The Crossroads of South Florida,
We envision a sustainable economy, Let Us Grow Together

CITY OF SOUTH BAY

CITY COMMISSION AGENDA

CITY HALL CHAMBER

TUESDAY, JUNE 3, 2025

335 SW 2ND Avenue
South Bay, FL 33493
www.southbaycity.com
Phone: 561-996-6751 Fax: 561-996-7950

Mayor:	**Joe Kyles Sr.**
Vice Mayor:	**Taranza McKelvin**
Commissioner:	**Esther Berry**
Commissioner:	**Albert L. Polk**
Commissioner:	**Barbara King**
City Manager:	**Leondrae D. Camel**

City Attorney: **Burnadette Norris-Weeks**

City Clerk: **Vicenta Washington**

[JUSTIFY_INDENT]

RULES OF PROCEDURE

WHO MAY SPEAK

Meetings of the City Commission are open to the public. They are not; however, public forums. Any resident who wishes to address the commission on any subject within the scope of the Commission's authority may do so, providing it is accomplished in an orderly manner and in accordance with the procedures outlined below.

SPEAKING ON AGENDA ITEM

I. **Consent Agenda Item** – These are items, which the Commission does not need to discuss individually, and which are voted on as a group. Any Commissioner who wishes to discuss any individual item on the consent agenda may request the Mayor to pull such item from the consent agenda. Those items pulled will be discussed and voted upon individually.

II. **Regular Agenda Items** – These are items, which the Commission will discuss individually in the order listed on the agenda. By majority vote, the City Commission may permit any person to be heard on an item at a non-public hearing.

III. **Public Hearing Items** – This portion of the agenda is to obtain input from the public on some ordinances, resolutions and zoning applications. The chair will permit any person to be heard on the item during formal public hearings.

SPEAKING ON SUBJECTS NOT ON THE AGENDA

Any resident may address the Commission on any items pertaining to City business during the Opportunity for the Public to Address the Commission portion of the agenda. Persons wishing to speak must sign in with the City Clerk before the start of the meeting.

ADDRESSING THE COMMISSION: MANNER AND TIME

By majority vote the City Commission may invite citizen discussion on any agenda item. In every case where a citizen is recognized by the Mayor to discuss an agenda item, the citizen shall step to the podium/microphone, state his or her name and address for the benefit of the city clerk, identify any group or organization he or she represents and shall then succinctly state his or her position regarding the item before the city commission. Any question, shall be related to the business of the City and deemed appropriate by the Mayor, shall be directed to the Mayor and the Mayor shall then re-direct the question to the appropriate Commissioner or City Staff to answer the citizen question which shall be related to the business of the City.

All comments or questions of the public are to be directed to the Mayor as presiding officer only. There shall be no cross conversations or questions of any other persons. The length of time each individual may speak should be limited in the interest or order and conduct of the business at hand. Comments to the Commission by individual citizens shall be limited to three (3) minutes during the citizens request period. The City clerk shall be charged with the responsibility of notifying each citizen thirty (30) seconds before said time shall elapse and when said time limit has expired.

APPEALS

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

DECORUM

If a member of the audience becomes unruly, the Mayor has the right to require the person to leave the room. If a crowd becomes unruly, the Mayor may recess or adjourn the meeting.

PLEASE SILENCE ALL CELL PHONES AND PAGERS

CONTACT INFORMATION

If anyone has questions or comments about anything on the meeting agenda, please contact the City Manager at 561-996-6751.

AMERICANS WITH DISABILITY ACT

In accordance with the Americans with Disability Act and Florida Statute 286.26, persons with disabilities needing special accommodations to participate in this proceeding should contact the city clerk no later than three (3) days prior to the meeting at 561-996-6751 for assistance.

CITY OF SOUTH BAY

CITY COMMISSION WORKSHOP

CITY HALL CHAMBER

TUESDAY, JUNE 3, 2025

6:30 PM

NOTICE: If any person decides to appeal any decision of the City Commission at this meeting, he/she will need a record of the proceedings and for that purpose, he/she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based, pursuant to F.S. 286.01055. The City of South Bay does not prepare or provide such records.

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **DISCUSSION**
   - **a.** Agenda Items
4. **ADJOURNMENT**

CITY OF SOUTH BAY

REGULAR CITY MEETING AGENDA

CITY HALL CHAMBER

TUESDAY, JUNE 3, 2025

7:00 PM

NOTICE: If any person decides to appeal any decision of the City Commission at this meeting, he/she will need a record of the proceedings and for that purpose, he/she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based, pursuant to F.S. 286.01055. The City of South Bay does not prepare or provide such records.

In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing special accommodations in order to participate in this proceeding are entitled to the provision of certain assistance at no cost. Please call the City Clerk's Office at 561-996-6751 no later than 2 days prior to the hearing if this assistance is required. For hearing impaired assistance, please call the Florida Relay Service Numbers: 800-955-8771 (TDD) or 800-955-8770 (VOICE).

Any citizen of the audience wishing to appear before the City Commission to speak with reference to any agenda item must complete their "Request for Appearance and Comment" card and present completed form to the City Clerk.

1. **CALL TO ORDER, ROLL CALL; PRAYER, PLEDGE OF ALLEGIANCE**

2. **DISCLOSURE OF VOTING CONFLICTS**

3. **PRESENTATIONS AND PROCLAMATIONS** ***(Up to 5 minutes)***

   a. Palm Beach County Animal Care and Control -Michele Fox

   b. Greater South Florida Proclamation

4. **OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE COMMISSION**

5. **CONSENT AGENDA**
   All matters listed under this item are considered routine and action will be taken by one motion. There will be no separate discussion of these items unless a Commissioner or person so requests, in which the item will be removed from the general order of business and considered in its normal sequence on the Agenda.

   a. **Commission Meeting Minutes–**

      5.a. Meeting Minutes

   b. **Approval of City Commission Meeting Agenda - June 3, 2025**

6. **RESOLUTIONS – (Non- Consent) and Quasi-Judicial Hearing, if applicable)**

   a. RESOLUTION NO. 23-2025
   A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF SOUTH BAY, FLORIDA, APPOINTING JOHNNY TELLECHEA TO THE CAREERSOURCE PALM BEACH COUNTY INC. BOARD; PROVIDING FOR ADOPTION OF REPRESENTATIONS; PROVIDING FOR AN EFFECTIVE DATE

      6.a. Careersource PBC Bylaws

   b. RESOLUTION 24-2025
   A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF SOUTH BAY, FLORIDA, APPROVING THE DUAL DESIGNATION NAMING OF NW 2ND STREET BETWEEN NW 12th AVENUE AND NW 11th AVENUE AS “JARRELL STREET”; PROVIDING FOR ADOPTION OF REPRESENTATIONS; AUTHORIZING THE CITY MANAGER TO TAKE NECESSARY AND EXPEDIENT ACTION; PROVIDING FOR AN EFFECTIVE DATE

      6.b. Jarrell Renaming Street Application

   c. RESOLUTION NO. 25- 2025

   A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF SOUTH BAY, FLORIDA, ACCEPTING THE ANNUAL COMPREHENSIVE FINANCIAL AND COMPLIANCE REPORT FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024; PROVIDING FOR ADOPTION OF REPRESENTATIONS; PROVIDING FOR AN EFFECTIVE DATE

      6.c. Audit Report FY2024

7. **ORDINANCE**

a. ORDINANCE NO. 03-2025
AN ORDINANCE OF THE CITY OF SOUTH BAY, FLORIDA, GRANTING PIVOTAL UTILITY HOLDINGS, INC., A NEW JERSEY CORPORATION, D/B/A FLORIDA CITY GAS, ITS SUCCESSORS AND ASSIGNS, A NON-EXCLUSIVE NATURAL GAS FRANCHISE, AND IMPOSING PROVISIONS AND CONDITIONS RELATING THERETO; DECLARING THAT INVALIDITY OF ANY PORTION HEREOF SHALL NOT AFFECT THE REMAINING PORTIONS OF THIS ORDINANCE; AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH FLORIDA CITY GAS; PROVIDING FOR AN EFFECTIVE DATE HEREOF AND FOR OTHER PURPOSES

7.a. South Bay's existing Florida City Gas Ordinance

7.a. Franchise Agreement

8. **ROSENWALD ELEMENTARY SCHOOL**

9. **FINANCE REPORT**

a. Accounts Payable Report

9.a. AP Report

10. **CITY CLERK REPORT**

a. Upcoming Commission Meeting July 15, 2025

11. **CITY MANAGER REPORT**

a. Holiday Schedule Juneteenth

b. FY 2025-2026 Budget Schedule

12. **CITY ATTORNEY REPORT**

13. **FUTURE AGENDA ITEMS**

14. **COMMISSIONER COMMENTS: FOR THE GOOD OF THE ORDER**

15. **ADJOURNMENT**

PROCLAMATION

A PROCLAMATION OF THE CITY COMMISSION OF THE CITY OF SOUTH BAY, PALM BEACH COUNTY, FLORIDA, PROCLAIMING A DAY OF COMPILATION OF BAPTIST CHURCHES THROUGHOUT SOUTH FLORIDA AND ESPECIALLY WITHIN THE GLADES AREA.

WHEREAS, *the Greater South Florida District Baptist Missionary Congress has planned a Compilation of Baptist Churches throughout South Florida; and*

WHEREAS, *the Glades area meeting will begin with a Welcome Night June 17, 2025; and*

WHEREAS, *the Host Church will be Greater Union Missionary Baptist Church under the very capable leadership of Elder Dr. Charlie Reese -Pastor; and*

WHEREAS, *Reverend Lionel F. Camel of Mt. Cavalry Missionary Baptist Church of Belle Glade will be the Moderator and Willie Lawrence will be the Congress President of the 51st Annual Session; and*

WHEREAS, *the Theme of the session will be "That We May Be One" (Ephesians 4:1-6)*

NOW, THEREFORE, The City Commission of the City of South Bay does hereby proclaim June 17, 2025, as Greater South Florida District Baptist Missionary Congress Day within the City of South Bay and invite all citizens to participate in the 51st Annual Session.

PROCLAIMED this 3rd Day of June 2025

____
Joe Kyles, Mayor

ATTESTED BY:

____
Vicenta J. Washington, City Clerk

____
Taranza McKelvin, Vice-Mayor

____
Esther E. Berry, Commissioner

____
Albert L. Polk, Commissioner

____
Barbara King, Commissioner

RESOLUTION NO. 23-2025

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF SOUTH BAY, FLORIDA, APPOINTING JOHNNY TELLECHEA TO THE CAREERSOURCE PALM BEACH COUNTY INC. BOARD; PROVIDING FOR ADOPTION OF REPRESENTATIONS; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the City of South Bay ("City") entered an Interlocal Agreement dated July 10, 2007, creating the Palm Beach Workforce Consortium ("Consortium"); and

WHEREAS, on June 1, 2021, the City Commission of the City of South Bay ("City Commission") approved the replacement of the July 10, 2007, Interlocal Agreement as amended; and

WHEREAS, the Interlocal Agreement grants the City one elected official and one private business sector appointment to CareerSource Palm Beach County, Inc. Board of Directors; and

WHEREAS, the current private business sector appointment to the CareerSource Palm Beach County, Inc. Board of Directors' term has expired; and

WHEREAS, the City Commission desires to appoint Johnny Tellechea to the CareerSource board of directors.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SOUTH BAY, FLORIDA:

Section 1. Adoption of Representations. The foregoing "Whereas" clauses are hereby true and correct and incorporated by reference.

Section 2. Appointment of Member; Term. The City Commission of the City of South Bay, Florida hereby appoints the following person to the CareerSource Palm Beach County, Inc. Board of Directors for the term specified: Johnny Tellechea, Manager of Human Resources Florida Crystals Corporation.

Section 3. Effective Date**.** This Resolution shall be effective immediately upon its passage and adoption.

PASSED and **ADOPTED** this 3rd day of June 2025.

____

Joe Kyles, Mayor

Attested

By: __________________________________

Vicenta Washington, City Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

____

Burnadette Norris-Week, Esquire
City Attorney

Moved by: ____________________________

Seconded by: ________________________________

VOTE:

Commissioner Berry	______ (Yes)	______ (No)
Commissioner Polk	______ (Yes)	______ (No)
Commissioner King	______ (Yes)	______ (No)
Vice-Mayor McKelvin	______ (Yes)	______ (No)
Mayor Kyles	______ (Yes)	______ (No)

CAREERSOURCE PALM BEACH COUNTY, INC.

BY-LAWS

ARTICLE I
NAME

The name of the organization shall be the CareerSource Palm Beach County, Inc. (CSPBC) which exists under the laws of the State of Florida, as a not-for-profit corporation qualified under IRC§501(c)(3).

ARTICLE II
OFFICES AND REGISTERED AGENT

The principal administrative office of CSPBC shall be located in Palm Beach County, Florida, at a site as selected by the Board of Directors. The registered office of CSPBC shall be at 4420 Beacon Circle, West Palm Beach, FL 33407 and the registered agent shall be Kenneth Rehns until changed by the Board of Directors.

ARTICLE III
PURPOSE

The purpose of the Local Workforce Development Board (LWDB) is to set policy and establish oversight of the workforce development system. The LWDB has the responsibility to provide strategic and operational oversight, assists in achievement of the State's strategic and operational vision and goals, and maximizes and continues to improve quality of services, customer satisfaction, and effectiveness of services provided. This is a cooperative effort among private business, industry, labor, education and government created to increase the economic base of the community by providing workforce development, job training and employment services for the businesses and citizens of Local Workforce Development Area 21 as allowed and prescribed by the Workforce Innovation and Opportunity Act, P.L. 113-128, July 22, 2014, as and if amended from time to time (WIOA) and the Florida Workforce Innovation Act of 2000 as and if amended from time to time (the Florida Act).

ARTICLE IV CAREERSOURCE SERVICE AREA

The area to be served by CSPBC is Palm Beach County, Florida.

ARTICLE V
MEMBERSHIP

CSPBC shall not have members.

ARTICLE VI

CHIEF LOCAL ELECTED OFFICIAL, LOCAL WORKFORCE DEVELOPMENT BOARD (LWDB) MEMBERS, AND OFFICERS

The Chief Local Elected Official (CLEO), Board of Directors, Officers and Committees of CSPBC shall be organized as follows:

1) The CLEOs responsibilities include:
   a) Requesting local area designation (as prescribed in Administrative Policy 94 – Local Workforce Development Area Designation).
   b) Requesting LWDB certification (as prescribed in Administrative Policy 091 – Local Workforce Development Board Composition and Certification).
   c) Appointing members to the LWDB.
   d) Designating a fiscal agent (if not serving as grant recipient).
   e) Remaining liable for any misuse of WIOA grant funds by the local area.
   f) In coordination with the LWDB and/or staff to the board, negotiating and reaching agreement on LWDB local performance measures with FloridaCommerce.
   g) Negotiating with the LWDB and required partners to maintain the workforce delivery system through the Memorandum of Understanding (as prescribed in administrative Policy 106 – Memorandums of Understanding and Infrastructure Funding Agreements); and
   h) Partnering with the LWDB and planning region to develop and submit the WIOA local plan and regional plan.

2) The CLEO may delegate the listed administrative functions except:
   a) Appointment of members to the LWDB.
   b) Designation of a fiscal agent (designation of a fiscal agent does not relieve the CLEO or Governor of liability for misuse of grant funds – 20 CFR 679.420).
   c) Liability for any misuse of WIOA grant funds by the local areas.

3) The number of members of the LWDB shall not be less than nineteen (19) or more than thirty-three (33) as determined from time to time by the LWDB.

4) The duties and functions of the LWDB include:

   a) Undertake and carry out the functions of the board described in Sections107(d) and 108 of WIOA and the regulations thereunder.

   b) Developing and submitting a four-year local plan and regional plans.

   c) Conducting workforce research and regional labor market analysis.

   d) Convening local workforce development system stakeholders to assist in the development of the local plan and identifying expertise and resources to leverage support for workforce development activities.

e) Leading efforts to engage a diverse range of employers and other entities in the local area.

f) Leading efforts to develop and implement career pathways.

g) Leading efforts to identify and promote proven and promising strategies and initiative for meeting the needs of employers, workers, and jobseekers.

h) Developing strategies for using technology to maximize the accessibility and effectiveness of the local workforce development system for employers, workers, and job seekers.

i) In partnership with the CLEO, conducting oversight of the WIOA adult, dislocated worker, and youth programs and the entire local workforce delivery system, ensuring the appropriate use, management of WIOA funds, and ensuring the appropriate use and management and investment of funds to maximize performance outcomes.

j) With the advice of the CSPBC President/CEO, negotiating and reaching agreement on local performance measures with the CLEO and FloridaCommerce.

k) With the advice of the CSPBC President/CEO, evaluating the performance and effectiveness of CSPBC's workforce development plan and programs by establishing performance standards and measure for the workforce development activities in the region.

l) Negotiating, with the CLEO and required partners on the methods for funding the infrastructure costs of one-stop centers in the local area in accordance with 20 CFR 678.715 and Administrative Policy 106 – Memorandum of Understanding and Infrastructure Funding Agreements.

m) Selecting providers of youth workforce investment activities through competitive grants or contracts in accordance with Administrative Policy 120 – Youth Service Provider Selection, providers of training services consistent with state policy and WIOA sec. 122., providers of career services through the awards of contracts in accordance with Administrative Policy 083 – Direct Provider of Workforce Services, and one-stop operators in accordance with 20 CFR 678.600 through 20 CFR 678.635 and Administrative Policy 097 – One-Stop Operator Procurement.

n) Working with the state to ensure there are sufficient numbers and types of providers of career services and training services serving the local area and providing the services in a manner that maximizes consumer choice, as well as providing opportunities that lead to competitive integrated employment for individuals with disabilities.

o) Coordinating activities with education and training providers in the local area.

p) Developing a budget for the activities of the LWDB, with approval of the CLEO and consistent with the four-year local plan and the duties of the LWDB.

q) Assessing, on an annual basis, the physical and programmatic accessibility of all career centers in the local area, in accordance with WIOA sec. 188, if applicable, and applicable provisions of the American with Disabilities Act of 1990 (42 U.S.C. 12101 et seq).

r) Certifying the local area's career centers in accordance with 20 CFR 678.800 and Administrative Policy 093 – One Stop Delivery System and One-Stop Center Certification Requirements.

s) Concluding agreements necessary to designate the fiscal agent and administrative entity. A public or private entity, including an entity established under section 163.01, F.S., which makes a majority of the appointments to a local board may serve as the local board's administrative entity if approved by FloridaCommerce based upon a showing that a fair and competitive process was used to select the administrative entity.

t) Developing CSPBC's strategic objectives.

u) Reporting to the Board of Directors of CareerSource Florida, Inc. regarding its functions, duties and responsibilities as required by law or regulation.

v) Providing ongoing oversight related to administrative costs, duplicated services, career counseling, economic development, equal access, compliance and accountability, and performance outcomes. Regularly receiving and reviewing the financial statements of CSPBC.

w) In partnership with the CLEO, establishing bylaws and codes of conduct for LWDB members, as well as the LWDB President/CEO and LWDB staff.

x) Overseeing the one-stop delivery system in its local area.

y) Contracting with public and private entities as necessary to further the directives of the WIOA Local Plan, as amended and supplemented from time to time and The Migrant & Seasonal Farmworkers Outreach and Services Local Plan, as amended and supplemented from time to time.

z) Establishing additional monitoring and reporting requirements, if one entity fulfills multiple functions to ensure the entity is compliant with WIOA, final rules and regulations, OMB circulars, and the state's conflict of interest policy.

aa) Employ a President/CEO with the concurrence of the Palm Beach Workforce Development Consortium who will (i) be responsible and accountable to the LWDB, (ii) act on the LWDB's behalf in the conduct of its directives.

(3) At a minimum, the membership of the LWDB shall include:

(A) a majority of representatives of business in the local area as individuals, who:

i. are owners of businesses, chief executives or operating officers of businesses, or other business executives or employers with optimum policy-making or hiring authority;

ii. represent businesses, including small businesses, or organizations representing businesses that provide employment opportunities that, at a minimum include high-quality, work-relevant training and development in in-demand industry sectors or occupations in the local area (at least two representatives of small businesses must be included);

iii. are appointed from among individuals nominated by local business organizations and business trade associations; and

iv. are not current members of the Education and Industry Consortium as defined by CareerSource Florida's Strategic Policy 2023.09.19.A.2.

(B) not less than 20 percent of the LWDB members must be representatives of the workforce within the local area who

i. shall include at least two representatives of labor organizations, who have been nominated by local labor federations, or other representatives of employees (only if there are no employees represented by such organization).

ii. shall include at least one representative of a labor organization or a training director from a joint labor-management apprenticeship program.

iii. may include representatives of community-based organizations that have demonstrated experience and expertise in addressing the employment needs of individuals with barriers to employment, including organizations that serve veterans or that provide or support competitive integrated employment for individuals with disabilities; and

iv. may include representatives of organizations that have demonstrated experience and expertise in addressing the employment, training, or education needs of eligible youth, including representatives of organizations that serve out-of-school youth.

v. are not current members of the Education and Industry Consortium as defined by CareerSource Florida's Strategic Policy 2023.09.19.A.2.

(C) representatives of entities administering education and training activities in the local area, who

i. shall include a representative of eligible providers administering adult education and literacy activities under Title II of WIOA.

ii. shall include a representative of institutions of higher education providing workforce investment activities (including community colleges).

iii. shall include a private education provider. (CareerSource Florida may waive this requirement, if requested, if it is demonstrated that such representative does not exist in the local area).

iv. may include representatives of local educational agencies, and of community-based organizations with demonstrated experience and expertise in addressing the education or training needs of individuals with barriers to employment.

(D) representatives of governmental and economic and community development entities serving the local area, who

i. represent economic and community development entities;

ii. represent vocational Rehabilitation:

iii. may represent agencies or entities relating to transportation, housing, and public assistance; and

iv. may represent philanthropic organizations:

v. may include such other individual or representatives of entities as the Chief Elected Official in the local area may determine to be appropriate.

(4) Members of the LWDB that represent organizations, agencies, or other entities shall be individuals with optimum policymaking authority within the organizations, agencies, or entities.

(5) Members of the LWDB may be appointed as representatives of more than one entity if the individual meets all the criteria for representation.

(6) Vacancies. The CSPBC President/CEO shall be notified promptly by staff of a board member vacancy. The CSPBC President/CEO shall notify the Executive Committee of such vacancies, and the Executive Committee shall identify potential board members and take such action to fill the vacancies through the same process followed for all appointments. Nominees for a board member vacancy shall be received from local organizations and business and economic development agencies. Vacancies during the term of a LWDB member's appointment shall be filled in an appropriate timeframe upon receipt of sufficient nominations for the vacancy. The person appointed to fill the vacancy are appointed to the same category of membership as that in which the vacancy occurred and will serve the remaining term of the prior LWDB member and may be re-appointed as provided in Section A.(9) Term. of this Article. Should a LWDB member cease to represent the category to which they were appointed through change in status, or otherwise become disabled, ill, or unable to perform their duties on the LWDB, they shall be removed upon recommendation of the Executive Committee to the LWDB.

(7) The members of the Board must elect a chairperson from among the representatives described in paragraph (3)(A)(i) above. The Chairperson must serve for a term of no more than two years and not more than two terms.

(8) Non-mandated members of the LWDB shall be appointed in accordance with the provisions of the Interlocal Agreement Creating the Palm Beach Workforce Development Consortium as amended from time to time and applicable state and federal legislation. Each city that is a Consortium Member may, subject to the approval of the Local Elected Official, appoint a member of the LWDB otherwise meeting the requirements of Section A.(3)(a)(A) of this Article for a terms as a non-mandated director described below.

(9) Term. LWDB members shall serve staggered terms and may not serve for more than eight (8) consecutive years unless such member is a representative of a governmental entity. Service in a term of office which commenced before July 1, 2021, does not count toward the eight (8) year limitation. LWDB members will be eligible for reappointment without re-nomination or reapproval by the LWDB for an additional term that when including all previous terms, which commenced after July 1,2021, does not exceed eight (8) consecutive years. LWDB members will be reappointed in the same category of membership.

(10) Resignation of LWDB members will become effective immediately or on the date

specified therein and vacancies will be deemed to exist as of such effective date. Any vacancy occurring in the LWDB members will be filled in the manner prescribed in these Bylaws for the appointment of LWDB members. The new LWDB member appointed to fill the vacancy will serve the unexpired term of the predecessor in office.

