June 1, 2016 on our consideration of the *City of Inverness, Florida's* internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 result of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Inverness's internal control over financial reporting and compliance.

*McDiernit Davis & Company, LLC*

Orlando, Florida  
June 1, 2016

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This narrative overview and analysis of the financial activities of the City of Inverness for the fiscal year ended September 30, 2015 is designed to assist the reader in a) focusing on significant financial issues, b) providing an overview of the City's financial activity, c) identifying changes in the City's financial position, d) identifying any material deviations from the approved budget, and e) identifying individual fund issues or concerns. Please read it in conjunction with the City's Independent Auditor's Report, financial statements, and accompanying notes.

### Financial Highlights

- The assets and deferred outflows of the City of Inverness exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$51,830,941 (*net position*). Of this amount, \$15,397,854 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$1,912,255 or 3.8%.
- As of the close of the current fiscal year, the City of Inverness' governmental funds reported combined ending fund balances of \$10,604,127. Approximately 46% of this total amount, \$4,850,160 is *available for spending* at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,850,160, or 83% of total general fund expenditures and transfers out.
- The City of Inverness' total debt decreased by \$85,914 (0.66%) during the current fiscal year.

### Using this Annual Report

The financial statement's focus is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the City's accountability.

This discussion and analysis is intended to serve as an introduction to the City of Inverness' basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Inverness' finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Inverness' assets, liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Inverness is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Both of the government-wide financial statements distinguish functions of the City of Inverness that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Inverness include general government, public safety, highways and streets, sanitation, and culture and recreation. The business-type activities of the City of Inverness include the Public Utilities System and the Oakridge Cemetery.

The government-wide financial statements include only the City of Inverness itself (known as the *primary government*) and one blended component unit (The City of Inverness Community Redevelopment Trust Fund). The Water and Sewer Utility fund and the Cemetery fund function as departments of the City of Inverness, and therefore have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 15-16 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Inverness, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Inverness can be divided into two categories: governmental funds, and proprietary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the governmental-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Inverness maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Whispering Pines Park Special Revenue Fund, Community Redevelopment Fund, and Capital Projects Fund. Data from the other 2 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Inverness adopts an annual appropriated budget for the General Fund, Whispering Pines Park Fund, Community Redevelopment Fund, and Capital projects Fund. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with the budget on pages 23-25 and page 61.

The basic governmental fund financial statements can be found on pages 17-25 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Proprietary funds.** The City of Inverness maintains one type of proprietary funds: *enterprise funds*.

*Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Inverness uses enterprise funds to account for its Water and Sewer Utility Fund, and Cemetery Fund. Annual operating budgets are adopted for these funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Utility Fund and for the Cemetery Fund.

The basic proprietary fund financial statements can be found on pages 26-29 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-57 of this report.

**Required supplementary information (RSI).** RSI can be found on pages 58-60 of this report.

**Other information.** The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the RSI. Combining and individual fund statements and schedules can be found on pages 61-63 of this report.

### **Government-wide Financial Analysis**

#### **Statement of Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Inverness, assets and deferred outflows exceeded liabilities and deferred inflows by \$51,830,941 at the close of the most recent fiscal year.

By far the largest portion of the City of Inverness' net position (69%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Inverness uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Inverness' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City of Inverness' net position (1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$15,397,854) may be used to meet the government's ongoing obligations to citizens and creditors.

At September 30, 2015, the City of Inverness is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The following table reflects the condensed Statement of Net Position for the current and prior year. For more detail see the Statement of Net Position on page 15.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### STATEMENT OF NET POSITION AS OF SEPTEMBER 30,

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$ 11,670,090	\$ 12,539,851	\$ 6,599,018	\$ 5,986,412	\$ 18,269,108	\$ 18,526,263
Restricted Assets	-	-	457,171	1,151,701	457,171	1,151,701
Capital Assets	21,802,290	19,364,701	25,369,224	25,460,824	47,171,514	44,825,525
Total assets	<u>33,472,380</u>	<u>31,904,552</u>	<u>32,425,413</u>	<u>32,598,937</u>	<u>65,897,793</u>	<u>64,503,489</u>
Deferred Outflow s	405,953	-	18,953	-	424,906	-
Current Liabilities	559,034	528,986	503,135	501,391	1,062,169	1,030,377
Long Term Liabilities						
Outstanding	1,379,215	205,848	11,587,926	12,111,796	12,967,141	12,317,644
Other Liabilities	-	-	258,992	238,948	258,992	238,948
Total liabilities	<u>1,938,249</u>	<u>734,834</u>	<u>12,350,053</u>	<u>12,852,135</u>	<u>14,288,302</u>	<u>13,586,969</u>
Deferred Inflow s	194,381	-	9,075	-	203,456	-
Net Position:						
Assets	21,802,290	19,364,701	14,000,670	14,236,604	35,802,960	33,601,305
Restricted	76,500	98,059	553,627	531,600	630,127	629,659
Unrestricted	9,866,913	11,706,958	5,530,941	4,978,598	15,397,854	16,685,556
Total net position	<u>\$ 31,745,703</u>	<u>\$ 31,169,718</u>	<u>\$ 20,085,238</u>	<u>\$ 19,746,802</u>	<u>\$ 51,830,941</u>	<u>\$ 50,916,520</u>

#### Statement of Activities

The following table reflects the condensed Statement of Activities for the current and prior year. For more detailed information see the Statement of Activities on page 16. Note that total net position increased by \$1,912,255.

Net position for governmental activities increased by \$1,529,311. Key elements of this change are:

- Revenues for governmental activities increased by \$580,576 primarily resulting from grant revenue recognized for the renovation of the Valerie Theatre awarded by the Department of State in the amount of \$499,084 and an increase of \$199,607 in property taxes as a result of increased property valuations.
- General City operational costs are managed to keep from rising and the City government does not rely on the local economy to fund every project. Grants have been secured to supplement funding to complete scheduled improvement projects affordably. Operational costs are controlled with little growth or change. Overhead is low and internal connectivity and efficiencies have increased output and reduced costs.
- The City restated (reduced) the October 1, 2014 beginning Governmental Activities net position by \$953,326 as a result of the implementation of GASB Statement No. 68 to report the net pension liability and related deferred inflows and outflows.

Net position for business-type activities increased by \$382,944. Key elements of this change are:

- Business-type activities increased the City's net position by \$382,944, primarily as a result of an increase in utility charges for services in the amount of \$60,868 from a 1.41% rate adjustment and continued management of operational costs to maintain the profitability of the enterprise funds.
- The City restated (reduced) the October 1, 2014 beginning Business Type Activities net position by \$44,508 as a result of the implementation of GASB Statement No. 68 to report the net pension liability and related deferred inflows and outflows.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

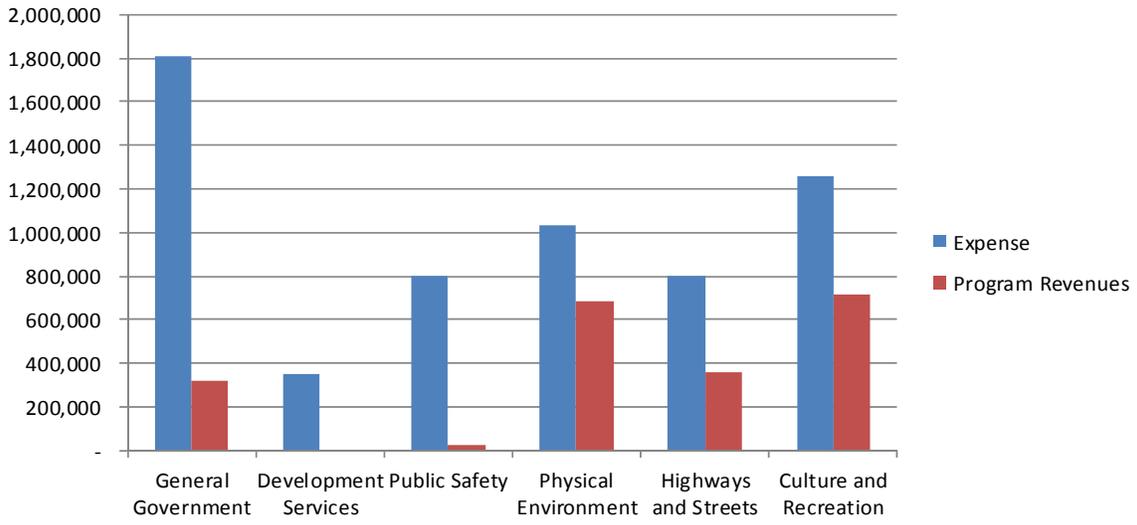
**CHANGES IN NET POSITION  
For the Year Ended September 30,**

	Governmental Activities		Business Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,279,803	\$ 1,335,631	\$ 3,421,952	\$ 3,361,084	\$ 4,701,755	\$ 4,696,715
Operating Grants and Contributions	315,111	302,405	498,014	499,413	813,125	801,818
Capital Grants and Contributions	509,866	59,798	-	-	509,866	59,798
General Revenues:						
Property Taxes	2,432,242	2,232,635	-	-	2,432,242	2,232,635
Other Taxes and Fees	1,757,470	1,799,337	-	-	1,757,470	1,799,337
Intergovernmental	719,519	693,266	-	-	719,519	693,266
Other	112,595	172,958	35,259	38,560	147,854	211,518
Total revenues	<u>7,126,606</u>	<u>6,596,030</u>	<u>3,955,225</u>	<u>3,899,057</u>	<u>11,081,831</u>	<u>10,495,087</u>
Expenses:						
General Government	1,805,812	1,862,688	-	-	1,805,812	1,862,688
Community Development Services	354,537	273,594	-	-	354,537	273,594
Public Safety	800,238	748,637	-	-	800,238	748,637
Physical Environment	1,031,401	1,014,470	-	-	1,031,401	1,014,470
Roads and Streets	797,837	706,107	-	-	797,837	706,107
Culture and Recreation	1,260,970	1,134,069	-	-	1,260,970	1,134,069
Water and Sewer	-	-	3,081,116	3,019,667	3,081,116	3,019,667
Cemetery	-	-	37,665	37,816	37,665	37,816
Total expenses	<u>6,050,795</u>	<u>5,739,565</u>	<u>3,118,781</u>	<u>3,057,483</u>	<u>9,169,576</u>	<u>8,797,048</u>
Increase (Decrease) in Net Position Before Transfers	<u>1,075,811</u>	<u>856,465</u>	<u>836,444</u>	<u>841,574</u>	<u>1,912,255</u>	<u>1,698,039</u>
Transfers	453,500	403,500	(453,500)	(403,500)	-	-
Increase (Decrease) in Net Position	<u>1,529,311</u>	<u>1,259,965</u>	<u>382,944</u>	<u>438,074</u>	<u>1,912,255</u>	<u>1,698,039</u>
Net Position - October 1, restated	<u>30,216,392</u>	<u>29,909,753</u>	<u>19,702,294</u>	<u>19,308,728</u>	<u>49,918,686</u>	<u>49,218,481</u>
Net Position - September 30	<u>\$ 31,745,703</u>	<u>\$ 31,169,718</u>	<u>\$ 20,085,238</u>	<u>\$ 19,746,802</u>	<u>\$ 51,830,941</u>	<u>\$ 50,916,520</u>

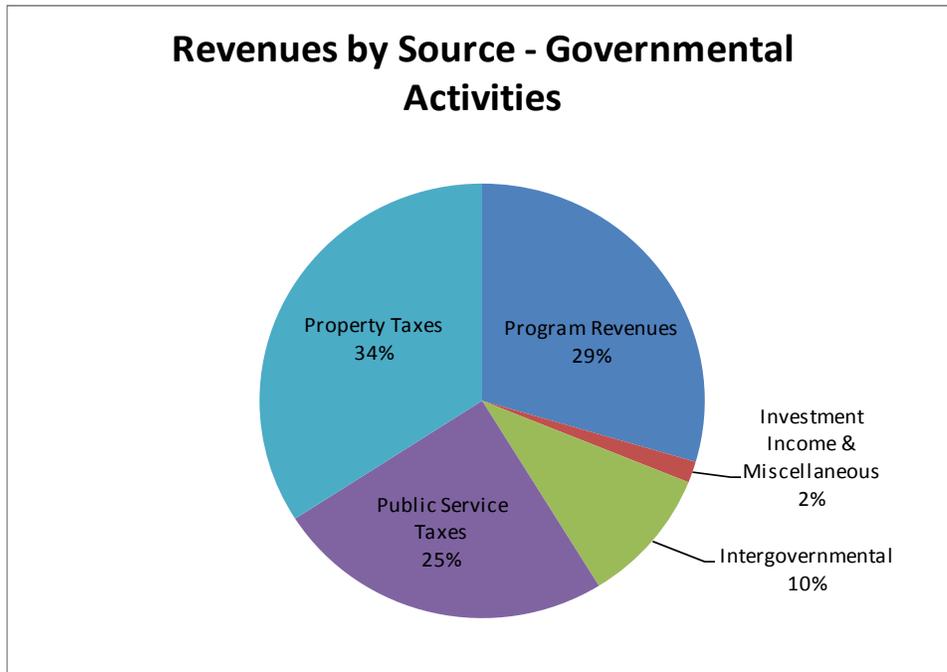
Net position October 1, 2014 includes restatement for the implementation of GASB Statement No. 68.

MANAGEMENT'S DISCUSSION AND ANALYSIS

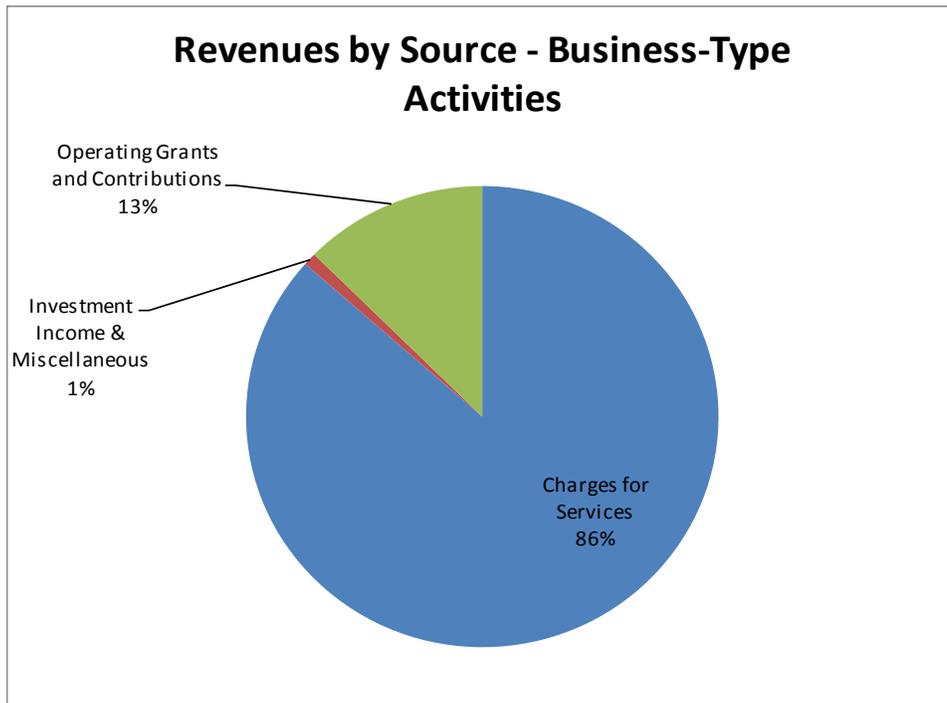
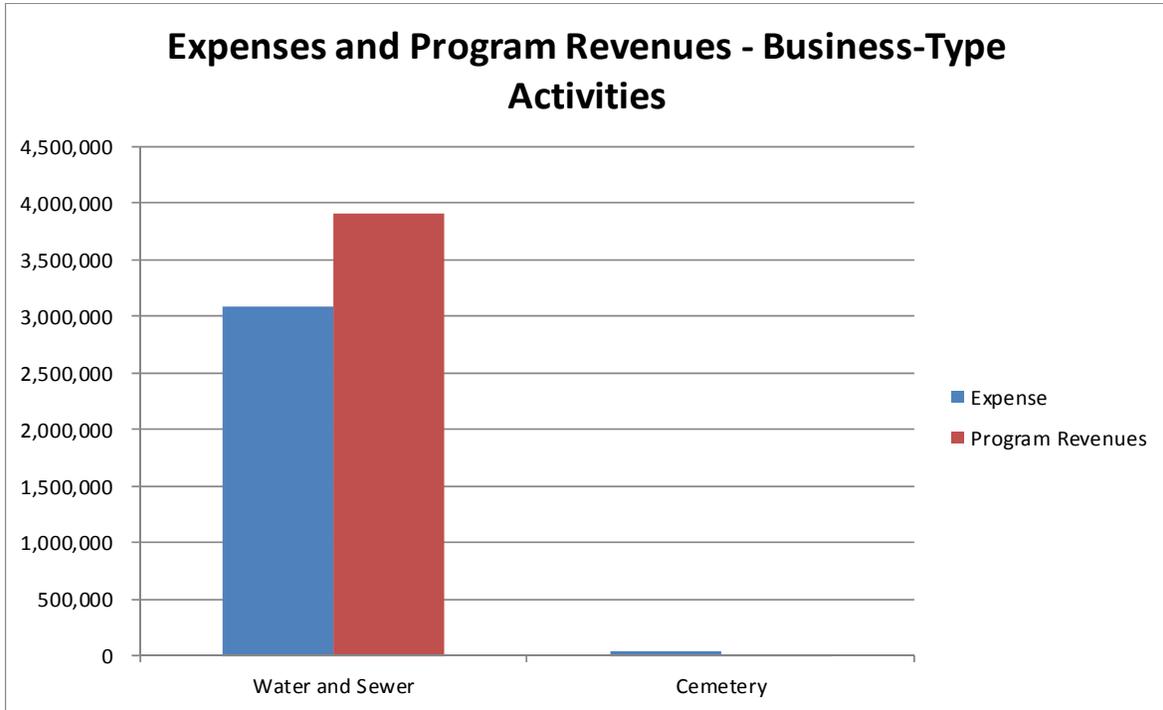
**Expenses and Program Revenues - Governmental Activities**



**Revenues by Source - Governmental Activities**



MANAGEMENT'S DISCUSSION AND ANALYSIS



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Financial Analysis of the Government's Funds

As noted earlier, the City of Inverness uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City of Inverness' *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Inverness' financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2015, the City of Inverness' governmental funds reported combined ending fund balances of \$10,604,127 a decrease of \$1,406,738 in comparison with the prior year. Approximately 46% or \$4,850,160 of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted, committed, or assigned to indicate that it is not available for new spending.

The general fund is the chief operating fund of the City of Inverness. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,850,160 while total fund balance reached \$7,048,575. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 83% of total general fund expenditures and transfers out, compared to 50% for last year. Total fund balance represents 121% of total general fund expenditures and transfers out, compared to 98% for last year.

Fund balance of the City of Inverness' General Fund increased by \$948,450 due to the continued effort by the City to reduce operational expenditures adequately below revenues in order to maintain sufficient funding levels for future investment in capital assets.

The Community Redevelopment Special Revenue Fund is considered a major fund in order for our external auditors to express an opinion on this fund as required by Florida Statutes chapter 163.387(8). This fund was created in 1990 as a dependent taxing district. The incremental annual increase in tax over the base years is used to fund projects. As of September 30, 2015, the fund balance was \$76,500 a decrease of \$20,736 over the prior year. This decrease is due to a transfer of \$100,000 to the Capital Projects Fund to fund elements of the construction of the Valerie Theatre located within the City's original CRA district.

Fund balance of Whispering Pines Park decreased \$20,736 to \$346,724. The decrease was a managed use of reserves to fund park capital projects in the amount of \$50,000.

The fund balance of the Capital Projects Fund decreased \$2,314,502 as a result of a budgetary planned decrease in fund balance for capital project expenditure; primarily the construction of the Valerie Theater.

**Proprietary funds.** The City of Inverness' proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to \$5,269,284 and unrestricted net position for the Cemetery Fund amounted to \$283,684. The total increase in Water and Sewer Utility Fund was \$409,210, and decrease in the Cemetery Fund was \$26,266. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City of Inverness' business-type activities on page 6.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### General Fund Budgetary Highlights

Total appropriations and transfers out in the General Fund Budget decreased \$131,840 from the original to final budget as a result of a decrease in anticipated revenues for the Valerie Theatre in the amount of \$190,000 which was offset by a reduction in appropriations for the theatre operations

During the year revenues were more than budgetary estimates by \$33,754, due primarily to an unanticipated increase in Sales Tax revenue in the amount of \$30,470 which was not foreseen during budget development.

### Capital Asset and Debt Administration

**Capital Assets.** The City of Inverness' investment in capital assets for its governmental and business type activities as of September 30, 2015 amounts to \$47,171,514 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, infrastructure, vehicles and equipment.

Major capital asset events during the current fiscal year included the following:

#### Governmental Activities

- Streetscape Lighting Retrofit Project - \$34,834
- Information Technology – Software/Hardware Acquisitions - \$59,891
- Fire Services Equipment – \$36,910
- Storm Water Program - \$44,720
- Truck Acquisitions – Public Works - \$67,115
- Equipment Replacements/Upgrades-\$32,631
- Highland Blvd Streetscape Project - \$51,994
- Zephyr Street Project - \$43,444
- Hwy 41/44 Median Landscape Project - \$4,513
- Valerie Theatre Renovation - \$2,749,546
- Cooter Pond Lighting Project - \$69,548

#### Business-Type Activities

- Lift Station Rehabilitations - \$138,899
- WWTP Load Control - \$10,000
- Master Lift Station Valve Installation - \$29,849
- Master Lift Station Generator Acquisition - \$18,480
- Water Reclamation Facility Mixer Controller - \$32,550
- Automated Metering Infrastructure - \$428,035

Additional information on the City of Inverness' capital assets can be found in note 7 on pages 41-42 of this report.

