



City Commission Regular Meeting Agenda

Thursday, April 23, 2026 at 5:30 PM

City Commission Chambers – 105 S. 2ND Street, Flagler Beach, FL 32136

All meeting items will be continued until meeting is complete.

1. **Call the meeting to order**
2. **Pledge of Allegiance followed by a moment of silence to honor our Veterans, members of the Armed Forces and First Responders**
3. **Proclamations and Awards**
4. **Deletions and changes to the agenda**
5. **Public comments regarding items not on the agenda**

Citizens are encouraged to speak. However, comments should be limited to three minutes. A thirty-minute allocation of time for public comment on items not on the agenda. Each speaker has up to three-minutes to address the Chair, and one opportunity to speak, no time can be allotted to another speaker.
6. **Consent Agenda**
 - a. Minutes
 - b. Approve a one-year insurance proposal for the pier from Lloyd's of London Insurance Company
7. **General Business**
 - a. Presentation of the FY25 Audit from James Moore.
 - b. FY26 Quarter 2 - Quarterly Financials
 - c. Resolution 2026-04. A Resolution by the City Commission of the City of Flagler Beach, Florida, amending Resolution 2025-76, Fiscal Year 2025-26 budget, for adjustments to revenues and expenditures; providing for conflict, providing an effective date hereof.
 - d. Consider a request for reduction of a Code Enforcement Order Imposing Fines and Utility Account Claim of Liens, as well as removal of administrative fees, penalties and interest related to the properties: 1104 S. Ocean Shore Blvd, 1115 S. Central Ave., and 108 S. 12th Street - Ruzanna Tarannik, Agent's Choice Title, LLC.
 - e. Resolution 2026-28. A Resolution of the City Commission of the City of Flagler Beach, Florida, amending Resolution 2025-70; providing for a temporary reduction in certain Building Permit fees to twenty-five percent (25%) of the adopted Fee Schedule; providing for a sunset of reduced fees; providing for conflicts and an effective date.
 - f. Resolution 2026-32. A Resolution of the City Commission of the City of Flagler Beach, Florida, approving the revised Scope of Services and Fee Proposal from Mead & Hunt, Inc. for the South Central Water Main Replacement Project, Phase 2 (South 3rd Street to South 19th Street); authorizing execution of the Task Order; providing for conflict and an effective date.
 - g. Resolution 2026-33, A Resolution of the City Commission of the City of Flagler Beach, Florida, approving the proposal from Freese and Nichols, Inc. for the Palm Harbor Drainage Improvements Feasibility Study;

authorizing the City Manager to execute the Task Order under the Continuing Services Agreement; providing for findings, for funding, and for an effective date.

- h. Resolution 2026-34. A Resolution of the City Commission of the City of Flagler Beach approving the rehabilitation and polyurethane structural lining of Lift Station #4, Lift Station 8, and Pump Station #8 through an intergovernmental cooperative purchase in an amount not to exceed \$98,878.05; providing for conflict and an effective date.
- i. Resolution 2026-35. A Resolution Approving the Location of Six (6) Grounding Beds Associated with the DC Blox Data Center Project; providing for conflict and an effective date.

8. Public Hearings

- a. Ordinance 2026-06. Application PCPA26-0001. An Ordinance of the City Commission of the City of Flagler Beach, Florida, amending the Comprehensive Plan Future Land Use Map designation for approximately 2.943 acres of certain real property with Parcel ID 29-12-32-0000-01010-0010 from High Density Residential to Recreation; providing for severability, conflicts, and an effective date.
- b. Ordinance 2026-09. An Ordinance by the City of Flagler Beach, Florida, amending Article V, Development Design and Improvement Standards of the City of Flagler Beach Land Development Regulations relating to Utility Services, amending Section 5.03.02, Deferment of Charges Due to Broken Waterlines, Etc. to provide for credits or adjustments in utility charges under certain conditions; establishing procedures for determining eligibility, calculating and approving adjustments; creating Section 5.03.43, "Data Logs," to provide for the collection, transmission, and review of water meter data; providing for authorized access for inspection and establishing water meter data collection, transmission, and review procedures; providing for codification, severability, conflicts and for an effective date (First Reading).
- c. Ordinance 2026-08. An Ordinance of the City of Flagler Beach, Florida, relating to littering regulations; amending Chapter 14, "Offenses and Miscellaneous Provisions; adopting more stringent littering regulations; restricting the use of plastic and metallized party decorations outside on public properties; providing for penalties and enforcement; providing for appeals and payment of citations; providing for conflicts; providing for severability; and providing an effective date (First Reading).

9. Staff Reports

- a. City Attorney
- b. City Manager

10. Commission Comments

- a. Commission comments, including reports from meetings attended
- b. Public comments regarding items not on the agenda. Citizens are encouraged to speak. However, comments should be limited to three minutes. A thirty-minute allocation of time for public comment on items not on the agenda. Each speaker has up to three-minutes to address the Chair, and one opportunity to speak, no time can be allotted to another speaker.

11. Adjournment

RECORD REQUIRED TO APPEAL: In accordance with Florida Statute 286.0105 if you should decide to appeal any decision the Commission makes about any matter at this meeting, you will need a record of the proceedings. You are responsible for providing this record. You may hire a court reporter to make a verbatim transcript. The City is not responsible for any mechanical failure of the recording equipment. In accordance with the Americans with Disabilities Act, persons needing assistance to participate in any of these proceedings should contact the City

Clerk at (386) 517-2000 ext 233 at least 72 hours prior to the meeting. The City Commission reserves the right to request that all written material be on file with the City Clerk when the agenda item is submitted.



City Commission Regular Meeting Minutes

Thursday, April 09, 2026

City Commission Chambers – 105 S. 2ND Street, Flagler Beach, FL 32136

Present: Mayor Patti King, Chairman Eric D. Cooley, Vice Chairman Scott Spradley, Commissioners John Cunningham, R.J. Santore and James P. Sherman, City Attorney D. Andrew Smith, III, City Manager Dale L. Martin and City Clerk Penny Overstreet.

1. Call the meeting to order. Chairman Cooley called the meeting to order at 5:30 p.m.
2. Pledge of Allegiance followed by a moment of silence to honor our Veterans, members of the Armed Forces and First Responders. Mayor King led the pledge to the flag.
 - a. Pinning Firefighters who have successfully passed probation. Chief Steve Cox introduced Firefighter Evans to have his wife pin him for passing his probationary period.
3. Deletions and changes to the agenda. None
4. Public comments regarding items not on the agenda. Rick Belhumeur expressed disappointment that one of his rental properties was not included in the Miami Curbing Project. Greg Norton, Flagler County Corvette Club, sought an amendment to the Commission's previous decision on March 26, 2026, for street closure for their October Event. He requested approval for additional closures including South Central between SR 100 and South 2nd St. and to close South 2nd from Central to the middle of the block. Mark Imhoff inquired about the Golf Course sale and suggested the Commission cancel. Mr. Martin responded that the purchaser submitted a 30-day extension. The sale contract allows for three (3) in total, there is a cost of an additional \$1,000 for each extension. Commissioner Sherman asked Mr. Martin if we could address Mr. Belhumeur's issues. Commissioner Cooley suggested Mr. Belhumeur send the video to the Officials and staff, have staff look at the alley not private property. Commissioner Cooley inquired with the City Manager regarding the Corvette Club request. Mr. Martin stated Chief Blanchette had mentioned he has some concerns about show cars and regular traffic movement in the show area. Discussion ensued. The Commission reached a consensus to make no changes to the motion made on March 26, 2026. Mr. Norton voiced the intent to withdraw the application.
5. Consent Agenda

- a. Approve the Regular Meeting Minutes of March 26, 2026. Motion by Commissioner Sherman to approve the regular meeting minutes of March 26th. Commissioner Spradley seconded the motion. The motion carried unanimously.