(11) Any LWDB member failing to attend four (4) consecutive regular Board meetings without excused absence as determined by the Executive Committee shall be considered to have voluntarily resigned. Notwithstanding the previous sentence, any LWDB member may be removed from the Board for cause inconsistent with the sound operation of CSPBC, by an affirmative vote of 75% of the remaining LWDB members. Notwithstanding this section, no LWDB member shall be removed if such removal shall violate any membership right mandated by state or federal legislation unless a replacement exists for the mandated position/category. The Chief Local Elected Official may remove a member of the Board of Directors, the President/CEO, or the designated person responsible for the operational and administrative function of CSPBC for cause. Cause includes but is not limited to, engaging in fraud or other criminal acts, incapacity, unfitness, neglect of duty, official incompetence and irresponsibility, misfeasance, malfeasance, nonfeasance, gross mismanagement, waste or lack of performance. Section 445.007(2)(c) F.S.; CareerSource Florida Administrative Policy Number 110, Section IV.A.1.

(12) Only LWDB members present in person or by telephone or via virtually utilizing internet services or other means of remote communication as described in section (17) of this Article VI at a meeting shall be entitled to vote on matters submitted to a vote at such meeting, and neither voting by alternates nor proxy shall be permitted. No LWDB member shall cast a vote on the provision of services to or under the auspices of CareerSource by that LWDB member (or any organization, which that LWDB member directly represents), nor shall any LWDB member vote on any matter, which would provide direct or indirect financial benefit to that LWDB member. Each LWDB member who abstains shall publicly state the nature of their interest in the matter in which they are prohibited from voting and disclose the nature of their interest within fifteen (15) days after the vote occurs in a memorandum filed with the Secretary, who shall incorporate the memorandum in the minutes. Pursuant to the Workforce Innovation Act of 2000, if CSPBC enters into a contract with an organization or individual represented on the LWDB, the contract must be approved by a two- thirds vote of the Board a quorum having been established, and the LWDB member who could benefit financially from the transaction must abstain from voting on the contract. A LWDB member must disclose any such conflict of interest in a manner consistent with the procedures outlined in the Florida Statutes.

(13) Regular meetings of the LWDB shall be held not less than four times a year.

(14) Special meetings of the LWDB may be called by the Chair or by a number of LWDB members equaling 20% of the total number of members of the Board of Directors.

(15) Written or printed notice stating the place, day, and hour, of any meeting of the LWDB will be delivered to each LWDB member, either personally or by first class mail, or by or at the direction of the Chair, not less than five (5) days before the date of a regular or annual meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the LWDB member at his address as it appears on the records of CSPBC with postage prepaid.

(16) Notice of any special meeting of the LWDB shall be delivered in writing, or mailed, or provided verbally in person or by telephone, to each LWDB member not less than three (3) days before the date of such meeting. Such notice shall include the place, day, hour, and purpose of such meeting.

(17) A LWDB member may participate remotely by telephone or virtually via the internet or by electronic or other remote access enabled audio or video conferencing means, in any meeting of the LWDB or any committee thereof and shall be deemed present for all purposes, including, without limitation, the establishment of a quorum, and may vote on matters presented at such meeting provided that all LWDB members participating by telephone or virtually are able to hear all other LWDB members participating by telephone or virtually or in person at the meeting and all other LWDB members participating in the meeting whether in person or by telephone or virtually are able to hear each LWDB member participating by telephone or virtually. Text messaging, instant messaging, email, and web chat are not acceptable means of remote participation, either directly or indirectly.

(18) Attendance of a LWDB member at any meeting of the LWDB will constitute a waiver of notice of such meeting except where such LWDB member attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

(19) Except as otherwise set forth in this section, no LWDB member shall communicate with any person or entity or any person who is employed by or affiliated with such entity who or which submits a proposal to provide goods or services to CSPBC regarding the proposal to provide such goods or services or the request for such proposal whether or not such proposal has been issued by CSPBC. For the purposes of this section, a person who is employed by or affiliated with an entity or person which or who proposes to provide such goods or services shall be considered that entity or person. Any LWDB member who receives a communication from any such person or entity shall decline to respond and shall promptly notify the Chair in writing of such communication stating the date thereof, the person whom such communication was received and the nature of such communication. This section shall not apply to any LWDB member regarding a communication related to a matter, including a proposal or request for proposal, with respect to which such LWDB member is required to and does abstain as provide in section (11) hereof.

B. Emeritus Members.

There shall be a category of LWDB member known as a LWDB Member Emeritus who is nominated by the Executive Committee and elected by the LWDB to serve at the pleasure of the board. The LWDB retains the right to rescind a LWDB member's emeritus membership at any time and for any reason. In order to be considered for designation as a LWDB Member Emeritus, a person must be a current or former member of the CSPBC LWDB in good standing and who has completed the term(s) for which he or she was appointed or no longer serve on the board in accordance with Section A. (6) Vacancies. of this Article. LWDB Members Emeritus shall be selected from those LWDB members who have served on the LWDB for a minimum often (10) cumulative years and shall serve a term of no more than eight (8) years. A LWDB Member Emeritus shall be entitled to receive all written notices and information which are provided to the LWDB with the exception of private, confidential, or sensitive information, discuss board agenda items and attend all board meetings. A LWDB Member Emeritus shall not be subject to any attendance policy counted in determining if a quorum is present at a board meeting, entitled to hold office, or entitled to vote at any LWDB meeting, or have rights to private, confidential, or sensitive information. Emeritus LWDB Members may not conduct business on behalf of CSPBC or speak as an official representative of CSPBC. The Executive Committee of the LWDB will consider potential candidates and may nominate one or more individuals for a LWDB emeritus position. The Executive Committee will present the nomination(s) to the LWDB for its consideration and approval. A simple majority vote of directors at a meeting at which a quorum is present is sufficient to approve a LWDB Member Emeritus appointment.

C. Officers.

(1) The Officers of CSPBC shall consist of a Chair, a Chair-Elect, a Secretary and such other Officers as may be elected in accordance with the provisions of these Bylaws.

(2) The Chairperson's duties may include but are not limited to:

a) presiding over all meetings of the LWDB.
b) Appointing the members of all standing and ad-hoc committees, subject to ratification by the LWDB, and the Chairs of such committees.
c) leading the board to develop a guiding vision that aligns with the state's priorities.
d) acting as a lead strategic convener to broker effective relationships between the CLEO and economic development, education, and workforce partners in the local area.
e) leading an executive committee to guide the work of the board and ensure that committees or task forces have necessary leadership and membership to perform the work of the board.
f) leading the agenda setting process for the year and guiding meetings ensuring both tactical and strategic work is completed in all meetings.
g) appointing members to the Education and Industry Consortium.
h) generally, perform all duties relative to the office of the Chair; sign all

applicable reports, letters or fiscal documents on behalf of the LWDB and shall serve as Chair of the Nominating Committee and shall be an ex-officio member of all standing and ad-hoc committees and may function as the chair of a committee in the absence of the committee chair and the committee vice-chair.

(3) Upon expiration or termination of the term of the Chair, the Chair-Elect shall become the Chair. In the absence of the Chair or in the case of the Chair's inability or refusal to act, the Chair-Elect shall perform the duties of the Chair and have all the powers of the Chair.

(4) The Secretary will perform all duties as may be required by law, by the Articles of Incorporation, or by these Bylaws and which may be assigned from time-to-time by the Chair or the LWDB and, in the absence of the Chair and the Chair-Elect, serve as chair of the LWDB.

(5) The Chair shall serve a term of one (1) year unless the Chair shall elect in writing prior to May 1 of the then current fiscal year to serve a second year in which case the Chair may, subject to the approval of the LWDB, serve a second year of the term. Additionally, the Chair may, if requested by the LWDB, serve a second term as Chair for a period of one year or, if the Chair elects and it is approved by the LWDB as provided in the previous sentence, a period of two years. The Chair shall serve no more than 4 years. The Chair-Elect shall become the Chair upon the termination or expiration of the term of the Chair. Each of the other Officers shall be elected annually.

D. Executive Committee. The purpose of the Executive Committee is:

(1) to make recommendations for consideration by the LWDB in the following areas:

a). Strategic Direction.
b). Development and education of the LWDB about Workforce needs of the community and of CSPBC.
c). Issues related to Board governance.
d). The agenda of the meetings of the Board of Directors including a development education component.

(2) to make recommendations to the LWDB with respect to other matters which may be brought to the Committee by the Chair, the members of the Committee or the Chair.

(3) to act for the LWDB in any emergency matter which must be resolved before a meeting of the LWDB may be convened after proper notice to the members of the LWDB.

The Committee shall be composed of the Chair, the Chair-Elect and one past Chair of the LWDB selected by the LWDB upon the recommendation of the Executive Committee plus four other members of the LWDB appointed by the LWDB based upon the recommendation of the Executive Committee.

E. Nominating Committee

The purpose of the Nominating Committee is to select the slate of corporate offices for the presentation to the LWDB and seek their placement of any corporate officer that may resign. The Committee is composed of the Chair, Chair Elect, and the most recent past Chair who, at the request of the Executive Committee, agrees to serve.

F. Other Committees

There shall be two (2) standing committees: the Financial Planning Committee, the Youth and Young Adult Outreach Committee.

The Chair of the LWDB from time-to-time may create ad-hoc committees, with such powers, duties, and functions, as may be deemed necessary. The Chair shall appoint the members, subject to LWDB approval and in accordance with the requirements of Federal and state laws and regulations, and chair and vice chair of each ad-hoc committee and each Standing Committee. Committee members may be appointed from among the members of the LWDB or from other interested parties. Those members in attendance at a meeting of any of these committees shall constitute a quorum.

ARTICLE VII
CERTAIN FINANCIAL MATTERS

1. No loans shall be contracted on behalf of CSPBC, and no evidence of indebtedness shall be issued in its name.

2. All purchases or expenditures by CSPBC, whether by contract or not, shall follow and adhere to laws, policies and standards governing purchases and expenditures as specified by the grant and/or the grant recipient.

3. The purchase or sale of goods or services by CSPBC shall be conducted in accordance with CSPBC Standard Operating Procedures and Procurement Policies and Procedures.

ARTICLE VIII
MANAGEMENT

1. Local Workforce Development Board President/CEO: A President/CEO will be selected, appointed by, report to the Board and shall effectively and ethically carry out the functions of the LWDB which may include but is not limited to:

    a) Coordinating with the CLEOs regarding the identification and nomination of members to the LWDB and ensuring membership is compliant with WIOA and Florida Statutes.
    b) Organizing local board meetings and ensuring meetings are held according to these

bylaws and Florida's sunshine laws.

c) Developing and submitting the local and regional plan.
d) Conducting oversight of the WIOA adult, dislocated worker, youth programs and the entire one-stop delivery system, including development of policies and monitoring the administration of the programs.
e) Negotiating and reaching agreement on local performance measures with the CLEO and FloridaCommerce.
f) Negotiating with the CLEO and required partners for the Memorandum of Understand (as prescribed in Administrative Policy 106 – Memorandum of Understanding and Infrastructure Funding Agreements).
g) In compliance with local board procurement policy, provide oversights of the competitive procurement process for procuring or awarding contracts for providers of youth program services, providers of workforce services (if applicable), and the one-stop operator as required in paragraph (I) of 20 CFR 679.370.
h) Developing a budget for activities of the LWDB; and
i) Certifying the one-stop career centers.

The executive director, chief financial officer, and chief operating officer who represent the LWDB may not personally contract with or otherwise represent more than one LWDB and may not simultaneously act as members of any LWDB.

2. One-Stop Operator: The entity or consortium of entities that coordinates service delivery of required one-stop partners and service providers. WIOA requires the LWDB to use a competitive procurement process to select its one-stop operator and to competitively reprocure these services every four years, in accordance with WIOA sec. 121(d), 20 CFR 648.600 through 678.635, and Administrative Policy 097 – One-Stop Operator Procurement.

3. Providers of Workforce Services: The LWDB is required to select the provider of basic and individualized career services (also referred to as "workforce services") and have the option of being direct providers of workforce services or awarding grants or contract for these services. WIOA allows the LWDB to be direct providers of workforce services with the agreement of the CLEO in the local area, LWDB, and the Governor, as prescribed in Administrative Policy 083 – Direct Provider of Workforce Services.

4. Youth Service Provider: The LWDB is required to select providers of youth workforce services through competitive grants or contracts. The LWDB has the option of directly providing some or all youth workforce services rather than awarding grants or contracts for these services. If the LWDB chooses to award grants or contracts for youth workforce services must do so through a competitive procurement process in accordance with WIOA sec. 123.20 CFR 681.400, and Administrative Policy 120 – Youth Service Provider Selection.

ARTICLE IX
FISCAL YEAR

The fiscal year of CSPBC shall be July 1 through June 30 of each year.

ARTICLE X INDEMNIFICATION

1. <u>Right to Indemnification</u>: Each person (including the heirs, executors, administrators, or estate of each person) (1) who is or was a director of CSPBC, (2) who is or was an officer, agent or employee of CSPBC and as to whom CSPBC has agreed to grant indemnification, or (3) who is or was serving at the request of CSPBC as its representative in the position of a director, officer, trustee, partner, agent or employee or another corporation, partnership, joint venture, trust, or other enterprise and as to whom CSPBC has agreed to grant indemnification, shall be indemnified by CSPBC as of right to the fullest extent permitted or authorized by current or future legislation or by current or future judicial or administrative decision, against all fines, liabilities, settlements, losses, damages, costs and expenses, including attorneys' fees, asserted against such person or incurred by such person in their capacity as director, officer, trustee, partner, agent, employee or representative unless such liability in question is out of the scope of such person's legal capacity, authorization, duties and responsibilities, or is adjudged by a court of competent jurisdiction to result from the gross negligence or willful misconduct of the indemnity. The foregoing right of indemnification shall not be exclusive of other rights to which such person seeking indemnification may be entitled. CSPBC may maintain insurance at its expense to protect itself and indemnified persons against any fines, liabilities, costs and expenses, including attorneys' fees, whether or not CSPBC would have the legal power to directly indemnify such person against these liabilities.

2. <u>Advances</u>: To the extent permitted by law, costs, charges and expenses (including attorneys' fees) incurred by a person, referred to in section A above. Indemnification of this Article, in defending a civil or criminal action or proceeding may be paid (and, in the case of directors of CSPBC, shall be paid) by CSPBC in advance of the final disposition thereof, upon receipt of an undertaking to repay all amounts advanced if it is ultimately determined that the person is not entitled to be indemnified by CSPBC as authorized by this Article, and upon satisfaction of other conditions established from time to time by the Board of Directors or required by current or future legislation.

ARTICLE XI AMENDMENTS

The power to alter, amend, or repeal the Articles of Incorporation or Bylaws of CareerSource Palm Beach County, or to adopt new Bylaws, insofar as is allowed by law, is vested in the Board of Directors. Such action must be taken pursuant to a resolution approved by a two-thirds vote, a quorum being present, at a meeting for which notice of consideration of such matter was duly given.

I certify that the foregoing constitutes a conformed copy of the bylaws of the CareerSource Palm Beach County, Inc. as in effect this date.

CSPBC Board Chair: Christopher Cothran

Signature: ______________________ Date: 7/2/2024 | 4:13 PM EDT

PBWD Consortium Chair (CLEO): Commissioner Gregg Weiss

Signature: Gregg K. Weiss Date: 7/2/2024 | 2:08 PM PDT

RESOLUTION 24-2025

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF SOUTH BAY, FLORIDA, APPROVING THE DUAL DESIGNATION NAMING OF NW 2ND STREET BETWEEN NW 12th AVENUE AND NW 11th AVENUE AS "JARRELL STREET"; PROVIDING FOR ADOPTION OF REPRESENTATIONS; AUTHORIZING THE CITY MANAGER TO TAKE NECESSARY AND EXPEDIENT ACTION; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, in recognition of Nathaniel Jarrell Sr. and Mary Lee Jarrell's numerous contributions to the City of South Bay, Florida ("City"), the City Commission desires to approve a dual designation naming of NW 2nd Street between NW 12th Avenue and 11th Avenue as "Jarrell Street"; and

WHEREAS, on August 14, 1962, Nathaniel Jarrell Sr. and Mary Lee Jarrell purchased their home at 290 NW 12th Avenue in the City; and

WHEREAS, for more than 26 years Nathaniel Jarrell, Sr. worked for a company by the name of Concrete Products and his job was to pump out cesspools long before the City was on its current sewer system; and

WHEREAS, the Jarrells have been 59-year model residents of the City of South Bay and they welcomed everyone into their home for holidays and various celebrations serving tasty food, warm hugs, and handshakes; and

WHEREAS, the couple was known to have established the original Block Party at the corner of 12th Avenue and 2nd Street, and that legacy lives on today; and

WHEREAS, City staff is required to outline the cost of a street naming and has determined that a dual designation for renaming of NW 2nd Street between NW 12th Avenue and NW 11th Avenue as "Jarrell Street" for lettering, signage and related costs will be approximately Eight Hundred Sixty-Five Dollars ($865.00), and an additional Twenty-One Dollars and Ninety Cents ($21.90) will be needed for mailings and notification; and

WHEREAS, the City Commission has determined that that the dual designation of NW 2nd Street to "Jarrell Street "is an appropriate way for the City to recognize the numerous contributions of Nathaniel Jarrell Sr. and Mary Lee Jarrell and is in the best interest of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SOUTH BAY, AS FOLLOWS:

Section 1. Adoption of Representations. The foregoing "Whereas" clauses are hereby ratified and confirmed as being true and the same are hereby made a specific part of this Resolution.

Section 2. Dual Designation of NW 2nd Steet as "Jarrell Street". The City Commission of the City of South Bay hereby approves the dual designation naming of NW 2nd Street between NW 12th Avenue and 11th Avenue as "Jarrell Street."

Section 3. Authorization of City Manager. The City Manager of the City of South Bay is hereby authorized to take all necessary and expedient action to carry out the aims of this Resolution.

Section 4. Effective Date. This Resolution shall be effective immediately upon its adoption.

PASSED and **ADOPTED** this 3rd of June 2025.

____
Joe Kyles, Mayor

ATTEST:

By: ______________________________
Vicenta Washington, City Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

____
Burnadette Norris-Week, P.A.
City Attorney

Moved by: ______________________________

Seconded by: ______________________________

VOTE:

Commissioner Berry	______ (Yes)	______ (No)
Commissioner King	______ (Yes)	______ (No)
Commissioner Polk	______ (Yes)	______ (No)
Vice-Mayor McKelvin	______ (Yes)	______ (No)
Mayor Kyles	______ (Yes)	______ (No)

CITY OF SOUTH BAY

NAMING AND RE-NAMING STREET AND PUBLIC FACILITIES APPLICATION

Resolution 11-2016

This application is for the use of Naming and Re-naming Street and Public Facilities. This application must be completed in full, either typed or printed, and submitted to the City of South Bay. Complete one (1) form for each proposed street name. Application fee of $125.00 must be submitted with the application.

Note: A street name change may also result in address changes.

Contact Information

Applicant Name: GERALDINE J. MASSEY

Address: 430 SE 3RD ST.

City: SOUTH BAY State: FL Zip Code: 33493

Phone: 561-914-1443 Fax: ________ Email: carolynfoster1966@gmail

Street Name and/or Public Facility Information

Current Street/Facility Name (or Legal Description if Unnamed): NW 12th Ave + 2ND ST.

Proposed Street/Facility Name: NW 12th Ave + JARRELL ST.

Reason For Street/Facility Name Change: SEE ATTACHED

Source/Meaning/Background of New Name: SEE ATTACHED

Geraldine J Massey
Applicant Signature

April 2, 2024
Date

DO NOT WRITE BELOW THIS LINE INTERNAL USE ONLY

****

This application must be reviewed by the City Manager.

________________________ City Manager ________________________ Date

________________________ Mayor ________________________ Date

________________________ Commission Approved ________________________ Date

Massey, G

RESOLUTION 11-2016

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF SOUTH BAY, FLORIDA ESTABLISHING A POLICY FOR THE NAMING AND RENAMING OF STREET AND PUBLIC FACILITIES; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Commission of the City of South Bay ("City Commission") desires to establish a policy for the naming and renaming of street and public facilities; and

WHEREAS, the purpose of this policy is to provide criteria for the City of South Bay ("City") to use when it desires to confer a specific name on a municipally owned property or street; and

WHEREAS, the policy shall affect only municipally owned property including, but not limited to, the following: a) buildings and structures; b) real property, including open space, parks, and recreational facilities; and c) rights of way, including streets; and

WHEREAS, establishment of said policy is in the best interests of the residents of the City.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SOUTH BAY AS FOLLOWS:

Section 1. Adoption of Representations. The foregoing "Whereas" clauses are hereby ratified and confirmed as being true, and the same are hereby made a specific part of this Resolution.

Section 2. Establishment of Policy; Authorization of City Manager. The City Commission of the City of South Bay hereby establishes a policy for the naming and renaming of streets and public facilities, as set forth in Exhibit "A" attached hereto, and authorizes the City Manager to take all necessary and expedient action to carry out the aims of this Resolution.

Section 3. Effective Date. This Resolution shall be effective immediately upon its adoption.

PASSED and **ADOPTED** this 16th day of February 2016.

Joe Kyles, Mayor

Moved by: Commissioner McKelvin

Seconded by: Commissioner Berry

Attested

By: ______________________
Jessica Figueroa, City Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

____
Burnadette Norris-Week, Esquire
City Attorney

VOTE:

Commissioner Berry	✓ (Yes)	______ (No)
Commissioner McKelvin	✓ (Yes)	______ (No)
Commissioner Scott	✓ (Yes)	______ (No)
Vice-Mayor Wilson	______ (Yes)	______ (No)
Mayor Kyles	✓ (Yes)	______ (No)

CITY OF SOUTH BAY POLICY
NAMING AND RE-NAMING STREET AND PUBLIC FACILITIES

Section 1 – Purpose of Policy and Limitations

The purpose of this policy is to provide criteria for the City of South Bay to utilize when it wishes to confer a specific name on a municipally owned property or street. This policy shall affect only municipally owned property including, but not limited to, the following:

a) Buildings and structures
b) Real property, including open space, parks, and recreational facilities
c) Rights of way, including streets.

The process and criteria included herein does not apply to:

(a) Historically registered properties for which a name has been indicated on a nomination form and accepted for use on a historic register.
(b) Public art installations that have been commissioned with a title that serves as the name of the piece.
(c) This policy does not apply to State and/or Federal roads and highways. Any proposal affecting a Palm Beach County facility must also be approved by the Palm Beach County Board of County Commissioners.

Section 2 -- Definitions.

(a) *City Commission:* The governing body of the City of South Bay, Florida.
(b) *Committee:* The street naming committee shall also mean the City Commission or any other such committee designated by the City Commission to review and recommend names for public facilities and streets located within or owned by the city.
(c) *Public facility:* Any public building, plaza or park owned by the City of South Bay.

Section 3 -- Review and recommendation.

The Commission shall consider the selection criteria set forth in this section which, when approved by the City Commission, shall govern its name selection process and/or dual designation process.

Whenever a name is needed for a new public facility or street or whenever there is a proposal to rename an existing public facility or street within or owned by the city, said naming or renaming shall first be considered and reviewed by the City Commission according to the following procedures:

(a) Any person, organization, association, corporation or other entity including the administration of the city may propose a name for a new public facility owned by the city or a city street or may propose renaming an existing public facility or city street at any time by submitting a proposal on an application form created and provided by the City Manager's office.

(b) In the case of a sitting City Commissioner, said Commissioner shall introduce the item as a *Future Agenda Item* to be introduced at the next regular commission meeting.

(c) Following an application in the case of (a) referenced in this Section; or a majority vote in the case of (b) referenced in this Section, the city commission shall meet to consider and review the proposal for the naming or renaming and whether a naming committee is necessary. Notice of all relevant meetings shall be given to all persons or entities which have proposed names for the public facility or street under consideration and the item shall appear as an agenda item on the printed agenda.

(d) Prior to discussion on the item, the city staff shall present the projected cost that changing the name of any street will have on existing property owners and on the City. The commission shall also be advised of any outstanding liens that are owned by the person under consideration for the name change.

(e) The following shall be publicly discussed as minimum criteria that can be established prior to passage of any proposal for the renaming of a public facility or street:

(1) Whether the name presented for renaming or the event represents a person or event of national recognition, significant and importance; or

(2) Whether the name presented for renaming has contributed in a significant way to development and progress of the city and its residents.

Section 4 -- Public hearing and naming by city commission.

(a) Any consideration for naming a street shall be considered a public hearing on the portion of the agenda to be heard.

(b) Notice of a public hearing regarding the naming of a public facility or street shall be published at least ten (10) days prior to the hearing in a newspaper of general circulation within the city.