Capital Assets  
(net of depreciation)  
As of September 30, 2015 and September 30, 2014

	Governmental Activities		Business Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 3,341,506	\$ 3,328,507	\$ 651,855	\$ 651,855	\$ 3,993,361	\$ 3,980,362
Buildings	8,211,151	6,017,802	15,317,614	15,675,292	23,528,765	21,693,094
Improvements	8,589,191	8,464,074	8,304,034	6,231,736	16,893,225	14,695,810
Machinery and Equipment	921,560	452,881	1,074,439	1,076,923	1,995,999	1,529,804
Intangibles	51,000	85,128	-	-	51,000	85,128
Construction in Progress	687,882	1,016,309	21,282	1,825,018	709,164	2,841,327
Total capital assets	<u>\$ 21,802,290</u>	<u>\$ 19,364,701</u>	<u>\$ 25,369,224</u>	<u>\$ 25,460,824</u>	<u>\$ 47,171,514</u>	<u>\$ 44,825,525</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Capital Asset and Debt Administration (Continued)

**Long-term debt.** At the end of the current fiscal year, the City of Inverness had total debt outstanding of \$11,533,820.

**City of Inverness  
Long Term Debt  
As of September 30**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
SRF Note Payable	\$ -	\$ -	\$ 9,765,969	\$ 10,245,640	\$ 9,765,969	\$ 10,245,640
Capital Lease	-	-	1,767,851	1,856,625	1,767,851	1,856,625
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,533,820</u>	<u>\$ 12,102,265</u>	<u>\$ 11,533,820</u>	<u>\$ 12,102,265</u>

During Fiscal Year 2009, the City borrowed \$16,438,625 through the Department of Environmental Protection State Revolving Fund program for the purpose of constructing a Wastewater Treatment Plant and Reclamation Facility. The City received grant funding for the amount of \$10,000,000 which offset debt principal and interest payments for a period of twenty years from January 1, 2011 through July 1, 2030. The City made a principal payment in the amount of \$4,000,000 on January 15, 2012 to offset the debt and to reduce future payments. The City will be responsible for repayment of \$10,705,788 of the loan principal for a period of twenty-six years commencing on January 1, 2011 through July 1, 2036.

In September 2013, the city entered into a \$1,883,000 Master Lease Agreement with SunTrust Bank. The purpose of the lease is to finance a portion of the City's Energy Performance Program of \$2,255,246 for installation of the energy conservation measures including automated metering infrastructure. Total cost savings and revenue improvements annually for the combined program is \$207,314. The city provided \$375,000 in committed capital funding from the Utility Fund to offset the total financed investment cost of the program. The remaining project balance is financed with a Master Lease Purchase Agreement with SunTrust in the amount of \$1,883,000 at a rate of 2.8% for a period of 12 years. Repayment of the agreement commenced on June 15, 2014, payable semi-annually starting with payments of \$66,500 and increasing annually to a maximum payment of \$114,500 due in June and December 2025.

Additional information on the City of Inverness' long-term debt can be found in notes 8 and 9 on pages 43 - 44 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

Ad valorem revenues minimally increased in 2015. The City's total assessed valuation for real and personal property increased by 1.59% in 2015 with valuation still below the 2009 values. The unemployment rate for Inverness at September 30, 2015 was 7.1% which again is higher than the overall state percentage of 5.3% on that same date. Interest rates remain at low levels with earning in the .25 to 1.2% range. Local indicators point to a slow growth trend but there continues to be some increased movement in commercial and residential construction as indicated by the increase in building permit revenue and sales tax receipts. The 2015 budget was approved with a higher millage rate of 6.9949 mils. This rate is equal to a 7.7% increase. The total operating budget adopted for fiscal year 2015-2016 is \$35,708,573.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### **Economic Factors and Next Year's Budgets and Rates (Continued)**

Inverness boasts the most extensive benefit program in Citrus County for residents and businesses alike. Highlights of services, projects and initiatives include:

- Extensive parks, recreational and cultural program
- Whispering Pines Park at 280 acres is the crown jewel leasing facility in a multi-county area
- Lake front parks and Cooter Pond Park and boardwalks envelop the Business District
- High level marketing and branding of the City
- Full year, highly energized, special event schedule
- Conservation and green initiatives like: electric vehicle charging stations, solar powered sidewalk compactors, curbside recycling and LED light efficiency program
- Residential neighborhood/street illumination program
- City beautification through the Central Business District
- Historic plaque and building identification program
- Comprehensive planning and visioning for 40+ years
- State of the art wastewater treatment and recovery plan that is regional in nature, form and function
- Production of reclaimed water for irrigation
- Potable water system to serve the City and beyond
- Law enforcement services
- Full solid waste, recycling, yard waste and bulk item program
- Full franchising of solid waste for commercial applications
- Storm water and lake management program
- Tree City USA designation

The adopted budget and CIP reflect the City's hallmark of community and fiscal planning. The General Fund of the City of remains stable and strong. Reserves are healthy and the community is well positioned to aggressively seek grants and address unforeseen anomalies that may arise. Careful planning on a fiscal and community level has been a recognized, and publicized as a strength. Operational costs have been managed to not appreciably increase and the employee count has again been reduced and stands at an extremely low level when compared to like governments of the area. Whispering Pines Park operations will be modified and aligned to address reduced funding, which will involve changes to baseball and softball field availability and more user fees. A Fire Rescue Department will be made part of this budget and the City will proudly commence to operate the newly developed Valerie Theatre Cultural Center. Generally, departmental program goals are identified to ensure that services address the highest priorities established by City Council, including: public safety, community appearance, general maintenance, marketing, culture and events, and to insure development standards retain the community's history and character. Recreational, Cultural and Special Event programming provides enrichment opportunities, economic vitality, marketing and growth. A proactive presence with respect to community celebrations and special events has been well received by businesses, visitors and families alike. It's all about community and Inverness defines Small Town America.

Service levels are unchanged; culture and marketing are slightly improved, but largely consistent with prior years. The Inverness community is mostly impacted by state and national economic conditions, a weak housing rebound, with the largest concern and impact caused by activity at the State Level, which continues to direct resources away from local communities. State Revenue Sharing has not increased, funding of the State managed pension system has soared, and the latest attempt to remove telecommunication fees from the local revenue stream will be a material negative impact. County Government has been following the State, by not contributing to off-set the cost of service delivery through the operation of Whispering Pines Park that provides extensive recreational services to county residents, and increasing the costs for their delivery of Fire Service, which was the driving force for the City to create and fund its own Fire Department service agency. County action equates to roughly a 2-mill increase that the community could not support. The City is doing its best to "hold the line" with costs to residents and businesses, and for the first time in many years, enjoys a revenue increase that is directly attributed to the addition of the hospital to the tax roll.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### **Economic Factors and Next Year's Budgets and Rates (Continued)**

Despite continued efforts by the State to divert local revenues and action by the County to help bridge their budget deficit, Inverness's financial condition is sound, and the City holds to a course that is fiscally sustainable. All necessary steps continue to be taken to ensure a successful operation in what has become a less certain fiscal climate. Revenues and expenditures will continue to be carefully and constantly monitored to ensure the current and future budgets remain balanced, and the City will continue to offer the best possible services, plan and invest in meaningful improvement projects, and continue to support the quality of life that Inverness residents desire and expect.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Inverness' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 212 West Main Street, Inverness, Florida 34450.

**BASIC FINANCIAL STATEMENTS**

CITY OF INVERNESS, FLORIDA

**STATEMENT OF NET POSITION**

September 30, 2015

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 2,451,129	\$ 1,889,337	\$ 4,340,466
Investments	8,181,495	4,087,151	12,268,646
Receivables, net	375,025	468,848	843,873
Due from other governments	506,929	33,642	540,571
Inventories	1,200	98,112	99,312
Prepaid costs	154,312	21,928	176,240
Restricted assets:			
Cash and cash equivalents	-	457,171	457,171
Capital Assets:			
Capital assets not being depreciated	4,029,388	673,137	4,702,525
Capital assets being depreciated, net of accumulated depreciation	17,772,902	24,696,087	42,468,989
Total capital assets	21,802,290	25,369,224	47,171,514
Total assets	33,472,380	32,425,413	65,897,793
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows of pension earnings	405,953	18,953	424,906
Total deferred outflows of resources	405,953	18,953	424,906
<b>LIABILITIES:</b>			
Accounts payable and accrued expenses	456,877	441,334	898,211
Due to other governmental agencies	903	-	903
Accrued interest	-	61,801	61,801
Deposits payable	20,891	258,992	279,883
Unearned revenue	80,363	-	80,363
Noncurrent liabilities:			
Due within one year	21,600	592,394	613,994
Due in more than one year	1,357,615	10,995,532	12,353,147
Total liabilities	1,938,249	12,350,053	14,288,302
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows of pension earnings	194,381	9,075	203,456
Total deferred outflows of resources	194,381	9,075	203,456
<b>NET POSITION:</b>			
Net investment in capital assets	21,802,290	14,000,670	35,802,960
Restricted for:			
Community redevelopment	76,500	-	76,500
Perpetual Care	-	553,627	553,627
Unrestricted	9,866,913	5,530,941	15,397,854
Total net position	\$ 31,745,703	\$ 20,085,238	\$ 51,830,941

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF INVERNESS, FLORIDA

**STATEMENT OF ACTIVITIES**

For the Year Ended September 30, 2015

<u>Functions/Programs</u>	<u>Program Revenue</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>		
					<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Primary Government</b>							
Governmental Activities							
General Government	\$ 1,805,812	\$ 317,567	\$ -	\$ -	\$ (1,488,245)	\$ -	\$ (1,488,245)
Community Development Services	354,537	-	-	-	(354,537)	-	(354,537)
Public Safety	800,238	28,969	-	-	(771,269)	-	(771,269)
Physical Environment	1,031,401	683,947	-	-	(347,454)	-	(347,454)
Highways & Streets	797,837	35,296	315,111	10,164	(437,266)	-	(437,266)
Culture and Recreation	1,260,970	214,024	-	499,702	(547,244)	-	(547,244)
Total governmental activities	<u>6,050,795</u>	<u>1,279,803</u>	<u>315,111</u>	<u>509,866</u>	<u>(3,946,015)</u>	<u>-</u>	<u>(3,946,015)</u>
Business-type activities:							
Water	3,081,116	3,410,878	498,014	-	-	827,776	827,776
Cemetery	37,665	11,074	-	-	-	(26,591)	(26,591)
Total business-type activities	<u>3,118,781</u>	<u>3,421,952</u>	<u>498,014</u>	<u>-</u>	<u>-</u>	<u>801,185</u>	<u>801,185</u>
Total primary government	<u>\$ 9,169,576</u>	<u>\$ 4,701,755</u>	<u>\$ 813,125</u>	<u>\$ 509,866</u>	<u>(3,946,015)</u>	<u>801,185</u>	<u>(3,144,830)</u>
General Revenues:							
Property taxes					2,432,242	-	2,432,242
Public service taxes					1,757,470	-	1,757,470
Intergovernmental					719,519	-	719,519
Unrestricted investment earnings					34,929	27,366	62,295
Miscellaneous					77,666	7,893	85,559
Transfers					453,500	(453,500)	-
Total general revenues and transfers					<u>5,475,326</u>	<u>(418,241)</u>	<u>5,057,085</u>
Change in net position					1,529,311	382,944	1,912,255
Net Position - beginning, as restated					30,216,392	19,702,294	49,918,686
Net Position - ending					<u>\$ 31,745,703</u>	<u>\$ 20,085,238</u>	<u>\$ 51,830,941</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF INVERNESS, FLORIDA

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

September 30, 2015

	General Fund	Special Revenue		Capital Projects
		Whispering Pines Park	Community Redevelopment Fund	
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 1,017,905	\$ 224,147	\$ -	\$ 1,111,853
Investments	5,880,524	150,063	77,047	1,673,693
Accounts Receivable, net	358,663	3,197	-	20
Due from other governments	-	-	-	506,929
Other receivables	-	-	-	-
Inventories	1,200	-	-	-
Prepaid costs	154,312	-	-	-
Total assets	<u>\$ 7,412,604</u>	<u>\$ 377,407</u>	<u>\$ 77,047</u>	<u>3,292,495</u>
<b>LIABILITIES:</b>				
Accounts payable	\$ 154,985	\$ 20,215	\$ 547	160,663
Due to other governments	903	-	-	-
Deposits payable	20,881	10	-	-
Accrued liabilities	106,897	10,458	-	-
Unearned revenue	80,363	-	-	-
Total liabilities	<u>364,029</u>	<u>30,683</u>	<u>547</u>	<u>160,663</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-grants	-	-	-	506,929
<b>FUND BALANCES:</b>				
Nonspendable	155,512	-	-	-
Restricted for:				
Road Improvements	-	-	-	-
Community redevelopment	-	-	76,500	-
Committed to:				
Capital Equipment Replacement	217,000	-	-	-
Land Acquisition	500,687	-	-	-
Inverness Government Center Sustainability	454,216	-	-	-
Disaster Preparedness/Mitigation	500,000	-	-	-
Employee Accrual Balance	146,000	-	-	-
Tort Litigation	200,000	-	-	-
Fire Services	25,000	-	-	-
Parks Operation/Capital	-	346,724	-	-
Road Improvements	-	-	-	-
Capital Projects	-	-	-	2,624,903
Unassigned	4,850,160	-	-	-
Total fund balances	<u>7,048,575</u>	<u>346,724</u>	<u>76,500</u>	<u>2,624,903</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,412,604</u>	<u>\$ 377,407</u>	<u>\$ 77,047</u>	<u>\$ 3,292,495</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 97,224	\$ 2,451,129
400,168	8,181,495
-	361,880
-	506,929
13,145	13,145
-	1,200
-	154,312
<u>\$ 510,537</u>	<u>\$ 11,670,090</u>
\$ 3,112	\$ 339,522
-	903
-	20,891
-	117,355
-	80,363
<u>3,112</u>	<u>559,034</u>
-	506,929
-	155,512
494,264	494,264
-	76,500
-	217,000
-	500,687
-	454,216
-	500,000
-	146,000
-	200,000
-	25,000
-	346,724
13,161	13,161
-	2,624,903
-	4,850,160
<u>507,425</u>	<u>10,604,127</u>
<u>\$ 510,537</u>	<u>\$ 11,670,090</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF INVERNESS, FLORIDA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION**

September 30, 2015

Total Fund Balance, Governmental Funds		\$ 10,604,127
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.		21,802,290
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		506,929
Deferred inflows and outflows of resources related to pension earnings are not recognized in the governmental funds, however, they are recorded in net position under full accrual accounting.		211,572
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the funds		
Compensated absences	(215,927)	
Net Pension Liability	(1,140,989)	
Other postemployment benefits	(22,299)	<u>(1,379,215)</u>
Net Position of Governmental Activities in the Statement of Net Position		<u>\$ 31,745,703</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF INVERNESS, FLORIDA

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

For the Year Ended September 30, 2015

	<b>Special Revenue Funds</b>			
	<b>General Fund</b>	<b>Whispering Pines Park</b>	<b>Community Redevelopment Fund</b>	<b>Capital Projects</b>
<b>REVENUES:</b>				
Taxes and special assessments	\$ 4,103,371	\$ -	\$ 144,531	\$ -
Licenses and permits	106,837	-	-	-
Intergovernmental	1,030,117	7,500	-	7,450
Impact fees	-	-	-	-
Charges for services	841,373	77,762	-	4,300
Fees and fines	28,969	-	-	-
Investment earnings	21,953	942	377	11,122
Miscellaneous	215,720	12,962	-	-
Total revenues	<u>6,348,340</u>	<u>99,166</u>	<u>144,908</u>	<u>22,872</u>
<b>EXPENDITURES:</b>				
Current:				
General government	1,553,013	-	-	35,507
Community development services	226,140	-	54,967	-
Public safety	763,328	-	-	-
Highways and streets	575,522	-	-	45,575
Physical environment	1,031,401	-	-	-
Culture and recreation	521,486	479,902	-	49,665
Capital Outlay	-	-	-	3,140,627
Total expenditures	<u>4,670,890</u>	<u>479,902</u>	<u>54,967</u>	<u>3,271,374</u>
Excess of revenues over expenditures	<u>1,677,450</u>	<u>(380,736)</u>	<u>89,941</u>	<u>(3,248,502)</u>
<b>OTHER FINANCING USES:</b>				
Transfers in	465,000	410,000	-	934,000
Transfers out	<u>(1,194,000)</u>	<u>(50,000)</u>	<u>(111,500)</u>	<u>-</u>
Total other financing uses	<u>(729,000)</u>	<u>360,000</u>	<u>(111,500)</u>	<u>934,000</u>
Net change in fund balances	948,450	(20,736)	(21,559)	(2,314,502)
Fund balances - beginning	6,100,125	367,460	98,059	4,939,405
Fund balances - ending	<u>\$ 7,048,575</u>	<u>\$ 346,724</u>	<u>\$ 76,500</u>	<u>\$ 2,624,903</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 4,247,902
-	106,837
-	1,045,067
3,856	3,856
-	923,435
-	28,969
535	34,929
-	228,682
<u>4,391</u>	<u>6,619,677</u>
-	1,588,520
-	281,107
-	763,328
-	621,097
-	1,031,401
-	1,051,053
<u>2,782</u>	<u>3,143,409</u>
<u>2,782</u>	<u>8,479,915</u>
<u>1,609</u>	<u>(1,860,238)</u>
-	1,809,000
<u>-</u>	<u>(1,355,500)</u>
<u>-</u>	<u>453,500</u>
1,609	(1,406,738)
505,816	12,010,865
<u>\$ 507,425</u>	<u>\$ 10,604,127</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF INVERNESS, FLORIDA

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

For the Year Ended September 30, 2015

Net Change in Fund Balances - total governmental funds: \$ (1,406,738)

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

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

Expenditures for capital assets	3,133,521	
Less: current year depreciation	<u>(695,932)</u>	2,437,589

Cash pension contributions reported in the funds were more than the calculated pension expense in the statement of activities, and therefore increased net position.		23,909
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds		506,929
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Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds.

Change in long-term compensated absences	(30,092)	
Change in other post employment benefits	<u>(2,286)</u>	<u>(32,378)</u>

Change in net position of governmental activities		<u>\$ 1,529,311</u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF INVERNESS, FLORIDA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Taxes and Special Assessments	\$ 4,186,611	\$ 4,123,611	\$ 4,103,371	\$ (20,240)
Licenses and Permits	85,600	85,600	106,837	21,237
Intergovernmental	984,500	984,500	1,030,117	45,617
Charges for Services	1,070,675	860,675	841,373	(19,302)
Fees and Fines	24,800	24,800	28,969	4,169
Investment Earnings	45,100	45,100	21,953	(23,147)
Miscellaneous	185,800	190,300	215,720	25,420
Total revenues	<u>6,583,086</u>	<u>6,314,586</u>	<u>6,348,340</u>	<u>33,754</u>
<b>EXPENDITURES:</b>				
Current:				
General government	2,243,870	2,132,075	1,553,013	579,062
Community development services	242,058	313,213	226,140	87,073
Public safety	775,000	775,000	763,328	11,672
Highways and streets	727,066	728,866	575,522	153,344
Physical environment	1,190,008	1,190,008	1,031,401	158,607
Culture and recreation	921,671	766,671	521,486	245,185
Total expenditures	<u>6,099,673</u>	<u>5,905,833</u>	<u>4,670,890</u>	<u>1,234,943</u>
Excess (deficiency) of revenues over expenditures	<u>483,413</u>	<u>408,753</u>	<u>1,677,450</u>	<u>1,268,697</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers In	465,000	465,000	465,000	-
Transfers Out	<u>(1,132,000)</u>	<u>(1,194,000)</u>	<u>(1,194,000)</u>	<u>-</u>
Total other financing sources	<u>(667,000)</u>	<u>(729,000)</u>	<u>(729,000)</u>	<u>-</u>
Net change in fund balances	(183,587)	(320,247)	948,450	1,268,697
Fund Balance - beginning	<u>6,100,125</u>	<u>6,100,125</u>	<u>6,100,125</u>	<u>-</u>
Fund Balance - ending	<u>\$ 5,916,538</u>	<u>\$ 5,779,878</u>	<u>\$ 7,048,575</u>	<u>\$ 1,268,697</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF INVERNESS, FLORIDA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
WHISPERING PINES PARK SPECIAL REVENUE FUND**

For the Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts, Budgetary Basis</u>	<u>Final Budget - Positive (Negative)</u>
<b>REVENUES:</b>				
Intergovernmental	\$ 7,500	\$ 7,500	\$ 7,500	\$ -
Charges for Services	129,750	129,750	77,762	(51,988)
Investment Earnings	800	800	942	142
Miscellaneous	3,000	3,000	12,962	9,962
Total revenues	<u>141,050</u>	<u>141,050</u>	<u>99,166</u>	<u>(41,884)</u>
<b>EXPENDITURES:</b>				
Current:				
Culture and recreation	691,265	691,265	479,902	211,363
Total expenditures	<u>691,265</u>	<u>691,265</u>	<u>479,902</u>	<u>211,363</u>
Excess (deficiency) of revenues over expenditures	<u>(550,215)</u>	<u>(550,215)</u>	<u>(380,736)</u>	<u>169,479</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers In	410,000	410,000	410,000	-
Transfers Out	(75,000)	(50,000)	(50,000)	-
Total other financing sources	<u>335,000</u>	<u>360,000</u>	<u>360,000</u>	<u>-</u>
Net change in fund balances	(215,215)	(190,215)	(20,736)	169,479
Fund Balance - beginning	367,460	367,460	367,460	-
Fund Balance - ending	<u>\$ 152,245</u>	<u>\$ 177,245</u>	<u>\$ 346,724</u>	<u>\$ 169,479</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF INVERNESS, FLORIDA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
COMMUNITY REDEVELOPMENT FUND**

For the Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Taxes and Special Assessments	\$ 75,000	\$ 138,000	\$ 144,531	\$ 6,531
Investment Earnings	800	800	377	(423)
Total revenues	<u>75,800</u>	<u>138,800</u>	<u>144,908</u>	<u>6,108</u>
<b>EXPENDITURES:</b>				
Current:				
Community development services	94,995	94,995	54,967	40,028
Total expenditures	<u>94,995</u>	<u>94,995</u>	<u>54,967</u>	<u>40,028</u>
Excess (deficiency) of revenues over expenditures	<u>(19,195)</u>	<u>43,805</u>	<u>89,941</u>	<u>46,136</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers In	63,000	-	-	-
Transfers Out	<u>(111,500)</u>	<u>(111,500)</u>	<u>(111,500)</u>	<u>-</u>
Total other financing sources	<u>(48,500)</u>	<u>(111,500)</u>	<u>(111,500)</u>	<u>-</u>
Net change in fund balances	(67,695)	(67,695)	(21,559)	46,136
Fund Balance - beginning	98,059	98,059	98,059	-
Fund Balance - ending	<u>\$ 30,364</u>	<u>\$ 30,364</u>	<u>\$ 76,500</u>	<u>\$ 46,136</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF INVERNESS, FLORIDA