6. General Business

- a. Receive a presentation from Bob Snyder and Shelia Pillath on the Centennial Interviews. Bob Snyder, Flagler Beach Rotary President, reviewed how the idea for the Centennial videos originated, then previewed a six-minute snippet of the video collection.
- b. Receive annual update from city's representative to the Bicycle Pedestrian Advisory Committee (BPAC) of the Volusia – Flagler Transportation Planning Organization. Ed Fendley provided the Officials with an update on the BPAC activities. Commissioner Sherman thanked Mr. Fendley for his volunteer efforts. Mr. Martin stated he would be in Daytona next week to advocate for the City. Commissioner Cooley asked Mr. Martin how we can move the needle to get some traction on lowering the speed limit on the North side of A1A. Mr. Martin reported staff are planning a Facebook campaign to garner support for our efforts.
- c. Resolution 2026-27. A Resolution by the City Commission of the City of Flagler Beach, Florida, approving Amendment #2 to the professional services contract with Mead & Hunt, Inc. for the Water Main River Crossing – Upland Portion (City Project 636) to add Bidding Assistance Services, providing for conflict and an effective date. Attorney Smith read the title of the Resolution into the record. City Manager Martin reviewed the request. Mr. Martin and Mr. Freeman responded to inquiries from the Officials. Motion by Commissioner Spradley to approve Resolution 2026-27. Commissioner Sherman seconded the motion. Chair Cooley opened public comment. None offered. Chair Cooley closed public comment. The motion carried unanimously, after a roll call vote.
- d. Resolution 2026-09. A Resolution accepting a proposal from S. E. Cline, construction, Inc. for labor, equipment, and materials to perform the Venice Park Swale Maintenance Project; authorizing the execution of a contract and payment therefore, providing for conflict and an effective date. Attorney Smith read the title of the Resolution into the record. Mr. Martin reviewed the request, stating this project is maintenance that has not been done, we have the as-built plans to restore as constructed. Commissioner Cooley asked if this was one of the low hanging fruit items identified in the McKim and Creed Stormwater Study. Mr. Martin responded the area was listed in the McKim & Creed report. Commissioner Santore noted it was 5th on the McKim & Creed list and asked if we should schedule a discussion to define the order we want these projects completed. Commissioner Cunningham asked the City Engineer, Bill Freeman, what was the process in your field inspections to determine how these should be graded. Mr. Freeman responded, GIS measuring tools. Commissioner Cunningham inquired if that process is as accurate as an

elevation survey. Mr. Freeman responded It's pretty accurate." Commissioner Cunningham suggested an elevation survey for proper grade. Mr. Freeman responded that GIS is how the length was verified, we will order an elevation survey at the end, we generally do not include the surveys in the bid/quote process, because we have found the quotes are padded. Commissioner Cunningham urged to have those elevations confirmed so the contractor is working accurately. Chairman Cooley asked for the staff summaries in the agenda packets to include expected outcomes of these requests. Commissioner Santore stated it is helpful for him to have the detailed bid sheets. Motion by Commissioner Spradley to approve Resolution 2026-09 with the provision that there be an elevation survey conducted ahead of the project. Commissioner Cunningham seconded the motion. Chair Cooley opened to public. No comments were offered. Chair Cooley closed public comment. The motion carried unanimously, after a roll call vote.

- e. Resolution 2026-31. A Resolution by the City Commission of the City of Flagler Beach, Florida, approving the reimbursement of costs incurred by the City Manager in response to a State of Florida Commission on Ethics complaint; providing for conflict and providing for an effective date. Attorney Smith read the title of the Resolution into the record. Commissioner Santore expressed concern that there were communication issues with the sale of the golf course and feels we can do better in the future. Commissioner Spradley indicated he respects Commissioner Santore however, he expressed opinion that his comments do not relate to this request. Commissioner Cunningham indicated he would not support the request. Motion by Commissioner Spradley to approve Resolution 2026-31. Commissioner Sherman seconded the motion. Chair Cooley opened public comment. None offered. Chair Cooley closed public comment. The motion carried four to one, with Commissioner Cunningham voting no.

7. Public Hearings

- a. Ordinance 2026-05. An Ordinance of the City Commission of the City of Flagler Beach, Florida, amending the Code of Ordinances of the City of Flagler Beach related to the use of bicycles, electric bicycles, motorized scooters, motorized skateboards, and off-road electric motor-driven cycles; providing for enforcement and penalties for violation; providing for severability, codification, conflicts, and an effective date (Second [Final] Reading). Attorney Smith read the title of the Ordinance into the record. Commissioner Santore noted typographical error on line 178 of the Ordinance. Chair Cooley inquired with the City Attorney if the state legislation that is being drafted will preempt this Ordinance. Attorney Smith advised no. Motion by Commissioner Spradley to approve Ordinance 2026-05 as amended. Commissioner Santore seconded the motion. Chair Cooley opened public comment. Mark Imhoff commented on residents in the Ocean Palm subdivision would not have access to town by bicycle on the sidewalk between Ocean Pam and S. 28th St. if this Ordinance passes as written. Chair Cooley closed public comment. Discussion ensued on how to ratify the concern. Attorney Smith asked the Commission to look at lines 111 to

116 of the Ordinance. At the last meeting you said no e-bikes on the sidewalk between 10th and 10th but are allowed on other sidewalks. The motion carried unanimously, after a roll call vote.

- b. Ordinance 2026-07. An Ordinance by the City Commission of the City of Flagler Beach, Florida, amending the City of Flagler Beach Code of Ordinances, Chapter 12, Impact Fees, to rename Chapter 12 as Impact and Mobility Fees, to amend Section 12-01 adopting the Mobility Plan and Mobility Fee Technical Report; to amend Section 12-2 Definitions; to amend Section 12-3 to incorporate Mobility Fee Funds; to establish Section 12-10 Mobility Fees; to establish Section 12-11 Mobility Fee Determination; providing for codification, conflicts, severability, and an effective date; and for other purposes (First Reading). Attorney Smith read the title of the Ordinance into the record. Lupita McClenning, City Planner, spoke of the stakeholder meetings and the input from staff and the public that has brought us to this point. Jonathan Paul, NUE Urban Concepts, reviewed a Power Point Presentation on the studies and work that has been done to bring us to this point of first reading of the Mobility fees. Mr. Paul clarified these are not taxes or fees on existing homes, only new buildings/new growth in the city. Discussion ensued. The Elected Officials like the idea but expressed concern about the fees being too high for commercial. Chair Cooley suggested we should be positioned a bit below the Palm Coast rates to lure the business. Discussion continued. A consensus was reached to keep same rates. Motion by Commissioner Spradley to approve Ordinance 2026-07. Commissioner Sherman seconded the motion. Chair Cooley opened public comment. Tony Raimondo, Mark Imhoff and Melanie Thompson provided comments. Chair Cooley closed public comment. The motion carried unanimously, after a roll call vote.

8. Staff Reports

- a. City Attorney: Moisao lawsuit has not been served and noted it will be covered by the city's insurance. Attorney Smith reported the Noble/Tanner suit is a demand to amend.
- b. City Manager. Mr. Martin reported on the following: Strategic Planning, efforts with FDOT to allow Golf Carts on the SR 100 bridge, the ribbon cutting for the Wickline playground, and May Movie Night. Mr. Martin reported a discussion he had with Park Volusia, and provided the Commission with a draft RFQ, he plans to present for award in early September, it would take 60 to 90 days to implement, and we could do a trial period in January /February. Mr. Martin reported an offer was accepted for the building official position; he will be on board before the end of the month. Commissioner Cooley requested Mr. Martin obtain data from Park Daytona on the impact of paid parking related to business sales.

9. Commission Comments

- a. Commission Comments, including reports from meetings attended. Mayor King reported the donation of \$20,000 to the City for the purchase and maintenance of

AEDs. Commissioner Santore posed questions to the City Manager on the Palm Drive Stormwater Project. Commissioner Cunningham stated the improvements to the front of City Hall look nice however, the new utility drop box is in the radius and hinders the ability to drive up and drop into the payment box. Commissioner Cunningham noted the new sidewalk near the Water Tower blocks the drain and water is standing. Chair Cooley requested Attorney Smith investigate drafting an ordinance to protect the City against unsanctioned events otherwise known on social media as “takeovers”.

- b. Public comments regarding items not on the agenda. Boudie Estberg inquired if short term rental properties with no parking would be afforded parking passes. (Can owners obtain passes for guests.)