(c) At the close of the public hearing the city commission may select a name for dual designation or rename the subject public facility or street. In selecting the name, the commission shall be governed by its established selection criteria: however, the name selected need not be one recommended by the commission.

Source for name change:

On August 14, 1962 our parents (Nathaniel Jarrell, Sr and wife Mary Lee Jarrell) bought their home at 290 NW 12th Ave and 2nd St. in South Bay, Fl. For over 26-yrs our Dad worked at Concrete Products and would pump out cess pools long before city sewer came to our area. Our family was known for the holiday and birthday celebrations where anyone and everyone was welcomed and was served with good food, warm hugs and hardy handshakes.

Reason:

Model citizens who for 59-yrs, 10-mos and 2-days lived a life worth celebrating and memories that still live on today. "The Jarrells Family: The inventor of the First Original Block Party on the corner of 12th Ave and 2nd St. where their Legacy Lives On... generation after generation

City Of South Bay
335 S.W. 2nd Avenue
South Bay, FL 33493
Phone: (561) 996-6751 Fax: (561) 996-7650

INVOICE

INVOICE NO. 006605

ACCT. NO.: ORDER ENTRY-CUSTOMER

SOLD TO: Cash
GERALDINE J MASSEY
UNITED STATES

SHIP TO: RE-NAMING STREET AND PUBLIC FACILIT
GERLADINE J. MASSEY
UNITED STATES

SALES NO.	CUSTOMER REQ. NUMBER	SHIP VIA	SALES-PERSON	DATE SHIPPED	TERMS	INVOICE DATE
2			OM	04/03/2024	Finance Charge	04/03/2024

QUANTITY ORDERED	QUANTITY SHIPPED	BACK ORDERED	ITEM NO.	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
1.00	1.00	0.00	MISC	MISC	$125.00	$125.00

Weight 0.00 lbs.

Tender Types			
Cash	$0.00	Debit Card	$0.00
Check	$125.00	Alternate Tender	$0.00
AR Charge	$0.00	Gift Card	$0.00
Credit Card	$0.00	Foreign Currencies	$0.00
CC Rebates	$0.00	WebPay	$0.00

Thank You

SALES AMOUNT	$125.00
TAXABLE TOTAL	$0.00
SALES TAX	$0.00
FREIGHT	$0.00
TOTAL	$125.00
TOTAL DEPOSITS	$0.00
BALANCE REMAINING	$0.00

RESOLUTION NO. 25- 2025

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF SOUTH BAY, FLORIDA, ACCEPTING THE ANNUAL COMPREHENSIVE FINANCIAL AND COMPLIANCE REPORT FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024; PROVIDING FOR ADOPTION OF REPRESENTATIONS; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the City Commission of the City of South Bay ("City Commission") has been presented with the Annual Comprehensive Financial Report ("ACFR") and Compliance Report for Fiscal Year ending September 30, 2024; and

WHEREAS, an annual financial audit is required pursuant to Section 218.39, Florida Statutes and Chapter 2, Article VI, Section 2-259 of the City of South Bay's Code of Ordinances entitled, "Independent Annual Audit"; and

WHEREAS, the City Manager is recommending acceptance of the Annual Comprehensive Financial Report and Compliance Report for Fiscal Year ending September 30, 2024; and

WHEREAS, the City Commission desires to accept the recommendation of the City Manager and hereby approves the Annual Comprehensive Financial Report and Compliance Report for Fiscal Year ending September 30, 2024.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SOUTH BAY, FLORIDA, AS FOLLOWS:

Section 1. Adoption of Representations. The foregoing "Whereas" clauses are hereby ratified and confirmed as being true and the same are hereby made a specific part of this Resolution.

Section 2. Acceptance of Report. The City Commission of the City of South Bay hereby accepts the Annual Comprehensive Financial Report and Compliance Report for Fiscal Year ending September 30, 2024, and further authorizes the City Manager to take all necessary and expedient action to effectuate the intent of this Resolution.

Section 3. Effective Date. This Resolution shall be effective immediately upon its passage and adoption.

PASSED and **ADOPTED** this 3rd day of June 2025.

____

Joe Kyles, Mayor

ATTEST:

By: ________________________________
Vicenta Washington, City Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

____
Burnadette Norris-Weeks, P.A.
City Attorney

Moved by: __________________________

Seconded by: ________________________

VOTE:

Commissioner Berry	______ (Yes)	______ (No)
Commissioner King	______ (Yes)	______ (No)
Commissioner Polk	______ (Yes)	______ (No)
Vice-Mayor McKelvin	______ (Yes)	______ (No)
Mayor Kyles	______ (Yes)	______ (No)

City of South Bay, Florida

Financial Statements

For the Fiscal Year ended September 30, 2024

City of South Bay, Florida
Annual Comprehensive Financial Report
For The Fiscal Year Ended September 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of South Bay, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund information of the City of South Bay, Florida (the "City"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of South Bay, Florida, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Florida Retirement System (included in the General fund), which represent .37 percent, .89 percent, and .93 percent, respectively, of the assets, liabilities, and expenses of the City's pension plan as of September 30, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Fiduciary funds, is based solely on the report of the other auditors.

Basis for Opinions

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*. Our responsibilities under those standards and rules are further described in the Auditor's Responsibilities for the Audit of the Financial Statements sections of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.550 Rules of the Florida Auditor General will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.550 Rules of the Florida Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension benefits on pages 5–12 and 54–56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* that 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

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

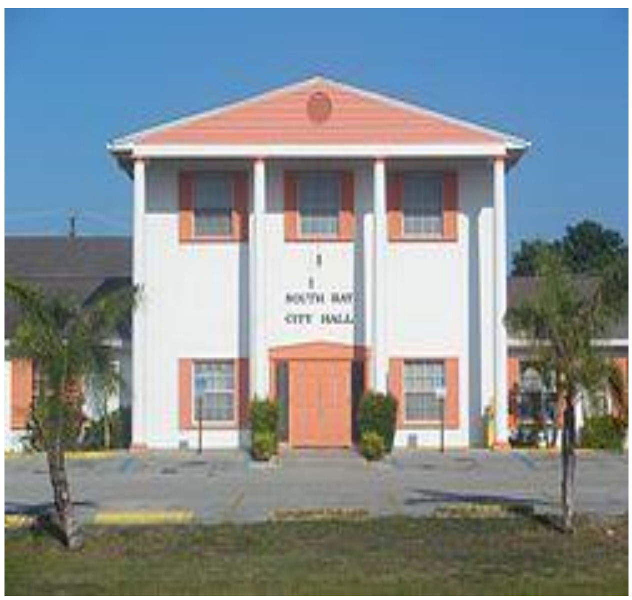
In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
May 8, 2025

CITY OF SOUTH BAY, FLORIDA

Management's Discussion and Analysis



The purpose of Management's Discussion and Analysis (MD&A) is to provide the readers an overview of financial activities of the City of South Bay's (the "City") for the fiscal year ended September 30, 2024. This information is intended to assist the readers to identify changes in financial statements and help them to make decision or conclude about City's financial position.

The information contained within this MD&A is only a component of the entire financial statement report. The readers should take time to read and evaluate all sections of the financial statements including the footnotes and the other required supplementary information that is provided in addition, to this Management's Discussion and Analysis MD&A section.

Financial Highlights:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at September 30, 2024 by $13,231,274 of this amount $6,543,544 may be used to meet the government's ongoing obligation to citizens and creditors.

- The City's total net position increased by $384,251 or 3% as a result of an increase of $115,914 in governmental activities and an increase of $268,337 in business-type activities.

- Governmental activities generated $4,424,623 in revenues with $4,308,709 in expenses.

- Business-type activities generated $1,035,647 in revenues with $767,310 in expenses.

- General fund balance decreased by $5,445, as result, the unassigned fund balance was $1,9452,446 or 86% total of fund balances.

- The net position in business type activities increased by $268,337 due to increase of $154,862 in the water and sewer fund and an increase of $113,475 in the sanitation fund.

- At the end of the current fiscal year, the unassigned fund balance for the general fund represented 63% of the total general fund expenditures.

Overview of the Financial Statements

The City's financial statements comprise of three components: 1) government-wide financial statements, 2) financial statements of funds, 3) notes to the financial statements, and 4) other. This report also contains other supplementary information aside to the basic financial statements.

1 - The focus of the *government-wide financial statements* is on the overall financial position and activities of the City. The difference between the City's total all assets and deferred outflows of resources, and total liabilities and deferred inflows of resources represents its net position. Although the purpose of the City is not to accumulate net position, over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *government-wide financial statements* provide readers with a broad overview of the City's finances for both its governmental activities and business-type activities which are shown in two statements:

- Statement of Net Position
- Statement of Activities

The Statement of Net Position presents information on all of the City's held assets and liabilities owed by the City.

The Statement of Activities presents the revenues and expenses of the City and the change in net position during current fiscal year. The items presented on the Statement of Activities are measured in a manner similar to the approach used in the private-sector; the revenues are recognized when earned and expenses are reported when incurred.

2 – The focus of the *fund financial statements* is a micronization of specific activities within the City as opposed to the City as a whole. Specific funds are established to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City groups it funds in two categories:

- Governmental Funds
- Proprietary Funds

Governmental fund financial statements consist of a balance sheet, a statement of revenues and expenditures, and changes in fund balances. These statements are prepared on an accounting basis that is significantly different from that used to prepare the *government-wide financial statements.* The focus of the financial statements is on short-term emphasis. That measures and accounts for cash and other assets that can easily be converted to cash. The major fund in the governmental fund is the General Fund. The City adopts an annual budget for the General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the annual budget.

Proprietary Funds provide the same type of information as the *government-wide financial statements,* only in more detail. The City presents a separate column for the water and sewer and sanitation funds. The Sanitation Fund charges a fee to customers for the use of services. The Water and Sewer Fund receives an annual fee based on agreement between the City and Palm Beach County Water Utility Department. The basis of accounting of the financial statements is similar to the basis used to prepare the government-wide financial statements.

3 – The notes to the financial statements provide additional information and disclosures that are essential to a full understanding of the data provided in the *government-wide and fund financial statements.*

4- Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The supplementary information such as a comparison includes funding between the City's adopted budget and actual financial results. The City adopts an annual appropriated budget for its governmental funds. The *budgetary comparison statement* has been provided to exhibit compliance with the budget.

Analysis of government-wide financial statements:

City of South Bay, Florida
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	$ 5,634,524	$ 5,517,294	$5,425,885	$ 5,164,827	$ 11,060,409	$10,682,121
Capital assets	5,052,358	4,953,356	212,927	242,319	5,265,285	5,195,675
Total assets	10,686,882	10,470,650	5,638,812	5,407,146	16,325,694	15,877,796
Current and other liabilities	2,035,555	1,990,810	69,387	68,158	2,104,942	2,058,968
Long-term liabilities outstanding	224,078	168,505	765,400	803,300	989,478	971,805
Total liabilities	2,259,633	2,159,315	834,787	871,458	3,094,420	3,030,773
Net position:						
Invested in capital assets (net of related debt)	4,969,646	4,859,165	212,927	242,319	5,182,573	5,101,484
Restricted for prepaid items	1,505,157	1,373,946	-	-	1,505,157	1,373,946
Unrestricted	1,952,446	2,078,224	4,591,098	4,293,369	6,543,544	6,371,593
Total net position	$ 8,427,249	$ 8,311,335	$4,804,025	$ 4,535,688	$ 13,231,274	$12,847,023

A significant portion of the City's net position (39.2%) reflect its investment in capital assets (e.g. lands, infrastructure, buildings and equipment) less any debt related to those assets that are still outstanding. The City uses these capital assets to provide services to citizens; accordingly, these assets are not available for future spending. Although the City's investment in its capital assets are 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 sold to liquidate these liabilities.

An additional portion of the City's net position (11.4%) represents resources that are subject to restriction on how they may be used.

The net position increased from $12,847,023 to $13,231,274 as a result of a net increase of $268,337 in business-type and increase of $115,914 in the governmental activities fund groups.

<u>Expenses and Revenues – Governmental Activities:</u>

Net position increases or decreases over time serve as a useful indicator of the government's financial position. Net position in governmental activities increased by $115,914 in the current year, while the net position in prior year increased by $903,824. Revenues in governmental activities including transfers in, decreased by $1,155,348 when the expenditures decreased by $367,438 in fiscal year 2024.

City of South Bay, Florida
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charge for services	$ 71,140	$ 56,871	$ 696,662	$ 696,725	$ 767,802	$ 753,596
Operating grant and contribution	1,310,852	2,636,797	-	-	1,310,852	2,636,797
General revenues:						
Property taxes	614,566	544,846	-	-	614,566	544,846
Franchise and taxes	781,150	806,438	-	-	781,150	806,438
Other taxes	1,124,481	1,125,772	-	-	1,124,481	1,125,772
Other	362,434	320,797	338,985	290,470	701,419	611,267
Total revenues	4,264,623	5,491,521	1,035,647	987,195	5,300,270	6,478,716
Expenses:						
General government	2,173,662	2,438,272	-	-	2,173,662	2,438,272
Public safety	239,279	233,593	-	-	239,279	233,593
Highway and street	1,531,139	1,241,651	-	-	1,531,139	1,241,651
Culture and recreation	364,629	762,594	-	-	364,629	762,594
Water and sewer	-	-	30,391	3,570	30,391	3,570
Sanitation	-	-	576,919	558,284	576,919	558,284
Interest on long term debt	-	37	-	-	-	37
Total expenses	4,308,709	4,676,147	607,310	561,854	4,916,019	5,238,001
Increase (decrease) in net assets before transfer in (out)	(44,086)	815,374	428,337	425,341	384,251	1,240,715
Transfer in /(out)	160,000	88,450	(160,000)	(88,450)	-	-
Increase (decrease) in net position	115,914	903,824	268,337	336,891	384,251	1,240,715
Net position at beginning of year	8,311,335	7,407,511	4,535,688	4,198,797	12,847,023	11,606,308
Net position at end of year	$8,427,249	$8,311,335	$ 4,804,025	$ 4,535,688	$ 13,231,274	$ 12,847,023

The net position in business-type activities increased by $268,337 in the current year, when the prior year's net position increased by $336,891. The revenues in business-type increased by $48,452 when the expenditures increased by $117,006.

Discussion of Major Funds

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The City's governmental funds focus on providing information on short-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the 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.

The General Fund is the primary operating account for all unrestricted operating expenditures of the City. Revenues aggregated to $3,140,418. While expenditures totaled $3,145,863 including a transfer out in the amount of $44,715, resulting in a $5,445 decrease in the fund balance at year end.

Proprietary Funds – The W*ater & Sewer Fund* and Sanitation Fund are identified as major proprietary funds and report the operating income and change in net position.

Total proprietary funds revenue for service charges and other sources totaled $1,035,647. The total expenditures totaled $767,310 including a transfer out of $160,000 to the capital project fund resulting in $268,337 increase in net position.

General Fund Budgetary Highlights

General Fund operations had a negative variance of $5,445, when the actual revenues including other financing sources were $581,359 less than the final budget. Actual expenditures were less than the final appropriation by $575,914. Budget amendments were done throughout the year to make funds available for unexpected expenditures as well as to realign funding changes in each department.

Capital Assets

The City's capital assets (net of accumulated depreciation) as of September 30, 2024, amounted to $5,265,285 showing an increase of $69,610 from the prior year. The increase was primarily due to drainage improvement expenses in the amount of $835,477. Additional information on the City's assets can be found in NOTE 4, Capital assets.

City of South Bay, Florida
Capital Assets

	Governmental Activities 2024	Governmental Activities 2023	Business-Type Activities 2024	Business-Type Activities 2023	Total 2024	Total 2023
Land	$ 293,523	$ 293,523	$ 212,927	$ 212,927	$ 506,450	$ 506,450
Construction in Progress	1,167,978	332,501	-	-	1,167,978	332,501
Buildings and improvements	727,191	727,191	-	-	727,191	727,191
Utility plant and systems	-	-	-	128,521	-	128,521
Improvements other than buildings and roads	1,286,022	1,286,022	-	-	1,286,022	1,286,022
Lease (Right-of-use-asset)	60,524	60,524	-	-	60,524	60,524
Infrastructure	14,060,728	14,060,728	-	-	14,060,728	14,060,728
Equipment and machinery	983,200	993,350	-	-	983,200	993,350
Total	18,579,166	17,753,839	212,927	341,448	18,792,093	18,095,287
Accumulated depreciation	(13,526,808)	(12,800,483)	-	(99,129)	(13,526,808)	(12,899,612)
Total capital assets, net	$ 5,052,358	$ 4,953,356	$ 212,927	$ 242,319	$ 5,265,285	$ 5,195,675

Long-Term Debt

At the end of the current fiscal year, the City had a total of $1,027,378 in revenue bonds and compensated absences outstanding as compared to $1,008,005 last year, noting an increase of $19,373. The City's obligations are secured by various revenue sources and capital assets.

City of South Bay, Florida
Bonded Debt, Notes and Loan Payable, and Capital leases

	Governmental Activities 2024	Governmental Activities 2023	Business-Type Activities 2024	Business-Type Activities 2023	Total 2024	Total 2023
Revenues bonds	$ -	$ -	$ 803,300	$ 839,500	$ 803,300	$ 839,500
Compensated absences	224,078	168,505	-	-	224,078	168,505
Total	$ 224,078	$ 168,505	$ 803,300	$ 839,500	$ 1,027,378	$ 1,008,005

Economic Factors and Outlook for the Future

The City's economic environment is dependent on Palm Beach County's and the State of Florida's economic activities which are impacted by the City's sources of revenue. Other economic factors such as a weak economy, unemployment, commodities prices, growth and any new legislative bill and proposal may have a significant impact on the City's operations. City of South Bay has been fortunate to be located in an area with the opportunity to annex lands, which could be utilized for future development, additional employment opportunities and increases in property valuations and revenues.

The City primarily relies on various taxes levied by the state (sales and utilities) as well as franchise and other business tax receipts for governmental activities. The governmental fund budget has kept operational spending fairly unchanged. The City's elected officials consider many factors and establish goals, and priorities when adopting the annual budget each year. Improvements to roads will be funded by grants' monies that are expected to be received during 2024-2025 fiscal year.

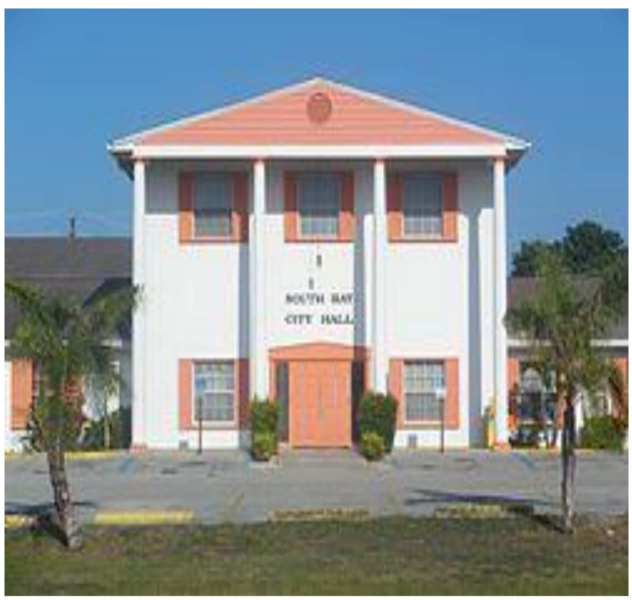
Effective October 1, 2006, the fire rescue services was transferred to Palm Beach County Fire Rescue MSTU (municipal service tax unit). In accordance with this agreement, the City's property owners $3.4581 mills of $1,000 of taxable value are maintained by Palm Beach County and the City's millage rate remains at 6.3089. The property values have begun to stabilize and an increase of 10.9% is projected for the fiscal year 2024-2025.

Request for Information

The financial report is designed to provide a general overview of the City's finances to its citizens, taxpayers, customers, creditors and investors, to demonstrate the City's accountability to the aforementioned. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department, 335 S.W. 2nd Avenue, South Bay, FL 33493. Additional information is also available on the City's website.

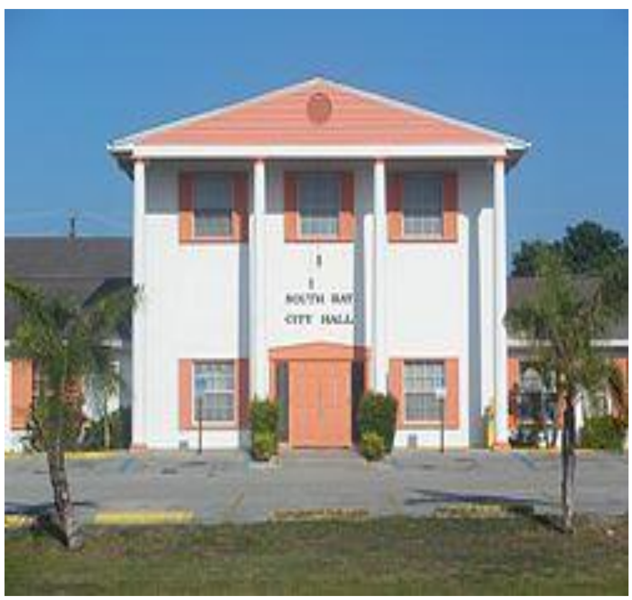
CITY OF SOUTH BAY, FLORIDA

Basic Financial Statements



CITY OF SOUTH BAY, FLORIDA

Government Wide Financial Statements



City of South Bay, Florida
Statement of Net Position
September 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	$ 3,859,427	$ 3,780,392	$ 7,639,819
Accounts receivable (net of allowances for uncollectible accounts)	78,925	141,833	220,758
Due from government	799,968	-	799,968
Lease receivable	126,839	-	126,839
Prepaid items	85,396	-	85,396
Due from other funds	-	678,085	678,085
Restricted assets:			
Cash and cash equivalents	121,025	22,455	143,480
Investments	-	778,990	778,990
Capital assets	5,052,358	212,927	5,265,285
Other assets	549,151	24,130	573,281
Total assets	10,673,089	5,638,812	16,311,901
Deferred outflows:			
Deferred outflows-pension	13,793	-	13,793
Total deferred outflows	13,793	-	13,793
Liabilities:			
Accounts payable	477,567	11,181	488,748
Accrued liabilities	21,258	-	21,258
Compensated absences	224,078	-	224,078
Unearned revenue	635,301	-	635,301
Due to other funds	678,085	-	678,085
Payable from restricted assets:			
Interest payable	-	20,306	20,306
Long-term debt:			
Due within in one year	-	37,900	37,900
Due in more than one year	-	765,400	765,400
Net pension liability	51,845	-	51,845
Total liabilities	2,088,134	834,787	2,922,921
Deferred inflows:			
Leases	126,839	-	126,839
Deferred inflows-pension	44,660	-	44,660
Net Position:			
Invested in capital assets, net of related debt	4,969,646	212,927	5,182,573
Restricted for:			
Prepaid items	85,396	-	85,396
Capital projects	1,419,761	-	1,419,761
Unrestricted	1,952,446	4,591,098	6,543,544
Total net position	$ 8,427,249	$ 4,804,025	$ 13,231,274

See accompanying notes to financial statements.

City of South Bay, Florida
Statement of Activities
For the Fiscal Year Ended September 30, 2024

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating/Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
General government	$ 2,173,662	$ -	$ 1,022,851	$ (1,150,811)	$ -	$ (1,150,811)
Public safety	239,279	-	-	(239,279)	-	(239,279)
Highways and streets	1,531,139	71,140	244,379	(1,215,620)	-	(1,215,620)
Culture and recreation	364,629	-	43,622	(321,007)	-	(321,007)
Interest	-	-	-	-	-	-
Total governmental activities	4,308,709	71,140	1,310,852	(2,926,717)	-	(2,926,717)
Business-type activities:						
Water and sewer	30,391	-	-	-	(30,391)	(30,391)
Sanitation	576,919	696,662	-	-	119,743	119,743
Total business-type activities	607,310	696,662	-	-	89,352	89,352
Total governmental	$ 4,916,019	$ 767,802	$ 1,310,852	(2,926,717)	89,352	(2,837,365)
General revenue:						
Taxes:						
Ad Valorem				614,566	-	614,566
Franchise and other taxes				781,150	-	781,150
Sales taxes				610,519	-	610,519
State revenue sharing				238,402	-	238,402
Payment in lieu of taxes				275,560	-	275,560
Occupational licenses and permits				148,439	-	148,439
Investment earnings				118,306	159,595	277,901
Other				95,689	179,390	275,079
Interfund transfers				160,000	(160,000)	-
Total general revenues				3,042,631	178,985	3,221,616
Change in net position				115,914	268,337	384,251
Net position, beginning of year				8,311,335	4,535,688	12,847,023
Net position, end of year				$ 8,427,249	$ 4,804,025	$ 13,231,274

See accompanying notes to financial statements.