**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**

September 30, 2015

	Enterprise Funds		
	Water and Sewer Utility	Cemetery	Total
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 1,772,438	\$ 116,899	\$ 1,889,337
Investments	3,485,513	601,638	4,087,151
Accounts receivable, net	410,987	2,165	413,152
Receivables from other governments	33,642	-	33,642
Accrued interest receivable	33,759	-	33,759
Other receivables	21,937	-	21,937
Inventories	-	98,112	98,112
Prepays	21,928	-	21,928
Total current assets	<u>5,780,204</u>	<u>818,814</u>	<u>6,599,018</u>
Noncurrent assets:			
Restricted cash and cash equivalents	457,171	-	457,171
Total restricted assets	<u>457,171</u>	<u>-</u>	<u>457,171</u>
Capital assets:			
Land, buildings and equipment	38,529,808	44,763	38,574,571
Construction in progress	21,282	-	21,282
Less accumulated depreciation	(13,185,858)	(40,771)	(13,226,629)
Total capital assets (net of depreciation)	<u>25,365,232</u>	<u>3,992</u>	<u>25,369,224</u>
Total noncurrent assets	<u>25,822,403</u>	<u>3,992</u>	<u>25,826,395</u>
Total assets	<u>31,602,607</u>	<u>822,806</u>	<u>32,425,413</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows-pension earnings	18,953	-	18,953
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts payable and accrued expenses	437,854	2,864	440,718
Accrued liabilities	-	616	616
Accrued interest payable	61,801	-	61,801
Customer deposits payable	258,942	50	258,992
Compensated absences	1,110	-	1,110
Capital lease obligation	104,866	-	104,866
Notes payable	486,418	-	486,418
Total current liabilities	<u>1,350,991</u>	<u>3,530</u>	<u>1,354,521</u>
Noncurrent Liabilities:			
Capital lease payable	1,662,985	-	1,662,985
Net pension liability	53,269	-	53,269
Notes payable	9,279,278	-	9,279,278
Total noncurrent liabilities	<u>10,995,532</u>	<u>-</u>	<u>10,995,532</u>
Total liabilities	<u>12,346,523</u>	<u>3,530</u>	<u>12,350,053</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows-pension earnings	9,075	-	9,075
Total deferred inflows of resources	<u>9,075</u>	<u>-</u>	<u>9,075</u>
<b>NET POSITION:</b>			
Net investment in capital assets	13,996,678	3,992	14,000,670
Restricted for perpetual care	-	553,627	553,627
Unrestricted	5,269,284	261,657	5,530,941
Total net position	<u>\$ 19,265,962</u>	<u>\$ 819,276</u>	<u>\$ 20,085,238</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF INVERNESS, FLORIDA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -  
PROPRIETARY FUNDS**

For the Year Ended September 30, 2015

	<b>Enterprise Funds</b>		
	<b>Water and Sewer Utility</b>	<b>Cemetery</b>	<b>Total</b>
<b>Operating Revenues:</b>			
Charges for services	\$ 3,374,733	\$ 10,770	\$ 3,385,503
Miscellaneous	36,145	304	36,449
Total operating revenues	<u>3,410,878</u>	<u>11,074</u>	<u>3,421,952</u>
<b>Operating expenses:</b>			
Salaries and benefits	128,990	742	129,732
Contractual services	1,454,899	32,325	1,487,224
Utilities	242,810	1,079	243,889
Materials and supplies	53,561	-	53,561
Other operating expenses	111,116	2,869	113,985
Depreciation	809,209	650	809,859
Total operating expenses	<u>2,800,585</u>	<u>37,665</u>	<u>2,838,250</u>
Operating income	<u>610,293</u>	<u>(26,591)</u>	<u>583,702</u>
<b>Nonoperating Revenue (Expenses):</b>			
Investment income	25,696	1,670	27,366
Operating grants and contributions	498,014	-	498,014
Gain (loss) on disposal of capital assets	5,738	2,155	7,893
Interest expense	(280,531)	-	(280,531)
Total nonoperating revenue (expenses)	<u>248,917</u>	<u>3,825</u>	<u>252,742</u>
Income before transfers	<u>859,210</u>	<u>(22,766)</u>	<u>836,444</u>
Transfers out	(450,000)	(3,500)	(453,500)
Change in net position	<u>409,210</u>	<u>(26,266)</u>	<u>382,944</u>
Total Net Position - beginning	18,901,260	845,542	19,746,802
Restatement of Net Position Due to Implementation of GASB 68	(44,508)	-	(44,508)
Net position - beginning, as restated	<u>18,856,752</u>	<u>845,542</u>	<u>19,702,294</u>
Total Net Position - ending	<u>\$ 19,265,962</u>	<u>\$ 819,276</u>	<u>\$ 20,085,238</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF INVERNESS, FLORIDA

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**

For The Year Ended September 30, 2015

	<b>Water and Sewer Utility</b>	<b>Cemetery</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>			
Receipts from customers	\$ 3,424,867	\$ 10,034	\$ 3,434,901
Payments to suppliers	(1,861,628)	(34,132)	(1,895,760)
Payments to employees	(138,528)	(126)	(138,654)
Net cash provided (used) by operating activities	<u>1,424,711</u>	<u>(24,224)</u>	<u>1,400,487</u>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Net operating transfers in (out)	(450,000)	(3,500)	(453,500)
Operating grants	498,014	-	498,014
Net cash provided (used) by noncapital financing activities	<u>48,014</u>	<u>(3,500)</u>	<u>44,514</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Proceeds from sale of capital assets	5,738	2,155	7,893
Acquisition of capital assets	(718,259)	-	(718,259)
Principal paid on long-term debt	(568,718)	-	(568,718)
Interest paid on long-term debt	(284,054)	-	(284,054)
Net cash provided (used) by capital and related financing activities	<u>(1,565,293)</u>	<u>2,155</u>	<u>(1,563,138)</u>
<b>Cash Flows from Investing Activities:</b>			
Sales of investments	(1,314,623)	(28,637)	(1,343,260)
Investment income	25,696	1,670	27,366
Net cash provided(used) by investing activities	<u>(1,288,927)</u>	<u>(26,967)</u>	<u>(1,315,894)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	(1,381,495)	(52,536)	(1,434,031)
<b>Cash and Cash Equivalents - beginning</b>	3,611,104	169,435	3,780,539
<b>Cash and Cash Equivalents - ending</b>	<u>\$ 2,229,609</u>	<u>\$ 116,899</u>	<u>\$ 2,346,508</u>
<b>Classified As:</b>			
Cash and cash equivalents	\$ 1,772,438	\$ 116,899	\$ 1,889,337
Restricted cash and cash equivalents	457,171	-	457,171
Total	<u>\$ 2,229,609</u>	<u>\$ 116,899</u>	<u>\$ 2,346,508</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

	<u>Water and Sewer Utility</u>	<u>Cemetery</u>	<u>Total</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities</b>			
Operating income	\$ 610,293	\$ (26,591)	\$ 583,702
<b>Adjustments Not Affecting Cash:</b>			
Depreciation and amortization	809,209	650	809,859
<b>Change in Assets and Liabilities:</b>			
(Increase) Decrease in accounts receivable	(6,005)	(1,090)	(7,095)
(Increase) Decrease in prepaids	(2,379)	627	(1,752)
Increase (Decrease) in accounts payable	3,137	1,514	4,651
Increase (Decrease) in accrued liabilities	-	616	616
Increase (Decrease) in compensated absences	(8,421)	-	(8,421)
Increase (Decrease) in deferred inflows	(17,061)	-	(17,061)
Increase (Decrease) in deferred outflows	(4,523)	-	(4,523)
Increase (Decrease) in net pension liability	20,467	-	20,467
Increase in customer deposits	19,994	50	20,044
Total adjustments	<u>814,418</u>	<u>2,367</u>	<u>816,785</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 1,424,711</u>	<u>\$ (24,224)</u>	<u>\$ 1,400,487</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**NOTES TO FINANCIAL STATEMENTS**

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 1 - Summary of Significant Accounting Policies:**

***A. Reporting Entity***

The City of Inverness, Florida ("the City") is a political subdivision of the state of Florida located in Citrus County, and was incorporated in 1919, under the laws of Florida, Chapter 8274 (Act 492). The legislative branch of the City is comprised of a five-member elected Council and a separately elected Mayor, which is governed by the City Charter and by state and local laws and regulations. The City Council is responsible for the establishment and adoption of policy; the execution of such policy is the responsibility of the City Manager appointed by the Council.

In evaluating how to define the government, for financial reporting purposes, the City has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organizations' resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. In applying the above criteria, the City has one blended component unit as follows:

The City of Inverness created the Downtown Redevelopment Agency (CRA) by City Resolution No. 90.07. This is a dependent taxing district established in accordance with Chapter 163, Part III, Florida Statutes. Then in 2014, the City expanded the CRA in accordance with Chapter 163 of the Florida Statutes designating the expanded area, and passed Ordinance 2014-703 adopting the CRA plan amendment to extend the boundaries and extend the implementation period for 30 years following the amendment of the existing plan. The incremental annual increase in tax over the base years (1990 and 2014) will be used to fund projects designed to enhance and improve the described area. The CRA is governed by a board of seven appointed by the City Council. Separate financial statements are not issued for the CRA; the CRA Fund is presented as a blended component unit and is included in the City's fund financials.

***B. Government-Wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements; however interfund services provided and used are not eliminated. *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.

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, 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. All other revenue items are considered to be measurable and available only when cash is received by the City.

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 1 - Summary of Significant Accounting Policies (Continued):**

***C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)***

The government reports the following funds:

**Major Governmental Funds**

The *General Fund* is the government'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 *Whispering Pines Park Special Revenue Fund* accounts for the operations of the Whispering Pines Park, financed principally by contributions from the School Board of Citrus County and transfers from the General Fund.

The *Community Redevelopment Fund* was established as a dependent taxing district. The incremental annual increase in tax over the base years will be used to fund projects designed to enhance and improve the described area.

The *Capital Projects Fund* accounts for the acquisition and construction of major capital assets other than those financed by proprietary funds.

**Nonmajor Governmental Funds**

*Special Revenue Funds* account for specific revenue sources that are legally restricted or committed to expenditures for specific purposes other than debt service or capital projects.

**Major Proprietary Funds**

The *Water and Sewer Utility Fund* is used to account for the operations of the City's water and sewer systems, which are financed in a manner similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on an ongoing basis are financed primarily through user charges.

The *Cemetery Fund* accounts for the sale of lots and maintenance of the Oak Ridge Cemetery.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the City's water and sewer function and various other functions of the government. 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 as program revenues. Likewise, general revenues include all taxes.

All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 1 - Summary of Significant Accounting Policies (Continued):**

***C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)***

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Water and Sewer Utility and Cemetery funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

***D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance***

**1. Deposits and Investments**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments of the City are reported at fair value. The City's investments consist of investments authorized per the investment policy adopted in accordance with Section 218.415, Florida Statutes.

**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-current portion of 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".

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

All receivables are shown net of an allowance for uncollectibles. The County bills and collects property taxes and remits them to the City. City property tax revenues are recognized when levied to the extent that they result in current receivables.

All property is reassessed according to its fair value on the lien date, or January 1 of each year. Taxes are levied on October 1 of each year. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. On or around May 31 following the tax year, certificates are sold for all delinquent taxes on real property.

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 1 - Summary of Significant Accounting Policies (Continued):**

***D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)***

**3. Inventories and Prepaid Items**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These are recorded as expenditures when consumed rather than when purchased.

**4. Restricted assets**

Certain proceeds of the City's enterprise fund notes and leases, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts or their use is limited by applicable debt covenants. Restricted assets also include security deposits held by the enterprise funds. The General Fund also restricts assets for security deposits for commercial sanitation deposits. Assets so designated are identified as restricted assets on the balance sheet.

**5. Capital assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such 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 asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no interest capitalized in enterprise fund capital assets in 2015.

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

	Years
Buildings	10-50
Infrastructure and Improvements	10-50
Equipment	5-20
Intangible Assets	5-20

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 1 - Summary of Significant Accounting Policies (Continued):**

***D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)***

**6. Compensated absences**

It is the City's policy to permit Charter employees to accumulate earned but unused personal leave benefits. Since the City's policy is to pay accumulated personal leave when employees separate from service, all personal leave 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. The City pays general employees any unused leave balances on the employee's anniversary date. General employees may elect to transfer their unused sick time to a catastrophic leave bank, but unused vacation time is not carried over. For governmental funds, compensated absences, net pension liability and other post-employment benefits are generally liquidated by 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 governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

**8. Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category for the year ended September 30, 2015, deferred outflows of pension earnings.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from grant revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has deferred inflows of pension earnings reported in the enterprise and government-wide statement of net position.

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 1 - Summary of Significant Accounting Policies (Continued):**

***D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)***

**9. Net position flow assumptions**

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**10. Fund balance flow assumptions**

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted first before using any of the components of unrestricted fund balance. Further when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**11. Fund balance policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classifications are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The Council has the responsibility for assigning fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 1 - Summary of Significant Accounting Policies (Continued):**

***D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)***

**12. New GASB Statements Implemented**

In fiscal year 2015, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements replace the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. GASB Statement No. 71 addresses the issue of the transition provisions in Statement No. 68. Beginning net position of governmental activities, business-type activities and proprietary funds has been restated and disclosed in Note 2.

**Note 2 - Accounting Changes and Restatement of Financial Statements:**

The implementation of GASB Statement No. 68 requires reporting the net pension liability, and related deferred inflows and outflows. As a result, the October 1, 2014 beginning net position of the Water and Sewer Utility Fund, business-type activities and governmental activities of the government-wide financial statements were restated as follows:

	Governmental Activities	Business -Type Activities
Net Position, October 1, 2014, previously stated	\$ 31,169,718	\$ 19,746,802
Restatement of Net Position Due FRS Net Pension Liability, Deferred Inflows and Deferred Outflows	<u>(953,326)</u>	<u>(44,508)</u>
Net Position, October 1, 2014, restated	<u>\$ 30,216,392</u>	<u>\$ 19,702,294</u>
	Water and Sewer Utility Fund	
Net Position, October 1, 2014, previously stated	\$ 18,901,260	
Restatement of Net Position Due FRS Net Pension Liability, Deferred Inflows and Deferred Outflows	<u>(44,508)</u>	
Net Position, October 1, 2014, restated	<u>\$ 18,856,752</u>	

In addition, the October 1, 2014 beginning balances in the long-term debt schedules were restated to include the net pension liability.

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 3 - Reconciliation of Government-Wide and Fund Financial Statements:**

**A. *Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position***

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position- governmental activities* as reported in the government-wide statement of net position.

**B. *Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government - Wide Statement of Activities***

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

**Note 4 - Stewardship, Compliance, and Accountability:**

**A. *Budgetary Information***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Whispering Pines Park Special Revenue Fund, Community Redevelopment Agency Special Revenue Fund, Capital Projects Fund and Enterprise Funds, except as described below under Budget Basis of Accounting. All annual appropriations lapse at fiscal year end. The City follows these procedures set forth below in establishing the budgetary data reflected in the financial statements.

1. Prior to August 1<sup>st</sup>, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1<sup>st</sup>. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayers comments.
3. On or before September 30<sup>th</sup> of each year, public hearings are completed and the Council adopts the final budget and establishes the ad valorem tax millage.
4. The City cannot legally exceed the budget; however, the City Manager is authorized to transfer budgeted amounts within departments within any fund unless the transfer affects a budgeted reserve. The City Council must approve revisions that alter the total expenditures of any department. The legal level of budgetary control is the fund level.
5. Budgetary comparisons are not presented for Enterprise Funds since not required under generally accepted accounting principles.

**B. *Appropriations in Excess of Funds Available***

Appropriations for the Capital Projects Fund were in excess of anticipated revenue and prior years' fund balance.

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 5 - Deposits and Investments:**

**Deposits**

At year-end, the carrying amount of the City's deposits was \$4,797,637 and the bank balance was \$4,820,014. Cash on hand of \$2,248 is not on deposit with a financial institution. All bank deposits were covered by Federal Depository Insurance or held in banks that are members of the State of Florida's Collateral Pool as specified under Florida law. This limits local government deposits to "authorized depositories." The State of Florida Collateral Pool is a multiple financial institution pool with the ability to assess its members for collateral shortfalls if a member institution fails. For this reason, the City considers its deposits insured or collateralized.

**Investments**

The City's investment policy is governed by State Statutes and City ordinances. The investment policy does not apply to funds related to the issuance of debt where there are other existing policies or indentures in effect. City ordinance allows investments in any financial institution that is a qualified public depository of the State of Florida as identified by the State Treasurer, in accordance with chapter 280 of the Florida Statutes. Authorized investments are:

1. Direct obligations of the U.S. Government, its Agencies or Instrumentalities;
2. Securities and Exchange Commission registered money market mutual funds with the highest credit quality rating from a nationally recognized rating agency;
3. Insured or fully collateralized Certificates of Deposit and other forms of deposit in financial institutions that are qualified public depositories of the State as determined by the State Treasurer, in accordance with Chapter 280.02 of the State Statutes;
4. Financial institution deposits that are in qualified public depositories of the State in accordance with Chapter 280.02, where the selected depository arranges for the deposit of the funds in certificates of deposit in one or more federally insured financial institutions, wherever located, for the account of the City in amounts that ensure that each certificate of deposit is insured by the Federal Deposit Insurance Corporation, and meet the requirements of Chapter 218.415 (23);
5. The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s. 163.01; and
6. Repurchase agreements secured by direct obligations of the U.S. Government, its Agencies, or Instrumentalities, pledged with an independent third party approved by the City, and having a market value of not less than 102% of investment balance plus interest. All repurchase agreement transactions shall be governed in accordance with a master repurchase agreement executed in compliance with State law.

The SBA is not a registrant with the Securities and Exchange Commission (SEC); however the State of Florida does provide regulatory oversight. The Board has adopted operating procedures consistent with the requirements for a 2a-7 fund for the Florida Prime Fund; therefore, the pool account balance can be used as fair value for the financial reporting.

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 5 - Deposits and Investments (Continued):**

**Investments (Continued)**

Investments made by the City at September 30, 2015 are summarized below.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Average Maturity (Years)</u>
Florida Prime	\$ 39,236	AAAm	39 days
Florida Safe Money Market	5,002,232	N/A	N/A
Florida Safe Term Securities	5,000,000		409 days
0-2 Year High Quality Bond	602,112	AAA	.75 years
1-3 Year High Quality Bond	1,315,450	AAA	1.49 years
Intermediate HQ Bond Fund	309,616	AAA	3.96 years
	<u>\$ 12,268,646</u>		

Credit Risk:

The City's investment policy limits credit risk by restricting authorized investments to those described above. The policy requires that investments in U.S. Government Agency Securities be guaranteed by the full faith of the U.S. Government. Also, term repurchase agreements must be collateralized by U.S. Treasury securities and overnight (sweep) repurchase agreements must be collateralized by the full faith or general faith and credit obligations of the U.S. Government or U.S. Government Agency Securities. Securities of registered investment companies must be limited to U.S. Government obligations and to repurchase agreements fully collateralized by such U.S. Government obligations.

Custodial Credit Risk:

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2015, all of the City's bank deposits were in qualified public depositories.

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments of collateral securities that are in the possession of an outside party. At September 30, 2015, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk:

The policy has no limitations on portfolio composition.