10. Adjournment. Commissioner Sherman put forth a motion to adjourn the meeting at 9:16 p.m.

Eric Cooley , Chairman

Penny Overstreet, City Clerk



Staff Report

City Commission Regular Meeting

April 23, 2026

To: City Commission
From: Liz Mathis, Human Resources Manager
Meeting Date: April 23, 2026
Item Name: Approve a one-year insurance proposal for the pier from Lloyd's of London Insurance Company

Background:

In accordance with the requirements of the current FEMA-funded Pier project, the City is obligated to maintain insurance coverage for the first 100 feet of the original wooden pier. This coverage must also include provisions for debris removal, if necessary, and must be maintained at a level consistent with existing coverage throughout the duration of the project.

Due to increases in construction and material costs, the estimated replacement value for the insured portion of the Pier has been adjusted to \$1,300,000. To maintain the existing coverage at 50% of the replacement value, a new value of \$650,000 has been placed on this 100-foot section. This will replace the current value of \$485,000. The annual premium required to maintain this level of coverage is \$95,754.00.

Fiscal Impact:

The renewal premium for this option is \$95,754.00, which reflects a 5.5% increase.

Staff Recommendation:

Staff recommends approval of the one-year insurance policy through Lloyds of London Insurance Company.

Attachments:

1. 2026 Proposal Eff 05 17 - City of Flagler Beach

CITY OF FLAGLER BEACH

INSURANCE PROPOSAL

Commercial Property for Pier and Lifeguard Towers
Policy Term: 05/17/2026 to 05/17/2027

Presented By:

Don Sciotto
CRIS, ARM, MLIS, CCIP
Vice President



300 North Beach Street, Daytona Beach, FL 32114

This document contains only a general description of the coverage(s) and does not constitute a policy/contract. For complete policy information, including exclusions, limitations, and conditions, refer to the policy document. In the event of any differences between the policy and this summary, the policy will prevail.

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** All coverages, forms and limits are presented strictly for the purpose of this proposal and do not constitute an insurance policy or contract.*

CLIENT SERVICE TEAM

PRODUCER	Don Sciotto Senior Vice President CRIS, ARM, MLIS, CCIP
Email	Don.Sciotto@bbbrown.com
Phone	(386) 239-5755
ACCOUNT MANAGER	Brianna Rossi
Email	Brianna.Rossi@bbdaytona.com
Phone	(386) 267-8940
CLAIMS ANALYST	Jessica Adjemian
Email	Jessica.Adjemian@bbbrown.com
Phone	(386) 333-6060
MAIN OFFICE PHONE	(386) 252-9601
TOLL FREE OFFICE PHONE	(800) 877-2769

Underwriters at Lloyds of London

PROPOSED PROPERTY COVERAGE

Client ultimately chooses value insured

Location of Premises / Schedule of Values:	
1/1: Flagler Beach Pier: 215 South A1A; Flagler Beach, FL 32136 <i>Pier / Outdoor Property (100% of Values of Interest)</i>	<i>\$520,000</i>
1/2: Lifeguard Rescue Operations / Tower: 215 South A1A; Flagler Beach, FL 32136 <i>Lifeguard Tower (100% of Values of Interest)</i>	<i>\$130,000</i>
Total Values of Interest	\$650,000

Description of Property Insurance Purchased:	Limit Purchased:
Pier and Lifeguard Tower Limit Purchased	\$650,000
Per Occurrence & Annual Aggregate Applying Separately to Flood & Earthquake, subject to conditions of the Scheduled Limit of Liability with Proportional Value form	

Coinsurance & Valuation:
Coinsurance: NIL
Replacement Cost Valuation Coverage:
Agreed Value Coverage

Deductibles:	
Windstorm or Hail per occurrence of total insured values	10%
Flood per occurrence of total insured values	10%
Earthquake per occurrence of total insured values	10%
All Other Perils per occurrence	\$10,000

NOTE:

Detached walls, fences, free-standing property improvements such as athletic equipment, windscreens, light poles, or signs are not covered unless specifically scheduled on the policy.

Underwriters at Lloyds of London

PROPOSED PROPERTY COVERAGE (Continued)

Client ultimately chooses value insured

Description of Coverage Forms, Endorsements & Exclusions include but are not limited to:
ISO Forms – Current to 2017 Versions
Perils: Special Including Flood & Earthquake Including Earthquake Sprinkler Leakage (included in Earthquake Limit)
Additional Policy Attachments
Appraisal Clause Amendment
Asbestos Exclusion
Cyber, Electronic Data and Systems Exclusion
Exclusion - Marijuana
Exclusion - Post Loss Assignments
Exclusion of Pathogenic or Poisonous Biological or Chemical Materials
Loss Reporting Conditions
Scheduled Limit Of Liability with Proportional Value
Minimum Earned Premium (Insureds with Coastal Property)
Minimum Earned Premium is 80.00% of the Total policy premium excluding TRIA if the policy is in force for any period of time between and including the dates of June 1 st to November 30 th of any year.
Minimum Earned Premium is 25.00% of the Total policy premium excluding TRIA if the policy is not in force for any period of time between and including the dates of June 1 st to November 30 th of any year.

AGREED VALUE ENDORSEMENT
(IF APPLICABLE)

Coverages Provided: The insurance company agrees to waive the Co-insurance Clause, thus eliminating your potential penalty for buying an inadequate amount of insurance to meet the co-insurance requirement.

CO-INSURANCE EXAMPLES
(IF APPLICABLE)

The co-insurance clause is found in almost every property policy. It states that the insurance company will not pay the full amount of any loss if the covered property is, for whatever reason, covered for less than the required insurable value at the time of loss. Required insurable value equals the value of the covered property at the time of loss multiplied by the co-insurance amount.

Examples of Co-Insurance at 80%

<u>Building Value</u>	<u>Insurance Carried</u>	<u>Loss</u>	<u>Insurance Pays</u>
1) \$100,000	\$100,000	\$60,000	\$60,000
2) \$100,000	\$ 80,000	\$60,000	\$60,000
3) \$100,000	\$ 70,000	\$60,000	\$52,500 *

$$\text{* Did } (70,000) \text{ Should } (80,000) \text{ X Loss} = \frac{7}{8} \text{ Paid}$$

OR

Examples of Co-Insurance at 90%

<u>Building Value</u>	<u>Insurance Carried</u>	<u>Loss</u>	<u>Insurance Pays</u>
1) \$100,000	\$100,000	\$60,000	\$60,000
2) \$100,000	\$ 90,000	\$60,000	\$60,000
3) \$100,000	\$ 80,000	\$60,000	\$53,333 *

$$\text{* Did } (80,000) \text{ Should } (90,000) \text{ X Loss} = \frac{8}{9} \text{ Paid}$$

OR

Examples of Co-Insurance at 100%

<u>Building Value</u>	<u>Insurance Carried</u>	<u>Loss</u>	<u>Insurance Pays</u>
1) \$100,000	\$100,000	\$60,000	\$60,000
2) \$100,000	\$ 70,000	\$60,000	\$42,000 *

$$\text{* Did } (70,000) \text{ Should } (100,000) \text{ X Loss} = \frac{7}{10} \text{ Paid}$$

SUMMARY OF PROPOSED PREMIUMS AND RELATED INFORMATION

Premiums:	2025 Expiring:	2026 Renewal:
Property: Pier and Lifeguard Tower	\$ 90,000.00	\$ 95,000.00
Fees / Surcharges / Taxes	\$ 754.00	\$ 754.00
Total Premium	\$ 90,754.00	\$ 95,754.00

Options: Premiums include any applicable fees / surcharges / taxes	
Property Terrorism - Additional Premium	\$ 5,000.00

PAYMENT PLAN OPTIONS

Line of Coverage:	Carrier:	Billing:	Payment Option:
Property	Underwriters at Lloyds of London	Agency Bill	• Annual premium is due in full.