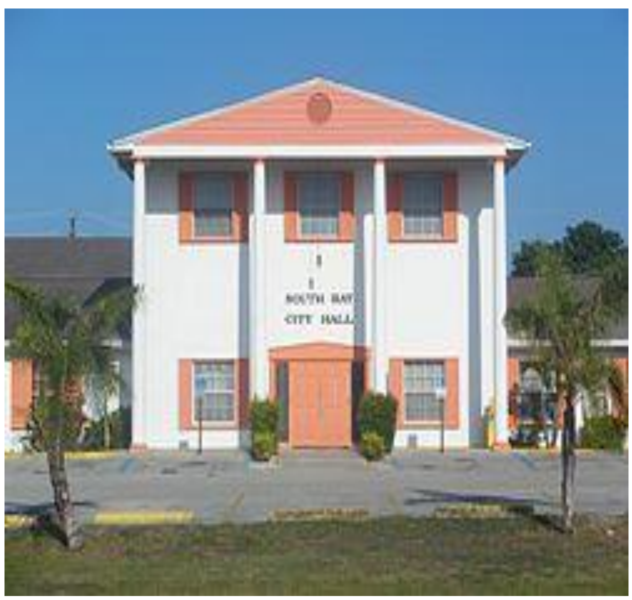
City of South Bay, Florida
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Governmental Funds
September 30, 2024

Fund Balance – Total Governmental Funds			$	3,681,681
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet				5,052,358
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.				
Compensated absences	$	(224,078)		
Pension liabilities		(82,712)		
				(306,790)
Total net position – Governmental Activities			$	8,427,249

See accompanying notes to financial statements.

CITY OF SOUTH BAY, FLORIDA

Fund Financial Statements



City of South Bay, Florida
Balance Sheet
Governmental Funds

September 30, 2024

	Major Funds		Total
	General Fund	Capital Projects	Governmental Funds
Assets:			
Cash and cash equivalents	$ 2,664,647	$ 1,194,780	$ 3,859,427
Accounts receivable (net of allowances for uncollectible)	78,925	-	78,925
Due from government	211,898	588,070	799,968
Lease receivable	126,839	-	126,839
Prepaid items	85,396	-	85,396
Other assets	549,151	-	549,151
Restricted assets:			
Cash and cash equivalents	121,025	-	121,025
Total assets	$ 3,837,881	$ 1,782,850	$ 5,620,731
Liabilities and fund balances:			
Liabilities:			
Accounts payable	$ 114,478	$ 363,089	$ 477,567
Accrued liabilities	21,258	-	21,258
Unearned revenue	635,301	-	635,301
Due to other funds	678,085	-	678,085
Total liabilities	1,449,122	363,089	1,812,211
Leases	126,839	-	126,839
Fund balances:			
Non-spendable:			
Prepaid items	85,396	-	85,396
Restricted for:			
Capital projects	-	1,419,761	1,419,761
Committed to:			
Compensated absences	224,078	-	224,078
Unassigned	1,952,446	-	1,952,446
Total fund Balances	2,261,920	1,419,761	3,681,681
Total liabilities and fund balances	$ 3,837,881	$ 1,782,850	$ 5,620,731

See accompanying notes to financial statements.

City of South Bay, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2024

	Major Fund General Fund	Nonmajor Capital Projects	Total Governmental Funds
Revenues:			
Taxes and franchise fees	$ 1,395,716	$ -	$ 1,395,716
Licenses and permits	148,439	-	148,439
Intergovernmental	817,414	307,067	1,124,481
Grants	522,851	788,001	1,310,852
Charges for services	71,140	-	71,140
Fines and forfeitures	4,124	-	4,124
Rents	41,169	-	41,169
Investment earnings	89,169	29,137	118,306
Miscellaneous revenues	50,396	-	50,396
Total revenues	3,140,418	1,124,205	4,264,623
Expenditures:			
Current:			
General government	2,072,303	851,439	2,923,742
Public safety	239,279	-	239,279
Highways and streets	582,484	363,927	946,411
Culture and recreation	196,732	47,103	243,835
Capital outlay	10,350	-	10,350
Total expenditures	3,101,148	1,262,469	4,363,617
Other financing sources:			
Operating transfer in (out)	(44,715)	204,715	160,000
Total other financing sources:	(44,715)	204,715	160,000
Net change in fund balance	(5,445)	66,451	61,006
Fund balances, beginning of year	2,267,365	1,353,310	3,620,675
Fund balances, end of year	$ 2,261,920	$ 1,419,761	$ 3,681,681

See accompanying notes to financial statements.

City of South Bay, Florida
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Governmental Funds

For the Fiscal Year Ended September 30, 2024

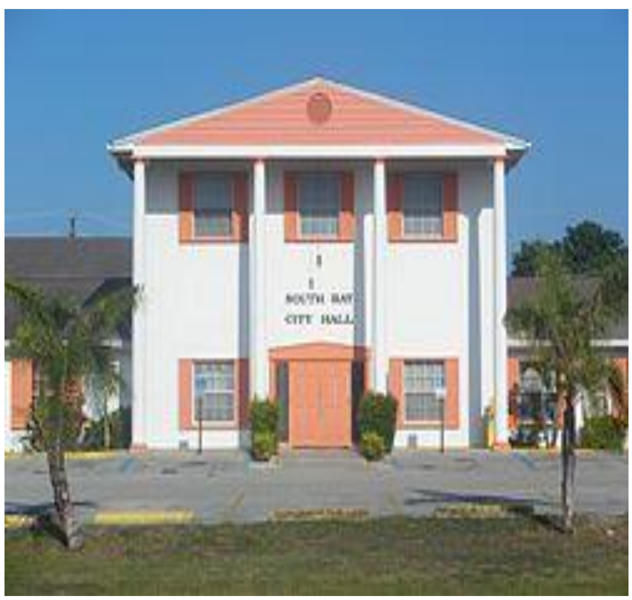
Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance – total governmental funds	$	61,006
Governmental fund report capital outlay as expenditures. However, in the statement of the activities the cost of those assets is depreciated over their estimated useful lives:		
Expenditures for capital assets		845,827
Current year depreciation		(746,825)
Some expenses reported in the government wide statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental fund:		
Compensated absences		(55,573)
Pension expense		11,479
Change in net position of governmental activities	$	115,914

See accompanying notes to financial statements.

CITY OF SOUTH BAY, FLORIDA

Proprietary Funds Financial Statements



City of South Bay, Florida
Statement of Net Position
Proprietary Funds
September 30, 2024

	Major Funds		Total Business-Type Activities
	Water and Sewer	Sanitation	Enterprise Funds
Assets			
Current assets:			
Cash and cash equivalents	$ 1,149,516	$ 2,630,876	$ 3,780,392
Accounts receivable, net	29,982	111,851	141,833
Due from other funds	678,085	-	678,085
Restricted assets			
Cash and cash equivalents	22,455	-	22,455
Total current assets	1,880,038	2,742,727	4,622,765
Non-current assets:			
Restricted assets			
Investments	778,990	-	778,990
Capital assets			
Property, net	212,927	-	212,927
Other assets	24,130	-	24,130
Total non-current assets	1,016,047	-	1,016,047
Total assets	$ 2,896,085	$ 2,742,727	$ 5,638,812

See accompanying notes to financial statements.

City of South Bay, Florida
Statement of Net Position (Continued)
Proprietary Funds
September 30, 2024

	Major Funds		Total Business-Type Activities
	Water and Sewer	Sanitation	Enterprise Funds
Liabilities and net assets			
Liabilities:			
Current liabilities			
Accounts payable	$ -	$ 11,181	$ 11,181
Total current liabilities	-	11,181	11,181
Current liabilities payable from restricted assets:			
Interest payable	20,306	-	20,306
Current portion of bond payable	37,900	-	37,900
Total current liabilities payable from current restricted assets	58,206	-	58,206
Non-current liabilities:			
Long-term portion of bond payable	765,400	-	765,400
Total non-current liabilities	765,400	-	765,400
Total liabilities	823,606	11,181	834,787
Net position:			
Invested in capital assets	212,927	-	212,927
Unrestricted	1,859,552	2,731,546	4,591,098
Total net position	$ 2,072,479	$ 2,731,546	$ 4,804,025

See accompanying notes to financial statements.

City of South Bay, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2024

	Major Funds		Total Business-Type Activities
	Water and Sewer	Sanitation	Enterprise Funds
Operating revenues:			
Charges for services	$ -	$ 696,662	$ 696,662
Municipal fee	179,390	-	179,390
Total operating revenues	179,390	696,662	876,052
Operating expenses:			
Contractual services	-	569,582	569,582
Other services and charges	30,391	7,337	37,728
Total operating expenses	30,391	576,919	607,310
Operating income	148,999	119,743	268,742
Non-operating revenues:			
Investment earnings	40,863	118,732	159,595
Total non-operating revenues	40,863	118,732	159,595
Income before transfers out	189,862	238,475	428,337
Transfers out	(35,000)	(125,000)	(160,000)
Change in net position	154,862	113,475	268,337
Net position, beginning of year	1,917,617	2,618,071	4,535,688
Net position, end of year	$ 2,072,479	$ 2,731,546	$ 4,804,025

See accompanying notes to financial statements.

City of South Bay, Florida
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2024

	Major Funds			Total Business-Type Activities Enterprise Funds
	Water and Sewer	Sanitation		
Cash flows from operating activities:				
Receipts from customers and users	$ 171,807	$ 692,374		$ 864,181
Payments to suppliers	(1,000)	(576,491)		(577,491)
Net cash provided by operating activities	170,807	115,883		286,690
Cash flows from capital and related financing activities:				
Principal paid	(36,200)	-		(36,200)
Net cash (used in) capital and related financing activities	(36,200)	-		(36,200)
Cash flows from non-capital and related financing activities:				
Transfers out to other funds	(35,000)	(125,000)		(160,000)
Net cash (used in) non-capital and related financing activities	(35,000)	(125,000)		(160,000)
Cash flows from investing activities:				
Interest received	40,863	118,732		159,595
Decrease in investment	34,291	-		34,291
Net cash provided by investing activities	75,154	118,732		193,886
Net increase in cash	174,761	109,615		284,376
Cash and cash equivalents at beginning of year	974,755	2,521,261		3,496,016
Cash and cash equivalents at end of year	$ 1,149,516	$ 2,630,876		$ 3,780,392
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$ 148,999	$ 119,743		$ 268,742
Adjustment to reconcile operating income to net cash provided by operating activities:				
Loss from disposal of asset	29,392	-		29,392
Changes in assets and liabilities:				
(Increase) in accounts receivable	(7,584)	(4,288)		(11,872)
Increase in accounts payable	-	428		428
Total adjustments	21,808	(3,860)		17,948
Net cash provided by operating activities	$ 170,807	$ 115,883		$ 286,690

See accompanying notes to financial statements.

NOTE 1 – <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:</u>

The City of South Bay, Florida (the "City") is a municipality within the legal and geographic boundaries of Palm Beach County, Florida, incorporated in October 1963 pursuant to Chapter 166, Florida Statutes. It is an instrumentality of the State of Florida established to carry on a centralized municipal government. The City Commission ("Commission") is responsible for the legislative and fiscal control of the City. A City Manager and Treasurer are appointed by the Commission and are responsible for the administrative and fiscal control of the City's resources maintained in the funds and account groups described below.

The basic financial statements of the City have been prepared in accordance with Generally Accepted Accounting Principles ("GAAP") as applied to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the City's accounting policies are described below:

(a) <u>Reporting Entity</u>

The financial statements were prepared in accordance with the Governmental Accounting Standards Board that establishes standards for defining and reporting on the financial reporting entity. The financial reporting entity is defined based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the City, organizations for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City is financially accountable for a component unit if the City appoints a voting majority of the organization's governing board, and if the City is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. Based upon the application of these criteria, management has determined that there are no other organizations that met the criteria described above.

(b) <u>The Government-Wide and Fund Financial Statements</u>

The government-wide financial statements (the statement of net assets 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. *Governmental activities*, which normally are supported by taxes and intergovernmental Revenues, are reported separately from business-type activities, which rely to a significant extent, on fees and charges for support.

NOTE 1 – <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):</u>

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 the following: 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 as *general revenues instead*.

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. In fiscal year ended September 30, 2024, there are no remaining governmental funds to be aggregated and reported as non-major funds.

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to reconcile the fund-based financial statements to the governmental activities column of the government-wide presentation. The City applies eligible expenses against available restricted resources before the use of unrestricted resources.

(c) <u>Measurement Focus, Basis of Accounting and Financial Statement Presentation</u>

The government-wide financial statements and the proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Regardless of the timing of related cash flow revenues are recorded when earned and expenses are recorded when a liability is incurred.

Grants and similar items are recognized as revenues as soon as all eligible 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. Ad valorem taxes and charges for services are susceptible to accrual when collected in the current year or within 60 days subsequent to year end, provided that amounts received pertain to billings through the fiscal year ended. Intergovernmental revenue and utility service taxes are recorded in

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

accordance with their legal or contractual requirements, if collected in the current period or within 30 days after year end. Interest is recorded when earned. Licenses, permits, fines, forfeitures, and miscellaneous revenue are recorded as revenue when received in cash because they are generally not measurable until actually received. Occupational license revenue collected in advance of periods to which they relate is recorded as deferred revenue.

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except that principal and interest on long-term obligations are reported only when due in conformity with GAAP.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both governmental-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private sector guidance.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services, producing and delivering of goods in connection with a proprietary fund's principal operations; in the case of the City, water and sewer revenues include the charges to customers for sales and services. Operating expenses for water and sanitation include the cost of providing these services the depreciation on capital assets, and the associated administrative costs. All revenue and expenses not meeting this definition are reported as *non-operating revenues and expenses.*

Major Funds and Basis Presentation

Generally Accepted Accounting Principles in the United States of America set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City electively records funds as major funds which either have significant outstanding debt proceeds or a specific community focus.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenue is derived primarily from property taxes, state and federal distributions, grants and other intra-governmental revenue. The general operating expenditures, fixed

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

charges, and capital outlay costs that are not paid through other funds are paid from the General Fund.

The *Water and Sewer Fund* accounts for the activities related to providing water and sewer services to the City's residents.

The *Sanitation Fund* accounts for activities related to solid waste, trash, and mosquito control services, which are provided to the City's residents.

(d) Assets, Liabilities and Net Assets or Equity:

(1) Cash and Cash Equivalents

All of the City's deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280. City deposits include cash on hand, time and demand deposits, cash held with fiscal agent. City maintains a cash and investment pool that is available for use of all funds. Interest earned on pooled cash and investments is allocated to each of the funds based on the fund's average equity balance. The City's cash and investment pool allows individual funds, at any time, to deposit additional cash or make withdrawals without prior notice or penalty. Cash and cash equivalents reported in the government-wide financial statements include cash on hand, all highly liquid deposits, and investments with maturities of three month or less as of the purchase.

(2) Unbilled Accounts Receivable

Proprietary funds recognize revenue on the monthly cycle billing basis to customers for services provided. As a result of this cycle billing method, there are unbilled receivables at the end of each fiscal year, with respect to services provided but not billed at fiscal year end. It is the policy of the City to accrue Water and Sewer and Sanitation Funds unbilled revenue at year end.

(3) Accounts Receivable

The City's accounts receivables are presented in the financial statements net of allowances for uncollectible accounts.

(4) Allowances for Doubtful Accounts

Accounts receivable are written off on an individual basis in the year the City deems them uncollectible. Allowances for doubtful accounts have been provided for those accounts where collectability appears to be doubtful.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

(5) Investments

The City's investments for all funds are carried at fair value based on quoted market prices. Investments consist of U.S Government time deposit securities. Purchases and sales of investments are recorded on the trade dates. Net realized gains and losses on sales of investments are reflected in current operating results as earnings.

(6) Restricted Assets and Reserves

Pursuant to various revenue bond indenture agreements, specific enterprise fund assets are required to be segregated as to use and, are, therefore, identified as restricted assets. For certain restricted assets, offsetting reserves have been established by charges to retained earnings.

(7) Grants from Government Agencies

Certain grants, under the various federal and state programs, are included in the general fund. Grant monies, if and when received, are disbursed by these funds for goods and services as prescribed under the respective grant programs or are transferred to other City funds for ultimate distribution under the terms of the grants. These programs are dependent on financial assistance by the state and federal governments.

(8) Capital Assets

Capital asset acquisitions are recorded as expenditures in the governmental fund financial statements. Such assets are capitalized at historical cost in the government-wide financial statements for both governmental activities and business-type activities. In the case of gifts or contributions, such assets are recorded at fair market value at the date of receipt. Capital costs which materially extend the useful life of existing properties are capitalized. Net capital assets are defined as assets with an initial, individual cost of more than $750 and an estimated useful life in excess of one year. Interest is capitalized on projects during the construction period based upon average accumulated project expenditures.

Infrastructure assets (bridges, curbs and gutters, streets, lighting and drainage systems and similar assets that are immovable and of value only to the City) are capitalized and reported in the infrastructure category.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Assets are depreciated using the straight-line method over the following estimated lives:

Asset Type	Life
Building and building improvement	25-50
Improvement other than building and roads	20
Infrastructure	50
Equipment and machinery	4-10

Depreciation is charged from the month of acquisition and none in the month of disposal

(9) Compensated Absences

The City accrues for compensated absences in accordance with GASB No. 101, Accounting for Compensated Absences. In the governmental funds, only the portion which would normally be liquidated with expendable available financial resources are accrued; whereas in the government-wide presentations, both the current and long-term portions are reported.

Employees earn 10 to 20 days of vacation and 24 days of sick leave annually. If an employee resigns in good standing or retires, the City pays accrued vacation and accumulated sick leave from 25% to 75% up to a maximum of 60 days.

(10) Deferred and Unearned Revenues

Deferred revenues are recorded for governmental fund receivable that are not yet available. An inflow that does not meet the criteria for revenue recognition, such as occupational licenses collected in advance are recorded as unearned revenues, in both the governmental fund and governmental-wide financial statements.

(11) 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 obligation are reported as liabilities in the applicable governmental activities, in the business-type activities, or in the proprietary fund type statement of net position. Bonds payable are reported net of the reported net of the applicable premium or discount. These premium and discounts are deferred and amortized over the life of the bonds. Issuance costs are expensed in the year they are incurred.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

(12) Lease

Lease contracts that provide the City with control of a non-financial assets, such as land and building for a period of time in excess of twelve months are reported as intangible right to use lease asset with a related lease liability. The lease liability is recorded at the present value of future payments. The tangible right to use a leased asset is recorded for the same amount. Leased assets are amortized over the shorter of the useful life of the asset or the lease term.

(13) Concentration of Credit Risk

Financial instruments which subject the City to credit risk consist primarily of accounts receivable. Concentration of credit risk with respect to accounts receivable is generally diversified due to the large number of utility customers comprising the City's utility customer base. The City requires deposits from its customers and maintains an allowance for potential credit losses.

(14) Property Tax Calendar

Property taxes are levied on October 1 of every year; tax bills are mailed November 1 and are delinquent if not paid by the following March, and Tax certificates are sold for all taxes unpaid in July. The City's tax revenue is collected by the County's tax collector, who then remits to the City, monies collected following a calendar prescribed by law.

(15) Deferred inflows and outflows of Resources

Governmental funds report deferred revenues in connection with receivable for revenues that are not considered to be available to liquidate liabilities of the current period. Furthermore, the governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Unearned revenues at the government-with level arise only when the City receives resources before it has a legal claim to them.

(16) Use of Estimates

The preparation of financials statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

(17) Fund Balance

The City used restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal agreements that prohibit doing this, such as grant agreements requiring dollar for dollar spending.

Additionally the City would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for the purpose for which amounts in any unrestricted fund balance classifications could be used.

In the fund financial statements, governmental funds report fund classification that comprise a hierarchy based primary on the extent to which the City is bound to constraint on the specific purpose for which amount in those funds can be spent. Amounts restricted to specific purpose are as follows:

- Constraints placed on the use of resources by creditors, grantors, contributors, or law or regulations of the governments, and
- Constraints imposed by law through constitutional provision or enabling legislation.

Amounts that can only be used for specific purpose pursuant to constraint imposed by the City Commissioners through a resolution or an ordinance are classified as *committed fund balances*. Amounts that are constrained by the City's intent to be used for specific purpose, but are neither restricted nor committed, are classified as *assigned fund balances*. Constraints imposed by law through constitutional provision or enabling legislation are classified as *restricted fund balances.* Assignments are made by City's management based on the City Commissioners' direction.

Non-spendable fund balance includes amounts that cannot be spent since they are either (a) not in spendable from or (b) legally or contractually required to be maintained intact. *Unassigned fund balance* represents a fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to a specific purpose within the general fund.

(18) Net Position

Net assets of the government-wide and proprietary funds are categorized as *invested in capital assets,* net of related debt, restricted or unrestricted. *Invested*

NOTE 1 – <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):</u>

in capital assets, net of related debt is that portion of net assets that relates to the City's capital assets reduced by the portion of the assets that has been acquired through the use of long-term debt. This amount is offset by any unspent proceeds that are outstanding at fiscal year-end. Restricted net assets are that portion of net assets that has been restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation.

(19) <u>Budget and Budgetary Accounting</u>

The City prepares an annual operating budget for both the general fund and the special revenues fund which are reflected in these financial statements. The City's budgeting process is based on estimates of revenues and expenditures and requires that all budgets be approved by the City of South Bay's City Commissioners (the "Commissioners") after a public hearing is held. Subsequent amendments to the budget, if any, are approved by the Commissioners.

Budgets are prepared on the same basis of accounting as required for Governmental Fund Types. Expenditures may exceed the approved budget amounts for individual categories as long as the total does not exceed the approved budget. Any remaining fund balances remain with the City each year.

NOTE 2 – <u>Deposits</u>

All of the City's bank deposits are held in qualified public depositories approved by the State Treasurer of the State of Florida and they are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000.

The uninsured balance at September 30, 2024 was $3,198,151 on bank statements balance less FDIC insurance at that time.

The City's deposit in the Florida Cooperative Liquid Assets Securities Systems (FL Class), a public entity investment trust organized under the laws of the State of Florida, is presented at Net Asset Value (NAV), which reflects fair value. The objectives of FL Class are to generate investment income while maintaining safety and liquidity. There are no restrictions or terms and conditions on the City in redeeming the deposit and the City has no unfunded commitments related to this deposit.

NOTE 3 – <u>INVESTMENTS:</u>

Investments consist of U.S. Government time deposit securities. The table below summarizes the scheduled maturities of the investments at September 30, 2024:

	Fair Value of Investments Maturities				
	Less Than One Year	One to Five Years	Six To Ten Years	More Than Ten Years	Total
U.S. Government securities	$ 35,444	$ 207,220	$ 267,161	$ 269,165	$ 778,990

On December 12, 1998, the City issued the Second Subordinate Water Revenue Bonds Series 1998 for $1,339,000 with interest of 4.75% to the U.S. Department of Agriculture, Rural Utilities Service in connection with providing water and sewer services at the correctional facility in the City known as the Off-Site Improvements. Prior to the issuance of the bonds, $1,338,760 was placed with the U.S. Treasury in time deposit securities to service the bond debt under an agreement for the water and sewer services. The interest rates on the securities range from 3.782% to 5.400%. The annual payments on the bonds are payable from the maturities of these investments.

Credit Risk – The Second Subordinate Water Revenue Bond Series 1998 limits the investments to United States Government or United States Treasury Bonds, certificates, notes, bills, or interest-bearing time deposits with the depositories of the City. The interest derived from such investments or deposits shall accrue as revenue to the general fund of the City, except in the case of special funds for which the City is required by agreement or by law to credit such special funds with interest on the invested balances.

The City has elected to proceed under the alternative investment guideline as set forth in section 218.415 (17) Florida Statutes. The City may invest any surplus public funds in the following:

(a) The Local Government Surplus Trust Funds, or any intergovernmental investment pools pursuant to the Florida Interlocal Cooperation Act;

(b) Security and Exchange Commission registered money market funds the highest credit quality rating from a nationally recognized rating agency;

(c) Interest bearing time deposits or saving accounts in qualified depositories;

(d) Direct obligation of the U.S. Treasury.

Securities listed in paragraph (c) and (d) shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, surplus funds may be deposited into certificates of deposit which are insured. The City reports all interest related revenue to investments activities in the respective funds and reports investments at fair value.