Interest Rate Risk:

The policy minimizes interest rate risk by structuring investments to meet cash requirements and diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 6 - Receivables:**

Receivables as of yearend for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Whispering Pines Park	Capital Projects	Water and Sewer Utility Fund	Cemetery Fund	Total
Receivables:						
Accounts	\$ 358,663	\$ 3,197	\$ 20	\$ 491,152	\$ 2,165	\$ 855,197
Less Allowance for Uncollectible Accounts	-	-	-	(80,165)	-	(80,165)
	<u>\$ 358,663</u>	<u>\$ 3,197</u>	<u>\$ 20</u>	<u>\$ 410,987</u>	<u>\$ 2,165</u>	<u>\$ 775,032</u>

**Note 7 - Capital Assets:**

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 3,328,507	\$ 12,999	\$ -	\$ 3,341,506
Construction in progress	1,016,309	2,517,534	(2,845,961)	687,882
Total capital assets, not being depreciated	<u>4,344,816</u>	<u>2,530,533</u>	<u>(2,845,961)</u>	<u>4,029,388</u>
Capital assets, being depreciated:				
Buildings	7,842,696	2,376,273	-	10,218,969
Improvements	11,757,939	504,522	-	12,262,461
Machinery and equipment	1,946,035	568,154	(179,860)	2,334,329
Intangibles	390,352	-	-	390,352
Total capital assets, being depreciated	<u>21,937,022</u>	<u>3,448,949</u>	<u>(179,860)</u>	<u>25,206,111</u>
Less accumulated depreciation for:				
Buildings	(1,824,894)	(182,924)	-	(2,007,818)
Improvements	(3,293,865)	(379,405)	-	(3,673,270)
Machinery and equipment	(1,493,154)	(99,475)	179,860	(1,412,769)
Intangibles	(305,224)	(34,128)	-	(339,352)
Total accumulated depreciation	<u>(6,917,137)</u>	<u>(695,932)</u>	<u>179,860</u>	<u>(7,433,209)</u>
Total capital assets, being depreciated, net	<u>15,019,885</u>	<u>2,753,017</u>	<u>-</u>	<u>17,772,902</u>
Governmental activities capital assets, net	<u>\$ 19,364,701</u>	<u>\$ 5,283,550</u>	<u>\$ (2,845,961)</u>	<u>\$ 21,802,290</u>

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 7 - Capital Assets (Continued):**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 651,855	\$ -	\$ -	\$ 651,855
Construction in progress	1,825,018	428,035	(2,231,771)	21,282
Total capital assets, not being depreciated	<u>2,476,873</u>	<u>428,035</u>	<u>(2,231,771)</u>	<u>673,137</u>
Capital assets, being depreciated:				
Buildings	17,669,190	-	-	17,669,190
Improvements	10,201,455	2,407,374	-	12,608,829
Machinery and equipment	7,545,427	114,621	(15,351)	7,644,697
Total capital assets, being depreciated	<u>35,416,072</u>	<u>2,521,995</u>	<u>(15,351)</u>	<u>37,922,716</u>
Less accumulated depreciation for:				
Buildings	(1,993,898)	(357,678)	-	(2,351,576)
Improvements	(3,969,719)	(335,076)	-	(4,304,795)
Machinery and equipment	(6,468,504)	(117,105)	15,351	(6,570,258)
Total accumulated depreciation	<u>(12,432,121)</u>	<u>(809,859)</u>	<u>15,351</u>	<u>(13,226,629)</u>
Total capital assets, being depreciated, net	<u>22,983,951</u>	<u>1,712,136</u>	<u>-</u>	<u>24,696,087</u>
Business-type activities capital assets, net	<u>\$ 25,460,824</u>	<u>\$ 2,140,171</u>	<u>\$ (2,231,771)</u>	<u>\$ 25,369,224</u>

Depreciation expense was charged to functions/programs as follows:

<b>Governmental Activities:</b>	
General government	\$ 237,829
Development services	57,806
Highways and streets	179,388
Culture and recreation	220,909
Total Depreciation Expense - governmental activities	<u>\$ 695,932</u>
<b>Business-type Activities:</b>	
Water and sewer	\$ 809,209
Cemetery	650
Total depreciation Expense - business-type activities	<u>\$ 809,859</u>

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 8 - Leases:**

**Capital Leases** - The City has entered into a lease agreement as lessee for financing the acquisition and installation of water meter equipment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Assets		
Improvements	\$ -	\$ 2,228,626
Less: Accumulated depreciation	-	(48,138)
Total	<u>\$ -</u>	<u>\$ 2,180,488</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2015 were as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<u>Year Ending September 30</u>		
2016	\$ -	\$ 153,500
2017	-	167,000
2018	-	181,000
2019	-	190,500
2020	-	196,000
2021-2025	-	1,069,000
2026	-	114,500
Total Minimum Lease Payments	-	2,071,500
Less: Amount representing interest	-	(303,649)
	<u>\$ -</u>	<u>\$ 1,767,851</u>

The City leases a portion of its Government center under various operating leases. The following is a schedule of minimum future revenues from non-cancelable agreements as of September 30:

<u>Year Ending September 30</u>	
2016	\$ 133,736
2017	125,252
2018	124,502
2019	122,200
2020	121,084
Thereafter	40,559
	<u>\$ 667,333</u>

Total income under non-cancelable operating leases for the year ended September 30, 2015 was \$151,016. Following is a schedule of approximate cost or carrying value and accumulated depreciation of capital assets under operating leases:

Buildings	\$ 1,925,718
Accumulated Depreciation	<u>(309,956)</u>
Capital Assets Held for Lease, net	<u>\$ 1,615,762</u>

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 9 - Long-Term Debt:**

**Notes Payable**

In 2005, the City executed a State Revolving Loan agreement for various water system upgrades. The amended agreement provides total funding of \$16,052,561. Of this amount \$10,000,000 will be funded by the state through a Small Community Wastewater Grant. The loan period is 26 years with an interest rate of 2.3%. The loan is secured by the gross revenues from the water and sewer utility net of operation and maintenance costs. Total principal and interest remaining was \$11,873,206. For the fiscal year, principal and interest paid was \$712,772, which includes \$500,000 of grant funded payments; and total pledged revenue was \$1,445,197.

Annual debt service requirements to maturity for notes payable are as follows:

Year Ending September 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2016	\$ -	\$ -	\$ 486,418	\$ 221,830
2017	-	-	497,670	210,578
2018	-	-	509,182	199,065
2019	-	-	520,961	187,287
2020	-	-	533,012	175,236
2021-2025	-	-	2,855,807	685,433
2026-2030	-	-	3,201,754	339,486
2031-2035	-	-	956,183	85,057
2036	-	-	204,709	3,538
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,765,696</u>	<u>\$ 2,107,510</u>

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended September 30, 2015 was as follows:

	Beginning Balance, as restated	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Compensated absences	\$ 185,835	\$ 30,092	\$ -	\$ 215,927	\$ 21,600
Other post employment benefits	20,013	2,286	-	22,299	-
Net pension liability	702,609	438,380	-	1,140,989	-
Governmental activity long-term liabilities	<u>\$ 908,457</u>	<u>\$ 470,758</u>	<u>\$ -</u>	<u>\$ 1,379,215</u>	<u>\$ 21,600</u>
<b>Business-type Activities:</b>					
SRF Note payable	\$ 10,245,640	\$ -	\$ (479,944)	\$ 9,765,696	\$ 486,418
Capital lease	1,856,625	-	(88,774)	1,767,851	104,866
Compensated absences	9,531	1,110	(9,531)	1,110	1,110
Net pension liability	32,802	20,467	-	53,269	-
Business-type activity long-term liabilities	<u>\$ 12,144,598</u>	<u>\$ 21,577</u>	<u>\$ (578,249)</u>	<u>\$ 11,587,926</u>	<u>\$ 592,394</u>

Governmental compensated absences will be liquidated by the General and Whispering Pines Park Funds. The General Fund pays for approximately 95% of compensated absences, while the Whispering Pines Park Fund pays 5%. Other post-employment benefits and net pension liability will be liquidated by the General Fund.

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 10- Interfund Receivables, Payables and Transfers:**

Interfund transfers for the year ended September 30, 2015 consisted of the following:

	<u>Transfers In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Whispering Pines Park Fund</u>	<u>Capital Projects</u>	
<b>Transfer Out:</b>				
General Fund	\$ -	\$ 410,000	\$ 784,000	\$ 1,194,000
Whispering Pines Park Fund	-	-	50,000	50,000
Community Redevelopment Fund	11,500	-	100,000	111,500
Water and Sewer Utility Fund	450,000	-	-	450,000
Cemetery Fund	3,500	-	-	3,500
Total	<u>\$ 465,000</u>	<u>\$ 410,000</u>	<u>\$ 934,000</u>	<u>\$ 1,809,000</u>

Transfers between funds are primarily to move unrestricted revenues collected in funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Note 11 - Retirement Plans:**

**Florida Retirement System**

City employees, except for participants in the separate general employees' defined contribution pension fund and the City Manager, participate in the State of Florida Retirement System (FRS), a cost-sharing multiple-employer public employee retirement plan administered by the State of Florida Department of Management Services, Division of Retirement, to provide retirement and survivor benefits to participating public employees. The City elected to opt out of the System beginning with employees hired after January 1, 1996, then elected to re-enter with employees hired on or after January 1, 2005.

All employees, other than those described above participate in FRS. Employees who retire at or after age 62 with 10 years of credited service, or 30 years of credited service regardless of age, are entitled to a retirement benefit equal to 1.6% to 1.68% (dependent upon age and years of service) of their average final compensation. The average final compensation is the average of the five highest fiscal years of earnings. Benefits are adjusted annually for a cost of living increase in the Consumer Price Index up to a maximum of 3%. At September 30, 2015, 45 City employees were members of the FRS Retirement plans.

Benefits are payable monthly under one of four options elected by the participant upon retirement. The options range from a full benefit during life of the member to reduced benefits paid to survivors upon the death of the member. Benefits fully vest on reaching 6 years of service. Vested employees may retire at any time after vesting and receive a 5% benefit reduction for each year prior to normal retirement age or date. FRS also provides death and disability benefits.

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 11 - Retirement Plans (Continued):**

**Florida Retirement System (Continued)**

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

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site:

[www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications)

**Pension Plan**

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

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service.

Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 11 - Retirement Plans (Continued):**

**Pension Plan (Continued)**

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

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

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

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

These employer contribution rates include 1.20% and 1.26% HIS Plan subsidy for the periods October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015, respectively.

The City's contributions, including employee contributions, to the Pension Plan totaled \$164,191 for the fiscal year ended September 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2015, the City reported a liability of \$724,585 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The City's proportionate share of the net pension liability was based on the City's 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2015, the City's proportionate share was .0056 percent, which was an increase (decrease) of .0002 percent from its proportionate share measured as of June 30, 2014.

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 11 - Retirement Plans (Continued):**

**Pension Plan (Continued)**

For the fiscal year ended September 30, 2015, the City recognized pension expense of \$97,098. In addition the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Description</b>	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences Between Expected and Actual Experience	\$ 76,495	\$ 17,185
Change of Assumptions	48,093	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	173,019
Changes in Proportion and Differences Between City Pension Plan Contributions and Proportionate Share of Contributions	199,933	-
City Pension Plan Contributions Subsequent to the Measurement Date	<u>36,237</u>	<u>-</u>
Total	<u>\$ 360,758</u>	<u>\$ 190,204</u>

The deferred outflows of resources related to the Pension Plan, totaling \$36,237 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	<u>Amount</u>
2016	\$ (12,026)
2017	(12,026)
2018	(12,026)
2019	130,720
2020	33,795
Thereafter	5,880

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 11 - Retirement Plans (Continued):**

**Pension Plan (Continued)**

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

Inflation	2.60 %
Salary Increases	3.25%, average, including inflation
Investment Rate of Return	7.65%, net of pension plan investment expense, including inflation

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

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

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

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

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

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 11 - Retirement Plans (Continued):**

**Pension Plan (Continued)**

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

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

	<u>1% Decrease</u> <u>(6.65%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(7.65%)</u>	<u>1% Increase</u> <u>(8.65%)</u>
City's Proportionate Share of the Net Pension Liability	\$ 1,877,563	\$ 724,585	\$ (234,883)

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

Payables to the Pension Plan - At September 30, 2015, the City reported a payable in the amount of \$17,100 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2015.

**HIS Plan**

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

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

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 11 - Retirement Plans (Continued):**

**HIS Plan (Continued)**

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

The City's contributions to the HIS Plan totaled \$19,682 for the fiscal year ended September 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2015, the City reported a liability of \$469,673 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The City's proportionate share of the net pension liability was based on the City's 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2015, the City's proportionate share was .0046 percent, which was an increase (decrease) of .0003 percent from its proportionate share measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the City recognized pension expense of \$35,755. In addition the City reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ -	\$ -
Change of Assumptions	36,951	-
Net Difference Between Projected and Actual Earnings on HIS Plan Investments	254	-
Changes in Proportion and Differences Between City HIS Plan Contributions and Proportionate Share of Contributions	20,541	13,252
City HIS Plan Contributions Subsequent to the Measurement Date	6,402	-
<b>Total</b>	<b>\$ 64,148</b>	<b>\$ 13,252</b>

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 11 - Retirement Plans (Continued):**

**HIS Plan (Continued)**

The deferred outflows of resources related to the HIS Plan, totaling \$6,402 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2016	\$ 7,200
2017	7,200
2018	7,200
2019	7,148
2020	7,123
Thereafter	8,623

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

Inflation	2.60 %
Salary Increases	3.25%, average, including inflation
Municipal Bond Rate	3.80 %

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

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

Discount Rate - The discount rate used to measure the total pension liability was 3.80%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 11 - Retirement Plans (Continued):**

**HIS Plan (Continued)**

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 3.80%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.80%) or one percentage point higher (4.80%) than the current rate:

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
City's Proportionate Share of the Net Pension Liability	\$ 535,171	\$ 469,673	\$ 415,058

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

**Investment Plan**

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected City Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2014-15 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Special Risk Administrative Support class 7.95%, Special Risk class 14.00%, Senior Management Service class 7.67% and City Elected Officers class 11.34%.

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 11 - Retirement Plans (Continued):**

**Investment Plan (Continued)**

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

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

The City's Investment Plan pension expense totaled \$21,261 for the fiscal year ended September 30, 2015.

**General Employees Defined Contribution Pension Plan**

All of the City's full-time general employees hired after January 1, 1996, but before January 1, 2005, participate in a single-employer, defined contribution pension plan.

Chapter 112 of the Florida Statutes provides for a system of retirement plans for general employees. Chapter 112 sets forth maximum benefits, administrative arrangements, and fiduciary responsibilities.

Non-bargaining unit employees contribute 3% of their earnings to the fund, union employees make voluntary contributions only, not to exceed 7%, and the City is required to make contributions from general revenues at the rate of 10% of covered earnings.

The plan assets are held in trust for the employees by a third party administrator and are not subject to creditors of the City. Therefore, the assets, liabilities, net assets and operations of this plan are not presented in the City's financial statements.

At September 30, 2015 there was 1 plan member, and City contributions to the plan were \$420.

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 11 - Retirement Plans (Continued):**

**Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The plan assets are held in trust for the employees by a third party administrator and investments are directed by the participating employees. Therefore, the assets, liabilities, net assets and operations of this plan are not presented on the City's financial statements.

**Note 12 - Other Post-Employment Benefits:**

In accordance with Florida Statutes Section 112.0801, the City makes continued group health insurance through the City's current provider available to retirees and eligible dependents provided certain service requirements and normal age retirement requirements have been met. This benefit has no cost to the City, other than the implicit cost of including retirees in the group calculation. All premiums are paid by the retiree. The City has no retirees currently receiving benefits. The City has chosen pay-as-you-go funding, but is recording the liability in the government wide financial statements. This plan does not issue stand-alone financial statements.

As of October 1, 2014, the most recent actuarial valuation date, the actuarial accrued liabilities (AAL) and unfunded actuarial accrued liability (UAAL) for benefits was \$27,379, and the plan has a funded ratio of 0%.

The annual required contribution and Net OPEB Obligation for the fiscal year ended September 30, 2015 is as follows:

Annual Required Contribution	\$ 8,182
Interest on Net OPEB Obligation	801
Adjustment to Annual Required Contribution	<u>(1,234)</u>
Annual OPEB Cost	7,749
Employer Contributions	<u>(5,463)</u>
Increase in Net OPEB Obligation	2,286
Net OPEB Obligation (Beginning of Year)	20,013
Net OPEB Obligation (End of Year)	<u>\$ 22,299</u>

**Three Year Trend Information -**

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
9/30/2015	\$ 7,749	70.5%	\$ 22,299
9/30/2014	7,294	56.8%	20,013
9/30/2013	10,446	70.5%	16,860

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 12 - Other Post-Employment Benefits (Continued):**

**Summary of Actuarial Methods & Assumptions:**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. 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 with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

The City qualifies to use the alternative measurement method, and has elected to do so. The following are the significant assumptions used:

**Actuarial Cost Method** - the Entry Age Normal (level % of pay) actuarial cost method was used.

**Amortization Method** - Level percentage of payroll (Closed amortization over 30 years)

**Mortality Rates** - RP 2000 Combined Health Mortality Table

**Interest Rate** - 4% per year compounded annually, net of investment related expenses

**Health Care Inflation** - Pre-Medicare: 8% in fiscal 2015; trending to 5% in 2019; with an ultimate rate of 4.5% in 2020. Post-Medicare: 8% in fiscal 2015; trending to 5% in 2019; with an ultimate rate of 4.5% in 2020.

**Retiree Contributions** - Retirees participating in the group insurance plans offered by the City are required to contribute 100% of the active premiums. In future years, contributions are assumed to increase at the same rate as premiums. Note that the projected employee contributions for the Dental and Vision benefits are assumed to cover the entire cost of the program.

**Retirement Rate** - 100% at age 62

**Termination Rates** - Selected rates for various ages listed below:

<u>Age</u>	<u>% Remaining Employed Until Assumed Retirement Age</u>
20	29.60%
30	59.30%
40	84.10%
50	100.00%

CITY OF INVERNESS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2015

**Note 12 - Other Post-Employment Benefits (Continued):**

**Participation Rates** - 20% of active employees are assumed to maintain benefit coverage after retirement.

**Spousal Coverage** - 50% of active employees who have elected benefit coverage are assumed to cover their spouse.

**Note 13 - Risk Management:**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; and natural disasters for which the City carries commercial insurance.

Risk of loss from above is transferred by the City to various commercial insurers through the purchase of insurance. There have been no significant reductions in insurance coverage from the prior year, and settlements have not exceeded insurance coverage during the past three years.

**Note 14 - Commitments and Contingencies:**

**Litigation**

The City is engaged in various liability claims incidental to the conduct of its general government operations. While the outcome of the litigation is not presently determinable, management believes that any amounts not covered by insurance, if any, resulting from these lawsuits would not materially affect the financial position of the City.

**Grants**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government and the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

**Note 15 - In-Kind Contributions:**

The City received donated materials for Whispering Pines Park with an estimated value of \$7,516.

**REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF INVERNESS, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION**

September 30, 2015

**RETIREE CONTINUATION INSURANCE PLAN**

**Schedule of Contributions From the Employer and Other Contributing Entities**

<u>Year Ended September 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage of ARC Contributed</u>	<u>Net OPEB Obligation</u>
2015	\$ 8,182	66.77%	\$ 22,299
2014	7,627	54.20%	20,013
2013	10,676	69.00%	16,860
2012	10,157	53.20%	13,780
2011	8,239	44.70%	9,176
2010	11,032	58.10%	4,621

**Schedule of Funding Progress**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll (b-a)/c</u>
10/1/2014	-	27,379	27,379	0.00%	1,173,346	2.33%
10/1/2012	-	40,955	40,955	0.00%	1,337,771	3.06%
10/1/2009*	-	54,656	54,656	0.00%	1,189,269	4.60%

\* Initial valuation date

CITY OF INVERNESS, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION**

September 30, 2015

Schedule of the City's Proportionate Share of Net Pension Liability  
Florida Retirement System (FRS)  
Last 10 Fiscal Years\*

	<u>2015</u>	<u>2014</u>
City's Proportion of the Net Pension Liability	0.005609830%	0.005401096%
City's Proportionate Share of the Net Pension Liability	\$ 724,585	\$ 329,546
City's Covered-employee Payroll	\$ 1,455,498	\$ 1,265,550
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-employee Payroll	49.78%	26.04%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.00%	96.09%

Schedule of the City's Proportionate Share of Net Pension Liability  
Health Insurance Subsidy (HIS)  
Last 10 Fiscal Years\*

	<u>2015</u>	<u>2014</u>
City's Proportion of the Net Pension Liability	0.004605352%	0.004340684%
City's Proportionate Share of the Net Pension Liability	\$ 469,673	\$ 405,865
City's Covered-employee Payroll	\$ 1,455,498	\$ 1,265,550
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-employee Payroll	32.27%	32.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.50%	0.99%

\* Information for prior years not available.

CITY OF INVERNESS, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION**

September 30, 2015

Schedule of the City Contributions  
Florida Retirement System (FRS)  
Last 10 Fiscal Years\*

	<u>2015</u>
Contractually Required Contribution	\$ 138,199
Contributions in Relation to the Contractually Required Contribution	<u>(138,199)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
City's Covered-employee Payroll	\$ 1,455,498
Contributions as a Percentage of Covered- employee Payroll	9.49%

Schedule of the City Contributions  
Health Insurance Subsidy (HIS)  
Last 10 Fiscal Years\*

	<u>2015</u>
Contractually Required Contribution	\$ 19,682
Contributions in Relation to the Contractually Required Contribution	<u>(19,682)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
City's Covered-employee Payroll	\$ 1,455,498
Contributions as a Percentage of Covered- employee Payroll	1.35%

\* Information for prior years not available.

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

**Major Governmental Fund**

**Capital Projects  
Fund**

- Accounts for the acquisition and construction of major capital assets other than those financed by proprietary funds.

CITY OF INVERNESS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUND**

For the Year Ended September 30, 2015

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,922,321	\$ 2,050,821	\$ 7,450	\$ (2,043,371)
Impact Fees	583,000	600,043	-	(600,043)
Charges for Services	4,300	4,300	4,300	-
Investment Earnings	20,000	20,000	11,122	(8,878)
Total revenues	<u>2,529,621</u>	<u>2,675,164</u>	<u>22,872</u>	<u>(2,652,292)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	35,507	(35,507)
Highways and streets	-	-	45,575	(45,575)
Culture and recreation	3,000	13,000	49,665	(36,665)
Capital Outlay	<u>5,353,521</u>	<u>8,881,599</u>	<u>3,140,627</u>	<u>5,740,972</u>
Total expenditures	<u>5,356,521</u>	<u>8,894,599</u>	<u>3,271,374</u>	<u>5,623,225</u>
Excess (deficiency) of revenues over expenditures	<u>(2,826,900)</u>	<u>(6,219,435)</u>	<u>(3,248,502)</u>	<u>2,970,933</u>
<b>OTHER FINANCING SOURCES:</b>				
Notes Payable	1,500,000	-	-	-
Transfers in	<u>834,000</u>	<u>934,000</u>	<u>934,000</u>	<u>-</u>
Total other financing sources	<u>2,334,000</u>	<u>934,000</u>	<u>934,000</u>	<u>-</u>
Net change in fund balances	(492,900)	(5,285,435)	(2,314,502)	2,970,933
Fund Balance - beginning	<u>4,939,405</u>	<u>4,939,405</u>	<u>4,939,405</u>	<u>-</u>
Fund Balance - ending	<u>\$ 4,446,505</u>	<u>\$ (346,030)</u>	<u>\$ 2,624,903</u>	<u>\$ 2,970,933</u>

**NONMAJOR GOVERNMENTAL FUNDS**

**Nonmajor Governmental Funds**

**Special Revenue Funds**

**Road  
Improvement**

- Accounts for capital road facilities projects funded by special assessments.

**Impact Fee**

- Accounts for the collection and expenditures of transportation impact fees. All proceeds are collected from the fee and all interest accrued on said funds shall be used for the purpose of capital road facilities on the major road system within the corporate city limits of the City of Inverness.