BINDING SUBJECTIVITIES

Line of Coverage:	Carrier:	Items Needed to Bind Coverage:
Property	Underwriters at Lloyds of London	• Fully completed, signed, and dated Acord application matching coverage. • Signed, and dated Surplus Lines Disclosure form • Signed and dated Electronic Delivery Disclosure form • Terrorism election / rejection in writing

Please refer to the individual coverage parts for terms and conditions that this proposal may be subject to. This proposal is based upon the exposures to loss made known to the Agency. Any changes in these exposures (i.e., new operations, new products, additional states of hire, etc.) need to be promptly reported to us in order that proper coverage(s) may be put into place.

A.M. BEST FINANCIAL RATING

The insurance company providing coverage has the following A. M. Best* Financial rating:

*** Rating Guide:** A++ to C- = Highest to lowest rating
XV to I = Largest to smallest rating

	Line of Coverage:	Carrier:	Rating for Stability:	Rating for Assets / Surplus:
**	Property	Underwriters at Lloyds of London	A++	XV

**** Denotes excess & surplus lines insurance company. See attached Statement Acknowledging that Coverage has been placed with a Non-Admitted Carrier. Please review and return to Brown & Brown. Brown & Brown does not have direct binding authority with this excess and surplus lines market.**

A.M. BEST FINANCIAL RATING *(Continued)*

A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. It is based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile.

Financial Strength Rating Guide	
<i>Secure</i>	<i>Vulnerable</i>
A++, A+ (Superior)	B, B- (Fair)
A, A- (Excellent)	C++, C+ (Marginal)
B++, B+ (Good)	C, C- (Weak)
	D (Poor)
	E (Under Regulatory Supervision)
	F (In Liquidation)
	S (Suspended)

Financial Size Category Guide	
<i>Class</i>	<i>Adj. PHS (\$ Millions)</i>
I	Less than 1
II	1 to 2
III	2 to 5
IV	5 to 10
V	10 to 25
VI	25 to 50
VII	50 to 100
VIII	100 to 250
IX	250 to 500
X	500 to 750
XI	750 to 1,000
XII	1,000 to 1,250
XIII	1,250 to 1,500
XIV	1,500 to 2,000
XV	2,000 or greater

**STATEMENT ACKNOWLEDGING THAT COVERAGE HAS
BEEN PLACED WITH A NON-ADMITTED CARRIER**

At my direction, Brown and Brown Insurance, Inc. – Daytona Beach Retail has placed my coverage in the surplus lines market.

As required by Florida Statute 626.916, I have agreed to this placement. I understand that coverage may be available in the admitted market and that persons insured by surplus lines carriers are not protected by the Florida Insurance Guaranty Act with respect to any right of recovery for the obligation of an insolvent unlicensed insurer. Additionally, I understand surplus lines insurers' policy rates and forms are not approved by any Florida regulatory agency.

I further understand the policy forms, conditions, premiums, and deductibles used by surplus lines insurers may be different from those found in policies used in the admitted market. I have been advised to carefully read the entire policy.

City of Flagler Beach

Named Insured

Signature of Insured's Authorized Representative

Date

Printed Name of Authorized Representative

Date

Underwriters at Lloyds of London

Name of Excess and Surplus Lines Carrier

Commercial Property: Pier and Lifeguard Tower

Type of Insurance

05/17/2026

Effective Date of Coverage

Don Sciotto

FL W088665
NPN 16581531

Producing Agent Name

License Number

APPENDIX

ELECTRONIC DELIVERY DISCLOSURE FORM

The increase in electronic business transactions has brought about the Uniform Electronic Transactions Act ("Act") to provide some uniformity and consistency regarding these transactions. This Act includes a consent provision on receiving electronic documents as well as the ability to withdraw your consent in the future.

Enclosed is a Consent Form that contains insurance industry-standard language that we are asking our clients to complete and return so that we can follow the provisions of this Act. This will allow us to provide you with quality, consistent delivery of documents according to your preference.

Please complete and return this form as follows:

1. Check one of the two boxes based on your preference as respects electronic delivery.
2. Provide the current authorized e-mail address
3. Sign and date the form
4. Return via e-mail, fax or regular mail

ELECTRONIC SELECTION / REJECTION OPTION FORM

☐ Selection of Electronic Insurance Policy Delivery Option

I select the option to receive my insurance policy and documents in connection with my policy electronically, for myself and all those covered under the policy. I acknowledge I may no longer receive paper copies of my insurance policy and supporting documents.

☐ Rejection of Electronic Delivery Option

I reject the option to receive my insurance policy and /or other supporting documents in connection with my insurance policy electronically, for myself and all those covered under the policy. I elect to receive paper copies of such documents.

Electronic Delivery Disclosure

The policyholder who elects to allow for insurance policy and/or other supporting documents in connection with the insurance policy to be sent to the electronic mail address provided should be diligent in updating the electronic mail address provided to Brown & Brown Insurance Services, Inc. if the address should change.

Print Name: _____

Authorized E-mail Address to receive documents: _____

Authorized Representative Signature: _____

Dated: _____

RELATED INFORMATION

Compensation: As a licensed insurance producer/broker/agent, Brown & Brown entities (“we”) are generally authorized by our license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. Our role as an insurance producer in any ordinary transaction typically involves one or more of these activities.

We will receive compensation in the form of commission or fees for assistance with the placement, servicing, claims handling, or renewal of your insurance coverages. Commission compensation will be based on the insurance contract you purchase and may vary depending on a number of factors including the insurance contract(s) and the insurer(s) the purchaser selects. In addition to the commissions or fees received by us for assistance with the placement, servicing, claims handling, or renewal of your insurance coverages, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties, some of which may be owned in whole or in part by Brown & Brown, Inc., may also receive compensation for their role in providing insurance products or services to you pursuant to their separate contracts with insurance or reinsurance carriers. That compensation is derived from your premium payments. Additionally, it is possible that we, or our corporate parents or affiliates, may receive contingent payments or allowances from insurers based on factors which are not customer-specific, such as the performance and/or size of an overall book of business produced with an insurer. We generally do not know if such a contingent payment will be made by a particular insurer, or the amount of any such contingent payments, until the underwriting year is closed. That compensation is partially derived from your premium dollars, after being combined (or “pooled”) with the premium dollars of other insureds that have purchased similar types of coverage. We may also receive invitations to programs sponsored and paid for by insurance carriers to inform brokers regarding their products and services, including possible participation in company-sponsored events such as trips, seminars, and advisory council meetings, based upon the total volume of business placed with the carrier you select. We may, on occasion, receive loans or credit from insurance companies. Additionally, in the ordinary course of our business, we may receive and retain interest on premiums you pay from the date we receive them until the date of premiums are remitted to the insurance company or intermediary. In the event that we assist with placement and other details of arranging for the financing of your insurance premium, we may also receive a fee from the premium finance company.

If an intermediary is utilized in the placement of coverage, the intermediary may or may not be owned in whole or part by Brown & Brown, Inc. or its subsidiaries. Brown & Brown entities operate independently and are not required to utilize other companies owned by Brown & Brown, Inc., but routinely do so. In addition to providing access to the insurance company, the Wholesale Insurance Broker/Managing General Agent may provide additional services including, but not limited to: underwriting; loss control; risk placement; coverage review; claims coordination with insurance company; and policy issuance. Compensation paid for those services is derived from your premium payment, which may on average be 15% of the premium you pay for coverage, and may include additional fees charged by the intermediary.

You may obtain information about compensation expected to be received by us based in whole or part on the sale of insurance to you, and (if applicable) compensation expected to be received based in whole or part on any alternative quotes presented to you by us, by requesting such information from us.