NOTE 4 – CAPITAL ASSETS

Changes in capital assets of the City as of September 30, 2024, are shown below:

	Balance 9/30/2023	Increases	Decreases	Balance 9/30/2024
Governmental Activities:				
Capital assets not being depreciated				
Land	$ 293,523	$ -	$ -	$ 293,523
Construction in progress	332,501	835,477	-	1,167,978
Total capital assets, not being depreciated	626,024	835,477	-	1,461,501
Capital assets, being depreciated				
Buildings and improvements	727,191	-	-	727,191
Improvement other than buildings and roads	1,286,022	-	-	1,286,022
Lease (Right-of-use-asset)	60,524	-	-	60,524
Infrastructure	14,060,728	-	-	14,060,728
Equipment and machinery	993,350	10,350	20,500	983,200
Total capital assets being depreciated	17,127,815	10,350	20,500	17,117,665
Less accumulated depreciation for:				
Buildings and improvements	680,764	12,062	-	692,826
Improvement other than buildings and roads	513,149	110,410	-	623,559
Lease (Right-of-use-asset)	60,524	-	-	60,524
Infrastructure	10,875,505	524,025	-	11,399,530
Equipment and machinery	670,541	100,328	20,500	750,369
Total accumulated depreciation	12,800,483	746,825	20,500	13,526,808
Total capital assets being depreciated, net	4,327,332	(736,475)	-	3,590,857
Governmental activities capital assets, net	$ 4,953,356	$ 99,002	$ -	$ 5,052,358

	Balance 9/30/2023	Increases	Decreases	Balance 9/30/2024
Business-Type Activities:				
Capital assets not being depreciated				
Land	$ 212,927	$ -	$ -	$ 212,927
Total capital assets, not being depreciated	212,927	-	-	212,927
Capital assets being depreciated:				
Utility plant and systems	128,521	-	128,521	-
Total capital assets being depreciated	128,521	-	128,521	-
Total accumulated depreciation	99,129	-	99,129	-
Total capital assets being depreciated	29,392	-	29,392	-
Business-type activities capital assets, net	$ 242,319	$ -	29,392	$ 212,927

NOTE 4 – CAPITAL ASSETS (Continued):

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

Governmental activities	
General government	$ 41,303
Highway and streets	584,728
Culture and recreation	120,794
Total depreciation expense – governmental activities	$ 746,825

NOTE 5 – LONG TERM DEBT:

Long-term debt activities for the year ended September 30, 2024, are shown below:

	Balance 9/30/2023	Increases	Decreases	Balance 9/30/2024
Governmental activities:				
Compensated absences	$ 168,505	$ 55,573	$ -	$ 224,078
Total governmental activities	$ 168,505	$ 55,573	$ -	$ 224,078
Business-type activities:				
Bond payable	$ 839,500	$ -	$ 36,200	$ 803,300
Total business-type activities	839,500	-	36,200	803,300
Total long-term debt	$ 1,008,005	$ 55,573	$ 36,200	$ 1,027,378

Long-Term Debt of Business type Activities:

Subordinate bonds were issued by the City to finance the cost of construction and erection of extensions and improvements to the City's water and sewer system. The revenues from the water and sewer system, certain excise taxes are the City's guaranteed entitlement to revenue sharing trust funds, and all other money derived from sources other than ad valorem taxation are pledged as security for the bonds. The maturities of outstanding debt are summarized as follows:

NOTE 5 – LONG TERM DEBT (Continued):

Bond Series 1998 Second Subordinate Water Revenue:

Fiscal year of Maturity	Principal Amount	Interest	Total
2025	$ 37,900	$ 38,157	$ 76,057
2026	39,700	36,356	76,056
2027	41,600	34,471	76,071
2028	43,500	32,495	75,995
2029	45,600	30,429	76,029
2030 - 2034	262,700	117,506	380,206
2035 - 2039	332,300	48,903	381,203
Total	$ 803,300	$ 338,317	$ 1,141,617

Change during fiscal year:	
Outstanding October 1, 2023	$ 839,500
Retired	(36,200)
Outstanding September 30, 2024	$ 803,300
Due within one year	$ 37,900
Due in more than one year	765,400
Balance at September 30, 2024	$ 803,300

The interest rate is 4.75% on the Second Subordinate Bonds Series 1998.

NOTE 6 – COMPENSATED ABSENCES

From 10 to 20 days of vacation and 24 days of sick leave can be earned by employees annually. If an employee resigns in good standing or retires, the City pays accrued vacation and from 25% to 75% of accumulated sick leaves up to a maximum of 60 days.

The change in compensated absences during the year is as follows:

	Governmental Activities
Balances at October 1, 2023	$ 168,505
Increase	55,573
Balance at September 30, 2024	$ 224,078

NOTE 7 – LEASE:

Effective October 1, 2021, the City implemented the Governmental Accounting Standard Board Statement 87 (GASB 87), *Lease.* Restatement for the implementation of GASB 87 as of October 1, 2021 was deemed insignificant.

1- The City has entered into a lease agreement with a non-profit organization to lease a building for one year and it may extend for a period of two additional one year term.
2- The City has entered into a lease agreement with a radio station which allows the use of City's land for a transmission tower site. The agreement includes six (6) five (5) year extension terms after the initial term. The lease increase by 3% over the lease payment during the previous year.

	Building		Tower		
Year End 9/30:	Principal	Interest	Principal	Interest	Total
2025	$ 3,173	$ 28	$ 16,431	$ 495	$ 19,604
2026	-	-	16,924	510	16,924
2027	-	-	17,431	448	17,431
2028	-	-	17,573	538	17,573
2029	-	-	17,894	554	17,894
2030-2031	-	-	37,413	1,159	37,413
	$ 3,173	$ 28	$ 123,666	$ 3,704	$ 126,839

NOTE 8 - FLORIDA RETIREMENT SYSTEM

General Information - In accordance with Ordinance 15-2010 dated October 19, 2010, the City established Florida Retirement System (FRS) Investment Plan for the City Commissioners and the appointed officers (defined contribution plan). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employers defined benefit plans administered by the Florida Department of Management Services. First is Division of Retirement, including the FRS Pension Plan ("Pension Plan"), and the second is 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, City government, district school board, state university, community college, participating city or special district in 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,

NOTE 8 – FLORIDA RETIREMENT SYSTEM(Continued):

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 from 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 following Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

Plan Description – The Pension Plan is a cost-sharing, multiple-employer defined contribution 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. This payment is 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 the 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 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. The payment is equal to 2.0% of their final average compensation based on the five highest years of salary 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.

NOTE 8 – FLORIDA RETIREMENT SYSTEM(Continued):

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service and normal retirement to age increased to 65 or 33 years of service regardless of age members, Senior Management Service members, and Elected Officers' class members. The normal age increased to 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Finally, 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 FRS employer for 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 – The Florida legislative establishes rates for participating employers and employees. Contribution rates during the 2023-2024 fiscal year were as follows:

Class	Percent of Gross Salary	
	Employee	**Employer**
Regular	3.00%	13.57%
Special Risk	3.00%	32.67%
DROP	3.00%	21.13%
Senior Management Service	3.00%	34.52%
Elected Officers	3.00%	58.68%

The City's contributions, including employee contributions, to the Pension Plan totaled $8,442 for the fiscal year ended September 30, 2024.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2024, the City reported a liability of $43,763 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net

NOTE 8 – <u>FLORIDA RETIREMENT SYSTEM (Continued):</u>

pension liability was determined by an actuarial valuation as of July 1, 2024. The City's proportionate share of the net pension liability was based on the City's 2022-2023 fiscal year contributions relative to the 2023-2024 fiscal year contributions of all participating members. At June 30, 2024, the City's proportionate share was .000113128 percent, which was a decrease of .000112634 percent from its proportionate share measured as of June 30, 2023.

For the fiscal year ended September 30, 2024, the City recognized pension expense in amount of $7,758. In addition the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 4,421	$ -
Change in assumptions	5,998	-
Net difference between projected and actual earnings on pension plan investments	-	2,909
Change in proportion and differences between City pension plan contributions and proportionate share of contributions	2,514	36,377
City pension plan contributions Subsequent to the measurement date	1,603	-
Total	$ 14,536	$ 39,286

The deferred outflows of resources related to the Pension Plan, totaling $1,603 and 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, 2024. 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:

NOTE 8 – FLORIDA RETIREMENT SYSTEM (Continued):

Fiscal Year Ending September 30,	Amount
2025	$ (10,979)
2026	(10,001)
2027	(7,661)
2028	(7,140)
2029	(7,030)
Thereafter	16,458
Total	$ (26,353)

Actuarial Assumptions – The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions. The assumptions were applied to all periods included in the measurement:

Inflation	2.40 %
Salary increases	3.50%, average, including inflation
Investment rate of return	6.70%, 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, 2024 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 it 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:

NOTE 8 – FLORIDA RETIREMENT SYSTEM (Continued):

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.1%
Fixed Income	29.0%	5.7%	5.6%	3.9%
Global Equity	45.0%	8.6%	7.0%	18.2%
Real Estate	12.0%	8.1%	6.8%	16.6%
Private Equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.6%	6.2%	8.7%
Total	100.00%			
Assumed Inflation - Mean			2.4%	1.5%

Discount Rate - The discount rate used to measure the total pension liability was 6.70%. 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 6.70%, 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 (5.70%) or one percentage point higher 7.70% than the current rate:

	1% Decrease (5.7%)	Current Discount Rate 6.7%	1% Increase 7.7%
City's proportionate share of the net pension liability	$ 76,978	$ 43,763	$ 15,939

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, 2024, the City reported a payable in the amount of $43,763 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2024.

NOTE 8– FLORIDA RETIREMENT SYSTEM (Continued):

Health Insurance Subsidy (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 it 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, 2024, 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.

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, 2023, the HIS contribution for the period October 1, 2023 through June 30, 2024 and from July 1, 2024 through September 30, 2024 was 1.66% 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 $456 for the fiscal year ended September 30, 2024.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources, Related to Pensions – At September 30, 2024, City reported a liability of $8,082 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The City's proportionate share of the net pension liability was based on the City's 2022-2023 fiscal year contributions relative to the 2023-2024 fiscal year contributions of all participating members. At June 30, 2024, the City's proportionate share was .000053874 percent, which was a decrease of .000024313 percent from its proportionate share measured as of June 30, 2024.

NOTE 8– FLORIDA RETIREMENT SYSTEM (Continued):

For the fiscal year ended September 30, 2024, the City recognized pension income of $273. In addition, the City reported deferred outflow of resources and deferred inflows of resources related to pension from the following resource:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 78	$ 16
Change in assumptions	143	957
Net difference between projected and actual earnings on pension plan investments	-	3
Change in proportion and differences between City pension plan contributions and proportionate share of contributions	639	4,398
City pension plan contributions Subsequent to the measurement date	114	-
Total	$ 974	$ 5,374

The deferred outflows of resources related to the HIS Plan, totaling $114 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, 2024. 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
2025	$ (602)
2026	(890)
2027	(714)
2028	(603)
2029	(684)
Thereafter	(1,021)
Total	$ (4,514)

NOTE 8 – FLORIDA RETIREMENT SYSTEM (Continued):

Actuarial Assumptions – The total pension liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 %
Salary increases	3.50%, average, including inflation
Discount rate	3.93%

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

The actuarial assumptions used in the July 1, 2024, valuation was 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 3.93%. 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.

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 was calculated using the discount rate of 3.93% 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 (2.93%) or one percentage point higher 4.93% than the current rate:

	1% Decrease (2.93%)	Current Discount Rate 3.93%	1% Increase 4.93%
City's proportionate share of the net pension liability	$ 9,151	$ 8,082	$ 7,153

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.

Payables to the Pension Plan - At September 30, 2024, the City reported a payable in the amount of $8,082 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2024.

NOTE 8 – <u>FLORIDA RETIREMENT SYSTEM (Continued):</u>

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.

<u>Investment Plan</u>

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 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. 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 3.00% percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2022-2023 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular Class 8.30%, Special Risk Class 16.00%, Senior Management Service Class 9.67% and Drop 15.94%.

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, 2024, 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

NOTE 8 – FLORIDA RETIREMENT SYSTEM (Continued):

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 $7,758 for the fiscal year ended September 30, 2024.

NOTE 9 – EMPLOYEE MONEY PURCHASE PENSION PLAN:

The City provides retirement benefits for all of its eligible employees through a money purchase pension plan and Florida Retirement System Investment Plan for the City Commissioners and appointed officers. The contributions to the employee retirement are as follows:

Money Purchase Pension Plan:

A Money Purchase Pension Plan (the "Plan") covers all City employees who have completed a fourth year of eligible service and agree in writing to make the required employee contributions to the Plan. The required employee contribution is five percent of compensation received. The City's matching contribution is equal to the five percent mandatory employee contribution for the year.

The City's matching contributions to the Plan are invested in annuity contracts and/or life insurance policies issued by an insurance company. Furthermore, the contracts and policies are issued in the employee's name. Employee benefits are vested at a rate of ten percent per year and are fully vested after ten years. An employee is eligible for early retirement within ten years of normal retirement date and has ten years of vested service.

The pension expense under this plan for the year ended September 30, 2024, was as follows:

	Governmental Activities
General Fund	$ 49,556

NOTE 10 – INTERFUND RECEIVABLES AND PAYABLES:

Interfund receivable and payable balances at September 30, 2024 were:

	Interfund Receivables	Interfund Payables	Transfer In	Transfer Out
General fund – major	$ -	$ 678,085	$ -	$ -
Water & sewer fund – major enterprise	678,085	-	-	-
	$ 678,085	$ 678,085	$ -	$ -

During the course of operations, numerous transactions occurred between individual funds for good and services. The receivables and payables are classified in the Statement of Net Assets as "due from other funds" or "due to other funds."

NOTE 11 – CONTINGENCIES AND COMMITMENTS:

The City receives financial assistance from federal, state and local governmental agencies in the form of grants and revenues sharing programs. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims, resulting from such audits, could become a liability of the general fund or other applicable funds. However, in the opinion of management, any disallowed claims would not have a material effect on the overall financial position of the City as of September 30, 2024.

NOTE 12 – RISK MANAGEMENT:

The City is exposed to various of loss related to torts, theft of, damage to and destruction of assets, error and omission, injuries to employees, and natural disasters for which the City purchases commercial insurance to protect against area of possible exposure. Deductibles and limits vary by coverage and there were no settled claims which exceeded insurance coverage during the past three fiscal years.

NOTE 13 – UTILITY CONTRACT:

On June 15, 2009, The City of South Bay, The City of Pahokee, The City of Belle Glade, and Palm Beach County entered into an interlocal agreement establishing “The Glades Utility Authority” (the “Authority”).

NOTE 13 – UTILITY CONTRACT (Continued):

Under this agreement, the City's utilities operations were transferred to the Authority effective October 1, 2009, and the Authority assumed the responsibility of the water and sewer as well as the outstanding bond debt for the three cities.

During 2012, because of extreme high debt payment obligations, substandard infrastructure and loss of customers, there was a going concern in regard to the Authority continuing to operate without substantial utility rate increase. As result, the Authority dissolved and effective March 31, 2013, all the utilities functions of the three-cities were transferred to Palm Beach County Water Utilities Department (PBCWUD). As result of this transition, all the outstanding debts of the City in the amount of $2,157,000 as of March 31, 2013 and on May 20, 2014 was paid off.

The City of South Bay will continue to provide the solid waste, trash and mosquito control services. Under the agreement, the Authority agreed to bill the City's customers for the sanitation services for a fee of one percent to the total of the monthly collection revenue. For the fiscal year ended September 30, 2024, the City paid $7,337 for the collection fees.

The agreement with PBCWUD shall be for an initial term of fifty (50) fiscal years commenced on the day that the agreement was executed and the agreement shall, thereafter, automatically renew for successive ten (10) year periods until terminated.

Under the agreement, both Authority and PBCWUD are required to pay the City an annual entity transfer fee equal to seven percent based on annual gross revenues. For the year ended September 30, 2024, the City received $179,390 for entity transfer fee.

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS:

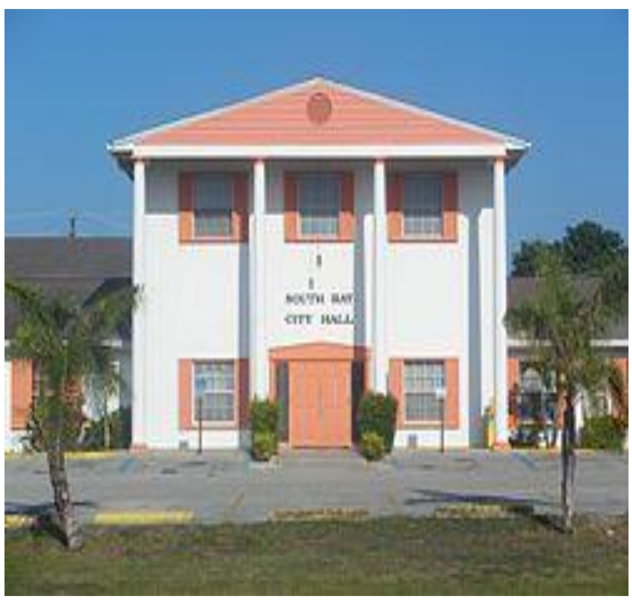
The City provides no post healthcare or life insurance benefits to former City's employee after retirement. Therefore, GASB 45 – "*Accounting and financial Reporting by Employers for Post Employment Benefits Other Than Pensions*" would have no material effect on the City.

NOTE 15 – MANAGEMENT'S REVIEW:

Management has evaluated subsequent event through May 08, 2025, which is the date the financial statements were available to be issued.

CITY OF SOUTH BAY, FLORIDA

Required Supplementary Information



City of South Bay, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Taxes and franchise fees	$ 1,349,780	$ 1,381,780	$ 1,395,716	$ 13,936
Licenses and permits	106,200	145,200	148,439	3,239
Intergovernmental	809,441	809,441	817,414	7,973
Grants	611,989	982,231	522,851	(459,380)
Charges for services	56,568	70,826	71,140	314
Fines and forfeitures	5,000	5,000	4,124	(876)
Rents	38,691	38,691	41,169	2,478
Investment earnings	52,550	87,550	89,169	1,619
Miscellaneous	20,083	201,058	50,396	(150,662)
Total revenues	3,050,302	3,721,777	3,140,418	(581,359)
Expenditures:				
Current:				
General government	1,968,731	2,609,506	2,072,303	537,203
Public safety	240,718	240,718	239,279	1,439
Highways and streets	603,828	609,728	582,484	27,244
Culture and recreation	192,310	207,060	196,732	10,328
Capital outlay	-	10,050	10,350	(300)
Total expenditures	3,005,587	3,677,062	3,101,148	575,914
Excess of revenues over (under) expenditures	44,715	44,715	39,270	(5,445)
Other financing sources:				
Operating transfer out	(44,715)	(44,715)	(44,715)	-
Total other financing sources:	(44,715)	(44,715)	(44,715)	-
Net change in fund balance	$ -	$ -	(5,445)	$ (5,445)
Fund balance, beginning of year			2,267,365	
Fund balance, end of year			$ 2,261,920	

City of South Bay, Florida
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Capital Projects Fund
For the Fiscal Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Intergovernmental	$ 305,000	$ 305,000	$ 307,067	$ 2,067
Grants	3,880,000	3,923,622	788,001	(3,135,621)
Investment earnings	20,000	29,130	29,137	7
Total revenues	4,205,000	4,257,752	1,124,205	(3,133,547)
Expenditures:				
Current:				
General government	-	715,960	851,439	(135,479)
Highways and streets	4,480,000	3,807,910	363,927	3,443,983
Culture and recreation	25,000	72,103	47,103	25,000
Total expenditures	4,505,000	4,595,973	1,262,469	3,333,504
Excess (deficiency) of revenues over expenditures	(300,000)	(338,221)	(138,264)	199,957
Other financing sources:				
Operating transfer in	204,715	204,715	204,715	-
Total other financing sources:	204,715	204,715	204,715	-
Net change in fund balance	$ (95,285)	$ (133,506)	66,451	$ 199,957
Fund balance, beginning of year			1,353,310	
Fund balance, end of year			$ 1,419,761	

City of South Bay, Florida
Notes to Budgetary Comparison Schedule
Budget and Actual – General and Capital Project Funds
For the Fiscal Year Ended September 30, 2024

NOTE 1 – BUDGETARY ACCOUNTING

Budgets - Budgets are legally adopted for the General and Capital Project Funds. All governmental fund budgets are prepared on the modified accrual basis of accounting.

Under the law of the State of the Florida and the City of South Bay Code, the City Manager submits to the Mayor and City Commissioners, a proposed Budget and Financial Plan for the fiscal year commencing the following October 1st. The Annual Budget and Financial Plan are prepared by fund, function and activities and include all proposed expenditures and means of financing them. Public hearings are conducted to obtain taxpayers comments. Prior to October 1st, the budget is legally enacted by the City Commissioners through passage of a resolution.

Changes or amendments to increase or decrease the total amount of budgeted revenue or expenditures for a given fund must be approved by a majority vote of the City Commissioners; however, the change, amendments or transfers within the total revenue or expenditures for functions, activities or departments of a given fund may be approved by the City Manager. During the year the original budget increased by $671,475 the revenue increased primarily due to additional revenues from various taxes, and grants, and expenditures increased due to increase of operating expenses incurred in various departments.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget based on legally authorized revisions to the original budgets during the year.

Actual general fund revenues were under appropriations by $581,359, when the actual general fund expenditures were under the appropriation by $575,914.

Encumbrances – Encumbrance accounting, under which purchase orders, contract, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as extension of formal budgetary control. Encumbrance lapse at year end and become obligations of the subsequent year's budget. At September 30, 2024, the City did not have any commitments related to unperformed contracts.

NOTE 2 – BUDGET AND ACTUAL COMPARISON

The Budgetary Comparison Schedule for the General and Capital Project Funds is required to be prepared under the basis of accounting used in preparing the budget. As indicated in Note 1, the modified accrual basis of accounting is used for budgetary purposes.

City of South Bay, Florida
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
Florida Retirement System
Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	0.000113%	0.000226%	0.000242%	0.000222%	0.000249%	0.000265%	0.000365%	0.000277%	0.000281%	0.000309%
City's proportion share of the net pension liability (asset)	$ 43,763	$ 89,959	$ 90,082	$ 16,766	$ 107,755	$ 91,308	$ 109,994	$ 81,906	$ 71,077	$ 39,933
City's covered-employee payroll	22,800	28,250	33,100	26,500	26,500	26,500	33,584	24,000	23,000	23,000
City's proportion share of the net pension liability (asset) as a percentage of its covered-employee payroll	191.94%	318.44%	272.15%	63.27%	406.62%	344.56%	327.52%	341.28%	309.03%	173.62%
Plan fiduciary net position as a percentage of the total pension liability	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.90%	84.88%	92.00%

* Amount represented for each fiscal year were determined as 0f 6/30.

City of South Bay, Florida
Required Supplementary Information
Schedule of Contribution
Florida Retirement System
Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 8,442	$ 13,334	$ 12,615	$ 10,648	$ 10,351	$ 10,277	$ 11,923	$ 10,215	$ 9,148	$ 8,035
Contribution in relation to the contractually required contribution	8,442	13,334	12,615	10,648	10,351	10,277	11,923	10,215	9,148	8,035
City's covered-employee payroll	22,800	28,250	33,100	26,500	26,500	26,500	31,454	27,000	23,000	23,000
Contribution as a percentage of covered-employee payroll	37.0%	47.2%	38.1%	40.2%	39.1%	38.8%	37.9%	37.8%	39.8%	34.9%

* Amount represented for each fiscal year were determined as 0f 9/30.

City of South Bay, Florida
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
Health Insurance Subsidy Plan
Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	0.000054%	0.000078%	0.000084%	0.000075%	0.000076%	0.000079%	0.000100%	0.000075%	0.000075%	0.000082%
City's proportion share of the net pension liability (asset)	$ 8,082	$ 12,417	$ 8,923	$ 9,182	$ 9,323	$ 8,866	$ 10,654	$ 8,052	$ 8,684	$ 8,325
City's covered-employee payroll	22,800	28,250	33,100	26,500	26,500	26,500	33,584	24,000	23,000	23,000
City's proportion share of the net pension liability (asset) as a percentage of its covered-employee payroll	35.45%	43.95%	26.96%	34.65%	35.18%	33.46%	31.72%	33.55%	37.76%	36.20%
Plan fiduciary net position as a percentage of the total pension liability	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

* Amount represented for each fiscal year were determined as 0f 6/30.