CITY OF INVERNESS, FLORIDA

**COMBINING BALANCE SHEET**  
**OTHER GOVERNMENTAL FUNDS**

September 30, 2015

	<u>Special Revenue</u>		<u>Total Other Governmental Funds</u>
	<u>Road Improvement Fund</u>	<u>Impact Fee Fund</u>	
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 16	\$ 97,208	\$ 97,224
Investments	-	400,168	400,168
Assessments receivable	13,145	-	13,145
Total assets	<u>\$ 13,161</u>	<u>\$ 497,376</u>	<u>\$ 510,537</u>
<b>LIABILITIES:</b>			
Accounts payable	\$ -	\$ 3,112	\$ 3,112
Total liabilities	<u>-</u>	<u>3,112</u>	<u>3,112</u>
Fund Balances:			
Restricted for road improvements	-	494,264	494,264
Committed to:			
Road Improvements	13,161	-	13,161
Total fund balances	<u>13,161</u>	<u>494,264</u>	<u>507,425</u>
Total Liabilities and Fund Balances	<u>\$ 13,161</u>	<u>\$ 497,376</u>	<u>\$ 510,537</u>

CITY OF INVERNESS, FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES -**  
**OTHER GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2015

	<u>Special Revenue</u>		<u>Total Other Governmental Funds</u>
	<u>Road Improvement Fund</u>	<u>Impact Fee Fund</u>	
<b>REVENUES</b>			
Impact fees	\$ -	\$ 3,856	\$ 3,856
Investment earnings	312	223	535
Total revenues	<u>312</u>	<u>4,079</u>	<u>4,391</u>
<b>EXPENDITURES</b>			
Capital Outlay			
General government	-	2,782	2,782
Total expenditures	<u>-</u>	<u>2,782</u>	<u>2,782</u>
Excess of Revenues Over Expenditures	<u>312</u>	<u>1,297</u>	<u>1,609</u>
Net Change in Fund Balances	312	1,297	1,609
Fund Balances - beginning	12,849	492,967	505,816
Fund Balances - ending	<u>\$ 13,161</u>	<u>\$ 494,264</u>	<u>\$ 507,425</u>

**OTHER REPORTS**

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

The Honorable Mayor and City Council  
*City of Inverness, Florida*

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the *City of Inverness, Florida*, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 1, 2016.

***Internal Control Over Financial Reporting***

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Compliance and Other Matters***

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

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MEMBERS: PRIVATE COMPANIES PRACTICE SECTION AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

***Purpose of this Report***

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

*McDiernit Davis & Company, LLC*

Orlando, Florida  
June 1, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR THE MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Honorable Mayor and City Council  
*City of Inverness, Florida*

**Report on Compliance for the Major State Project**

We have audited the *City of Inverness's* (the City) compliance with the types of compliance requirements described in the Florida Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on the City's major state projects for the year ended September 30, 2015. The City's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state project.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the City's major state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Chapter 10.550, *Rules of the Auditor General*. Those standards and rules require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major state project. However, our audit does not provide a legal determination of the City's compliance.

**Opinion on the Major State Project**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state projects for the year ended September 30, 2015.

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## **Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state project and to test and report on internal control over compliance in accordance with Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

*McDiernit Davis & Company, LLC*

Orlando, Florida  
June 1, 2016

CITY OF INVERNESS, FLORIDA

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

Year Ended September 30, 2015

<b>Award type</b>	<b>CSFA</b>	<b>Agency or Pass-through</b>	
<b>Grantor</b>	<b>Number</b>	<b>Entity Grant Number</b>	<b>Expenditures</b>
<b>Grantor program title</b>			
<b>State Award</b>			
<b>State of Florida, Department of Environmental Protection</b>			
Small Community Wastewater Facility Grant *	37.075	SG578070	\$ 500,000
<b>State of Florida, Department of State</b>			
Cultural Facilities Grant*	45.014	15.9.200.580	450,605
<b>State of Florida, Department of Transportation</b>			
County Incentive Grant Program	55.008		<u>49,097</u>
Total state awards			<u><u>\$ 999,702</u></u>

\* Denotes a major program

See accompanying Notes to Schedule of Expenditures of State Financial Assistance

CITY OF INVERNESS, FLORIDA

**NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

Year Ended September 30, 2015

**Note 1 - Basis of Presentation:**

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of the City of Inverness (the City) under programs of the State of Florida government for the year ended September 30, 2015. The information in this Schedule is presented in accordance with the requirements of Section 215.97, Florida Statutes. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

**Note 2 - Summary of Significant Accounting Policies:**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Therefore, amounts reported on the Schedule are based on expenditures incurred as of September 30, 2015, even if grant or loan was received subsequent to that date. State expenditures are recognized following the cost principles contained in Florida Department of Financial Services *State Projects Compliance Supplement*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

CITY OF INVERNESS, FLORIDA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS -  
STATE PROJECTS**

Year Ended September 30, 2015

**Part A - Summary of Auditor's Results:**

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Inverness (the City).
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the City, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major state project are reported in the Independent Auditor's Report on Compliance for the Major Program and on Internal Control over Compliance Required By Chapter 10.550, *Rules of the Auditor General*.
5. The auditor's report on compliance for the major state project for the City expresses an unqualified opinion.
6. The programs tested as a major project included: State of Florida, Department of Environmental Protection Small Community Wastewater Facility Grant (CFSA 37.075) and Department of State Cultural Facilities Grant (CFSA 45.014).
7. The threshold used for distinguishing between Type A and B programs was \$300,000.
8. The City did not qualify as a low-risk auditee.

**Part B - Findings - Financial Statement Audit:**

None

**Part C - Findings and Questioned Costs - Major Federal Award Programs:**

None

**MANAGEMENT LETTER**

Honorable Mayor and City Council  
*City of Inverness, Florida*

**Report on the Financial Statements**

We have audited the financial statements of the *City of Inverness, Florida*, as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated June 1, 2016.

**Auditor's Responsibility**

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

**Other Reports and Schedule**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 1, 2016, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, require that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

**Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been disclosed in the notes to the financial statements.

**Financial Condition**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the *City of Inverness, Florida* 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 *City of Inverness, Florida* did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

**Annual Financial Report**

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

**Other Matters**

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

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

**Purpose of this Letter**

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

*McDiernit Davis & Company, LLC*

Orlando, Florida  
June 1, 2016

**MCDIRMIT  DAVIS**  
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

Honorable Mayor and City Council  
*City of Inverness, Florida*

We have audited the financial statements of *City of Inverness* as of and for the year ended September 30, 2015, and have issued our report thereon dated June 1, 2016. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated October 10, 2014, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements 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 entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of *City of Inverness* solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

**Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

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## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by City of Inverness is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, during the year, City of Inverness changed accounting policies related to the adoption of Statement of Governmental Accounting Standards (GASB Statement) No. 68, *Accounting and Financial Reporting for Pension Plans*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Accordingly, the cumulative effect of the accounting change as of the beginning of the year has been reported in the Statement of Activities. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate for the allowance for doubtful accounts is based on historical loss levels, and an analysis of the individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimation for the allowance for depreciation is based on the estimated useful lives of the capital assets. We evaluated the reasonableness of the useful lives as well as the depreciation methods in determining that it is reasonable in relation to the financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting City of Inverness's financial statements relate to the prior period adjustments for the implementation of new GASBs.

## **Significant Difficulties Encountered During the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to City of Inverness's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

**Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated June 1, 2016.

**Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

**Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with City of Inverness , we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as City of Inverness's auditors

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

Very truly yours,

*McDiernit Davis & Company, LLC*

Orlando, Florida  
June 1, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES**

The Honorable Mayor and City Council  
*City of Inverness, Florida*

We have examined City of Inverness' (the City) compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2015. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

*MCDIRMIT DAVIS & COMPANY, LLC*

Orlando, Florida  
June 1, 2016

**MCDIRMIT DAVIS & COMPANY, LLC**

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06/03/2016 08:33  
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CITY OF INVERNESS  
CASH REQUIREMENTS REPORT

P 1  
apcshreq

VENDOR DOCUMENT	INVOICE	VOUCHER	DESCRIPTION	DUE DATE	DUE 06/30/16
			TOTALS FOR ACE HARDWARE CO OF INV INC		83.42
			TOTALS FOR ANCHOR BENEFIT CONSULTING, INC		1,128.15
			TOTALS FOR BECKER COMMUNICATIONS, INC		3,996.17
			TOTALS FOR EMBARQ FLORIDA, INC		1,130.35
			TOTALS FOR CIT TECHNOLOGY FINANCIAL SERVICES		425.00
			TOTALS FOR CITRUS COUNTY CHRONICLE		174.60
			TOTALS FOR CITRUS SOD INC		2,551.50
			TOTALS FOR CITY ELECTRIC SUPPLY INC		27.50
			TOTALS FOR RAYMOND COMBS		35.00
			TOTALS FOR JAMES CURRAN		420.00
			TOTALS FOR DUKE ENERGY		16,647.27
			TOTALS FOR FLORIDA MUNICIPAL INSURANCE TRUST		240.89
			TOTALS FOR GAI CONSULTANTS, INC		16,164.77
			TOTALS FOR GORMAN COMPANY		135.86
			TOTALS FOR HANNIE PRINTING INC		325.00
			TOTALS FOR HAWKINS, INC.		366.00
			TOTALS FOR HAYES, KURT A.		1,638.00
			TOTALS FOR INVERNESS EQUIPMENT & REPAIR, LLC.		72.77
			TOTALS FOR JANUSZEWSKI, CINDY		388.00
			TOTALS FOR MACKLER GRAPHICS, INC.		200.00
			TOTALS FOR MANN-ICURE LAWN SERVICE AND LANDSCAPING		1,425.00
			TOTALS FOR MCDIRMIT DAVIS & COMPANY, LLC		19,780.00
			TOTALS FOR MUNICIPAL EQUIPMENT COMPANY, LLC		840.00
			TOTALS FOR MUNIS		2,350.00
			TOTALS FOR NATIONWIDE RETIREMENT SOLUTIONS		1,686.37
			TOTALS FOR B-III, INC		75.00

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siddings

CITY OF INVERNESS  
CASH REQUIREMENTS REPORT

P 2  
apcshreq

VENDOR DOCUMENT	INVOICE	VOUCHER	DESCRIPTION	DUE DATE	DUE 06/30/16
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			TOTALS FOR PETTY CASH		164.20
			TOTALS FOR PRAETORIAN GROUP, INC.		495.00
			TOTALS FOR PROFITABLE PROMOS		432.00
			TOTALS FOR PUBLIC EMPLOYEES UNION		25.66
			TOTALS FOR PUBLIC RISK MANAGMENT O F FLORIDA		32,305.50
			TOTALS FOR SS SOLUTIONS, LLC.		3,414.18
			TOTALS FOR SUMTER ELECTRIC COOPERATIVE INC		5,406.49
			TOTALS FOR SUNCOAST ELEVATOR INSPECTIONS OF FLORIDA		170.00
			TOTALS FOR SWARTZ, KATHLEEN		270.00
			TOTALS FOR UNIFIRST CORPORATION		68.94
			TOTALS FOR WASTE MANAGEMENT OF CENTRAL FL		47,659.97
			TOTALS FOR JAMES L. WILSON, D.O.		1,664.00
			REPORT TOTALS		164,382.56

\*\* END OF REPORT - Generated by Stacey Iddings \*\*

May 10<sup>th</sup>, 2016  
5:30 PM

The City Council of the City of Inverness met on the above date in a Workshop Session to discuss City Manager Services at 212 W. Main Street with the following members present:

President Ryan  
Vice President McBride  
Councilwoman Hepfer  
Councilwoman Bega  
Councilman Hinkle  
Mayor Plaisted (Not Present)

Also present were City Manager DiGiovanni, City Manager Williams, and City Clerk Davis.

**PUBLIC NOTICE**

DATE: April 29<sup>th</sup>, 2016

PLEASE BE ADVISED, THE CITY COUNCIL OF THE CITY OF INVERNESS, FLORIDA, WILL MEET IN A WORKSHOP SESSION ON **TUESDAY, MAY 10<sup>TH</sup>, 2016, @ 5:30PM** AT THE 212 W. MAIN STREET, INVERNESS, FLORIDA FOR THE PURPOSE OF DISCUSSING:

**“CITY MANAGER SERVICES”**

/s/ Dave Ryan  
President of City Council

City Manager DiGiovanni spoke briefly to the CIP Meeting held Thursday, March 5<sup>th</sup>, 2016, with regard to the project development portion of the workshop and how staff pushed information to the public electronically and how many views (over 15,000) and comments (over 500) that were received. He noted that the newspaper was aware of the presentation and did include it on the following Saturday.

City Manager DiGiovanni noted that several elected officials had commented with regard to a timeframe for departure of the City Manager, and thought it was best to have an open conversation. It has been a long relationship and is a challenge we all get older and look for the date and time we will no longer be in the workplace. He noted how we are a government that works together with a lot of harmony and the elected officials look to make the best decisions moving forward. We are here because people get concerned when there is an element of change. He had identified 2016 to be the point when he would leave, the best interest of the City, and about short and long term. He spoke to potential changes including the Council, the City Manager, City Attorney, and the upcoming departure of the City Clerk. He spoke of the need for harmony between the City Clerk’s office and the City Manager’s office, and we have been lucky to have this. Things will change and we must try to set things up to remain workable in the future.

Council Discussion

**Councilman McBride** questioned City Manager DiGiovanni’s age, health, and what date he really wanted to leave the city, with **City Manager** noting he will be 66 in July and

his good health. The conflict question regards a departure date. He originally had planned on it being toward the end of 2016, and is willing to be flexible. It is best to not have a hard date, not knowing what the future holds, but there should be an understanding of a window of notification of 3- 6 months. He spoke to the projects that are being planned for the future and hopes to continue in this position until these projects get underway. **Councilman McBride** stated we all have a vision and a positive attitude, and enjoy working with the City Manager. He agrees with the window of 3-6 month notification when that decision to leave comes. We are headed in a positive direction and working in harmony.

**Councilwoman Hepfer** spoke to her longevity on Council and referenced her decision regarding the fire department originally and how the decision was made were on the right track. She thinks it best to take it one year at a time, but would like to see City Manager take a week off. Councilwoman would welcome the opportunity to see Assistant City Manager Williams in action. **City Manager DiGiovanni** stated that the City needs to function regardless of an absence or change of either Council or staff member. There is a team in place now, throughout the organization, where the government functions. He spoke of the manager change in 1995, and everyone knew the City had to keep going. Decisions will be made...and the City will continue. Those we have now will work as a team and will run the City. We do have the luxury of a government that has fiscally sound financing, good principles, and ethical staff.

**Councilman Hinkle** commended City Manager DiGiovanni on a wonderful job for this community and whoever follows will continue the vision. He spoke of a manager search committee, evaluation, and job description to move forward. There is a plan in place and we have a vision, and personally feels this is the best community in the United States.

**City Manager** commented we take a position that this government is provided information that is disclosed publicly, while other governments do not. This makes our Council stronger with the knowledge provided to everyone at the same time.

**Councilwoman Bega** spoke to when she first served on Council. The synergy that everybody works with will continue the continuity forward. She hopes that we will continue into the future for the good of Inverness.

**Council President Ryan** spoke to the trust in the City Manager, staff, and the vision. The Council is included and well-informed. He spoke of the commitment of the staff to make this City better. He would like to see more interactions with Assistant City Manager Williams. Council President encouraged City Manager DiGiovanni to continue with the vision for as long as he wants. He spoke of how well-informed the Council is.

**City Manager DiGiovanni** shared that baseball is played by the endings, not by time. We need to play the game for the full nine innings, is his management style, and can't change it or control it. Appreciated the comments and the publicly disclosed discussion was good. The understanding moving forward is healthy.

Meeting adjourned at 6:18pm.

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City Clerk

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City Manager

May 17<sup>th</sup>, 2016  
5:30 PM

The City Council of the City of Inverness met on the above date in Regular Session at 212 W. Main Street with the following members present:

President Ryan  
Vice President McBride  
Councilwoman Hepfer  
Councilwoman Bega  
Councilman Hinkle  
Mayor Plaisted (not present)

Also present were City Manager DiGiovanni, City Attorney Haag, Asst. City Manager Williams, Community Development Director Day, Finance Director Chiodo, and City Clerk Davis.

The Invocation was given by Councilman Hinkle and the Pledge of Allegiance was led by the City Council.

**ACCEPTANCE OF AGENDA**

**Councilman McBride motioned to accept the Agenda as presented. Seconded by Councilwoman Hepfer. The motioned carried.**

**PUBLIC HEARINGS**

**4)a) Mid-Year Budget Amendments – Resolution** was addressed by President Ryan.

**\Councilman Hinkle motioned to read the Resolution by Title Only. Seconded by Councilwoman Hepfer. The motion carried.**

RESOLUTION 2016-07

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INVERNESS, FLORIDA AMENDING THE ADOPTED BUDGET FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2015 AND ENDING SEPTEMBER 30, 2016, AMENDING THE GENERAL FUND, WHISPERING PINES PARK FUND, CAPITAL IMPROVEMENT PROJECT FUND AND THE UTILITY FUND AND PROVIDING FOR AN EFFECTIVE DATE.

City Manager DiGiovanni explained that the enclosed Resolution was to take action to adjust budgetary items adopted last September to align with demand and spending.

Fire Services contract with the County had to be extended which created a shortfall in allocated funding. To reconcile the difference, we will move (reduce) \$46,605 from the Fire Services Start-Up Equipment account from the City Fire Department Budget to the City General Fund and place it into an expense line to fully provide for the “County Contracted Fire Service” that were proposed.

Whispering Pines Park

*Aquatic Complex Bldg. Repair* Costs were more than anticipated and we are looking to move \$1,500 from Park's Unrestricted Reserve to support building repair costs to the pool.

*Park Facilities* demanded higher than anticipated funding support, and we are looking to move \$10,500 to expense lines in support of maintenance needs for various facilities and projects.

*CIP Beautification Program* Hwy 41/44 Median Landscape project required an additional \$2,200 in addition to the matching Funds from FDOT, and funding will be moved from the Capital Plan Program Reserves into the project expense line.

Utility System

He explained the adjustments needing to take place to compensate for the unanticipated revenue for Insurance reimbursement of \$80,000 and the majority of repair expenses which occurred last fiscal year.

**Council President Ryan opened the Public Hearing**

**There was no one speaking for or against the Resolution.**

**The Public Hearing was closed.**

**Councilwoman Hepfer motioned to adopt Resolution 2016-07 by roll call vote. Seconded by Councilman Hinkle. Roll call vote was as follows: Councilwoman Bega, yes; Councilwoman Hepfer, yes; Councilman Hinkle, yes; Councilman McBride, yes; President Ryan, yes. The motion carried.**

**4b) Impact Fee Ordinance (2<sup>nd</sup> Reading)** was addressed by President Ryan.

**Councilwoman Bega motioned to have City Clerk Davis read Ordinance 2016 -715 by title only. Seconded by Councilwoman Hepfer . The motion carried.**

**ORDINANCE NO. 2016-715**

AN ORDINANCE OF THE CITY OF INVERNESS, FLORIDA; PROVIDING FOR THE ADOPTION OF NEW IMPACT FEES AND THE REVISION OF EXISTING IMPACT FEES; AMENDING SECTIONS 11.5-1. THROUGH 11.5-10 OF THE CODE OF ORDINANCES; PROVIDING AUTHORITY IN APPLICABILITY; PROVIDING FOR INTENT AND PURPOSE; PROVIDING FOR RULES OF CONSTRUCTION; PROVIDING FOR FEE TO BE IMPOSED; PROVIDING FOR ALTERNATIVE IMPACT FEE CALCULATION; PROVIDING FOR IMPACT FEE CREDITS; PROVIDING FOR ESTABLISHMENT OF TRUST FUND; PROVIDING FOR USE OF FUNDS; PROVIDING FOR RETURN OF FEES; PROVIDING FOR LIBERAL CONSTRUCTION AND PENALTY; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR MODIFICATION; AND, PROVIDING AN EFFECTIVE DATE.

**The Public Hearing was opened.**

**For: None**

**Against:None**

**The Public Hearing was closed.**

City Manager DiGiovanni advised that included in the agenda packet was the memorandum of the previous meeting which laid out what was involved which was part of the City's Management of its Impact Fee program. A developing community needs to always maintain a high degree of equity and fairness so the new residents of the community pay their share.

**Councilwoman Bega motioned to adopt Ordinance 2016-715 on the second reading, by roll call vote. Seconded by Councilwoman Hepfer. Roll call vote was as follows: Councilwoman Bega, yes; Councilwoman Hepfer, yes; Councilman Hinkle, yes; Councilman McBride, yes; President Ryan, yes. The motion carried.**

#### **OPEN PUBLIC MEETING**

None

#### **SCHEDULED APPEARANCES**

None

#### **MAYOR'S LOCAL ACHIEVEMENT AWARDS**

None

#### **CITY ATTORNEY REPORT**

None

#### **CONSENT AGENDA**

**Councilman Hinkle motioned to accept the Consent Agenda. Seconded by Councilwoman Hepfer. The motion carried.**

- a) Bill Listing\*
  - Recommendation – Approval
- b) Council Minutes – 05/03/16 & 05/05/16WS\*
  - Recommendation – Approval
- c) Proclamation – “Bicycle Month” & “Bike to Work Day”\*
  - Recommendation – Approval

#### **CITY MANAGER'S REPORT**

**10)a) Sweetwater Point - Acquisition & Construction of Water Distribution Lines – Resolution** – was addressed by City Manager DiGiovanni who explained how this action by Council will formally commence the project and assessment program to bring potable water and fire flow to the Sweetwater Pointe residential development that is outside the City, and part of the Utility Service Area of the City. City Legal Counsel has reviewed all documents for this action this evening. The Resolution describes the nature, scope and public purpose of the project and assessment program, provides the estimated costs, the method of assessment, the method and term of payment, and penalty of 1% per month, if not paid in full within thirty days after passage of final Resolution. The Resolution makes reference to a number of exhibits and documents that are on file in the office of the City Clerk. These estimates going in and numbers may move up or down. Every effected property owner is properly notified of what the program involves, understanding of potential cost, terms and conditions, and what to expect. The County conducted a vote of

the property owners which was in favor of proceeding with the development of an assessment program to extend the potable water system. We as a City took an interim step and conducted a public hearing for the residents to provide the opportunity to speak. He described the steps provided in the Resolution, which provided the estimated cost of \$360,300 with the final numbers to be available at the conclusion of the construction project. We are confident we will stay within these numbers, but there is always a possibility of them moving up or down. The land to be benefited are those properties with dwellings receiving the water and the properties not built on yet will benefit with future development. Payment may be made with lump sum or utilize the 10 year installment plan.