Questions and Information Requests: If you have any questions, or require additional information, please contact your Brown & Brown team, or, if you prefer, submit your question or request online at <https://www.bbrown.com/us/contact/contact-general/>

SURETY BONDS

Brown & Brown has the capability to handle surety bonds. Our experienced professionals are proficient in Construction and Commercial Bonds. Construction bonds typically include Bid, Performance, Payment, Maintenance and Warranty bonds. Commercial bonds cover obligations typically required by law, statute or regulation. The following are just a few of the industry types that we can service:

- Condominium Associations
- Developers
- General Contractors
- Financial Services Industry
- Hazardous Materials and Waste
- Healthcare
- Manufacturing
- Oil & Gas
- Property Managers
- Restaurants
- Retail Industry
- Service Contractors
- Subcontractors
- Wholesalers/Suppliers/Distributors

Types of Commercial Bonds commonly written by Brown & Brown include:

Agricultural Dealers Bond	Medicare/Medicaid Bonds	Release of Lien Bonds
Appeal Bonds	Miscellaneous Bonds	Replevin Bonds
Citrus Dealer Bonds	Mobile Home Dealer Bonds	Right-of-Way Bonds
Court Bonds	Mortgage Broker Bonds	Seller of Travel Bonds
Customs Bonds	Motor Vehicle Dealer Bonds	Supply Bonds
Employee Dishonesty Bonds	Notary Public Bonds	Tax Bonds
Fidelity Bonds	Patient Trust Bonds	Title Agents Bonds
Franchise Dealer Bonds	Professional Solicitors Bonds	Utility Deposit/Payment Bonds
Fuel Tax Bonds	Public Official Bonds	Warehouse Bonds
Garnishment Bonds	Reclamation Bonds	Workers' Compensation Bonds
License & Permit Bonds	Recreational Vehicle Dealer Bonds	Yacht Broker/Salesman Bonds

For more information or questions, please contact our Bond Manager, Tyler DeBord at 386-239-5703 or email at Tyler.DeBord@bbrown.com.

EMPLOYEE BENEFITS

Brown & Brown is an insurance intermediary for Employee Benefits insurance. We are experts in analyzing plan design information and claim experience in order to make sure our clients have the best employee benefits package for their employee's at the most competitive cost. We broker the following products:

- Medical Insurance – Fully Insured / Self Insured / Dividend Plans
- Consumer Driven Health Plans – H.S.A's / HRA's
- Dental Insurance
- Basic and Voluntary Life Insurance
- Short and Long Term Disability
- Vision Insurance
- Flex Spending Accounts
- Employee Assistance Plan
- COBRA Administration
- Voluntary Products
- Legal Plans

We also realize the service intensive nature of Employee Benefits packages. Therefore, we have experienced Account Executives and Account Managers to assist our clients with all aspects of employee benefit plans including:

- Guarantee Renewals 45-60 days in advance
- Billing, Claims, Eligibility issues
- Electronic Enrollment
- Open Enrollment Assistance
- Benefits at a Glance / Benefit Business Cards
- Compensation Statements
- HR/ Benefits Website
- Employee Surveys

For more information or questions, please contact our Employee Benefits Manager, Mike Rusin at 386-239-5732 or email at Mike.Rusin@bbrown.com



Staff Report

City Commission Regular Meeting

April 23, 2026

To: City Commission
From: Hollie Harlan, Finance Director
Meeting Date: April 23, 2026
Item Name: Presentation of the FY25 Audit from James Moore.

Background:
Presentation of the FY25 Audit from James Moore & Co.

Fiscal Impact:
N/A

Staff Recommendation:
N/A

Attachments:

1. Audit Presentation Slide Deck
2. 2025 flagler beach
3. 2025 flagler beach cra

City of Flagler Beach, Florida

**Annual Audit for the Year Ended
September 30, 2025**

**Presented by:
Brendan McKitrick, CPA, CISA**



888-387-6851

www.jmco.com

Independent Auditors' Reports

- **Audit Report (page 1)**
 - Unmodified Opinion
- **Federal Single Audit Report (page 70)**
 - No material instances of noncompliance
 - No material weaknesses in internal control over compliance
- **Internal Control and Compliance Report (page 74)**
 - No Material Weaknesses in Internal Control over Financial Reporting
 - 1 Significant Deficiency in Internal Control over Financial Reporting
 - Reconciliation of Account Balances
 - No material instances of noncompliance

Independent Auditors' Reports

- **Chapter 10.550 Auditor General Report (page 76)**
 - 1 prior year finding was corrected
 - Fund Balance and Net Position Opening Balances
 - 1 other recommendation/comment
 - Unexpended Fund Balance – Building Permits
- **Independent Accountants' Examination Report (page 79)**
 - City in compliance with specified statutes

History of Fund Balance in the General Fund:

<u>Fund Balance</u>	<u>9/30/2025</u>	<u>9/30/2024</u>	<u>9/30/2023</u>
Nonspendable	\$ 76,296	\$ 33,051	\$ 705,670
Restricted	3,369,232	3,147,644	2,440,971
Committed	2,821,570	-0-	-0-
Assigned	2,145,010	3,115,170	1,415,230
Unassigned	<u>1,254,487</u>	<u>3,251,485</u>	<u>4,799,456</u>
Total	<u>\$ 9,666,595</u>	<u>\$ 9,547,350</u>	<u>\$ 9,361,327</u>

General Fund (continued)

GFOA Recommendation:

Minimum of 2 Months (17%) of recurring expenditures
and transfers out in assigned + unassigned fund balance.

Total Assigned/Unassigned Fund Balance	\$ 3,399,497
--	--------------

2025 Expenditures and Transfers Out	\$ 11,399,364
-------------------------------------	---------------

Percentage Assigned/Unassigned Fund Balance as % of 2025 Expenditures and Transfers out	30 %
--	------

2024 Percentage	60 %
-----------------	------

Other Governmental Funds

Community Redevelopment Agency (CRA)

- Restricted for redevelopment area \$444,509
 - Decrease from 2024 \$185,058
- Separate audit performed - no findings

History of Unrestricted Net Position in Proprietary Funds:

<u>Fund</u>	<u>9/30/2025</u>	<u>9/30/2024</u>	<u>9/30/2023</u>
Water and Sewer	\$ 10,369,226	\$ 9,509,693	\$ 8,072,050
Sanitation	1,215,975	904,753	874,340
Stormwater	1,350,959	941,281	997,005
Pier*	3,415,017	562,367	(210,850)

*Pier Fund FY25 increase \$2,775,355, plus \$745,372 internal transfer

Pension Funds

Net Pension Liability (Asset) History (page 47):

<u>Year</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
2025	\$ 721,174	\$ (661,551)	\$ 59,623
2024	\$ 1,248,083	\$ (261,907)	\$ 986,176
2023	\$ 1,737,237	\$ (47,284)	\$ 1,689,953

Funded % with Net Pension Liability measurement:

<u>Year</u>	<u>Police</u>	<u>Fire</u>
2025	90.99 %	123.14 %
2024	81.26 %	110.98 %
2023	72.42 %	102.15 %

QUESTIONS

CITY OF FLAGLER BEACH, FLORIDA
FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

CITY OF FLAGLER BEACH, FLORIDA
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SEPTEMBER 30, 2025

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Commission, and City Manager,
City of Flagler Beach, Florida:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Flagler Beach, Florida (the City), as of and for the year ended September 30, 2025, 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, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section 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.

Auditors' Responsibilities for the Audit of the Financial Statement

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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 GAAS and GAS, 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 and required supplementary information, as listed in the table of contents, 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 who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

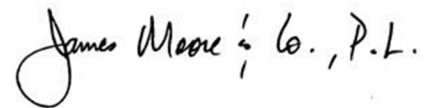
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Daytona Beach, Florida
March 31, 2026

MANAGEMENT’S DISCUSSION AND ANALYSIS

Management of the City of Flagler Beach, Florida (hereinafter referred to as the “City”) offers the readers of these basic financial statements this narrative overview and analysis of the City’s financial activities for the fiscal year ended September 30, 2025. This discussion and analysis is designed to assist the reader in focusing on significant financial issues and activities and to identify any significant changes in financial position. The City encourages readers to consider the information presented here in conjunction with the financial statements, which follow this section.

Financial Highlights

- The total assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$80,098,238 (net position). Of this amount, \$21,873,221 (unrestricted net position) may be used to meet the City’s ongoing obligations to citizens and creditors.
- The City’s total net position increased by \$8,822,764 in fiscal year 2025. Net position of the City’s governmental activities increased (decreased) by \$837,062, while net position of its business type activities increased (decreased) by \$7,985,702.
- The City’s governmental funds reported a combined ending fund balance of \$10,292,219 at the end of the current fiscal year, which increased (decreased) by \$115,302 in comparison to the \$10,176,917 reported at the end of the prior fiscal year. Of this amount, \$1,254,487 is available for spending at the City’s discretion (unassigned fund balance).
- At the end of the 2025 fiscal year, unassigned fund balance for the General Fund was \$1,254,487, or 11% of the total fiscal year 2025 General Fund expenditures of \$11,399,364.
- The City’s total long-term debt obligations increased approximately \$1,700,000 during the fiscal year, due to a new line of credit. The City’s combined long-term commitment for compensated absences totaled \$841,521 at year-end.