City of South Bay, Florida
Required Supplementary Information
Schedule of Contribution
Health Insurance Subsidy Plan
Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 456	$ 514	$ 510	$ 440	$ 440	$ 440	$ 546	$ 399	$ 382	$ 312
Contribution in relation to the contractually required contribution	456	514	510	440	440	440	546	399	382	312
Contribution Deficiency (Excess)			-	-	-	-	-	-	-	-
City's covered-employee payroll	22,800	28,250	33,100	26,500	26,500	26,500	31,454	27,000	23,000	23,000
Contribution as a percentage of covered-employee payroll	2.0%	1.8%	1.5%	1.7%	1.7%	1.7%	1.7%	1.5%	1.7%	1.4%

* Amount represented for each fiscal year were determined as 0f 9/30.

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*

To the Honorable Mayor and Members of the City Council
City of South Bay, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund information of the City of South Bay, Florida (the 'City'), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 8, 2025. Our report includes a reference to other auditors who audited the financial statements of the Fiduciary Funds, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
May 8, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE FLORIDA AUDITOR GENERAL

To the Honorable Mayor and Members of the City Council
City of South Bay, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the City of South Bay, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs and state projects for the fiscal year ended September 30, 2024. The City's major federal programs and 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 federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state projects based 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Florida Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.550 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and 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 each major federal program and state project. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program and 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 each of its major federal programs and state projects for the fiscal year ended September 30, 2024.

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 each major federal program ad state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of South Bay, Florida, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise City of South Bay, Florida's basic financial statements. We issued our report thereon dated May 8, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
May 8, 2025

CITY OF SOUTH BAY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
For Year Ended September 30, 2024

Acct. Number	Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA/CSFA #	Contract Number	Program Award Amount	Reimbursable/ Disbursements Expense
001-033-331398	HUD Community Development Block Grant CDBG Passed thru PB County - Code Enforcement Payroll	14.218	B-23-UC-12-0004	36,989	33,825
001-033-331190	Passed through FL Division Emergency Management ARPA Covid 19	21.027	Y5290	118,785	119,782
318-033-334410	PBC Park Cox Grant	14.218	B-21-UC-12-0004	43,622	47,103
318-033-334412	DOT - Street Improvement	55.009	G-1599	244,379	249,219
001-033-334420	Solid Waste Authority - Demolition local			265,000	253,700
001-033-334410	PBC NEAT Grant			9,717	10,049
		Total Federal Awards		718,492	713,678

Acct. Number	State Grantor/Pass-Through Grantor/Program Title	State CSFA #	Contract Number	Program Award Amount	Reimbursable/ Disbursements Expense
318-033-334422	Flood Control and waterway Management	37.039	LP50102	$ 500,000	$ 835,477
001-033-334412	South Bay Competitive Partnership Grant	40.024	P0503	95,525	77,000
		Total State Awards			$ 912,477

City of South Bay, Florida
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2024

I. Summary of Independent Auditor's Results

Financial Statements

Type of report the auditor issued: **Unmodified**

Internal control over financial reporting:

- Material weakness(es) identified? ___yes _X_ no
- Significant deficiency(ies) identified? ___yes _X_ none reported

Noncompliance material to financial statements noted? ___yes _X_ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ____yes _X_ no
- Significant Deficiency(s) identified ___yes _X_ none reported

Type of auditor's report issued on compliance for major programs: **Unmodified.**

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? ___yes _X_ no

Identification of major programs:

CFDA No(s).	Names of Federal Project
N/A	Not Applicable below expenditure threshold

Dollar threshold used to distinguish between Type A and Type B Programs $ 750,000

Auditee qualified as low-risk auditee? _X_ yes ___no

<u>State Projects / Awards</u>

Internal control over major programs:

- Material weakness(es) identified? ____yes __X_no
- Significant Deficiency(s) identified ____yes __X__none reported

Type of auditor's report issued on compliance for major programs: **Unmodified.**

Any audit findings disclosed that are required to be reported in accordance with the State of Florida Single Audit? ___yes __X__no

Identification of State major programs:

CSFA No(s).	Names of State Projects / Awards	
37.039	Flood Control and Waterway Management	$837,477

Dollar threshold used to distinguish between Type A and Type B Programs:

(a) For auditee with expenditures of State awards between $750,000 and $2,500,000, Type A Projects are defined as the larger of $300,000 or thirty percent (30%) of total state awards expended. We audited the above detailed award amounting to $837,477, which represents 91.56% of the Total Expenditures of State Awards ($912,477) as required by Section 215.97 (10)(d), Florida Statutes that requires audit coverage should be at least 50% of total State Project Expenditures.

(b) For auditees with expenditures of state awards exceeding $2,500,000, Type A Projects are defined as the larger of $750,000 or three percent (3%) of total state awards expended.

Auditee qualified as low-risk auditee? __X__yes ___no

II. Prior Year Financial Statement Findings

None.

III. Current Year Financial Statement Findings

None.

IV. Prior Year Federal Awards Findings and Questioned Costs

None.

V. Current Year Federal Awards Findings and Questioned Costs

None.

City of South Bay, Florida
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance
September 30, 2024

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the “Schedule”) includes the Federal and State activity of the City of South Bay, Florida (the “City”) under for the fiscal year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirement of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General. Therefore, 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 POLICEIS

The accompanying Schedule is presented using the accrual basis of accounting. Expenditures are recognized according to the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The City has elected not to use the 10% de Minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4 – CONTINGENCY

The grant revenue amounts received are subject to audit and adjustment. If any expenditure is disallowed by a grantor agency as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreement and applicable federal laws and regulations.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES, REQUIRED BY RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Honorable Mayor and Members of City Council
The City of South Bay, Florida

We have audited the financial statements of the City South Bay, Florida (the "City") as of and for the year ended September 30, 2024, and have issued our report thereon dated May 8, 2025.

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 Auditor General*.

Other Reports and Schedule
We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Schedule of Findings and Questioned Costs; the Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General, and the management letter in accordance with the rules of the Auditor General of the State of Florida. Disclosures in those reports and schedule, which are dated May 8, 2025, should be considered in conjunction with this report.

Local Government Investment Policies
We have examined the City's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies,* during the year ended September 30, 2024. Management is responsible for City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024. This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
May 8, 2025

MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Honorable Mayor and Members of the City Commission
City of South Bay, Florida

Report on the Financial Statements
We have audited the financial statements of the City of South Bay, Florida (the 'City'), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated May 8, 2025.

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 Auditor General.

Other Reporting Requirements
We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 8, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings
Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. 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. There were no component units associated with the City.

Financial Condition and Management
Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6. a., Rules of the Auditor General, the City of South Bay, a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the City of South Bay's geographical boundaries during the fiscal year under audit. As required by Section 10.554(1)(i)6.b., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the City of South Bay, a list of all program administrators and third-party administrators that administered the program. As required by Section 10.554(1)(i)6.c., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the City of South Bay, the full names and contact information of each such program administrator and third-party administrator.

Special District Component Units

Sections 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

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

Purpose of this letter

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

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
May 8, 2025

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

To the Honorable Mayor and Members of the City Commission
City of South Bay , Florida

We have examined the City of South Bay, Florida's ("City") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2024. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2024. This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the City Commission and is not intended to be and should not be used by anyone other than these specified parties.

HCT Certified Public Accountants & Consultants, LLC
Hollywood, Florida
May 8, 2025

ORDINANCE NO. 03-2025

AN ORDINANCE OF THE CITY OF SOUTH BAY, FLORIDA, GRANTING PIVOTAL UTILITY HOLDINGS , INC., A NEW JERSEY CORPORATION, D/B/A FLORIDA CITY GAS, ITS SUCCESSORS AND ASSIGNS, A NON-EXCLUSIVE NATURAL GAS FRANCHISE, AND IMPOSING PROVISIONS AND CONDITIONS RELATING THERETO; DECLARING THAT INVALIDITY OF ANY PORTION HEREOF SHALL NOT AFFECT THE REMAINING PORTIONS OF THIS ORDINANCE; AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH FLORIDA CITY GAS; PROVIDING FOR AN EFFECTIVE DATE HEREOF AND FOR OTHER PURPOSES

WHEREAS, the City of South Bay, Florida ("City") desires to grant a non-exclusive franchise with Florida City Gas ("FCG") for permitting the construction, maintenance and operation of gas facilitates within the City; and

WHEREAS, FCG is willing and capable of providing and undertaking the installation and operation of its gas systems under a franchise agreement with the City; and

WHEREAS, the City Commission of the City of South Bay desires to execute an agreement between the City and FCG and deems it necessary and in the best interests of the residents of the City.

NOW, THEREFORE, be it obtained by the City Commission of the City of South Bay, Florida;

Section 1. <u>Definitions:</u>

(a) "City" shall mean City of South Bay, a municipality of the State of Florida.

(b) "Franchise" shall mean this Agreement and the rights granted to Franchisee hereunder.

(c) "Franchisee" shall mean Pivotal Utility Holdings, a New Jersey corporation d/b/a Florida City Gas, and its successors and approved assigns.

(d) "Gas System Facilities" or "Facilities" shall mean and include, but not limited to gas mains, pipes, supply pipes, conduits, ducts, service connections, manholes, regulators, drip pots, control devices and any other hardware or other appurtenances used as a means of conveying, distributing or selling natural gas for the purpose of supplying natural gas to the meter of the Customer, constructed both prior to and during the term of this Agreement.

(e) "Customers" shall mean all residences, business, governmental entities, and industrial establishments within the City purchasing natural gas from Franchisee.

(f) "FPSC" shall mean the Florida Public Service Commission or its successor agency or agencies.

(g) "Franchise Fee" shall mean the fees described in Section 8 of this agreement.

(h) "Gross Revenues" shall mean any revenues recognized in accordance with General Accepted Accounting Procedures (GAAP) derived from the service charges, energy charges (including ECCR factor charges, CRA factor charges and margins and/or surcharges and any other energy-based charges approved for billing Customers by the FPSC) and, for customers who purchase gas from Franchisee, gas charges and discounts are defined in Franchisee's tariffs for both transportation Customers of Franchise and Consumers purchasing gas from Franchisee. Gross Revenues shall not include any taxes or other governmental fees and charges which are paid to tax authorities Gross Revenues shall not include bad debt, uncollectable accounts, interest, retuned check charges, late fees, connection, re-connection disconnection, convenience fees and any other miscellaneous charges related to account changes and updates as well as any revenue derived from appliance leasing and any warrantee and repair plan activity derived from appliance leasing.

(i) "Natural Gas" shall mean natural gas in a gaseous state unmixed or a mixture of natural and artificial gas, whether manufactured, "landfill" or otherwise.

(j) "Uncollectible Accounts" shall mean any account which has been closed.

Section 2. Franchise

The City hereby grants to the Franchisee, and the Franchisee hereby accepts, the non-exclusive right, privilege and franchise, for the period of thirty (30) years from the effective date hereof, to construct, maintain and operate only Gas System Facilities in, under, upon, over and across the present and future streets, alleys, bridges, easements and other public rights-of-way within the city. The Franchisee shall construct, maintain and operate Gas System Facilities in accordance with established industry practices, and applicable federal, state and local law, including the orders, rules and regulations of the FPSC or any other regulatory body having jurisdiction over the Franchisee and, to the extent permitted by law, the City's installation, maintenance and operation standards in respect of natural gas.

The City acknowledges that the rates, fees, and charges that Franchisee charges its customers are determined by the FPSC.

This grant of authority to Franchisee is strictly limited to the provision of natural gas services only. It is explicitly recognized that this Franchise does not limit the Franchisee's ability to operate a liquefied petroleum (commonly referred to as LP gas, bottled gas, or propane) business within the city, similar to any other liquefied petroleum business, nor does it limit the City's ability to assess a franchise fee upon the liquified petroleum business within the limits permitted under Florida law.

Franchisee may, without obtaining the City's consent, pledge this Franchise and/or the facilities as security.

Section 3. Use and Maintenance of Public Rights-of-Way

Franchisee's Gas System Facilities shall be located or relocated and so constructed as not to interfere with, including but not limited to, sanitary sewers, drainage systems, water pipes, electrical conduits, communication cables or other public utility service facilities, existing at the time of such location, relocation, or construction. The location or relocation of all Facilities shall be made after

Franchisee has received all applicable permits, approvals and permissions from the City and such other governmental entities as may be necessary, and the location(s) or relocation(s) shall be subject to the City's approval. In consideration for the Franchisee Fee paid under this Agreement, the Franchisee will not assess any permit fees associated with the installation, construction, repair, or maintenance of any Gas System Facilities within the public rights-of-way. In the event that Franchisee is acting in its proprietary function as a retail provider of gas equipment or appliances, Franchisee shall seek the appropriate permits from the City. Franchisee shall cooperate with the City at all times by providing timely and complete information regarding the location of its Facilities. Franchisee and City shall cooperate and coordinate their efforts to make the most efficient and economical use of the public rights-of-way and the Gas System Facilities.

If any street, highway, or avenue is to be paved by the City, the City shall give written notice to the Franchisee not less than ninety (90) days prior to the commencement of paving. Provided the Franchisee does not already have a main in the street, highway or revenue to provide natural gas service to the surrounding houses and other structures, Franchisee shall survey the surrounding houses and other structures to determine whether, in its sole discretion, construction of Gas System Facilities in the street, highway or avenue in question is economically feasible. Where such construction is determined to be economically feasible, the Franchisee shall construct such Gas System Facilities in the street, highway, or avenue in question prior to paving by the City. However, in the event the Franchisee believes that such construction may not be completed prior to City's planned paving schedule, the Parties will attempt to negotiate a revised paving schedule satisfactory to both Parties; provided, however, that if a delay in paving will cause additional expense to the City, or substantial inconvenience to the residents of the City, the City may proceed with its original paving schedule.

The Franchisee shall, at its own expense, replace, repair and restore in a timely manner any sidewalk, street, alley, pavement, water, sewer or other utility line of appurtenance, soil, landscaping, dirt or other improvement, property or structure of any nature, that may be damaged or displaced by the Franchisee in the conduct of its operations, and shall, at a minimum, retore all property to a condition equivalent to the condition immediately prior to the work and/or changes made by the Franchisee. Franchisee shall take safety precautions to alert the public to work, which may include, but is not limited to, the use of barricades and signs.

The City shall not require the relocation of any of the Franchisee's Facilities installed before or after the effective date hereof in public rights-of-way unless or until widening or otherwise changing the configuration of the paved portion of any public right-of-way used by motor vehicles causes such installed facilities to unreasonably interfere with motor vehicular traffic.

Section 4. Insurance

The Franchisee, at all times during the exercise of its Franchise, shall carry general liability insurance in the amount of Five Million Dollars and No Cents ($5,000,000.00) to indemnify any persons sustaining personal injury or property damage as a result of the maintenance of its Facilities in accordance with the terms of Section 7. INDEMNIFICATION hereof. The City shall be named as an additional insured. Notwithstanding the foregoing, the Franchisee may meet the minimum of insurance using, in part or whole, any combination of self-insurance and captive insurance. In the event Franchisee elects to meet the insurance minimum using, in part or whole, any combination of self0insurance or captive insurance, the Franchisee shall provide the City with documentation attesting to its qualified status.

Section 5. Accidents or Damages; Emergencies

The City shall not be liable or responsible in any manner whatsoever for any accident, personal injury, property damage or any claim or damage that may occur in the course of the construction, operation or maintenance of any of its Facilities by Franchisee, and its employees, agents, contractors, and any third parties hired by Franchisee to perform any aspect of Franchisee's responsibilities under this Agreement, except for damages specifically caused by or arising out of the negligence, strict liability, intention torts or criminal acts of the City. Nothing in this Agreement shall be construed to affect in any way the City's rights, privileges, and immunities under the doctrine of "sovereign immunity" as set forth in Section 768.28, Florida Statutes.

Section 6. Non-Competition by City

While this Franchise is non-exclusive, the City specifically agrees that it shall not, during the term of this grant, or any extensions thereof, engage in the business of distributing and selling gas in competition with the Franchisee, its successors or assigns.

Section 7. Indemnification

Franchisee shall indemnify, defend and hold harmless the City, its commission members, officers, agents and employees from and against any and all claims, suits, actions, regulatory or administrative proceedings (including reasonable attorney's fees, including appeals), liabilities and expenses arising during the term of this Franchise and resulting in personal injury, loss of life or damage to property sustained by any personal injury, loss of life or damage to property sustained by any person or entity (collectively "Claims") caused by or arising out of Franchisee's negligence, intentional torts, strict liability, or breach of applicable law in connection with the construction, operation or maintenance of its Gas System Facilities with the City, except for Claims caused by or arising out of the negligence, strict liability, intentional torts, breach of applicable law or breach of this Agreement by the City. Nothing in this Agreement shall be construed to affect in any way the City's rights, privileges, and immunities under the doctrine of "sovereign immunity" as set forth in Section 768.28, Florida Statutes. The provision of this Section shall survive the termination of this Agreement.

Section 8. Franchise Fee

Within sixty (60) days after the close of the first full billing month (payment for which shall include any prior partial month) following the effective date of this Franchise Agreement, and each month thereafter during the term Franchise Agreement, the Franchisee shall pay to the City a Franchise Fee which, when added to the amount of all licenses, excises, fees, charges and other impositions of any kind whatsoever (except ad valorem property taxes and non-ad valorem property tax assessments on property) levied or imposed by the City against Franchisee's property, business or operations and those of its subsidiaries, is equal to six percent (6%) of the Franchisee's Gross Revenues, less any adjustments for Uncollectible Accounts, from the sale, transportation, distribution, or delivery of natural gas to Customers within the City. In the event any Uncollectible Account becomes collectible and/or is collected, an adjustment in amount due to the City shall be made in the next monthly payment.

Section 9. Accounts and Records; Rights to Audit

The City may, at its own expense, upon reasonable notice and within ninety (90) days after each anniversary date of this Franchise, examine the Franchisee's records relating to the calculation of the franchise payment for the year preceding such anniversary date. Such an examination shall be during normal business hours at Franchisee's office where such records are maintained. Records not prepared by Franchisee in the ordinary course of business or as required herein may be provided at the City's expense and as the City and Franchisee may agree in writing. Information identifying Franchisee's customers by name or their electric consumption shall not be taken from Franchisee's records in accordance with this Section shall not be conducted by any third party employed or retained by the City whose fee, as a whole or part, for conducting such an audit is contingent on findings of the audit. At the City's request no more than once annually, Franchisee will provide to the City an electronic version of a billing list of all Franchisee customer addresses within the incorporated areas of the city. The City will respect Franchisee's confidential documents. The City will be given access to confidential documents while on Franchisee premises but shall not remove those confidential documents from Franchisee premises unless expressly authorized to do so by Franchisee. Information related to this audit and likely to be deemed confidential by Franchisee includes, but is not limited to, nonpublic customer or customer account information, nonpublic policies and procedures, and any other nonpublic information that gives Franchisee an opportunity to gain an advantage over its competitors.

Section 10. Changes to the City

Upon the City's annexation of any property and reasonable written notice to Franchisee thereof, the portion of Franchisee's Facilities that may be located within such annexed territory, and upon the streets, alleys, or public grounds, shall be subject to all the terms of this Franchise.

Section 11. Forfeiture or Revocation of Franchise

The Franchisee's material failure to comply in any respect with any of the provisions of this Franchise after written notice from City and a reasonable opportunity, no less than one hundred and eighty (180) days, to cure shall be grounds for forfeiture of this Franchise pursuant to which the City shall have the right to revoke and cancel all franchise rights granted in the Agreement; provided, however, that Franchisee's failure to comply with any provision of this Franchise as the result of a strike, lockout, or any other cause beyond the reasonable control of the Franchisee (collectively "Force Majeure") shall not constitute grounds for the City's revocation and cancellation of any rights hereunder. In the event

Franchisee in good faith disputes the City's determination of the Franchisee's material non-compliance with the provision(s) of this Franchise specified in the City's notice, or the City disputes the Franchisee's assertion that its failure to comply with the provision(s) of this Franchise was or is the result of the Force Majeure, the Franchisee and the City shall negotiate in good faith to resolve the dispute prior to commencing formal legal proceedings.

Notwithstanding any provision to the contrary, Franchisee acknowledges that nothing contained in this Agreement shall constitute a waiver by the City of any rights it may possess at law (including but not limited to the power of eminent domain), or as afforded under Chapter 125, Florida Statutes.

Section 12. Designated Representative

The following individuals are designated to represent the City and Franchisee respectively on all matters concerning the Franchise. All written communications shall be given by nationally recognized overnight courier or by certified mail with return receipt requested, to the addresses provided, or at such other address as either Party may advise the other in writing:

For the City: City Manager
City of South Bay
335 SW 2nd Avenue
South Bay, FL, 33493

With Copies to: City Attorney
Burnadette Norris-Weeks, P.A.
401 NW 7th Avenue
Fort Lauderdale, FL, 33311

Section 13. No Waiver

Nothing in this agreement shall be construed as a surrender or waiver by the City of (a) its police powers or the authority to regulate the use of the public streets and/or other public places, provided no regulation contravenes the material terms of this Franchise, and (b) its right to sovereign immunity.

Section 14. Right To Enforce

Except as expressly provided herein, each Party shall have all rights and remedies available in law or in equity in the event of a material breach of any obligation set forth in this Agreement by the other Party.

Section 15. Entirety

This writing embodies the entire agreement and understanding between the Parties, and there are no there other agreements and understandings , oral or written, with reference to this subject matter that are not merged and superseded.

Section 16. Governing Law

This Agreement shall be governed by and construed according to the laws of the State of Florida.

Section 17. Effective Date

As a condition precedent to the taking effect of this Franchise, the Franchisee shall file its acceptance hereof with the City's Clerk within thirty (30) days of adoption of this Franchise. The effective date of this Franchise shall be the date upon which the Franchisee files such acceptance.

Section 18. The provisions of this Ordinance are severable, and if any section, sentence, clause, or phrase hereof is for any reason held to be unconstitutional, invalid, or ineffective, such holding shall not affect the validity of the remaining portions of this Ordinance, it being expressly declared to be the City Commission's intent that it would have passed the valid portions of this Ordinance without the inclusion therein of any invalid portion of portions.

Section 19. This Ordinance shall become effective ten (10) days following its adoption and signed by the chairperson of the city Commission.

ADOPTED This Ordinance shall take effect immediately upon final passage and adoption.

PASSED FIRST READING this ____ day of ______________ 2025.

PASSED SECOND READING this ____ day of _________________ 2025.

____
Joe Kyles, Mayor

ATTEST:

By: _______________________________
Vicenta Washington, City Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

____
Burnadette Norris-Week, P.A.
City Attorney

Moved by: _________________________

Seconded by: _______________________

VOTE:

Commissioner Berry	______ (Yes)	______ (No)
Commissioner Polk	______ (Yes)	______ (No)
Commissioner King	______ (Yes)	______ (No)
Vice-Mayor McKelvin	______ (Yes)	______ (No)
Mayor Kyles	______ (Yes)	______ (No)

AGL Resources

Contract Index Form

TYPE IN ALL CAPS.

Is this a new or existing contract? *

(•) New contract ( ) Existing Contract ( ) Tax Exemption Certificate

Your new contract number will be emailed to you

Contract Numbers

Contract #

Enter Contract number assigned by AGL Owner, if any

Contract Parties

AGL Company Name *

Florida City Gas

Counterparty Name *

FL SOUTH BAY (CITY OF)

Enter the non-AGL party.

Counterparty Contact Name

Enter the non-AGL party contact.

Counterparty Contract #

Enter Contract Number assigned by non-AGL owner, if any

Counterparty Vendor ID

Used by Supply Chain – look up in PeopleSoft.

Contract Information

Contract Type *

FRANCH

Document Type * (?)

FRANCH

Contract Status * (?)

ACTIVE

Select One

Contract Title *

ORDINANCE

Contract Description *

Be concise. Use key words about goods & services or contract purpose which aid retrieval. Do not repeat Doc Type or Contract Title. Limit punctuation

ORDINANCE (15 YRS)

Document Date *

11/07/2000

Enter date contract signed or other document date.

Date Effective *

11/7/2000

Enter date contract or related documents effective.

Date contract to Expire *

10/1/2015

Enter date contract to expire. If Auto-Renewing, enter 12/31/2100 and select AUTORENEW in Contract Status.

Aggregate Dollars *

0

Government Entity *

Y

Select Y (yes) if Counterparty is a local, state, or federal government or instrumentality of same.

Infrastructure *

N

Select Y = YES if contract related to Utility Infrastructure

Does this document change expiration date? (?)

N

Contract Owner

Owner Name *

LEGAL

Owner Dept. ID*

1470

Supply Chain Buyer

Form Completed By* (?)