Attorney Haag stated that this Assessment District is done under the authority of Chapter 170 of the Florida Statutes. We had a previous assessment in 2008 for Tsala Gardens, which we are following the same procedures. He explained the process which will take place prior to the construction of the project

**Councilwoman Hepfer motioned to have City Clerk Davis read Resolution 2016-05 by title only. Seconded by Councilman Hinkle. The motion carried.**

RESOLUTION 2016 – 05

A RESOLUTION OF THE CITY OF INVERNESS, FLORIDA, AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF WATER DISTRIBUTION LINES AND APPURTANCES THERETO IN THE SWEETWATER POINTE SUBDIVISION; FINDING, DETERMINING AND RESOLVING THAT SAID IMPROVEMENTS ARE TO THE BENEFIT OF THE INHABITANTS OF THE COUNTY OF CITRUS; FINDING, DETERMINING AND DECIDING THAT ALL LOTS AND LANDS ADJOINING AND CONTIGUOUS OR BOUNDING AND ABUTTING UPON SUCH IMPROVEMENTS WILL BE SPECIALLY BENEFITED THEREBY TO THE EXTENT OF 100% OF THE COSTS OF SUCH IMPROVEMENTS AND PROVIDING THAT SAID COSTS SHALL BE ASSESSED AGAINST PROPERTY SPECIALLY BENEFITED THEREBY IN PROPORTION TO EQUIVALENT LOTS; PROVIDING FOR THE MAKING OF AN ASSESSMENT ROLL IN ACCORDANCE WITH THE METHOD OF ASSESSMENT PROVIDED FOR HEREIN; PROVIDING FOR THE METHOD AND TERMS OF PAYMENT OF THE SPECIAL ASSESSMENTS; DIRECTING THAT AN ASSESSMENT ROLL BE PREPARED FOR PUBLIC REVIEW; ADOPTING THE ASSESSMENT PLATS AND PLANS AND SPECIFICATIONS OF THE PROJECTS SUBMITTED BY THE CONSULTING ENGINEER; AND PROVIDING FOR AN EFFECTIVE DATE.

Councilman McBride asked City Manager to explain how this will benefit the City of Inverness. City Manager DiGiovanni stated that the utility system is best managed with a growing customer base. The cost to operate the system are increased dramatically by the addition of customers, ie; Sweetwater, however you have additional customers to spread cost. He noted how this will help the resident by increasing property values and providing fire flow.

Councilman McBride noted an error in “F.” of the Resolution as the “wording” of 6% vs 8%, and it was noted that correction would be made to make it 6%.

Councilwoman Bega questioned what the percentage of capacity our water system is at. City Manager stated he couldn't answer that however this has been calculated by the Engineers, and we are under direction of SWFMD, and we are well within the capacity measurements. He spoke to the additional Well Field due to growth patterns in the City to the south, which may put new wells near the Sweetwater area.

**Councilman Hinkle motioned to adopt Resolution 2016-05, by roll call vote. Seconded by Councilwoman Hepfer. Roll call vote was as follows: Councilwoman Bega, yes; Councilwoman Hepfer, yes; Councilman Hinkle, yes; Councilman McBride, yes; President Ryan, yes. The motion carried.**

**10)b) Complete Streets – Resolution** – Was addressed by City Manager DiGiovanni. He advised that we embarked on this not knowing it was called “Complete Streets”, when we designed revitalization in downtown, and spoke to the other bicycle oriented projects the City accomplished and designed for pedestrians, cyclists, and cars. The enclosed Resolution will proclaim our support and methodology to embed Complete Street designs as we move forward. Highland Blvd will incorporate a Complete Street design moving forward. This will also help us with the cycling community as we move to get further credentialing for Bicycle Friendly City.

**Councilman McBride motioned to read Resolution 2016-06 by title only. Seconded by Councilman Hinkle. The motion carried.**

RESOLUTION 2016-06

A RESOLUTION OF THE CITY COUNCIL, OF THE CITY OF INVERNESS, ESTABLISHING A COMPLETE STREETS POLICY AND GUIDING PRINCIPLES.

**Councilwoman Bega motioned to adopt Resolution 2016-06, by roll call vote. Seconded by Councilwoman Hepfer. Roll call vote was as follows: Councilwoman Bega, yes; Councilwoman Hepfer, yes; Councilman Hinkle, yes; Councilman McBride, yes; President Ryan, yes. The motion carried.**

**10)c) Event Vendor Fees – Resolution-** City Manager DiGiovanni explained that event management is not an exact science, and requires a degree of structure and flexibility. The enclosed Resolution is designed to be progressive and match vendor fees to an event's value. The greater the attendance, plus the duration and intensity, equates to a higher value and vendor cost.

**Councilwoman Hepfer motioned to have City Clerk Davis read Resolution 2016-03 by title only. Seconded by Councilman Hinkle. The motion carried.**

RESOLUTION 2016-03

A RESOLUTION OF THE CITY COUNCIL, OF THE CITY OF INVERNESS, ESTABLISHING PARTICIPATION FEES FOR VENDORS AT CITY EVENTS

**Councilwoman Hepfer motioned to adopt Resolution 2016-03, by roll call vote. Seconded by Councilman Hinkle. Roll call vote was as follows: Councilwoman Bega, yes; Councilwoman Hepfer, yes; Councilman Hinkle, yes; Councilman McBride, yes; President Ryan, yes. The motion carried.**

**10)d) Park Ball Field Extended Use Fees** was addressed. City Manager DiGiovanni explained that Council adopted a Resolution this past September that prescribed ball field user fees for extended seasonal play. The normal youth baseball season is from March through July. Extended or optional season use for what's referred to as “Fall-Ball”

increases maintenance cost dramatically. This extended use program has been in place since the late 1980's with an adjoining fee program. What you were asked to adopt in September was intended to cover "extended use" only, but unfortunately a glitch was discovered that caused fees to be applied for all – year round – play. Little League can't afford these costs and the City is not interested in imposing them. Corrective action is proposed with the enclosed Resolution that when adopted will rescind what was previously adopted and replace it with a properly worded document.

**Councilman Hinkle motioned to have City Clerk Davis read Resolution 2016-04 by title only. Seconded by Councilwoman Hepfer. The motion carried.**

RESOLUTION 2016-04

A RESOLUTION OF THE CITY COUNCIL, OF THE CITY OF INVERNESS, ESTABLISHING FEES AND CHARGES FOR THE USE OF CITY FACILITIES; ESTABLISHING NEW FEES FOR EXTENDED USE OF CITY FACILITIES; REPEALING PRIOR FEES AND CHARGES FOR EXTENDED BALL FIELD USEAGE; AND REPEALING RESOLUTION 2015-10.

**Councilman McBride motioned to adopt Resolution 2016-04, by roll call vote. Seconded by Councilman Hinkle. Roll call vote was as follows: Councilwoman Bega, yes; Councilwoman Hepfer, yes; Councilman Hinkle, yes; Councilman McBride, yes; President Ryan, yes. The motion carried.**

**10)e) Florida League of Cities – Annual Ad** was addressed by City Manager DiGiovanni who addressed this year's publication of the ad for the Florida League of Cities Conference in the Quality Cities Magazine. The full page size and \$625 cost of the ad remains the same. It is recommended Council approve this year's ad design and payment.

**Councilman McBride motioned to approve the enclosed full page color ad, at a cost of \$625 for the 2016 FLC Conference Publication. Seconded by Councilman Hinkle. The motion carried unanimously.**

City Manager DiGiovanni additionally reported on the following:

- CIP Presentation was referenced and how the same presentation will be shown to Leadership Citrus this Thursday, and provide the boards for their viewing. Zephyr Street has already been priced and started, Highland Blvd. will be #2. The buildings in the Depot area need attention soon as the buildings will continue to deteriorate. The Soldier memorial arrived last week, and the owners will be here to inspect it after delivery. The various parks need to be looked at simultaneously, etc. Need determination on funding and financing moving forward.
- Last Wednesday a trip to Tampa was made for a meeting at the HCA offices, and had a lengthy, productive conversation. Visiting with them provided a lot of information to HCA regarding this community, the City of Inverness and the Hospital's history and holdings (churches), etc. There will be further meetings to share information such as Highland Blvd., and were very impressed with future projects of Inverness. These future plans and projects help support the hospitals recruitment program.

- Three businesses in the City of Inverness received bicycle friendly designation. The City itself received the bronze award for its bicycle friendliness. The planning being done by the city will support moving forward. This Friday will be Bike to Work Day starting at the Valerie Theatre, and he explained the 4 mile route for that morning.
- All of these projects will have to be well thought out and meticulously planned before we begin the bidding process. There are professionals at work for the City working on these plans for these future projects. He spoke to these projects appearing on social media and the newspaper, and referenced the most recent editorial.

**COUNCIL/MAYOR SUBJECTS**

**Councilwoman Hepfer** spoke of her love of Inverness and the changes that are coming. Everything the City does is thought out and planned ahead, and is very pleased.

**Councilwoman Bega** stated she has heard many comments about the future projects presentation and the vast majority was positive feedback. She noted that she will have a report from the TDC at the next upcoming meeting.

**Councilman Hinkle** referenced some of the comments he has heard regarding the name change of Whispering Pines Park. Overall people are amazed by the future plans of the City.

**Councilman McBride** stated he will be participating in the bike ride on Friday. He spoke of the recent MPO meeting and the subject of the I-75 relief task force which continues to meet. The next meeting will be June 9<sup>th</sup>.

**Council President Ryan** referenced the CIP workshop and the City Manager Services workshop. He attended the ribbon cutting for Cubbie’s and presented the proclamation at the NARLEO ceremony on Sunday.

**City Manager DiGiovanni** also noted an oversight in the drinking water testing in which a testing was actually done, but one of the sample neglected to be sent it. During the same quarter, all other required constituents were sampled and results were below the MCI. We were required to place an ad in the paper of this occurrence, and we also notified each account on their monthly bill.

He spoke to an individual sending facebook messages out to others regarding WPP, which people are being asked to contact councilmembers. He asked that they did not politicize our own process and remain calm, allowing professionals to do their work. As a City Government, we need to work on our future with all these amenities remaining attractive and draw people. Let people say what they believe. We need a lot more data before we jump to conclusions.

**CITIZENS NOT ON AGENDA**

None

~~F~~The meeting adjourned at 6:44pm.

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City Clerk

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Council President

# Agenda Memorandum – *City of Inverness*

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**DATE:** June 3, 2016  
**ISSUE:** Contingency Transfers: Departmental & Council  
**FROM:** City Manager  
**CC:** City Clerk and Finance Director  
**ATTACHED:** Memo by Sheri Chiodo  
Matrix of Items, Amounts, Departmental Allocation

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Please review attachments for detailed information relating to using contingency funds.

In summary, four categories affect the need to move existing funds to expense line areas of the budget. Contingency funds are built into the budget to protect the community and operational needs when “unforeseen” needs arise. Contingency funds are doubly protected and require approval by the City Manager and City Council.

The areas of need are: personnel, planning, projects and the new fire department.

- Changes have been made to maintain outcome levels in City Administration with the advent of staff retirement.
- City Project construction, planning and development have been increased to bring forward the potential for accomplishments unparalleled in this community. These efforts will continue for years.
- Worker’s Compensation Risk Code for certain positions resulted in a cost increase.
- Special Event Programing required a slight increase in staffing.
- Custodial Services at City Hall have been slightly modified.
- FRS Category changes for personnel resulted in a cost increase.
- The Fire Department Start-Up required 4-months of services by the County at a higher cost than anticipated when the budget was developed. The \$50,000/month service cost by the County was \$15,000/month more than the City Fire Service Unit, which resulted in a \$60,000 budget difference. Further adjustments have been made to lessen the impact and use of Contingency Funds.

***Recommended Action –***

Motion, second and vote to approve the use of Contingencies as presented for the City Budget to cover the remainder of the fiscal year.

  
Frank DiGiovanni

Administrative Offices  
212 West Main Street, Inverness Florida 34450  
[www.Inverness-FL.gov](http://www.Inverness-FL.gov)

Page 1 of 1

## FINANCE DEPARTMENT



212 W. Main Street  
Inverness, FL 34450  
(352) 726-5016 Phone  
(352) 726-5534 Fax

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# Memorandum

**To:** Frank DiGiovanni, City Manager

**From:** Sheri Chiodo, Director of Finance

**CC:** Debbie Davis, City Clerk

**Date:** June 1, 2016

**Reference:** Fiscal Year 2016 Contingency Line Item Transfers – Mid-Year

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The City Council on October 1, 2015 awarded employees with a 3% increase. Historically the City has funded these increases with departmental contingency funds and aligned the funding at some point following the mid-year point of the fiscal year. The impacts have been calculated and are submitted for council consideration as shown on the attached table.

This fiscal year has seen additional needs arise in terms of personnel to facilitate project development/management, increased special event activity, and transitional staffing needs that were not foreseen in the development of the FY 2016 budget. There is sufficient funding in Departmental and Council Contingencies to cover these expenses through the remainder of this year. The additional personnel areas are summarized below:

### Administration –

1. The part-time staff assistant position has been classified to full-time to address staffing needs associated with retirement of the City Clerk. - \$8,600 + associated taxes/benefits
2. Additional part-time hours are being added for the part-time Project Manager position to continue progress on the City's vision projects for the Community Redevelopment District - \$34,000 + associated taxes/benefits

### Community Development

1. The workers compensation risk code for building inspection services was reclassified this fiscal year resulting in additional costs. \$2,400

### Facilities Maintenance

1. The full time equivalency for the part-time custodian position for the IGC was increased from .5 to .625 (20 hours per week to 25 hours per week) - \$3,500 + associated taxes/benefits
2. The City is funding unemployment benefits for the prior IGC Custodian. Pursuant to State Statute the City is a 100% reimbursable employer for all unemployment benefits paid by the State for former City employees. - \$1,900

**Roads & Street Facilities**

1. Additional part-time hours are being added for the part-time Project Engineer position to continue progress on the City's vision projects for the Community Redevelopment District - \$10,000 + associated taxes/benefits

**Valerie Theatre**

1. The Valerie Theatre Director was reclassified from regular retirement class to senior management class this year - \$5,000

**Special Events**

1. The part-time staff assistant full time equivalency was changed from .50 to .625 (20 hours/week to 25 hours/week) - \$1,700+ associated taxes/benefits
2. A temporary seasonal position was added this year to facilitate the expansion of the City's signature events. - \$3,300 + associated taxes/benefits

Finally, the City entered into an agreement with the Sheriff to provide fire services for October 1, 2015 – December 31, 2015 at a cost of \$50,000/month. The fire services start-up process was not complete by December 31<sup>st</sup> so the City extended the agreement for the month of January for an additional \$50,000 for a total contract price of \$200,000. The City originally transferred \$150,000 from Fire Services operations and start-up capital equipment purchases in order to fund the contract. Included in this adjustment request for fire services is summarized below:

1. General Fund Fire Services
  - a. Moves \$50,000 from Council Contingencies to fund the Sheriff's contract for the month of January
  - b. Moves \$7,000 from the Fire Department Contingency to replenish the following operating accounts for the remainder of the fiscal year:
    - i. Maintenance Building - \$1,000
    - ii. Maintenance – Equipment - \$5,000
    - iii. Supplies – General - \$1,000
  - c. Moves \$3,000 from Council Contingencies to fund the following operating accounts for the remainder of the fiscal year:
    - i. Supplies – Maintenance - \$1,000
    - ii. Uniforms - \$2,000
2. Capital Projects Fund-Fire Services
  - a. Moves \$45,000 from the Government Plaza CIP Project to Fire Start-up Equipment Purchases to replenish a portion of the funds that were moved from this line item fund the initial three months of the Sheriff's fire services contract (\$46,605) in order to fund needed capital equipment purchases including firefighter bunker gear and a compressor.

A table of the transfers by fund and department is attached for your review and council consideration.

**CITY OF INVERNESS  
MID-YEAR CONTINGENCY TRANSFERS  
FISCAL YEAR 2016**

DEPT	ACCOUNT DESCRIPTION	ORIGINAL BUDGET	PRIOR ADJUSTMENT	REVISED BUDGET	INCREASE	DECREASE	FINAL REVISED BUDGET	JUSTIFICATION
<b>GENERAL FUND</b>								
<b>Administration</b>	Regular Salaries	\$ 306,656.00	\$ (36,222.00)	\$ 270,434.00	\$ 28,600.00	\$ -	\$ 299,034.00	Appropriate Funds for 3% Annual Increase and to reclassify PT Staff Assistant to FT Staff Assistant
	Salaries - Part-Time	\$ 10,949.00	\$ 28,700.00	\$ 39,649.00	\$ 35,300.00	\$ -	\$ 74,949.00	Appropriates additional funding for PT Project Consultant for remainder of Fiscal Year
	FICA/Medicare	\$ 30,356.00	\$ (500.00)	\$ 29,856.00	\$ 5,000.00	\$ -	\$ 34,856.00	Increased FICA based on increases in FT and PT wages
	Retirement Contributions	\$ 54,733.00	\$ 2,100.00	\$ 56,833.00	\$ 4,800.00	\$ -	\$ 61,633.00	Increased retirement expense based on increases in FT and PT wages
	Life & Health Insurance	\$ 50,511.00	\$ (5,071.00)	\$ 45,440.00	\$ 4,400.00	\$ -	\$ 49,840.00	To fund insurance for remainder of Fiscal Year for FT Staff Assistant reclassified from PT to FT
	Department Reserve for Contingency	\$ 20,000.00	\$ -	\$ 20,000.00	\$ -	\$ (20,000.00)	\$ -	To fund 3% increases awarded by City Council on October 1, 2015
<b>Other Gen Govt</b>	Council Contingency	\$ 200,000.00	\$ (33,000.00)	\$ 167,000.00	\$ -	\$ (58,100.00)	\$ 108,900.00	Transferred to fund PT Project Consultant and reclassification of PT Staff Assistant position to FT.
	<b>Total Administration</b>				<b>\$ 78,100.00</b>	<b>\$ (78,100.00)</b>		
<b>Finance</b>	Regular Salaries	\$ 214,528.00	\$ -	\$ 214,528.00	\$ 6,000.00	\$ -	\$ 220,528.00	To fund 3% increases awarded by City Council on October 1, 2015
	FICA/Medicare	\$ 16,503.00	\$ -	\$ 16,503.00	\$ 600.00	\$ -	\$ 17,103.00	To fund 3% increases awarded by City Council on October 1, 2015
	Retirement Contributions	\$ 26,244.00	\$ -	\$ 26,244.00	\$ 500.00	\$ -	\$ 26,744.00	To fund 3% increases awarded by City Council on October 1, 2015
	Department Reserve for Contingency	\$ 8,000.00		\$ 8,000.00	\$ -	\$ (7,100.00)	\$ 900.00	To fund 3% increases awarded by City Council on October 1, 2015
	<b>Total Finance</b>				<b>\$ 7,100.00</b>	<b>\$ (7,100.00)</b>		
<b>Community Development</b>	Workers Compensation Insurance	\$ 683.00	\$ -	\$ 683.00	\$ 2,400.00	\$ -	\$ 3,083.00	To appropriate funds for workers compensation reclassification of the building inspection risk class.
	Department Reserve for Contingency	\$ 15,000.00	\$ -	\$ 15,000.00	\$ -	\$ (2,400.00)	\$ 12,600.00	To appropriate funds for workers compensation reclassification of the building inspection risk class.
	<b>Total Community Development</b>				<b>\$ 2,400.00</b>	<b>\$ (2,400.00)</b>		
<b>Facilities Management</b>	Salaries - Part Time	\$ 10,970.00	\$ -	\$ 10,970.00	\$ 3,500.00	\$ -	\$ 14,470.00	To fund 3% increases awarded by City Council on October 1, 2015 and to change full time equivalency from .50 to .625 for the IGC Custodian position

**CITY OF INVERNESS  
MID-YEAR CONTINGENCY TRANSFERS  
FISCAL YEAR 2016**

DEPT	ACCOUNT DESCRIPTION	ORIGINAL BUDGET	PRIOR ADJUSTMENT	REVISED BUDGET	INCREASE	DECREASE	FINAL REVISED BUDGET	JUSTIFICATION
	FICA/Medicare	\$ 855.00	\$ -	\$ 855.00	\$ 275.00	\$ -	\$ 1,130.00	To fund 3% increases awarded by City Council on October 1, 2015 and to change full time equivalency from .50 to .625 for the IGC Custodian position
	Retirement Contributions	\$ 784.00	\$ -	\$ 784.00	\$ 175.00	\$ -	\$ 959.00	To fund 3% increases awarded by City Council on October 1, 2015 and to change full time equivalency from .50 to .625 for the IGC Custodian position
	Unemployment Compensation	\$ -	\$ -	\$ -	\$ 1,900.00	\$ -	\$ 1,900.00	To fund unemployment benefits for prior IGC Custodian
	Department Reserve for Contingency	\$ 10,000.00	\$ -	\$ 10,000.00	\$ -	\$ (5,850.00)	\$ 4,150.00	To fund 3% increase and unemployment benefits
	<b>Total Facilities Management</b>				\$ 5,850.00	\$ (5,850.00)		
<b>Fire/Rescue Services</b>	Contractual Services	\$ -	\$ 150,000.00	\$ 150,000.00	\$ 50,000.00	\$ -	\$ 200,000.00	To fund extension of Sheriff's contract for the month of January 2016 at the cost of \$50,000/month
	Maintenance - Building	\$ 2,000.00	\$ (500.00)	\$ 1,500.00	\$ 1,000.00	\$ -	\$ 2,500.00	Provide funding for any unforeseen building repairs for the remainder of the fiscal year
	Maintenance - Equipment	\$ 3,500.00	\$ (875.00)	\$ 2,625.00	\$ 5,000.00	\$ -	\$ 7,625.00	Provide funding for any unforeseen Equipment repairs for the remainder of the fiscal year
	Supplies - General	\$ 5,000.00	\$ (1,250.00)	\$ 3,750.00	\$ 1,000.00	\$ -	\$ 4,750.00	To replenish funds previously reduced for Sheriff's Dept contract to ensure adequate funding for the remainder of the fiscal year
	Supplies - Maintenance	\$ 1,000.00	\$ (250.00)	\$ 750.00	\$ 1,000.00	\$ -	\$ 1,750.00	Provide funding for any unforeseen maintenance supplies for the remainder of the fiscal year
	Uniforms	\$ 6,000.00	\$ (1,500.00)	\$ 4,500.00	\$ 2,000.00	\$ -	\$ 6,500.00	To fund uniform needs of the department for newly hired firefighters.
	Department Reserve for Contingency	\$ 7,000.00	\$ -	\$ 7,000.00	\$ -	\$ (7,000.00)	\$ -	To fund Departmental needs through remainder of FY 2016
Other Gen Govt	Council Contingency	\$ 200,000.00	\$ (91,100.00)	\$ 108,900.00	\$ -	\$ (53,000.00)	\$ 55,900.00	To fund extension of Sheriff's contract for the month of January 2016 at the cost of \$50,000/month and fund \$3,000 towards Fire Department needs through remainder of FY 2016