Overview of the Financial Statements

The City’s basic financial statements are comprised of three parts: 1) management’s discussion and analysis, 2) the basic financial statements, including notes to the financial statements, and 3) required supplementary information, including various pension-related schedules.

Management’s discussion and analysis (MD&A) is intended to serve as an introduction to the basic financial statements and required supplementary information. The MD&A represents management’s examination and analysis of the City’s financial condition and performance. Summary financial statement data, key financial and operational indicators used in the strategic plan, budget, as well as other management tools were used for this analysis.

The basic financial statements include two kinds of statements that present different views of the City. The first two statements consist of entity-wide financial statements that provide both the short- and long-term financial information about the City’s overall financial status, including its governmental activities and its business-type activities. These statements report information about the City using full accrual accounting methods, and an economic resources focus, as utilized by similar business activities in the private sector. Information concerning the City’s assets and liabilities, both financial and capital, and short-term and long-term debt are included. Likewise, all revenues and expenses received during the year, regardless of when cash is received or paid are reported. However, rate-regulated accounting principles applicable to private

sector utilities are not used by governmental utilities. The remaining statements are fund financial statements that focus on individual parts of the City government and report the City's operations in more detail than the government-wide financial statements. The governmental funds statements tell how general government services like public safety were financed in the short-term as well as what remains for future spending. Proprietary fund statements offer short-term and long-term financial information about the activities the government operates like businesses, such as the City's water and sewer utility system. Fiduciary fund statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others (like the retirement plans for the City's police officers and firefighters), to whom the resources in question belong.

The financial statements also include notes which provide required disclosures and other information that are essential to a full understanding of the material data provided in the statements. The notes present information about the City's significant accounting policies, account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. This section also contains budgetary comparisons for the City's governmental fund activities.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. The basic financial statements of the City include a statement of net position and a statement of activities, which are described as follows:

- A statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the end of its fiscal year, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the City's financial position is improving or deteriorating. Net position increases when revenues exceed expenses. Increases to assets without a corresponding increase to liabilities results in increased net position, which indicates an improved financial condition.
- The statement of activities presents the results of business operations over the course of the fiscal year and information as to how the City's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., delinquent taxes and earned but unused personal leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government services, public safety (police, fire, and building inspection), roads and streets, physical environment (Community Redevelopment Agency), and culture and recreation. The business-type activities of the City include its water and sewer utility, stormwater utility, sanitation, and pier activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds - not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can be readily converted into cash. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations can be found on pages 14 and 16.

The City maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and community redevelopment fund both of which are considered to be major funds.

Proprietary Funds. Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary fund financial statements, like the government-wide statements, provide both long- and short-term financial information. The City's enterprise funds (water and sewer utility, stormwater utility, pier, and sanitation) are the items included in the business-type activities presented in the government-wide statements. Since the accounting for these operations is similar to that provided in the government-wide financial statements, the fund financial statements provide limited supplemental information in more detail, such as cash flows data. The basic proprietary fund financial statements can be found on pages 17 to 19 of this report.

Fiduciary Funds. Funds held in trust on behalf of the City's defined benefit pension plans, which account for the plan contribution activity, investment income, and benefit payments to retirees. The basic fiduciary fund financial statements can be found on pages 20 and 21 of this report.

Financial Analysis of the City as a Whole

Net Position. As noted previously, net position may serve over time as a useful indicator of a government's financial position. This year, the City's combined total assets exceeded liabilities (net position) by \$80,098,238 at the end of 2025, compared to \$71,275,474 at the end of 2024. This represents a total increase of \$8,822,764 or 12% from the amount reported at the end of the prior fiscal year.

The following is a summary of net position at year end:

**Net Position
September 30, 2025 and 2024**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
ASSETS						
Current and other assets	\$ 10,989,401	\$ 11,914,704	\$ 25,744,657	\$ 19,494,164	\$ 36,734,058	\$ 31,408,868
Net pension asset	661,551	261,907	-	-	661,551	261,907
Capital and lease assets	11,189,359	10,495,704	39,480,185	35,421,886	50,669,544	45,917,590
Total assets	<u>\$ 22,840,311</u>	<u>\$ 22,672,315</u>	<u>\$ 65,224,842</u>	<u>\$ 54,916,050</u>	<u>\$ 88,065,153</u>	<u>\$ 77,588,365</u>
DEFERRED OUTFLOWS	<u>\$ 1,657,975</u>	<u>\$ 1,459,588</u>	<u>\$ 7,249</u>	<u>\$ 8,101</u>	<u>\$ 1,665,224</u>	<u>\$ 1,467,689</u>
LIABILITIES						
Current liabilities	\$ 743,493	\$ 1,915,895	\$ 1,858,368	\$ 1,365,268	\$ 2,601,861	\$ 3,281,163
Noncurrent liabilities:	1,927,658	2,081,306	4,001,508	2,127,432	5,929,166	4,208,738
Total liabilities	<u>\$ 2,671,151</u>	<u>\$ 3,997,201</u>	<u>\$ 5,859,876</u>	<u>\$ 3,492,700</u>	<u>\$ 8,531,027</u>	<u>\$ 7,489,901</u>
DEFERRED INFLOWS	<u>\$ 1,011,236</u>	<u>\$ 155,865</u>	<u>\$ 89,876</u>	<u>\$ 134,814</u>	<u>\$ 1,101,112</u>	<u>\$ 290,679</u>
NET POSITION						
Net investment in capital assets	\$ 10,818,563	\$ 9,871,881	\$ 34,737,693	\$ 32,707,966	\$ 45,556,256	\$ 42,579,847
Restricted	4,475,292	4,039,118	8,193,469	6,670,577	12,668,761	10,709,695
Unrestricted	5,522,044	6,067,838	16,351,177	11,918,094	21,873,221	17,985,932
Total net position	<u>\$ 20,815,899</u>	<u>\$ 19,978,837</u>	<u>\$ 59,282,339</u>	<u>\$ 51,296,637</u>	<u>\$ 80,098,238</u>	<u>\$ 71,275,474</u>

The most significant component of the City's net position (approximately 60%) is, by far, its investment in capital assets (land, infrastructure, buildings, and equipment), less any related debt used to acquire or construct those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (16%) represents resources that are subject to external restrictions on how they may be used. Consequently, the remaining 27% of unrestricted net position, represents amounts that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, and totaled \$21,873,221 at year-end, compared to \$17,985,932 in 2024. The main reason for the increase from prior year is related to increases in charges for services revenue and an increase in grant revenues which has been offset by increased related expenses.

Changes in Net Position. While the statement of net position shows a snapshot of the City's financial position at the end of the fiscal year, the statement of changes in net position provides answers as to the nature and source of those changes. During 2025, total revenues were \$28,000,294 compared to \$23,985,644 in the prior year. Approximately 24% of the City's revenue came from property taxes, 8% from other taxes and fees, 39% came from fees charged for services, and most of the remaining revenue included state and federal financial assistance and other miscellaneous revenues.

During 2025, expenses were \$19,177,530 as opposed to \$17,131,882 in the prior year, for an increase of approximately 12%. Governmental Funds experienced an increase of approximately \$900,000 in total expenditures for the year, primarily due to hurricane related expenses. Business Type Funds experienced an increase of approximately \$1,100,000 in total expenditures for the year. In FY24/25, the City continued work on several significant projects, notably the rehabilitation of lift and pump stations, conversion to a cloud-based accounting and administrative system, pier reconstruction, and development of a new wastewater treatment plant facility.