LLONG

Select your email address*

@aglresources.com

Contract Submission

Select how you will send your contract*

- (•) I will attach my PDF here
- ( ) I will mail my documents

Please attach the contract copy here

O-SOUTH BAY.pdf	1.04MB

.pdf only

Additional Records Manager Comments

2000

ORDINANCE NO: 1-01

AN ORDINANCE OF THE CITY OF SOUTH BAY, FLORIDA, GRANTING TO NUI CORPORATION, A NON-EXCLUSIVE GAS FRANCHISE TO OCCUPY MUNICIPAL STREETS AND RIGHT-OF-WAYS IN THE CITY OF SOUTH BAY, FLORIDA FOR THE PURPOSES OF PROVIDING NATURAL AND/OR COMINGLED AND/OR MANUFACTURED GAS SERVICES; PRESCRIBING THE TERMS AND CONDITIONS ACCOMPANYING THE GRANT OF FRANCHISE; PROVIDING FOR SEVERIBILITY OF PROVISIONS; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

WHEREAS, the City deems it necessary, desirable and in the best interest of its citizens and economic development initiatives to grant a non-exclusive franchise to NUI Corporation to permit the construction, maintenance and operation of gas facilities with the City; and

WHEREAS, NUI Corporation is willing to undertake the installation and operation of its gas system under a franchise from the City.

NOW, THEREFORE, be it ordained by the City Commission of the City of South Bay, Florida:

Section 1. Definitions.

For the purposes of this Ordinance, the following terms and words shall have the meaning given herein. Any definitions not incorporated in the grant of authority by this ordinance, the definitions set forth in the City of South Bay City Code shall control and absent a defined term, then the definitions found within the laws of the State of Florida, including but not limited to the Uniform Commercial Code, shall be made applicable.

"City" shall mean the City of South Bay, Palm Beach County, Florida, Grantor.

"Consumer" shall ~~mean any person, firm, or public or private corporation served by the~~ Grantee.

"Fiscal Year" shall mean ____________ 1st through ____________ 1st of each year.

"Franchise Area" shall mean that area for which Grantee provides gas service within the corporate city limits of City.

"Gas" shall mean natural gas and/or commingled gas and/or manufactured gas, which is distributed in pipes. It shall not mean bottled gas or any other fuel.

"Gas system" or "Gas system facilities" shall mean and include, but not be limited to, pipe, pipeline, tube, main, service, trap, vent, vault, manhole, meter, gauge, regulator valve, conduit, appliance, attachment, structure or structures, and appurtenances used or useful in the distribution of gas, located or to be located in, upon, along, across, under or over the streets.

"Grantee" shall mean the City Gas Company of Florida, a division of NUI Corporation, its successors or assigns.

"Grantor" shall mean the City of South Bay, Palm Beach County, Florida, its successors and assigns (hereinafter "City").

"Inflation Index" shall mean the percentage change in the Consumer Price Index for all Urban Consumers as published by the Bureau of Labor Statistics, or any successor index, for the period from September 30th to the beginning of the then current fiscal year.

"Rights-of-Way" shall mean all of the public streets, alleys, highways, waterways bridges, easements, sidewalks and parks of the City, as they now exist or may be hereafter constructed, opened, laid out or extended within the present limits of the City, or in such territory as may hereafter be added to, consolidated or annexed to the City.

Section 2. Grant of Authority.

A. Right And Privilege to Construct. There is hereby granted by City to Grantee the right and privilege to construct, erect, operate, own and maintain gas system facilities in, upon, under, over and across such streets, alleys, bridges, easements and other public places of the City as shall be approved by the City upon request and identification of location by Grantee. This Franchise is granted and shall be exercised in accordance with established practices regarding gas system construction, maintenance and operation, and in accordance with the orders, rules and regulations of the Florida Public Service Commission (FPSC) and any other regulatory body having jurisdiction over the Grantee and in accordance with the City's installation and maintenance standards as presently existing and as may be amended from time to time.

B. Annexation or Contraction. Grantee agrees that the Franchise Area is subject to expansion or reduction by annexation and contraction of municipal boundaries. Upon City's annexation of any property, the portion of Grantee's gas system that may be located within such annexed territory, and upon the streets, alleys or public grounds, shall be subject to all the terms of this Franchise. If City approves any Franchise Area expansion or reduction by annexation or contraction, City will provide written notice to Grantee. Grantee must revise its payments due to any expansion or reduction by annexation within a reasonable time after notice to Grantee, but no later than sixty (60) days after receipt of notice.

C. Use and Non-Exclusive Use. This grant of authority to Grantee is strictly limited to the provision of gas service only. In the event Grantee desires to use its existing facilities or to construct new facilities for the purpose of providing other utility or non-utility services to existing or potential consumers or resellers, by providing public communications, leased fiber optic capacity, video services, telecommunication services or any other services other than the provision of gas, or providing any other use to existing or potential consumers, Grantee shall seek additional and separate permission from City for such activities and the same shall be subject to separate written agreement. The right to use and occupy rights-of-way for the purposes herein set forth shall be non-exclusive, and the City reserves the right to grant a similar use of said rights-of-way, to any person at any time during the period of this Franchise so long as such grant does not materially and adversely impact Grantee's right to use and occupy rights-of-way as aforesaid.

Section 3. Assignment.

This Franchise, once granted, shall not be leased, assigned or otherwise alienated or disposed of except with the prior written consent of the City. Any request to lease, assign or otherwise alienate shall be provided to City with at least ninety (90) days notice prior to any anticipated closing date.

Section 4. Term of Franchise.

The Franchise term shall be for fifteen (15) years commencing from and after the final passage hereof, as required by law and upon the filing of the duly executed Non-Exclusive Gas

Franchise Agreement (the "Effective Date"), the terms and conditions of which are identical to the provisions of this Ordinance.

Section 5. Payment to City.

A. Payment to the City. During the first five years of this Ordinance, the first day of which shall be the effective date, the Grantee, its successors and assigns, shall pay to the City, or its successors and assigns, an amount that will equal ten percent (10%) of the Grantee's gross revenues due and owning by customers on a yearly basis. The first payment shall be made to the City on or before the 30th day of January following the preceding year and shall be based upon gross revenues due and owing during the preceding year.

B. Method of Calculation. City reserves the right to change the method of payment after the first five years such that payment is based on a per therm rate with a rate for residential customers and a rate for commercial customers which rate may differ one from the other.

C. Quarterly Payments. After the first year of this Ordinance and for each Fiscal Year during the first five years of this Franchise, the Grantee shall remit to the City quarterly Franchise fee installments. The installments shall equal one-fourth (1/4) of the total annual Franchise fee calculated in accordance with this Ordinance.

The quarterly payment is due and payable on or before the thirtieth (30th) day following the last day of each calendar quarter. Grantee shall file a return with its first quarterly installment in each Fiscal Year showing the details of the calculation of the annual Franchise fee.

D. Late Payments. Payment shall be made to City as provided above in Section 5. Any payment or portion thereof received twenty (20) days after the due date shall be subject to interest at the rate of ten (10%) per annum until all payments are paid in full.

E. Inflation Adjustment. Inflation adjustments shall be made to the Franchise fee annually based on the inflation index to the extent allowed by law. Inflation index shall mean the percentage change in the Consumer Price Index for all Urban Customers as published by the Bureau of Labor Statistics, or any successor index, for the period of September 30th of the prior year to the beginning of the current fiscal year.

F. Performance Bond. At the time of its acceptance of the terms and conditions of this Ordinance, the Grantee shall file with the City Clerk, after approval by the City, an annual bond or corporate guarantee in the minimum sum of $50,000.00 having as a surety a company qualified to do business in the State of Florida and acceptable to the City. The bond or guarantee shall be conditioned on the full and faithful performance by the Grantee of all requirements, duties and obligations imposed upon Grantee by the provisions of this Ordinance. The bond or guarantee shall be furnished annually and shall provide a continuing guarantee of Grantee's full and faithful performance at all times throughout the effective term of this Ordinance.

G. Comparable Fee Adjustment. In the event Grantee shall after the date of execution hereof accept a Gas Franchise from any other municipality providing for the payment of a Franchise fee in excess of the amount provided by this Ordinance, the Grantee shall immediately notify the City and the City reserves the right to amend this Franchise Ordinance to require the Grantee to pay to City such additional Franchise fees. The Grantee's failure to notify City of such additional payments does not limit City's rights to such additional Franchise fees nor limit Grantee's liability with respect thereto including late payments as outlined in Section 5D above.

Section 6. Rates and Services Provided.

The rates to be charged and services provided by the Grantee for gas service within the corporate limits of City during the term of this Franchise shall be as provided and approved by the Florida Public Service Commission, or such agency of the State of Florida as may have proper jurisdiction over such rates and charges.

Section 7. Work in, Use of and Maintenance of Public Rights-of-Way.

The Grantee is hereby granted the right, authority and privilege to exercise the authority granted in Section 2 above subject to the following terms, requirements and provisions.

A. As a condition precedent to the installation of any gas system or facilities, Grantee shall first have received approvals and permissions from the City and such other governmental entities whose approval and permission may be necessary.

B. A condition precedent to City's approval shall be submission by Grantee of a detailed survey establishing the location, lines, grades, elevations and any other information requested by the City for the location or relocation of all facilities.

C. Grantee's gas system facilities shall be located or relocated and so constructed or installed as not to interfere with, including but not limited to, existing sewers, water pipes, storm drains, electrical conduits, communication cables or other utilities, structures or public utility service facilities.

D. The Grantee's facilities shall not obstruct or interfere with, including but not limited to, the public use of streets, roads, highways, sideways, driveways, curbs, avenues, alleys, bridges, easements or other public places or ways.

E. Grantee shall obtain all applicable permits, approvals and permission prior to commencement of the location or relocation of any gas system facility. The Grantee further agrees that it shall not interfere with, change, or injure any water pipes, drains, sewers or other facilities or equipment, unless it has received specific permission from the City.

F. Grantee shall, at its own expense, replace, repair and restore without delay any sideway, street, alley, pavement, water, sewer or other utility line, appurtenance, structure, soil, landscaping, dirt or other improvement, property or structure of any nature, that may be damaged, displaced, removed or impacted by the Grantee in the conduct of its operations, and shall, at a minimum, restore all property to a condition equivalent to the condition immediately prior to the work and/or changes made by the Grantee.

G. Grantee shall pursue all alternatives to open cutting of streets prior to the City's considering issuance of any permit(s). Additionally, Grantee shall notify the City, through its City Manager, when repair, replacement or the work is being conducted and completed.

H. Grantee shall take safety precautions to alert and protect the public during any of its operations, which precautions may include, but is not limited to, the use of barricades, signs or such other procedures as deemed by the City to be in the best interest of its residents.

I. Prior to any work of any nature, Grantee shall, at its own expense, notify residents and/or businesses within a two (2) block radius by door hanger or U.S. mail (with a copy to the City Manager).

J. Before the commencement of the construction of any gas system facilities, the Grantee shall provide a survey to the City establishing the location, lines, grades, elevations or any other information requested by the City in connection with the gas system facilities. The laying of such facilities shall conform exactly to the designated locations, lines, grade elevations or other conditions of the City. After completion of any work, two copies of complete "As-Built" plans will be furnished to the City. No street or other public way or place shall be excavated without Grantee securing a permit from the City. All construction made under the provisions of this Ordinance shall be of first-class material, and all gas system facilities shall have an adequate capacity to supply the full requirements of gas for service to City and its inhabitants at the proper pressure and quality. Grantee agrees that the materials to be used in the construction, operation and maintenance of the gas system facilities and the service to be rendered, shall be in every respect equal to those provided to the Grantee's other franchised communities.

K. The Grantee's failure to abide by the provisions of Sections 5 and 7 above shall entitle the City to any of the following in its sole discretion:

1. Withhold the issuance of further permits to the Grantee or its contractor; or

2. Cause the work to be performed and charge any and all costs plus a sum

equal to ten percent (10%) of the costs for administrative fees to the Grantee and require payment or reimbursement, which ever is applicable, within ten (10) days after the submission of the bill by the City to Grantee.

3. Revoke the Franchise.

4. Should Grantee fail to pay the sums herein provided, City shall be entitled to collect said sums in any lawful manner.

L. During proposed underground construction by Grantee, City shall have the right to place facilities in a common trench at Grantee's cost. Grantee shall notify the City, at least thirty (30) days prior to commencement of any such proposed underground construction project. Grantee shall be responsible to repair and restore, at its own expense, any and all damage to their facilities except such damage directly due to City's sole negligence.

M. City reserves the right to lay and permit to be laid sewers, electric conduits, water, gas, cable, and other pipelines or cables; and to do and permit to be done any underground work that may be deemed necessary or proper by the City or other governmental entity having jurisdiction, across, along or under any street, alley, public way, easement, place or other public ground.

N. Whenever, by reason of establishing a grade or by reason on changes in the grade of any street, or by reason of the widening, grading, paving, or otherwise improving present or future streets alleys, or other public ways and places, or in the location or manner of construction of any water pipes, electric conduits, sewers, or other underground structure, it shall be deemed necessary by the City or other governmental entity having jurisdiction to alter, change, adapt or conform the mains, pipelines, service pipe, or other apparatus or appurtenances of the grantee hereto, such alterations, or changes, shall be made by the Grantee as ordered in writing by the City or other governmental entity having jurisdiction without claim for reimbursement or compensation for damages against the City.

O. If the City shall require the Grantee to adapt or conform its pipelines, pipes, structures, or apparatus, appurtenances, or other appliances, or in any way to alter, relocate, or change its property to enable any other person or corporation, except the City, the State of Florida, or other governmental entity of the State, to use said street, alley, easement, highway, the Grantee shall be reimbursed by the person or corporation desiring or occasioning such change for any loss, cost, or expense caused by or arising out of such change, alterations, or relocation of Grantee's property.

P. City shall not be liable to the Grantee for any cost or expense of any nature in connection with the location or relocation of Grantee's gas system facilities made necessary by the City's improvement of any present or future public rights-of-way used or occupied by the Grantee.

Q. All expenses necessarily and reasonably incurred by the City in connection with the provisions of this section shall be paid by the Grantee.

R. The Grantee shall, at all times, keep an accurate map showing the location of all gas system facilities laid and maintained by Grantee under this Franchise, which shall be accessible for public inspection at all times during reasonable hours. Grantee shall provide the City with two copies (one printed and one magnetic) of their facilities location map on an annual updated basis.

Section 8. Meters.

The Grantee, shall comply with all FPSC regulations regarding construction and maintenance of gas system facilities and appurtenances to the property lines of each consumer. Each gas meter shall be standard make, tested and sealed, and subject at all times to reasonable inspection by FPSC through its proper officers or agents to ascertain accuracy and efficiency. It shall be the duty of the Grantee to repair or replace without cost any meter that fails to meet FPSC accuracy standards in accordance with FPSC rules. No service shall be furnished to any consumer nor will any gas system facility of any kind be installed within the present or future corporate limits of the City unless an approved installation permit has been issued by the City, a final inspection has been made and final approval has been given by a qualified City inspector.

Section 9. Accidents or Damages.

City shall not be liable or responsible in any manner whatsoever for any accident, personal injury, property damage or any claim or damage that may occur in the course of the construction, operation or maintenance by Grantee, its employees agents, contractors, sub lessees or licensees of any of its facilities, except for damages specifically caused by the sole negligent or wrongful actions of the City.

Section 10. Indemnification.

A. City shall in no way be liable or responsible for any accident or damage that may occur in the construction, operation or maintenance by Grantee of its facilities thereunder, and the acceptance of this Franchise by Grantee shall be deemed an Agreement on the part of the Grantee and Grantee does hereby agrees to indemnification, defend and hold harmless the City, its officers, agents and employees from and against any and all claims, suits, actions and causes of action arising during the term of this Franchise and resulting in personal injury, loss of life or damage to property sustained by any person or entity, arising out of this Franchise including all costs, attorneys fees, expenses, including any appeal, and including the investigations and defense of any action or proceeding and any order, judgment or decree which may be entered in any such action or proceeding, except for damages specifically caused by the sole negligent or wrongful actions of the City.

B. Grantee shall maintain throughout the term of this Franchise sufficient financial resources to provide self insurance, or insurance, insuring the City and the Grantee with regard to all damages set forth in Sections 9 and 10 above in the minimum amounts of:

$________ for bodily injury or death to a person;

$________ for bodily injury or death resulting from any one accident.

$__________ for property damage resulting from any one accident.

$__________ for all other types of liability.

C. If Grantee provides its own liability insurance (self insured), Grantee must submit on an annual basis, when submitting its annual audited financial report, documentation that clearly demonstrates that it has accumulated sufficient financial resources in order to provide insurance coverage as indicated in Section 10B above.

D. The City shall be named as an additional insured under any policy of insurance and an executed copy of the insurance policy or proof of self-insurance acceptable to City shall be filed with the City upon the effective date of this Ordinance.

Section 11. City's Rights in Franchise.

A. The right is hereby reserved to the City to adopt, in addition to the provisions herein contained and existing applicable ordinances, such additional regulations as it shall find necessary in the exercise of its police power, provided that such regulations, by ordinance or otherwise, shall be reasonable, and shall not be in conflict with the laws of the State of Florida or the lawful regulations of any state agency possessing the power to regulate the activities of the Grantee or materially interfere with the benefits conferred on Grantee hereunder.

B. The City reserves to itself the right, in its sole discretion, to intervene in any suit, action or proceeding involving any provision of this Ordinance. Grantee agrees to advise the City in a timely manner of any such suit.

Section 12. Accounts, Records and Reports: Rights to Audit.

The following records and reports shall be filed with or available to City:

A. Grantee Rules and Regulations. Copies of rules, regulations, terms and conditions adopted by Grantee that relate to Grantee's use of City's Right-of-Way shall be available upon request by City. Such rules, regulations, terms and conditions in existence at the time of execution hereof shall be submitted to City as a condition precedent to City's passage of this Ordinance.

B. Accounting. Grantee shall use the system of accounts and the form of books, accounts, records, and memoranda prescribed by the Florida Public Service Commission, or as mutually agreed to by City and Grantee. Such records shall be maintained in such detail that revenues within the limits of the City are consistently declared and identified separately from all other revenues. All records shall be maintained for a minimum of five (5) years, or longer if required by applicable regulatory bodies.

C. Availability of Records and Reports. Grantee shall supply all accounts and records of the Grantee and all such information that the City or its representatives may from time to time reasonably request or require relative to the calculation of Franchise fees. Such financial records shall be kept and maintained in accordance with generally accepted accounting principles. All of the these records shall, on written request of City, be open for examination and audit by City and City's representatives during ordinary business hours and such records shall be maintained in the South Bay Business Office of the Grantee.

D. Audit. City may require an audit of Grantee's books at minimum of every ________ year(s). Grantee will reimburse City's audit costs if the audit identifies errors in the Grantee's payments to the City. If the error resulted in an underpayment to the City, the amount of said underpayment shall be paid immediately to the City along with interest at the rate of ______ percent (____%) per annum on the amount of underpayment. Said interest shall be calculated from the date the amount was due to the date it was finally paid. Both the underpayment and the interest shall be paid within thirty (30) days after receipt of demand from City.

Section 13. City Authority.

A. Nothing in this Franchise shall prevent City from levying and collecting such taxes as City may from time to time be empowered, bylaw, to levy and collect provided such taxes shall be applied uniformly to all persons within City's corporate limits and shall not constitute an additional tax or fee for Grantee's use of the rights-of-way. Such taxes are not considered part of the Franchise fees.

B. In the event the City acquires the property rights of Grantee as well as any extensions thereof within and without the City, used in or useful in or connected with Grantee's Gas Facilities System and the extensions thereof, all grants or renewals shall at once terminate.

Section 14. Forfeiture or Revocation of Franchise.

In addition to the City's rights as provided in this Ordinance, the Grantee's material failure to comply in any respect with any of the provisions of this Franchise, after written notice from City to cure the default and within any time frame included in the notice, shall be grounds for forfeiture of this Franchise. The City shall have the right to revoke and cancel all Franchise rights granted in this Ordinance.

Section 15. Designated Representatives.

The following individuals are designated to represent the City and Grantee respectively on all matters concerning the Franchise. All written communication shall be given by mail, either regular or certified with return receipt requested, to the addresses provided, or at such other address as either party may advise the other in writing,

For the City:
City Manager
City of South Bay
355 SW 2nd Avenue
South Bay, FL 33493

With a copy to:
City Attorney
Law Offices of Samuel A. Thomas, P.A.
155 East Blue Heron Blvd.
Suite 400
Riviera Beach, FL 33404

For the Grantee: NUI Corporation /dba/City Gas Company of Florida

____

____

Section 16. No Waiver.

Nothing in this Ordinance shall be construed as a surrender or waiver by the City of its police powers or the authority to regulate the use of the public streets and/or other public places.

The rights and privileges granted to Grantee by this Franchise shall at all times be subordinate and inferior to the rights of the public in and to the ordinary use of City's rights-of-way and nothing in this Franchise shall be considered as a surrender by City of its right and power to use and relocate the use of its rights-of-way.

Section 17. Right to Enforce.

Either party shall have the right to enforce its rights in the event of a material breach of any obligation or either party's failure to perform any substantial obligation pursuant to this franchise or to comply in any substantial respect with any material provision.

Section 18. Attorney fees.

Except as otherwise provided, City and Grantee agree that if litigation becomes necessary to enforce any of the obligations, terms and conditions of this Ordinance, the prevailing party shall be entitled to recover a reasonable amount of attorneys fees and court costs, including fees and costs on appeal, from the non-prevailing party.

Section 19. Governing Law and Venue.

A. The Franchise and rights herein granted are subject to the provisions of and shall be construed in accordance with existing Florida State law and Federal laws and the ordinances and resolutions of the City of South Bay.

B. In the event that any legal proceeding is brought to enforce the terms of this

Ordinance, the same shall be brought in Palm Beach County, Florida, or, if a federal claim, in the U.S. District Court in and for the Southern District of Florida, West Palm Beach Division.

Section 20. Limitation of Liability.

The City desires to desires to adopt this Ordinance only if in so doing the City can place a limit on the City's liability for any cause of action brought by Grantee against the City arising out of the Ordinance, so that its liability never exceed the agreed sum of $10, 000.00, except for any third party action caused by the sole negligence of the City. By executing the Non-Exclusive Gas Franchise Agreement, whose terms are identical hereto, Grantee express its acceptance of this limitation.

Accordingly, and notwithstanding any other term or condition of this Ordinance, Grantee agrees that the City shall not be liable to Grantee for damages in any amount in excess of $10,000.00 for any action brought by Grantee against the City or claim arising out of this Ordinance, except for any third party action caused by the sole negligence of the City. Nothing contained in this section or elsewhere in this Ordinance is any way intended to be a waiver of the limitation placed upon City's liability as set forth in Section 768.28, Florida Statutes.

Section 21. Non-waiver Provision.

The failure of either party to insist in any one or more instances upon the strict performance of any one or more of the terms or provisions of this Franchise shall not be construed as a waiver or relinquishment for the future of any such term or provision, and the same shall continue in full force and effect. No waiver or relinquishment shall be deemed to have been made by either party unless said waiver or relinquishment is in writing and signed by the parties.

Section 22. Prohibition of Discriminatory Practices.

The Grantee shall not, as to rates, charges, service facilities, rules, regulations, or in any fashion, subject any person to any prejudice or disadvantage.

Section 23. Acceptance.

This ordinance shall become effective upon being legally passed and adopted by the City Commission of the City of South Bay, Florida, as provided by law; and it is further agreed that Grantee shall accept this Franchise as of the date of its passage and adoption by the City Commission and shall signify its acceptance by executing that certain Non-Exclusive Gas Franchise Ordinance, the terms and conditions of which are identical hereto within fifteen (15) days after the City Commission's approval of this Ordinance and filing said Ordinance with the City clerk.

Section 24. Severability.

Should any section or provision of this Franchise Ordinance or any portion thereof, the deletion of which would not adversely affect (in the general sense), the receipt of any material benefits or, substantially increase the burden of any party hereunder, be declared by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remainder as a whole or any part thereof, other than the part declared to be invalid.

Section 25. Conflicts.

Should any provision of the Non-Exclusive Gas Franchise Agreement conflict with the provisions of this ordinance, the provisions of this ordinance shall control.

Section 26. Effective Date.

This Franchise shall take effect immediately upon its adoption.

PASSED ON FIRST READING

THIS 3rd DAY OF October, 2000.

ADOPTED ON SECOND AND FINAL READING

THIS 7th DAY OF November, 2000.

____
Clarence E. Anthony, Mayor

Willie Marshall
Willie Marshall (printed name)
Vice Mayor

Milranda Smith
Milranda Smith (printed name)
Commissioner

Clarissa [signature]
Clarissa Davis (printed name)
Commissioner

[signature]
Esther E. Berry (printed name)
Commissioner

ATTEST:

Virginia K. Walker
Virginia K. Walker (printed name)
City Clerk

APPROVED AS TO LEGAL FORM AND SUFFICIENCY.