**CITY OF INVERNESS  
MID-YEAR CONTINGENCY TRANSFERS  
FISCAL YEAR 2016**

DEPT	ACCOUNT DESCRIPTION	ORIGINAL BUDGET	PRIOR ADJUSTMENT	REVISED BUDGET	INCREASE	DECREASE	FINAL REVISED BUDGET	JUSTIFICATION
	<b>Total Fire/Rescue Services</b>				\$ 60,000.00	\$ (60,000.00)		
<b>Road &amp; Streets</b>	Salaries - PT	\$ -	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ -	\$ 20,000.00	To fund PT Project Engineer for remainder of Fiscal Year
	FICA/Medicare	\$ 21,245.00	\$ -	\$ 21,245.00	\$ 800.00	\$ -	\$ 22,045.00	To fund PT Project Engineer for remainder of Fiscal Year
	Department Reserve for Contingency	\$ 11,800.00	\$ -	\$ 11,800.00	\$ -	\$ (10,800.00)	\$ 1,000.00	To fund PT Project Engineer for remainder of Fiscal Year
	<b>Total Roads &amp; Streets</b>				\$ 10,800.00	\$ (10,800.00)		
<b>Satellite Parks</b>	Regular Salaries	\$ 18,124.00	\$ -	\$ 18,124.00	\$ 1,500.00	\$ -	\$ 19,624.00	To fund 3% increases awarded by City Council on October 1, 2015
	Standby Pay	\$ 500.00	\$ -	\$ 500.00	\$ -	\$ (500.00)	\$ -	To fund 3% increases awarded by City Council on October 1, 2015
	FICA/Medicare	\$ 1,471.00	\$ -	\$ 1,471.00	\$ 100.00	\$ -	\$ 1,571.00	To fund 3% increases awarded by City Council on October 1, 2015
	Retirement Contributions	\$ 1,373.00	\$ -	\$ 1,373.00	\$ 200.00	\$ -	\$ 1,573.00	To fund 3% increases awarded by City Council on October 1, 2015
	Department Reserve for Contingency	\$ 17,500.00	\$ -	\$ 17,500.00	\$ -	\$ (1,300.00)	\$ 16,200.00	To fund 3% increases awarded by City Council on October 1, 2015
	<b>Total Satellite Parks</b>				\$ 1,800.00	\$ (1,800.00)		
<b>Valerie Theatre</b>	Regular Salaries	\$ 55,100.00	\$ -	\$ 55,100.00	\$ 1,500.00	\$ -	\$ 56,600.00	To fund 3% increases awarded by City Council on October 1, 2015
	Salaries - Part Time	\$ 20,900.00	\$ -	\$ 20,900.00	\$ -	\$ (1,500.00)	\$ 19,400.00	To fund 3% increases awarded by City Council on October 1, 2015
	Retirement Contributions	\$ 5,899.00	\$ -	\$ 5,899.00	\$ 5,000.00	\$ -	\$ 10,899.00	To fund Theatre Director to FRS Senior Retirement Classification
	Department Reserve for Contingency	\$ 15,000.00	\$ -	\$ 15,000.00	\$ -	\$ (5,000.00)	\$ 10,000.00	To fund Theatre Director to FRS Senior Retirement Classification
	<b>Total Valerie Theatre</b>				\$ 6,500.00	\$ (6,500.00)		
<b>Special Events</b>	Regular Salaries	\$ 110,700.00	\$ -	\$ 110,700.00	\$ 4,500.00	\$ -	\$ 115,200.00	To fund 3% increases awarded by City Council on October 1, 2015
	Salaries - Part Time	\$ 10,450.00	\$ -	\$ 10,450.00	\$ 1,700.00		\$ 12,150.00	To fund 3% increases awarded by City Council on October 1, 2015 and to fund full time equivalency of part-time staff assistant position from .5 to .625
	Wages - Temporary	\$ -	\$ -	\$ -	\$ 3,300.00		\$ 3,300.00	To fund the seasonal position added this fiscal year to assist the Department with the increased event activity

CITY OF INVERNESS  
MID-YEAR CONTINGENCY TRANSFERS  
FISCAL YEAR 2016

DEPT	ACCOUNT DESCRIPTION	ORIGINAL BUDGET	PRIOR ADJUSTMENT	REVISED BUDGET	INCREASE	DECREASE	FINAL REVISED BUDGET	JUSTIFICATION
	FICA/Medicare	\$ 9,283.00		\$ 9,283.00	\$ 1,000.00		\$ 10,283.00	To fund 3% increases awarded by City Council on October 1, 2015, to fund full time equivalency of part-time staff assistant position from .5 to .625 and the addition of the seasonal position
	Department Reserve for Contingency	\$ 55,000.00	\$ (41,200.00)	\$ 13,800.00	\$ -	\$ (10,500.00)	\$ 3,300.00	To fund 3% increases awarded by City Council on October 1, 2015, to fund full time equivalency of part-time staff assistant position from .5 to .625 and the addition of the seasonal position
	<b>Total Special Events</b>				\$ 10,500.00	\$ (10,500.00)		
	<b>TOTAL GENERAL FUND</b>				\$ 183,050.00	\$ (183,050.00)		
<b>WHISPERING PINES PARK FUND</b>								
Facilities	Regular Salaries	\$ 110,698.00	\$ -	\$ 110,698.00	\$ 4,300.00	\$ -	\$ 114,998.00	To fund 3% increases awarded by City Council on October 1, 2015
	Department Reserve for Contingency	\$ 6,000.00	\$ -	\$ 6,000.00	\$ -	\$ (4,300.00)	\$ 1,700.00	To fund 3% increases awarded by City Council on October 1, 2015
	<b>Total Facilities</b>				\$ 4,300.00	\$ (4,300.00)		
	<b>TOTAL WHISPERING PINES PARK FUND</b>				\$ 4,300.00	\$ (4,300.00)		
<b>CAPITAL PROJECTS FUND</b>								
Fire Services	Equipment Purchases	\$ 213,090.00	\$ (46,605.00)	\$ 166,485.00	\$ 45,000.00	\$ -	\$ 211,485.00	To replenish funds previously amended to fund Fire Services Contract with the Sheriff. Funds are needed for acquisition of Compressor and Bunker Gear.
General Govt	Government Plaza	\$ 350,000.00	\$ 187,125.00	\$ 537,125.00	\$ -	\$ (45,000.00)	\$ 492,125.00	To replenish funds previously amended to fund Fire Services Contract with the Sheriff.
	<b>TOTAL CAPITAL PROJECTS FUND</b>				\$ 45,000.00	\$ (45,000.00)		
	<b>TOTAL ALL FUNDS</b>				\$ 236,650.00	\$ (236,650.00)		

## Agenda Memorandum – *City of Inverness*

---

**DATE:** May 31<sup>st</sup>, 2016  
**ISSUE:** Sweetwater Point Water Assessment District  
**FROM:** City Manager  
**CC:** City Clerk  
**ATTACHED:** Resolution 2016-08 – Providing for Public Hearing  
Map of Assessment Area

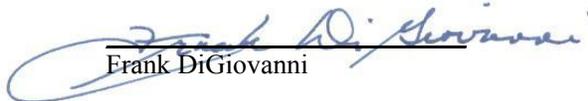
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At the previous meeting of City Council, a Resolution was past to establish the potable water project district in the Sweetwater Pointe subdivision that is located outside City limits. The process to establish an assessment district places responsibility on the governing body (City of Inverness) to provide proper public notice by passing several resolutions. The first resolution to establish the water district for this project was passed on May 17<sup>th</sup>, 2016. To continue the City is obligated to pass a second Resolution that sets a Public Hearing to be held on July 19<sup>th</sup>, 2016. A notice of the Public Hearing is additionally to be published in the local newspaper on two separate dates prior to the set date of the Public Hearing. Pursuant to Florida State Statutes (Chapter 170), immediately upon passing the Resolution, the City Clerk shall provide written notice to all affected property owners, setting the time a place for the public hearing and the amount of the assessment. We are prepared to proceed pending your action.

Included is the Resolution 2016-08, and a street map identifying the affected area.

***Recommended action -***

- 1) Motion, second and vote to read Resolution 2016-08 by title only
  - a. City Clerk reads Resolution by title.
- 2) Deliberate and to proceed, motion and second to adopt Resolution 2016-08 by roll-call vote

  
Frank DiGiovanni

Administrative Offices  
212 West Main Street, Inverness Florida 34450  
www.Inverness-FL.gov

Page 1 of 1

**RESOLUTION 2016 – 08**

A RESOLUTION OF THE CITY OF INVERNESS, FLORIDA, PROVIDING FOR A PUBLIC HEARING AS TO THE PROPRIETY AND ADVISIBILITY OF MAKING SPECIAL IMPROVEMENTS IN THE AREA DESIGNATED AS SWEETWATER POINTE SPECIAL ASSESSMENT DISTRICT, SETTING FORTH THE COSTS THEREOF, MANNER OF PAYMENT THEREOF, AMOUNT TO BE ASSESSED AGAINST EACH PROPERTY SO IMPROVED; AND PROVIDING FOR AN EFFECTIVE DATE.

**WHEREAS**, the City Council of the City of Inverness, Florida, (“City”), adopted a Resolution 2016-05 authorizing the acquisition and construction of certain water distribution improvements within Sweetwater Pointe, together with other specially benefited property adjoining and contiguous thereto, and

**WHEREAS**, the City pursuant to Chapter 170, Florida Statutes, is required to set forth a public hearing to allow those affected property owners to discuss with the City of Inverness the propriety and advisability of making such improvements together with the cost, manner of payment and amount to be assessed.

**NOW, THEREFORE**, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF INVERNESS, THIS 7<sup>TH</sup> DAY OF JUNE, 2016 AS FOLLOWS:

1. That the City Council of the City of Inverness, Florida shall on the 19<sup>th</sup> DAY OF JULY, 2016 at 5:30 p.m. or as soon thereafter as practical, shall hold a public hearing at the Inverness Government Center located at 212 West Main Street, Inverness, Florida, to hear from affected property owners located within the special assessment district as to the propriety and advisability of making such water distribution improvements affecting their property.
2. That the costs associated with the improvements are three hundred sixty thousand, two hundred eighty-nine dollars and twenty five cents (\$ 360,289.25). Such assessments may be paid in equal installments not to exceed one hundred-twenty (120) months with interest at a rate not exceeding six percent (6%) per annum on the unpaid balance from the date of acceptance by the City Council of the completed improvements to which, if not paid when due, there shall be added a penalty of one percent (1%) until paid, provided that such assessment shall be paid without interest at any time within thirty (30) days after the improvements are completed and a Resolution accepting same has been adopted by the City Council.

3. That pursuant to the assessment roll prepared by the project engineer, each property owner shall be assessed in equal amounts based upon the total costs of the project divided by the number of lots improved. That the assessment roll on file with the City of Inverness provides for the per lot assessments as to water improvements. This is to advise all persons interested and affected by the special assessment district proposed by the City of Inverness that a more complete description of each property to be assessed and the amount to be assessed for each piece or parcel of property may additionally be ascertained by the review of the assessment roll at the office of the Clerk of the City of Inverness.
4. That the Clerk of the City is herein directed pursuant to state law to provide written notice to all affected property owners setting forth the time and place provided by the City Council for said hearing and giving said property owners at least thirty (30) days notice thereof in writing. That said notice shall contain therein the amount of the assessments and shall be served upon said property owners as their last known addresses as the names and addresses of such appear from the records of the

property appraiser's office of Citrus County, Florida and as set forth in the assessment roll prepared by the engineer for the City.

5. The Clerk of the City shall publish notice of the time and place of the public hearing in the Citrus County Chronicle two (2) times, a week apart, the last publication being at least one (1) week prior to the public hearing. Said notice shall describe the streets and other areas to be improved and shall advise all persons interested that the description of each property to be assessed and the amount to be assessed to each piece or parcel of property may be ascertained at the office of the City Clerk.
6. This Resolution shall become effective upon its adoption.

ATTEST:

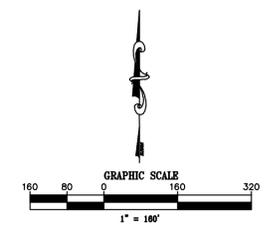
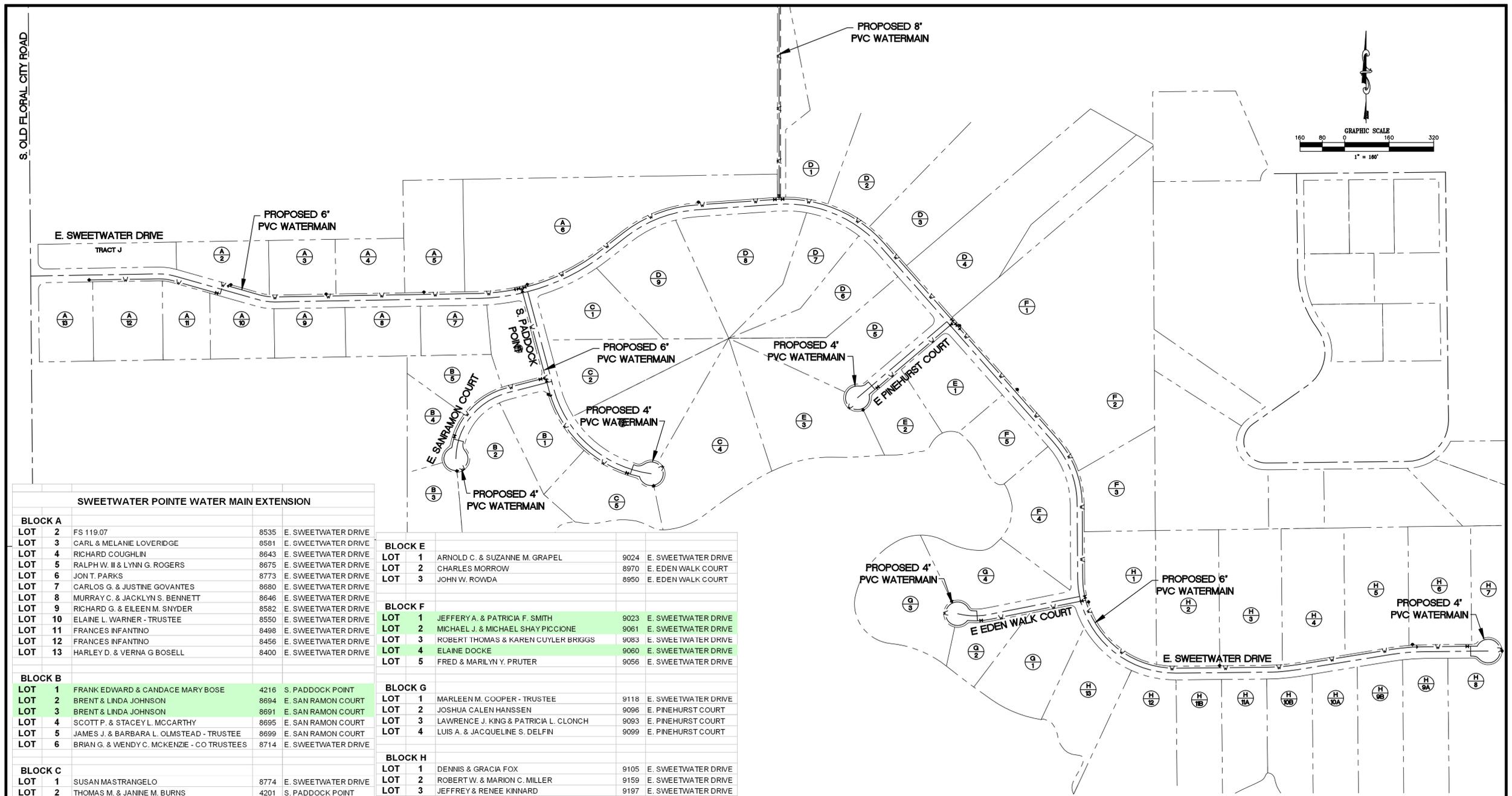
CITY OF INVERNESS, FLORIDA

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Council President

Approved as to form and content

\_\_\_\_\_  
City Attorney



**SWEETWATER POINTE WATER MAIN EXTENSION**

BLOCK A			
LOT 2	FS 119.07	8535	E. SWEETWATER DRIVE
LOT 3	CARL & MELANIE LOVERIDGE	8581	E. SWEETWATER DRIVE
LOT 4	RICHARD COUGHLIN	8643	E. SWEETWATER DRIVE
LOT 5	RALPH W. III & LYNN G. ROGERS	8675	E. SWEETWATER DRIVE
LOT 6	JON T. PARKS	8773	E. SWEETWATER DRIVE
LOT 7	CARLOS G. & JUSTINE GOVANTES	8680	E. SWEETWATER DRIVE
LOT 8	MURRAY C. & JACKLYN S. BENNETT	8646	E. SWEETWATER DRIVE
LOT 9	RICHARD G. & EILEEN M. SNYDER	8582	E. SWEETWATER DRIVE
LOT 10	ELAINE L. WARNER - TRUSTEE	8550	E. SWEETWATER DRIVE
LOT 11	FRANCES INFANTINO	8498	E. SWEETWATER DRIVE
LOT 12	FRANCES INFANTINO	8456	E. SWEETWATER DRIVE
LOT 13	HARLEY D. & VERNA G. BOSELL	8400	E. SWEETWATER DRIVE

BLOCK B			
LOT 1	FRANK EDWARD & CANDACE MARY BOSE	4216	S. PADDOCK POINT
LOT 2	BRENT & LINDA JOHNSON	8694	E. SAN RAMON COURT
LOT 3	BRENT & LINDA JOHNSON	8691	E. SAN RAMON COURT
LOT 4	SCOTT P. & STACEY L. MCCARTHY	8695	E. SAN RAMON COURT
LOT 5	JAMES J. & BARBARA L. OLMSTEAD - TRUSTEE	8699	E. SAN RAMON COURT
LOT 6	BRIAN G. & WENDY C. MCKENZIE - CO TRUSTEES	8714	E. SWEETWATER DRIVE

BLOCK C			
LOT 1	SUSAN MASTRANGELO	8774	E. SWEETWATER DRIVE
LOT 2	THOMAS M. & JANINE M. BURNS	4201	S. PADDOCK POINT
LOT 3	CRYSTAL L. GIBSON	4239	S. PADDOCK POINT
LOT 4	DAVID A. COSTA & HENRY N. JAMES	4265	S. PADDOCK POINT
LOT 5	FRANK EDWARD & CANDACE MARY BOSE	4216	S. PADDOCK POINT

BLOCK D			
LOT 1	BOB W. HUGHES & JEANNE PATRICIA PALMA	8921	E. SWEETWATER DRIVE
LOT 2	JOHANNA L. LEE	8951	E. SWEETWATER DRIVE
LOT 3	PATRICIA L. DUFFY	8971	E. SWEETWATER DRIVE
LOT 4	JEFFERY A. & PATRICIA F. SMITH	8989	E. SWEETWATER DRIVE
LOT 5	FRANCIS NEWTON BOOTH	8990	E. SWEETWATER DRIVE
LOT 6	CHARLES E. & LOU ELLEN DAVIS	8968	E. SWEETWATER DRIVE
LOT 7	MARSHA L. & VIRGINIA H. QUARLES	8940	E. SWEETWATER DRIVE
LOT 8	STEVE J. & SHERRY L. CROWLEY	8888	E. SWEETWATER DRIVE
LOT 9	GORDON L. & KAREN M. SHARP	8806	E. SWEETWATER DRIVE

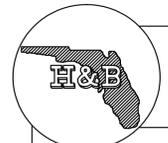
BLOCK E			
LOT 1	ARNOLD C. & SUZANNE M. GRAPEL	9024	E. SWEETWATER DRIVE
LOT 2	CHARLES MORROW	8970	E. EDEN WALK COURT
LOT 3	JOHN W. ROWDA	8950	E. EDEN WALK COURT

BLOCK F			
LOT 1	JEFFERY A. & PATRICIA F. SMITH	9023	E. SWEETWATER DRIVE
LOT 2	MICHAEL J. & MICHAEL SHAY PICCIONE	9061	E. SWEETWATER DRIVE
LOT 3	ROBERT THOMAS & KAREN CUYLER BRIGGS	9083	E. SWEETWATER DRIVE
LOT 4	ELAINE DOCKE	9060	E. SWEETWATER DRIVE
LOT 5	FRED & MARLYN Y. PRUTER	9056	E. SWEETWATER DRIVE

BLOCK G			
LOT 1	MARLEEN M. COOPER - TRUSTEE	9118	E. SWEETWATER DRIVE
LOT 2	JOSHUA CALEN HANSSSEN	9096	E. PINEHURST COURT
LOT 3	LAWRENCE J. KING & PATRICIA L. CLONCH	9093	E. PINEHURST COURT
LOT 4	LUIS A. & JACQUELINE S. DELFIN	9099	E. PINEHURST COURT

BLOCK H			
LOT 1	DENNIS & GRACIA FOX	9105	E. SWEETWATER DRIVE
LOT 2	ROBERT W. & MARION C. MILLER	9159	E. SWEETWATER DRIVE
LOT 3	JEFFREY & RENEE KINNARD	9197	E. SWEETWATER DRIVE
LOT 4	RONALD J. & LISA G. COWART	9269	E. SWEETWATER DRIVE
LOT 5	TAMMY ARNOLD	9299	E. SWEETWATER DRIVE
LOT 6	NOLAN C. & SANDRA J. TOTH	9349	E. SWEETWATER DRIVE
LOT 7	WALTER D. & LINDA C. CONNORS	9375	E. SWEETWATER DRIVE
LOT 8	WILLIAM A. & SHARON STEPHENSON	9376	E. SWEETWATER DRIVE
LOT 9A	JOHN MARQUA & ANABELLE FREER	9334	E. SWEETWATER DRIVE
LOT 9B	ANTHONY S. HATFIELD	9300	E. SWEETWATER DRIVE
LOT 10A	JOHN W. & CONSTANCE M. GRACY	9274	E. SWEETWATER DRIVE
LOT 10B	MALINDA S. DUFFELL	9246	E. SWEETWATER DRIVE
LOT 11A	DEBBENEY S. MCORD	9212	E. SWEETWATER DRIVE
LOT 11B	SHEILA L. KYBURZ - TRUSTEE	9184	E. SWEETWATER DRIVE
LOT 12	LARRY L. & MARY E. JAMES	9150	E. SWEETWATER DRIVE
LOT 13	NORMAN E. & BONNIE G. PETERSON	9132	E. SWEETWATER DRIVE

61	TOTAL LOTS		
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H & B CONSULTING ENGINEERS, INC.  
 Certificate of Authorization # 4829  
 P.O. Box 520  
 218 N. Florida Street - Suite 3  
 Bushnell, Florida 33513  
 Phone : (352) 793-2113

**SWEETWATER POINTE  
 WATERMAIN EXTENSION**

Drawn: RDG Checked: MZB  
 Date: 02/16 Scale: AS SHOWN Sheet: 1 of 1

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## Agenda Memorandum – *City of Inverness*

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**DATE:** June 3, 2016  
**ISSUE:** Florida Retirement System Special Risk Designation Resolution and Agreement  
**FROM:** City Manager  
**CC:** City Clerk, Finance Director, Personnel Administrator  
**ATTACHED:** Resolution and FRS Agreement of Understanding

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We followed the direction of representatives from the Florida Retirement System (FRS) and now must take additional steps to meet their requirement measures. It is important that City Government provide retirement system protections and benefits to those assigned to perform duties at an elevated risk to their wellbeing. The FRS is notorious for a heavy handed approach to benefit administration and cost. It's the "cost" part that is troubling.