The following is a summary of changes in net position at year end:

**Changes in Net Position
For the Fiscal Years Ended September 30, 2025 and 2024**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
REVENUES						
Property taxes	\$ 6,812,198	\$ 5,950,565	\$ -	\$ -	\$ 6,812,198	\$ 5,950,565
Other taxes and fees	2,256,181	2,145,044	-	-	2,256,181	2,145,044
Charges for services	963,741	1,305,365	10,049,494	9,213,218	11,013,235	10,518,583
Intergovernmental and grants	917,630	692,469	5,007,713	2,725,203	5,925,343	3,417,672
Other revenues	1,359,383	1,231,845	633,954	721,935	1,993,337	1,953,780
Total revenues	12,309,133	11,325,288	15,691,161	12,660,356	28,000,294	23,985,644
EXPENSES						
General government	3,784,869	3,431,142	-	-	3,784,869	3,431,142
Public safety	5,637,669	5,214,376	-	-	5,637,669	5,214,376
Roads and streets	361,442	238,563	-	-	361,442	238,563
Physical environment - CRA	100,228	197,959	-	-	100,228	197,959
Culture and recreation	772,912	639,131	-	-	772,912	639,131
Water and sewer	-	-	5,494,158	4,628,259	5,494,158	4,628,259
Sanitation	-	-	1,886,842	1,782,635	1,886,842	1,782,635
Stormwater	-	-	767,756	696,160	767,756	696,160
Pier	-	-	362,875	293,259	362,875	293,259
Interest expense	8,779	10,398	-	-	8,779	10,398
Total expenses	10,665,899	9,731,569	8,511,631	7,400,313	19,177,530	17,131,882
Income before transfers	1,643,234	1,593,719	7,179,530	5,260,043	8,822,764	6,853,762
Transfers	(806,172)	(1,000,000)	806,172	1,000,000	-	-
Change in net position	837,062	593,719	7,985,702	6,260,043	8,822,764	6,853,762
Net position, beginning of year, as restated	19,978,837	19,369,252	51,296,637	45,036,594	71,275,474	64,405,846
Net position, end of year	\$ 20,815,899	\$ 19,962,971	\$ 59,282,339	\$ 51,296,637	\$ 80,098,238	\$ 71,259,608

Governmental Activities

Revenues for the City's governmental activities totaled \$12,309,133 in 2025. This represents an increase of \$983,845 more than last year's reported revenues of \$11,325,288 and is primarily related to the receipt of FEMA reimbursement and insurance proceeds from hurricane related expenses.

Governmental activities expenses totaled \$10,665,899, which is an increase of about \$900,000 from the prior year due to hurricane related expenses. There was also a \$193,828 decrease in transfers out for transfers to cover expenses for grant related expenditures for capital projects as well as to cover expenses in the Sanitation Fund.

Business-Type Activities

The major source of operating revenues for the City's business-type activities is charges for services (water and sewer, stormwater, sanitation, and pier), which during the year increased to a total of about \$836,000 more than the charges for services of \$9,213,218 in 2024. Other revenues increased due to FEMA and insurance reimbursement for hurricane related expenses.

Total operating expenses of the proprietary funds fund in 2025 totaled \$8,511,631, compared to \$7,400,313 in 2024, an increase of approximately \$1,100,000, primarily due to increased Capital projects in Utilities and Sanitation Funds. There was also a \$193,828 decrease in transfers in for transfers to cover expenses for grant related expenditures for capital projects as well as to cover expenses in the Sanitation Fund.

Financial Analysis of the City's Funds

As stated previously, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As the City completed the year, its governmental funds reported a combined fund balance of \$10,292,219, which was an increase (decrease) of \$115,302 compared with the amount reported last year. This was primarily due FEMA and insurance reimbursements received.

The general fund is the chief operating fund of the City. As of September 30, 2025, the unassigned fund balance in the general fund totaled \$1,254,487. This unassigned fund balance represents approximately 11% of the City's spending requirements experienced during 2025.

The City's community redevelopment fund had a fund balance of \$444,509 at the end of the year, a decrease of about \$185,000 from the prior year. All amount held in this fund are restricted for reinvestment in the community redevelopment district.

Proprietary Fund. The City's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

Charges for services in the proprietary funds increased about \$836,000 from the prior year due to rate increases.

General Fund Budgetary Highlights

The tax revenues brought in about \$490,000 more than originally budgeted, and intergovernmental revenues brought in about \$52,000 more than originally budgeted. Tax revenues increased due to collection of additional Ad Valorem taxes collected above the 95% budgeted as well as the increased receipt of FPL franchise and service tax. Intergovernmental revenue included FEMA revenue and additional lifeguard grant funds received from the county.

All of these factors combined resulted in \$119,245 increase (decrease) to General Fund Balance for Fiscal Year 2025.

Capital Assets and Debt Administration

Capital Assets. At September 30, 2025, the City had nearly \$46 million invested in a broad range of capital assets, including land, buildings, park facilities, police equipment, public works equipment and water lines. See Note (6) for further information on the City's capital assets.

Long-Term Debt. The City has various notes and bonds payable totaling \$4,516,971 at year-end, compared to \$2,795,027 one year earlier. The proceeds of these loans, which were drawn in increments over various preceding years, were to fund utility projects as well as refund prior bonds and notes payable. Under these agreements, the City must repay these loans with semiannual payments.

More detailed information about the City's long-term debt is presented in Note (8) to the financial statements.

Economic Factors and Next Year's Budgets and Rates

Many factors are considered each year by the City Commission in their efforts to establish an operating budget, to evaluate its personnel needs, and to develop uniform user fees that are reasonable, and more importantly, capable of cost recovery. Some of the major factors considered in this process are the local economy, civilian labor force, inflation rates and needed capital improvement projects.

- Property values continue to increase slightly; this was considered by the City Commission with the adopted rate of 5.450. The rollback rate was 5.1604.
- Tourism, a key component of the local economy, has been affected by development projects; while hotel construction and beach renourishment are now complete, pier reconstruction remains in progress.
- Development along the John Anderson Corridor and Roberts Road in unincorporated Flagler County is underway. The City has provided water and sewer services to this area under an interlocal agreement with Flagler County. Commercial and residential development within the City continues, contributing to increased revenues.

Overall, the City's financial position remains strong and is supported by ongoing development, completed projects such as hotel construction and beach renourishment, and continued investment in infrastructure like pier reconstruction. Growth in commercial and residential development, combined with grants, increased governmental revenues, and charges for services, positions the City for continued economic and fiscal stability in the coming years.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the City of Flagler Beach, Finance Department Director, 105 South Second Street, Flagler Beach, FL 32136. Information can also be obtained at the City's website at www.cityofflaglerbeach.com.

CITY OF FLAGLER BEACH, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 24,189,657	\$ 4,584,681	\$ 28,774,338
Receivables, net	298,880	1,415,626	1,714,506
Internal balances	(13,887,045)	13,887,045	-
Due from other governments	311,613	3,746,623	4,058,236
Lease receivable	-	100,985	100,985
Prepays	76,296	60,260	136,556
Restricted assets:			
Cash and cash equivalents	-	294,125	294,125
Investments	-	1,562,603	1,562,603
Special assessments receivable	-	92,709	92,709
Net pension assets	661,551	-	661,551
Capital assets:			
Capital assets, not being depreciated	2,993,644	9,899,054	12,892,698
Other capital assets, net of depreciation and amortization	8,195,715	29,581,131	37,776,846
Total assets	<u>22,840,311</u>	<u>65,224,842</u>	<u>88,065,153</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	1,642,834	-	1,642,834
Deferred outflows related to OPEB	15,141	7,249	22,390
Total deferred outflows	<u>1,657,975</u>	<u>7,249</u>	<u>1,665,224</u>
LIABILITIES			
Accounts payable and accrued liabilities	647,858	1,058,646	1,706,504
Customer deposits	1,001	249,767	250,768
Unearned revenue	48,323	-	48,323
Accrued interest payable	-	153	153
Noncurrent liabilities:			
Due within one year:			
Notes payable	-	494,720	494,720
Lease liability	-	2,726	2,726
Compensated absences	46,311	52,356	98,667
Due in more than one year:			
Notes payable	281,000	3,741,251	4,022,251
Lease liability	-	2,810	2,810
Compensated absences	627,887	114,967	742,854
Total OPEB liability	297,597	142,480	440,077
Net pension liability	721,174	-	721,174
Total liabilities	<u>2,671,151</u>	<u>5,859,876</u>	<u>8,531,027</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,011,236	-	1,011,236
Deferred inflows related to leases	-	89,876	89,876
Total deferred inflows of resources	<u>1,011,236</u>	<u>89,876</u>	<u>1,101,112</u>
NET POSITION			
Net investment in capital assets	10,818,563	34,737,693	45,556,256
Restricted for:			
Infrastructure	2,272,773	8,072,106	10,344,879
Pensions	661,551	-	661,551
Law enforcement	4,724	-	4,724
Building department	1,091,735	-	1,091,735
Community redevelopment	444,509	-	444,509
Debt service	-	121,363	121,363
Unrestricted	5,522,044	16,351,177	21,873,221
Total net position	<u>\$ 20,815,899</u>	<u>\$ 59,282,339</u>	<u>\$ 80,098,238</u>