By:____________________________
Samuel A. Thomas, Esq.
City Attorney

Dated:__________________

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City Hall (561) 996-6751
(561) 996-6752

1 2014

Police
Department (561) 996-6511

City of South Bay

335 S. W. 2ND AVENUE
South Bay, Florida 33493

CERTIFICATION OF TRUE COPY

STATE OF FLORIDA
COUNTY OF PALM BEACH

I, the undersigned, duly appointed City Clerk of the City of South Bay, Florida, HEREBY CERTIFY that the attached hereto is a true and correct copy of Ordinance No. 1-2001, as shown in the records of the City on file in the office of the City Clerk.

WITNESS, my hand and the corporate seal of the City of South Bay, Florida, this 15th day of November 2000.

(Corporate Seal)

Virginia K. Walker

Virginia K. Walker, City Clerk
CITY OF SOUTH BAY, FLORIDA

NON-EXCLUSIVE FRANCHISE AGREEMENT

This **NON-EXCLUSIVE** FRANCHISE **AGREEMENT** (the "Agreement") is entered into this _____ day of ____________, 2025 between City of South Bay**,** a political subdivision of the State of Florida, ("City"), and Pivotal Utility Holdings, Inc., a New Jersey corporation d/b/a Florida City Gas ("Franchisee"). City and Franchisee shall sometimes be collectively referred to as the "Parties" and, individually, as a "Party".

W I T N E S S E T H:

WHEREAS, the City desires to grant a non-exclusive franchise to permit the construction, maintenance and operation of natural gas facilities within the City; and

WHEREAS, the Franchisee is capable of providing such services.

NOW, THEREFORE, the Parties agree as follows:

SECTION 1. DEFINITIONS

(a) "City" shall mean City of South Bay, a political subdivision of the State of Florida.

(b) "Franchise" shall mean this Agreement and the rights granted to Franchisee hereunder.

(c) "Franchisee" shall mean Pivotal Utility Holdings, Inc., a New Jersey corporation d/b/a Florida City Gas, and its successors and approved assigns.

(d) "Gas System Facilities" or "Facilities" shall mean and include, but not be limited to, gas mains, pipes, supply pipes, conduits, ducts, service connections, manholes, regulators, drip pots, control devices and any other hardware or other appurtenances used as a means of conveying, distributing or selling natural gas for the purpose of supplying natural gas to the meter of the Customer, constructed both prior to and during the term of this Agreement.

(e) "Customers" shall mean all residences, businesses, governmental entities and industrial establishments located within the City purchasing natural gas from Franchisee.

(f) "FPSC" shall mean the Florida Public Service Commission or its successor agency or agencies.

(g) "Franchise Fee" shall mean the fees described in Section 8 of this agreement.

(h) "Gross Revenues" shall mean any revenues recognized in accordance with General Accepted Accounting Procedures (GAAP) derived from the services charges, customer charges, energy charges (including ECCR factor charges, CRA factor charges and margins and/or surcharges and any other energy based charges approved for billing Customers by the FPSC) and, for customers who purchase gas from Franchisee, gas charges, and any applicable minimum charges or discount, as such charges and discounts are defined in Franchisee's tariffs for both transportation Customers of Franchisee and Consumers purchasing gas from Franchisee. Gross Revenues shall not include any taxes, or other governmental fees and charges which are paid to tax authorities. Gross Revenues shall not include bad debt, uncollectable accounts, interest, returned check charges, late fees, connection, re-connection, disconnection, convenient fees and any other miscellaneous charges related to account changes and updates as well as any revenue derived from appliance leasing and any warrantee and repair plan activity derived from appliance leasing.

(i) "Natural Gas" shall mean natural gas in a gaseous state unmixed or a mixture of natural and artificial gas, whether manufactured, "landfill" or otherwise.

(j) "Uncollectible Accounts" shall mean any account which has been closed..

SECTION 2. FRANCHISE

The City hereby grants to the Franchisee, and the Franchisee hereby accepts, the non-exclusive right, privilege and franchise, for the period of thirty (30) years from the effective date hereof, to construct, maintain and operate only Gas System Facilities in, under, upon, over and across the present and future streets, alleys, bridges, easements and other public rights-of-way within the City. The Franchisee shall construct, maintain and operate Gas System Facilities in accordance with established industry practices, and applicable federal, state and local law, including the orders, rules and regulations of the FPSC or any other regulatory body having jurisdiction over the Franchisee and, to the extent permitted by law, the City's installation, maintenance and operation standards in respect of natural gas.

The City acknowledges that the rates, fees, and charges that Franchisee charges its Customers are determined by the FPSC.

This grant of authority to Franchisee is strictly limited to the provision of natural gas service only. It is explicitly recognized that this Franchise does not limit the Franchisee's ability to operate a liquefied petroleum (commonly referred to as LP gas, bottled gas, or propane) business within the City, similar to any other liquefied petroleum business, nor does it limit the City's ability to assess a franchise fee upon the liquefied petroleum business within the limits permitted under Florida law.

Franchisee may, without obtaining the City's consent, pledge this Franchise and/or the facilities as security.

SECTION 3. USE AND MAINTENANCE OF PUBLIC RIGHTS-OF-WAY

Franchisee's Gas System Facilities shall be located or relocated and so constructed as not to interfere with, including but not limited to, sanitary sewers, drainage systems, water pipes, electrical conduits, communication cables or other public utility service facilities, existing at the time of such location, relocation or construction. The Franchisee's Facilities shall not obstruct or interfere with the public uses of streets, roads, highways or alleys, or create any conditions which are or may become dangerous to the traveling public. Franchisee shall attempt to minimize above grade facilities, and such facilities shall be installed near the outer boundaries of the public rights-of-way when appropriate. The location or relocation of all Facilities shall be made after Franchisee has received all applicable permits, approvals and permissions from the City and such other governmental entities as may be necessary, and the location(s) or relocation(s) shall be subject to the City's approval. In consideration for the Franchise Fee paid under this Agreement, the Franchisee will not be assessed any permit fees associated with the installation, construction, repair or maintenance of any Gas System Facilities within the public rights-of-way. In the event that Franchisee is acting in its proprietary function as a retail provider of gas equipment or appliances, Franchisee shall seek the appropriate permits from the City. Franchisee shall cooperate with the City at all times by providing timely and complete information regarding the location of its Facilities. Franchises and City shall cooperate and coordinate their efforts to make the most efficient and economical use of the public rights-of-way and the Gas System Facilities.

If any street, highway or avenue is to be paved by the City, the City shall give written notice to the Franchisee not less than ninety (90) days prior to the commencement of paving. Provided the Franchisee does not already have a main in the street, highway or avenue to provide natural gas service to the surrounding houses and other structures, Franchisee shall survey the surrounding houses and other structures to determine whether, in its sole discretion, construction of Gas System Facilities in the street, highway or avenue in question is economically feasible. Where such construction is determined to be economically feasible, the Franchisee shall construct such Gas System Facilities in the street, highway, or avenue in question prior to paving by the City. However, in the event the Franchisee believes that such construction may not be completed prior to City's planned paving schedule, the Parties will attempt to negotiate a revised paving schedule satisfactory to both Parties; provided, however, that if a delay in paving will cause additional expense to the City, or substantial inconvenience to the residents of the City, the City may proceed with its original paving schedule.

The Franchisee shall, at its own expense, replace, repair and restore in a timely manner any sidewalk, street, alley, pavement, water, sewer or other utility line or appurtenance, soil, landscaping, dirt or other improvement, property or structure of any nature, that may be damages or displaced by the Franchisee in the conduct of its operations, and shall, at a minimum, restore all property to a condition equivalent to the condition immediately prior to the work and/or changes made by the Franchisee. Franchisee shall take safety precautions to alert the public of work, which may include, but is not limited to, the use of barricades and signs.

This City shall not require the relocation of any of the Franchisee's Facilities installed before or after the effective date hereof in public rights-of-way unless or until widening or otherwise changing the configuration of the paved portion of any public right-of-way used by motor vehicles causes such installed facilities to unreasonably interfere with motor vehicular traffic.

SECTION 4. INSURANCE

The Franchisee, at all times during the exercise of its Franchise, shall carry general liability insurance in the amount of Five Million Dollars and No Cents ($5,000,000.00) to indemnify any persons sustaining personal injury or property damage as a result of the actions of the Franchisee in the construction, operation or maintenance of its Facilities in accordance with the terms of Section 7. Indemnification hereof. The City shall be named as an additional insured. Notwithstanding the foregoing, the Franchisee may meet the insurance minimum using, in part or whole, any combination of self-insurance and captive insurance. In the event Franchisee elects to meet the insurance minimum using, in part or whole, any combination of self-insurance or captive insurance, the Franchisee shall provide the City with documentation attesting to its qualified status.

SECTION 5. ACCIDENTS OR DAMAGES; EMERGENCIES

The City shall not be liable or responsible in any manner whatsoever for any accident, personal injury, property damage or any claim or damage that may occur in the course of the construction, operation or maintenance of any of its Facilities by Franchisee, and its employees, agents, contractors, and any third parties hired by Franchisee to perform any aspect of Franchisee's responsibilities under this Agreement, except for damages specifically caused by or arising out of the negligence, strict liability, intentional torts or criminal acts of the City. Nothing in this Agreement shall be construed to affect in any way the City's rights, privileges, and immunities under the doctrine of "sovereign immunity" as set forth in Section 768.28, Florida Statutes.

SECTION 6. NON-COMPETITION BY CITY

While this franchise is non-exclusive, the City specifically agrees that it shall not, during the term of this grant, or any extensions thereof, engage in the business of distributing and selling gas in competition with the Franchisee, its successors or assigns.

SECTION 7. INDEMNIFICATION

Franchisee shall indemnify, defend and hold harmless the City, its commissioners, officers, agents and employees from and against any and all claims, suits, actions, regulatory or administrative proceedings (including reasonable attorney's fees, including appeals), liabilities and expenses arising during the term of this Franchise and resulting in personal injury, loss of life or damage to property sustained by any person or entity (collectively "Claims") caused by or arising out of Franchisee's negligence, intentional torts, strict liability, or breach of applicable law in connection with the construction, operation or maintenance of its Gas System Facilities within the City, except for Claims caused by or arising out of the negligence, strict liability, intentional torts, breach of applicable law or breach of this Agreement by the City. Nothing in this Agreement shall be construed to affect in any way the City's rights, privileges, and immunities under the doctrine of "sovereign immunity" as set forth in Section 768.28, Florida Statutes. The provision of this Section shall survive the termination of this Agreement.

SECTION 8. FRANCHISE FEE

Within sixty (60) days after the close of the first full billing month (payment for which shall include any prior partial month) following the effective date of this Franchise Agreement, and each month thereafter during the term of this Franchise Agreement, the Franchisee shall pay to the City a Franchise Fee which, when added to the amount of all licenses, excises, fees, charges and other impositions of any kind whatsoever (except ad valorem property taxes and non-ad valorem tax assessments on property) levied or imposed by the City against Franchisee's property, business or operations and those of its subsidiaries, is equal to ten percent (10%) of the Franchisee's Gross Revenues, less any adjustments for Uncollectible Accounts, from the sale, transportation, distribution or delivery of natural gas to Customers within the City. In the event any Uncollectible Account becomes collectible and/or is collected, an adjustment in amount due the City shall be made in the next monthly payment.

SECTION 9. ACCOUNTS AND RECORDS; RIGHTS TO AUDIT

The City may, at its own expense, upon reasonable notice and within ninety (90) days after each anniversary date of this Franchise, examine the Franchisee's records relating to the calculation of the franchise payment for the year preceding such anniversary date. Such examination shall be during normal business hours at Franchisee's office where such records are maintained. Records not prepared by Franchisee in the ordinary course of business or as required herein may be provided at the City's expense and as the City and Franchisee may agree in writing. Information identifying Franchisee's customers by name or their electric consumption shall not be taken from Franchisee's premises. Such audit shall be impartial and all audit findings, whether they decrease or increase payment to the City, shall be reported to Franchisee. The City's examination of Franchisee's records in accordance with this Section shall not be conducted by any third party employed or retained by the City whose fee, in whole or part, for conducting such audit is contingent on findings of the audit. At the City's request no more than once annually, Franchisee will provide to the City an electronic version of a billing list of all Franchisee customer addresses within the incorporated areas of the City. The City will respect Franchisee's confidential documents. The City will be given access to confidential documents while on Franchisee premises, but shall not remove those confidential documents from Franchisee premises unless expressly authorized to do so by Franchisee. Information relative to this audit and likely to be deemed confidential by Franchisee includes, but is not limited to, nonpublic customer or customer account information, nonpublic policies and procedures, and any other nonpublic information that gives Franchisee an opportunity to gain an advantage over its competitors.

SECTION 10. CHANGES TO THE CITY

Upon the City's annexation of any property and reasonable written notice to Franchisee thereof, the portion of Franchisee's Facilities that may be located within such annexed territory, and upon the streets, alleys or public grounds, shall be subject to all the terms of this Franchise.

SECTION 11. FORFEITURE OR REVOCATION OF FRANCHISE

The Franchisee's material failure to comply in any respect with any of the provisions of this Franchise after written notice from City and a reasonable opportunity, no less than one hundred and eighty (180) days, to cure shall be grounds for forfeiture of this Franchise pursuant to which the City shall have the right to revoke and cancel all franchise rights granted in this Agreement; provided, however, that Franchisee's failure to comply with any provision of this Franchise as the result of a strike, lockout, or any other cause beyond the reasonable control of the Franchisee (collectively "*Force Majeure*") shall not constitute grounds for the City's revocation and cancellation of any rights hereunder. In the event Franchisee in good faith disputes the City's determination of the Franchisee's material non-compliance with the provision(s) of this Franchise specified in the City's notice, or the City disputes the Franchisee's assertion that its failure to comply with the provision(s) of this Franchise was or is the result of *Force Majeure*, the Franchisee and the City shall negotiate in good faith to resolve the dispute prior to commencing formal legal proceedings.

Notwithstanding any provision to the contrary, Franchisee acknowledges that nothing contained in this Agreement shall constitute a waiver by the City of any rights it may possess at law (including, but not limited to the power of eminent domain), or as afforded under Chapter 125, Florida Statutes.

SECTION 12. DESIGNATED REPRESENTATIVES

The following individuals are designated to represent the City and Franchisee respectively on all matters concerning the Franchise. All written communications shall be given by nationally recognized overnight courier or by certified mail with return receipt requested, to the addresses provided, or at such other address as either Party may advise the other in writing:

For the City:	City Manager Leondrae Camel City of South Bay 335 SW 2nd Avenue South Bay, FL, 33493
With Copies to:	City Attorney Burnadette Norris-Weeks, P.A. 401 NW 7th Avenue Fort Lauderdale, FL, 33311
For the Franchisee:	General Manager Florida City Gas 4045 NW 97th Avenue Doral, FL 33178
With copies to:	Florida City Gas Attn: Regulatory Affairs 208 Wildlight Ave. Yulee, FL 32097
	Chesapeake Utilities Corporation Attn: General Counsel 500 Energy Lane Dover, DE 19901

SECTION 13. NO WAIVER

Nothing in this Agreement shall be construed as a surrender or waiver by the City of (a) its police powers or the authority to regulate the use of the public streets and/or other public places, provided no regulation contravenes the material terms of this Franchise, and (b) its right to sovereign immunity.

SECTION 14. RIGHT TO ENFORCE

Except as expressly provided herein, each Party shall have all rights and remedies available in law or in equity in the event of a material breach of any obligation set forth in this Agreement by the other Party.

SECTION 15. ENTIRETY

This writing embodies the entire agreement and understanding between the Parties, and there are no other agreements and understandings, oral or written, with reference to this subject matter that are not merged and superseded.

SECTION 16. GOVERNING LAW

This Agreement shall be governed by and construed according to the laws of the State of Florida.

SECTION 17. EFFECTIVE DATE

As a condition precedent to the taking effect of this Franchise, the Franchisee shall file its acceptance hereof with the City's Clerk within thirty (30) days of adoption of this Franchise. The effective date of this Franchise shall be the date upon which the Franchisee files such acceptance.

PASSED on first reading this _____ day of _______________, 2025.

PASSED AND ADOPTED on second reading this _____ day of _______________, 2025.

CITY OF South Bay, FLORIDA

By:_____________________________________

ATTEST:

By:_____________________________________ (SEAL)
City Clerk

APPROVED AS TO FORM AND LEGALITY

By:_____________________________________
City Attorney

City of South Bay

South Bay City Hall
335 SW 2nd Avenue
South Bay, FL 33493
Telephone: 561-996-6751
Facsimile: 561-996-7950

www.southbaycity.com

To: Honorable Mayor and Commissioners

From: Massih Saadatmand, Finance Director

Thru: Mr. Leondrae Camel, City Manager

Date May 29, 2024

Ref. Weekly check register

Enclosed, please find the summary of check register as of May 29, 2024:

General Fund

• Utility:	
Verizon	$ 535.78
Comcast	1,209.56
• Iworq	9,900.00
• Wholesales school Supplies	3,908.91
• Bagsinbulk	3,986.80
• Norris Weeks, PA	14,149.80
• HCT	19,880.00
• Fl Blue	11,600.23
• PBC Sheriff	20,385.58
• Telly Webb	3,600.00
• Andre Hamilton	2,425.00
• Purchase	1,564.27
• Payment for various services	7,339.38
• Payroll deductions	3,746.33
• Other	3,448.93
Total	$ 107,680.57

Capital Project Fund

Ardurra Group	49,768.00
	$ 49,768.00

Sanitation Fund

Waste Management	$ 22,437.72

The expense classifications are reported in general ledger

AP Check Register Report

City Of South Bay (CSBFND)

5/15/2025 2:45:59 PM

Check Number	Vendor Number	Vendor Name	Check Date	Check Amount	Classification
16959	BELLE GLADE WHOLESA	BIG LAKE SNACK SALES, INC	05/15/2025	454.63	
16960	BURNADETTE NORRIS-W	BURNADETTE NORRIS-WEEKS, PA	05/15/2025	14,149.80	
16961	HCT	HARVEY, COVINGTON & THOMAS	05/15/2025	19,880.00	
16962	HOME DEPOT CREDIT SE	HOME DEPOT CREDIT SERVICES	05/15/2025	292.31	
16963	QUADIENT FINANCE USA	QUADIENT LEASING USA, INC.	05/15/2025	750.00	
16964	SEASON TO SEASON, LL(	SEASON TO SEASON PEST MANAGEMENT, LLC	05/15/2025	995.00	
16965	TELLY WEBB	TELLY WEBB	05/15/2025	3,400.00	
16966	TIRE SERVICE PLUS CO	TIRE SERVICE PLUS CO	05/15/2025	456.00	

Non-Electronic Transactions:	40,377.74
Total Transactions:	40,377.74

AP Immediate Check Register Report

City Of South Bay (CSBFND)

5/19/2025 11:04:53 AM

Check Number	Vendor Number	Vendor Name	Check Date	Check Amount	Classification
16967	ANDRE L. HAMILTON	ANDRE L. HAMILTON	05/19/2025	2,425.00	
Totals:				Total Transactions :	2,425.00

AP Check Register Report

City Of South Bay (CSBFND)

5/20/2025 11:36:48 AM

Check Number	Vendor Number	Vendor Name	Check Date	Check Amount	Classification
16968	1373	MCA TOTAL EXPERIENCE INC	05/20/2025	1,500.00	
16969	TELLY WEBB	TELLY WEBB	05/20/2025	200.00	

Non-Electronic Transactions :	1,700.00
Total Transactions :	1,700.00

AP Immediate Check Register Report

City Of South Bay (CSBFND)

5/23/2025 9:17:41 AM

Check Number	Vendor Number	Vendor Name	Check Date	Check Amount	Classification
16970	1432	LETAVIAN WEBB	05/22/2025	325.00	
Totals:			Total Transactions:		325.00

AP Check Register Report

City Of South Bay (CSBFND)

5/23/2025 11:00:47 AM

Check Number	Vendor Number	Vendor Name	Check Date	Check Amount	Classification
16971	1047	BAGSINBULK	05/23/2025	3,986.80	
16972	1055	IWORQ SYSTEMS INC	05/23/2025	9,900.00	
16973	1368	WHOLESALES SCHOOL SUPPLIES	05/23/2025	3,908.91	
16974	CLAUDIA CANO	CLAUDIA CANO	05/23/2025	178.56	
16975	LAKE HARDWARE	LAKE HARDWARE	05/23/2025	217.47	
16976	PBC SHERIFF'S OFFICE	PALM BEACH COUNTY SHERIFF'S OFFIC	05/23/2025	20,385.58	
16977	QUADIENT FINANCE USA	QUADIENT LEASING USA, INC.	05/23/2025	511.38	
16978	SOUTH CENTRAL FLORID	RAMS, INC.	05/23/2025	1,967.00	
16979	STITCH WORK PLUS	STITCH WORK PLUS	05/23/2025	150.00	

Non-Electronic Transactions:	41,205.70
Total Transactions:	41,205.70

AP Check Register Report
City Of South Bay (CSBFND)

5/28/2025 12:28:58 PM

Check Number	Vendor Number	Vendor Name	Check Date	Check Amount	Classification
16980	1143	PPLSI	05/28/2025	34.90	
16981	1330	ASSURITY LIFE INSURANCE COMPANY	05/28/2025	831.21	
16982	1394	FLORIDA BLUE	05/28/2025	11,600.23	
16983	AFLAC	AFLAC	05/28/2025	1,647.85	
16984	AMERICAN PUBLIC LIFE I	AMERICAN PUBLIC LIFE INSURANCE COMPANY	05/28/2025	1,256.45	
16985	COASTAL NETWORK SOL	COASTAL NETWORK SOLUTIONS, LLC	05/28/2025	1,500.00	
16986	COLONIAL LIFE PROCES	COLONIAL LIFE	05/28/2025	259.81	
16987	LIBERTY NATIONAL	LIBERTY NATIONAL	05/28/2025	284.94	
16988	MUTUAL OF OMAHA	MUTUAL OF OMAHA	05/28/2025	363.92	
16989	PRIMESTAR DIGITAL NET	PRIMESTAR DIGITAL NETWORK	05/28/2025	585.00	
16990	SEASON TO SEASON, LL(	SEASON TO SEASON PEST MANAGEMENT, LLC	05/28/2025	250.00	
16991	SOLSTICE BENEFITS IN	SOLSTICE	05/28/2025	619.12	
16992	WALMART (CAPITAL ONE	CAPITAL ONE	05/28/2025	599.86	
16993	WASHINGTON NATIONAL	WASHINGTON NATIONAL INS. CO.	05/28/2025	68.50	

Non-Electronic Transactions:	19,901.79
Total Transactions:	19,901.79

AP Check Register Report

City Of South Bay (CSBFND)

5/19/2025 2:33:54 PM

Check Number	Vendor Number	Vendor Name	Check Date	Check Amount	Classification
325	1427	ARDURRA GROUP INC	05/19/2025	49,768.00	

Non-Electronic Transactions:	49,768.00
Total Transactions:	49,768.00

AP Check Register Report
City Of South Bay (CSBFND)

Check Number	Vendor Number	Vendor Name	Check Date	Check Amount	Classification
375	WASTE MANAGEMENT	WASTE MANAGEMENT INC. OF FLORIDA	5/15/2025	19,346.32	

Non-Electronic Transactions:	19,346.32
Total Transactions:	19,346.32

AP Check Register Report

City Of South Bay (CSBFND)

Check Number	Vendor Number	Vendor Name	Check Date	Check Amount	Classification
376	WASTE MANAGEMENT	WASTE MANAGEMENT INC. OF FLORIDA	05/23/2025	3,091.40	

Non-Electronic Transactions:	3,091.40
Total Transactions:	3,091.40

AP Check Register Report

City Of South Bay (CSBFND)

5/23/2025 11:21:46 AM

Check Number	Vendor Number	Vendor Name	Check Date	Check Amount	Classification
ACH-113016817	VERIZON WIRELESS	VERIZON WIRELESS	05/23/2025	346.28	:H-3505891297
ACH-240376243	COMCAST BUSINESS	COMCAST	05/23/2025	937.89	I105755230800
ACH-8960-525	COMCAST	COMCAST	05/23/2025	271.67	I-20727634423
ACH-9385	1146	VERIZON CONNECT FLEET USA LLC	05/23/2025	189.50	N00062608856

Totals:	Electronic Transactions:	1,745.34
	Total Transactions:	1,745.34