Enclosed is an enabling Resolution that moves Fire Department personnel into the Special Risk Category, and must be done with full disclosure. We have no problem with disclosure, but the process they require is not as straightforward as one would like.

The category of Special Risk in the FRS is managed by the State and brings a higher cost to the local government for those positions. The FRS is expensive due to a generous allocation of benefits by the Legislature that has been done to increase local costs as well. At this point, it is the program of choice, and our responsibility is to provide Inverness Firefighters a suitable benefit program that does not fall short or leave them without benefits if the unthinkable occurs.

### ***Recommended Action –***

1. Motion, second and vote to read the Resolution by title
  - a. Clerk reads Resolution title
2. Deliberate and to proceed, motion and second to adopt the Resolution, that enables the City to execute the Agreement with the FRS, by roll-call.

  
Frank DiGiovanni

Administrative Offices  
212 West Main Street, Inverness Florida 34450  
[www.Inverness-FL.gov](http://www.Inverness-FL.gov)

**RESOLUTION 2016-09**

**A RESOLUTION OF THE CITY OF INVERNESS, FLORIDA PROVIDING FOR FINDINGS;  
PROVIDING FOR PARTICIPATION IN THE FLORIDA RETIREMENT SYSTEM FOR CITY  
FIREFIGHTERS AND PROVIDING FOR AN EFFECTIVE DATE**

The City of Inverness of Inverness Florida, in lawful session and in regular order of business properly presented, finds that:

**WHEREAS**, the City Council of the City of Inverness Florida finds it to be the policy and purposes of the City, to extend to the Firefighters of said City of Inverness, not excluded by law, the benefits of the Florida Retirement System, on the basis of applicable State laws and amendments thereto, and rules and regulations; and

**WHEREAS**, the City Council finds it to be in the interest of the City and its Firefighters to authorize and direct the City Manager to execute agreements with the Florida Department of Management Services, for coverage of said Firefighters under the Florida Retirement System; to provide that the City of Inverness shall appropriate and pay over employer contributions and assessments as provided by applicable State laws or regulation; and to provide that the City of Inverness shall keep records and make reports as required by applicable State laws or regulations;

**NOW THEREFORE**, be it resolved:

**Section 1.** It is hereby declared to be policy and purpose of the City of Inverness, Florida that all its Firefighters except those excluded by law, shall participate in the Florida Retirement System as authorized by Chapter 121, Florida Statutes. All Firefighters shall be compulsory members of the Florida Retirement System as of the effective date of the City's participation in the Florida Retirement System so stated herein.

**Section 2.** The City Manager is hereby authorized and directed to execute all necessary agreements and amendments thereto with the Administrator of the Florida Retirement System and the Florida Department of Management Services for the purpose of extending the benefits provided by the Florida Retirement System to the Firefighters of this City of Inverness as provided by Section 1 hereof, which agreements shall provide for such methods of administration of the plan by said City of Inverness as are found by the Administrator of the Florida Retirement System to be necessary and proper and shall be effective with respect to any employment covered by such agreement for service performed on and after the 1st day of November, 2015 or as soon thereafter as is administratively practical.

**Section 3.** Withholding from salaries, wages, or other compensation of Firefighters for the purpose provided in Section 1 hereof is hereby authorized to be made, and shall be made, in the amounts and at such times as may be required by applicable State laws or regulations, and shall be paid over to the Administrator designated by said laws or regulations to receive such amounts.

**Section 4.** There shall be appropriated from available funds, derived from general revenues of the City of Inverness such amounts and at such times as may be required to pay promptly the contributions and assessments required of the City of Inverness of Inverness, Florida, as employer, by applicable State laws or regulations, which shall be paid over to the lawfully designated Administrator of the Florida Retirement System at the times and in the manner provided by law and regulation.

**Section 5.** The City of Inverness of Inverness, Florida shall keep such records and make such reports as may be required by applicable State laws and regulations, and shall adhere to all laws and regulations relating to the Florida Retirement System.

**Section 6.** The City of Inverness, Florida does hereby adopt the terms, conditions, requirements, reservations, benefits, privileges, and other conditions thereunto appertaining, of the Florida Retirement System, for and on behalf of all Firefighters of the City to be covered under the Florida Retirement System agreement.

**Section 7.** The City Manager of the City of Inverness, Florida, is hereby designated the custodian of all sums withheld from the compensation of Firefighters as authorized herein and of the appropriated funds for the employer's contributions as provided in Section 4 hereof. Also, the City Manager is hereby designated the withholding and reporting agent and charged with the duty of maintaining records for the purpose of this resolution.

**Section 8.** This Resolution shall take effect immediately upon adoption by the City Council.

**BE IT FURTHER RESOLVED** that a copy of this Resolution fully executed as in original, duly attested by the City Clerk, be furnished to the Administrator of the Florida Retirement System.

DONE at Inverness, Florida, this \_\_\_\_\_ day of \_\_\_\_\_  
\_\_\_\_\_, 2016.

CITY OF INVERNESS

By: \_\_\_\_\_

**David Ryan**

Council President

ATTEST:

\_\_\_\_\_  
**Deborah Davis**

City Clerk

Approved as to legal form and sufficiency:

\_\_\_\_\_  
**Larry Haag**

City Attorney

**STATE City of Inverness AGREEMENT NO. \_\_\_\_\_**

The Department of Management Services, Division of Retirement, of the State of Florida, under the authority of Chapter 121, Florida Statutes, and City of Inverness of the State of Florida, in order to extend to Firefighters of said City of Inverness (except such as are hereinafter excluded) the benefits of the Florida Retirement System established by Chapter 121, Florida Statutes, hereby agree as follows:

1. Definitions:

For the purpose of the Agreement -

(a) The definitions, words and phrases as set out in Section 121.021, Florida Statutes, shall have the respective meanings set forth therein.

2. Services Covered:

The agreement includes and covers all services performed by Firefighters of this City of Inverness except any service, position, employee, or official excluded by Chapter 121, Florida Statutes, the rules and regulations of the Florida Retirement System, or resolution/ordinance No. 2016-09 adopted by the City of Inverness on the 7<sup>th</sup> day of June 2016. The Florida Retirement System is not responsible for nor does it assume any local retirement plan liabilities.

3. Contributions by Employees:

The City of Inverness agrees to impose upon its employees covered by this Agreement the required contributions with respect to wages if such services constituted employment within the meaning of Chapter 121, Florida Statutes, and to deduct the amount of such required contributions from the wages as and when paid. Contributions so collected shall be paid to the Administrator of the Florida Retirement System in partial discharge of the liability of said City of Inverness, said payments to be made in accordance with rules and regulations relating to the Florida Retirement System. It is agreed and understood that the failure of said to deduct such contributions shall not relieve it of liability therefore.

4. Contributions by the City of Inverness:

(a) The City of Inverness represents that it has duly and legally adopted, and that there is now in full force and effect, a resolution/ordinance requiring an appropriation from available funds in its general or special funds derived from ad valorem tax or other sources, which shall be in an amount not less than the sums withheld as the contributions of employees covered by the Agreement, the sum to equal the total amount due from said City of Inverness (employer's and employee's contributions) under applicable provisions of Chapter 121, Florida Statutes.

(b) As assurance of its ability to pay its share of the contributions which will become due and payable to the Administrator under the terms of this Agreement and as assurance that said contributions will be adequate, the City of Inverness hereby obligates itself to maintain, and represents that at all times hereafter there will be maintained, in the appropriation provided in paragraph 4.(a), above, a sum fully sufficient to pay its share of the contributions: and that same (together with contributions deducted from salaries, wages, etc., of employees) will be paid promptly when due.

5. Reports-Compliance and Regulations:

The City of Inverness agrees that it will make such reports, in such form and containing such information, as the Administrator may require. The City of Inverness further agrees that it will comply with all provisions of Chapter 121, Florida Statutes, and with all rules and regulations adopted and promulgated by the Administrator of the Florida Retirement System necessary to carry out the purposes of Chapter 121, Florida Statutes. It is further understood and agreed that late payments come under provisions of Section 121.061, paragraphs (2) (a), (b) and (c), Florida Statutes.

6. Termination:

Once this agreement is made and approved it may not be revoked and all present Firefighters electing coverage under this agreement and all future Firefighters shall be compulsory members of the Florida Retirement System.

7. Past Service of Covered Group:

The City of Inverness hereby elects and agrees to provide benefits for past service from November 1, 2015 to June 1, 2016 for its Firefighters covered by the Agreement, who were in its employ on November 1, 2015 in accordance with provisions of Chapter 121, Florida Statutes.

The cost to purchase past service credit is estimated to be \$6,733.18 which the City of Inverness agrees to pay in the following manner:  upon execution of the Agreement, the remainder to be paid in equal annual installments of \_\_\_\_\_ each, the first one of said installments shall be paid on or before June 30, 2016 and a like installment on each June 30th thereafter until the total cost is paid. This payment includes 6 1/2% interest compounded annually on the unpaid balance. It is further agreed that if an application for retirement benefits or a request for refund is received based in part on past service years, that the total amount of payments for past service credit to be refunded to said employee, shall be made from the payments made by said City of Inverness and if the payments of the City of Inverness are insufficient at the time said benefits or refunds are requested or are due to be paid, the City of Inverness will be required to make an additional payment sufficient to meet these demands prior to the processing of the request or warrant. This will be applicable until the total past service liability has been paid in full. It is understood and agreed that the above described method for liquidating past service liability of the City of Inverness does not preclude payment in part or in full of any amounts prior to the scheduled due dates. The City of Inverness by making this election shall have no right at any time in the future to purchase additional past service credit for its Firefighters. Such statement of intent shall be binding and irrevocable effective with the date of coverage in the Florida Retirement System.

\_\_\_\_\_  
City Clerk  
(SEAL)

**City of Inverness**

By \_\_\_\_\_

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

This Agreement shall be effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Approved this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_.

\_\_\_\_\_  
Director of the Division of Retirement

## Agenda Memorandum – *City of Inverness*

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**DATE:** June 3, 2016  
**ISSUE:** Budget Development and Adoption for 2016-17  
Public Hearing Dates, Times & Location  
**FROM:** City Manager  
**CC:** City Clerk and Finance Director  
**ATTACHED:** Memo by Sheri Chiodo  
City Budget Development Calendar  
Inter-Agency Communication

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In an attempt to avoid last year's need to change the dates for the City to conduct required Public Hearings as part of Budget Adoption, representatives from the School System and County Commission were contacted to insure there would be no conflict. Pursuant to Florida Statute 200.065, a municipality (city) is required to conduct required budget hearings on a date and time that does not conflict with the School Board or the County. In other words, we are subordinate.

Proposed Dates, Times & Location:

- Tentative Budget Public Hearing, Thursday September 8, 2016 at 5:01 p.m.
- Final Budget Public Hearing, Thursday September 22, 2016 at 5:01 p.m.

***Recommended Action –***

- Motion, second and vote to set the Tentative Budget Public Hearing, for Thursday September 8, 2016 at 5:01 p.m., at the Inverness Government Center, 212 West Main Street, and the Final Budget Public Hearing for Thursday September 22, 2016 at 5:01 p.m., at the Inverness Government Center.

Your attention to this matter is appreciated.

  
Frank DiGiovanni

Administrative Offices  
212 West Main Street, Inverness Florida 34450  
[www.Inverness-FL.gov](http://www.Inverness-FL.gov)

Page 1 of 1

## FINANCE DEPARTMENT



212 W. Main Street  
Inverness, FL 34450  
(352) 726-5016 Phone  
(352) 726-5534 Fax

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# Memorandum

**To:** Frank DiGiovanni, City Manager

**From:** Sheri Chiodo, Director of Finance

**CC:** Debbie Davis, City Clerk

**Date:** June 1, 2016

**Reference:** Fiscal Year 2017 Budget Adoption Public Hearing Dates – Initial Schedule

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The preparation of the City's budget development calendar for FY 2017 purposely excluded the scheduling of the Tentative Budget Hearing and Final Budget Hearing in an attempt to avoid any conflicts with the Citrus County School Board or the Citrus County Board of County Commissioners budget hearing dates. The City received confirmation on May 17<sup>th</sup> (attached) of each entity's hearing dates as follows:

1. Citrus School Board
  - Tentative Budget Hearing – July 26, 2016 at 5:01 p.m.
  - Final Budget Hearing – September 13, 2016 at 5:01 p.m.
2. Citrus County Board of County Commissioners
  - Preliminary Budget Hearing – Wednesday, July 27, 2016 at 9:00 a.m.
  - Tentative Budget Hearing – Thursday, September 15, 2016 at 5:01 p.m.
  - Final Budget Hearing – Tuesday, September 27, 2016 at 5:01 p.m.

Florida Statute 200.065 requires the City to hold its tentative and final budget hearings on a date and time which does not conflict with the School Board or the County. Based on the current schedule recommended dates for the City's hearings are as follows:

Tentative Budget Hearing, Thursday September 8, 2016 at 5:01 p.m.

Final Budget Hearing, Thursday September 22, 2016 at 5:01 p.m.

I have provided a revised version of the City's budget calendar with the recommended dates and highlighted the sections in yellow to easily identify the changes.



## City of Inverness Fiscal Year 2017 Budget & CIP Development Schedule

Functional Statement	Date	Time
Manager/Finance Director Planning Meeting: Revenues; CIP Funding: O&M	Monday, January 4, 2016	1:00 PM
Manager, Directors, & <b>W&amp;C</b> Budget Approach: Personnel, O&M, Capital, CIP, Council Overview General Data; Revenues, Grants & Narratives	Wednesday January 6, 2016 – Post Council Meeting	9:30 AM
Directors and <b>W&amp;C</b> Submit Updated Council Overview Narratives to Include: Project Status, Proposed Projects and Revenue/Grant Projections To Finance	Friday, January 29 2016	5:00 PM
Manager & Directors, <b>W&amp;C</b> : CIP Planning Meeting, Distribution Of Forms And Narratives	Wednesday February 3, 2016 Post Council Meeting	9:30 AM
Manager, Directors, & <b>W&amp;C</b> Meetings: For Council Overview Meeting	Monday February 15 – Friday February 19, 2016	TBA
CIP Departmental and <b>W&amp;C</b> Submittals To Finance	Friday March 4, 2016	5:00 PM
Finance Director Forwards Presentation Material To Manager For Council Overview	Friday March 11, 2016	5:00 PM
CIP Review – Manager, <b>W&amp;C</b> & Directors	Monday March 14- Wednesday March 23, 2016	TBA
<b>Council Budget Overview</b>	<b>Thursday April 7, 2016</b>	<b>5:30 PM</b>
Five-Year Capital Improvement Plan To Council	Friday April 29, 2016	N/A
<b>City-Wide Five-Year CIP Council Workshop</b>	<b>Thursday May 5, 2016</b>	<b>5:30 PM</b>
<b>CIP Council Workshop (2) (If Necessary)</b>	<b>Tuesday May 10, 2016</b>	<b>5:30 PM</b>
Departmental O&M Budget Due To Finance	Friday May 13, 2016	5:00 PM
Manager & Director Meetings To Review O&M Submittals For All Agencies	Tuesday May 24 – Friday June 17, 2016	TBA
Property Appraiser Certifies Tax Roll	Friday July 1, 2016	N/A
Finance Director Contacts School Board and County Commissioners to Obtain Public Hearing Dates	Tuesday July 5, 2016	N/A
Finance Director Contacts School Board and County Commissioners to Confirm Public Hearing Dates	Wednesday July 13, 2015	N/A
<b>City Council Sets Tentative Millage and Establishes Public Hearing Dates, Times and Locations</b>	<b>Tuesday July 19, 2016</b>	<b>5:30 PM</b>



## City of Inverness Fiscal Year 2017 Budget & CIP Development Schedule

DR Form 420, 420 TIF, and 420-MMP Forwarded to Property Appraiser	Wednesday July 20, 2016	N/A
Full City Budget Available To <b>City Council</b>	Friday July 22, 2016	12 Noon
<b>City-Wide Council Budget Workshop</b>	<b>Tuesday July 26, 2016</b>	<b>5:30 PM</b>
<b>City Council Budget Workshop (If Needed)</b>	<b>Thursday July 28, 2016</b>	<b>5:30 PM</b>
Post Tentative Budget to City Website	August 1, 2016	N/A
Notice of Public Hearing or Notice of Tax Increase and Budget Summary sent to DOR – TRIM Division for preliminary compliance review.	Monday August 15, 2016	N/A
<b>Tentative Budget Adoption Public Hearing</b>	<b>September 8, 2016</b>	<b>5:01 PM</b>
<b>Advertise Budget Ordinance (send to newspaper)</b>	September 9, 2016 – Advertise September 12, 2016	<b>N/A</b>
<b>Advertisement Published For Final Budget Public Hearing To Adopt Budget For 2017</b>	<b>September 18, 2016</b>	<b>N/A</b>
<b>Final Budget Public Hearing To Adopt Budget</b>	<b>September 22, 2016</b>	<b>5:01 PM</b>
<b>Forward resolution or ordinance adopting final millage to Property Appraiser, Tax Collector and Department of Revenue</b>	<b>September 23, 2016</b>	<b>N/A</b>
Property Appraiser Certifies Tax Roll (Final-DR 422)	On or about September 28, 2016 when the Value Adjustment Board is Final	N/A
Post Final Adopted Budget to Website	Friday September 30, 2016	N/A
DR 422 (Form) Completed	Within 3 days after receipt of Final Taxable Value	N/A
DR 487 (Form) Completed (Certification of Compliance)	Friday October 7, 2016	N/A
TRIM Certification Packet Completed and Mailed	Friday October 07, 2016	N/A

## Cheryl Chiodo

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**From:** Kristin L. Demers <Kristin.Demers@citrusbocc.com>  
**Sent:** Tuesday, May 17, 2016 11:49 AM  
**To:** Cheryl Chiodo  
**Cc:** Debbie Davis; Paula Carnevale  
**Subject:** RE: County Budget Hearings for FY 2017 Budget Adoption

The hearings are as follows: Preliminary Budget Hearing on Wednesday, July 27, 2016 at 9:00 a.m., Tentative Budget Hearing on Thursday, September 15, 2016 at 5:01 p.m., and the Final Budget Hearing on Tuesday, September 27, 2016 at 5:01 p.m. at the Citrus County Courthouse, 110 North Apopka Avenue, Room 100, Inverness.



### Kristin Demers

Management and Budget Director | Citrus County BOCC

Website: [www.citrusbocc.com](http://www.citrusbocc.com)

phone: 352.527.5212 | email: [kristin.demers@citrusbocc.com](mailto:kristin.demers@citrusbocc.com)

3600 W. Sovereign Path | Suite 266 | Lecanto, FL 34461

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**From:** Cheryl Chiodo [mailto:cchiodo@Inverness-FL.Gov]  
**Sent:** Tuesday, May 17, 2016 11:47 AM  
**To:** Kristin L. Demers  
**Cc:** Debbie Davis; Paula Carnevale  
**Subject:** County Budget Hearings for FY 2017 Budget Adoption

Good Morning Kristen;

The City is in preparation for establishing final dates for its budget hearings. Could you please confirm the County's budget hearing dates and times below:

Tentative Budget Hearing – Thursday, September 15, 2016 at 5:01 p.m.

Final Budget Hearing – Tuesday, September 27, 2016 at 5:01 p.m.

Also, if you could please notify us in the future should these dates or times change it would be greatly appreciated.

Thank you and have a wonderful day.

*Cheryl Chiodo, PMP*

*Finance Director*

*City of Inverness*

*212 W. Main Street*

*Inverness, FL 34450*

*352-726-5016 ext 1208*

[cchiodo@inverness-fl.gov](mailto:cchiodo@inverness-fl.gov)

[www.inverness-fl.gov](http://www.inverness-fl.gov)

Follow the City of Inverness on [Twitter](#)

## Cheryl Chiodo

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**From:** Wilson, Tammy <WilsonTa@citrus.k12.fl.us>  
**Sent:** Tuesday, May 17, 2016 3:28 PM  
**To:** Cheryl Chiodo  
**Cc:** Paula Carnevale; Debbie Davis  
**Subject:** RE: School Board Budget Hearing Schedule

July 26 at 5pm – tentative budget hearing  
September 13 at 5pm – final budget hearing

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**From:** Cheryl Chiodo [mailto:cchiodo@Inverness-FL.Gov]  
**Sent:** Tuesday, May 17, 2016 12:16 PM  
**To:** Wilson, Tammy <WilsonTa@citrus.k12.fl.us>  
**Cc:** Paula Carnevale <pcarnevale@Inverness-FL.Gov>; Debbie Davis <ddavis@Inverness-FL.Gov>  
**Subject:** School Board Budget Hearing Schedule  
**Importance:** High

Good Morning Tammy;

The City is preparing to establish the final dates for its budget hearings. Could you please provide the approved School Board's budget public hearing dates and times this year? Additionally, if you could please notify us in the future should these dates or times change it would be greatly appreciated.

Thank you and have a wonderful day.

*Cheryl Chiodo, P.M.P.*  
*Finance Director*  
*City of Inverness*  
*212 W. Main Street*  
*Inverness, FL 34450*  
*352-726-5016 ext 1208*

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