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF FLAGLER BEACH, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 3,784,869	\$ 131,957	\$ 12,685	\$ 110,062	\$ (3,530,165)	\$ -	\$ (3,530,165)
Public safety	5,637,669	790,295	191,689	133,256	(4,522,429)	-	(4,522,429)
Physical environment - CRA	100,228	-	-	-	(100,228)	-	(100,228)
Roads and streets	361,442	-	208,922	-	(152,520)	-	(152,520)
Culture and recreation	772,912	41,489	9,306	88,825	(633,292)	-	(633,292)
Interest on long-term debt	8,779	-	-	-	(8,779)	-	(8,779)
Total governmental activities	10,665,899	963,741	422,602	332,143	(8,947,413)	-	(8,947,413)
Business-type activities:							
Water and sewer	5,494,158	6,858,841	-	1,973,352	-	3,338,035	3,338,035
Sanitation	1,886,842	1,844,744	-	-	-	(42,098)	(42,098)
Stormwater	767,756	1,040,081	-	50,881	-	323,206	323,206
Pier	362,875	143,620	-	2,983,480	-	2,764,225	2,764,225
Total business-type activities	8,511,631	9,887,286	-	5,007,713	-	6,383,368	6,383,368
Total primary government	<u>\$ 19,177,530</u>	<u>\$ 10,851,027</u>	<u>\$ 422,602</u>	<u>\$ 5,339,856</u>	<u>(8,947,413)</u>	<u>6,383,368</u>	<u>(2,564,045)</u>
General revenues:							
Property taxes					6,812,198	-	6,812,198
Sales taxes					225,035	-	225,035
Infrastructure surtax					284,915	-	284,915
Communications service tax					212,876	-	212,876
Public service taxes					1,075,366	-	1,075,366
Franchise fees					457,989	-	457,989
State revenue sharing					162,885	-	162,885
Investment earnings (loss)					594,938	633,954	1,228,892
Miscellaneous revenues					764,445	162,208	926,653
Transfers					(806,172)	806,172	-
Total general revenues and transfers					<u>9,784,475</u>	<u>1,602,334</u>	<u>11,386,809</u>
Change in net position					837,062	7,985,702	8,822,764
Net position - beginning of year					19,978,837	51,296,637	71,275,474
Net position - ending of year					<u>\$ 20,815,899</u>	<u>\$ 59,282,339</u>	<u>\$ 80,098,238</u>

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF FLAGLER BEACH, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	<u>General</u>	<u>Community Redevelopment</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 23,122,252	\$ 1,067,405	\$ -	\$ 24,189,657
Receivables, net	298,880	-	-	298,880
Due from other governments	222,820	-	88,793	311,613
Due from other funds	2,545,733	8,740	1,893,664	4,448,137
Prepaid items	76,296	-	-	76,296
Total assets	<u>\$ 26,265,981</u>	<u>\$ 1,076,145</u>	<u>\$ 1,982,457</u>	<u>\$ 29,324,583</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 645,396	\$ 2,462	\$ -	\$ 647,858
Customer deposits	1,001	-	-	1,001
Unearned revenue	48,323	-	-	48,323
Due to other funds	15,904,666	629,174	1,801,342	18,335,182
Total liabilities	<u>16,599,386</u>	<u>631,636</u>	<u>1,801,342</u>	<u>19,032,364</u>
FUND BALANCES				
Nonspendable:				
Prepaid items	76,296	-	-	76,296
Restricted for:				
Law enforcement	4,724	-	-	4,724
Building department	1,091,735	-	-	1,091,735
Infrastructure - capital assets	2,272,773	-	-	2,272,773
Community redevelopment projects	-	444,509	-	444,509
Capital improvements	-	-	181,115	181,115
Committed to:				
Emergencies	2,821,570	-	-	2,821,570
Assigned to:				
Beach related purchases	12,305	-	-	12,305
Park improvements	146,994	-	-	146,994
Land purchases	26,502	-	-	26,502
City-wide cameras	108,070	-	-	108,070
Dune protection	222,582	-	-	222,582
Street lighting	363,453	-	-	363,453
Fire truck	91,509	-	-	91,509
Police and fire radios	156,000	-	-	156,000
Fire equipment	63,153	-	-	63,153
Taser / body camera reserve	35,077	-	-	35,077
Tree bank	28,700	-	-	28,700
Paving	374,665	-	-	374,665
Subsequent year's budget	516,000	-	-	516,000
Unassigned	1,254,487	-	-	1,254,487
Total fund balances	<u>9,666,595</u>	<u>444,509</u>	<u>181,115</u>	<u>10,292,219</u>
Total liabilities and fund balances	<u>\$ 26,265,981</u>	<u>\$ 1,076,145</u>	<u>\$ 1,982,457</u>	<u>\$ 29,324,583</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF FLAGLER BEACH, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Fund balances - total governmental funds **\$ 10,292,219**

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds,

Total governmental capital assets	23,843,087	
Less: accumulated depreciation	<u>(12,653,728)</u>	11,189,359

On the governmental fund statements, a net pension asset (liability) is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the statement of net position, the City's net pension asset (liability) of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.

Net pension liability	(721,174)	
Net pension asset	661,551	
Deferred outflows related to pensions	1,642,834	
Deferred inflows related to pensions	<u>(1,011,236)</u>	571,975

On the governmental fund statements, a total OPEB liability is not recorded unless an amount is due and payable (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the City's total OPEB liability is reported as a noncurrent liability. Additionally, deferred outflows related to OPEB are also reported.

Total OPEB liability	(297,597)	
Deferred outflows related to OPEB	<u>15,141</u>	(282,456)

Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related deferred charges consist of the following:

Bonds and notes payable	(281,000)	
Compensated absences	<u>(674,198)</u>	(955,198)

Net position of governmental activities **\$ 20,815,899**

The accompanying notes to financial statements are an integral part of this statement.

CITY OF FLAGLER BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>General</u>	<u>Community Redevelopment</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes	\$ 8,005,892	\$ 604,498	\$ -	\$ 8,610,390
Permits and fees	1,308,128	-	-	1,308,128
Intergovernmental	606,756	-	88,793	695,549
Charges for services	30,914	-	-	30,914
Fines and forfeitures	105,366	-	-	105,366
Investment income (loss)	580,387	14,551	-	594,938
Miscellaneous	881,166	-	64,047	945,213
Total revenues	<u>11,518,609</u>	<u>619,049</u>	<u>152,840</u>	<u>12,290,498</u>
Expenditures				
Current:				
General government	2,821,708	-	-	2,821,708
Public safety	5,570,918	-	-	5,570,918
Roads and streets	333,920	-	-	333,920
Physical environment	-	100,228	-	100,228
Culture and recreation	663,478	-	-	663,478
Capital outlay	-	-	1,822,576	1,822,576
Debt service:				
Principal	-	66,000	-	66,000
Interest and fiscal charges	-	8,779	-	8,779
Total expenditures	<u>9,390,024</u>	<u>175,007</u>	<u>1,822,576</u>	<u>11,387,607</u>
Excess (deficiency) of revenues over expenditures	<u>2,128,585</u>	<u>444,042</u>	<u>(1,669,736)</u>	<u>902,891</u>
Other financing sources (uses)				
Transfers in	-	-	1,832,268	1,832,268
Transfers out	(2,009,340)	(629,100)	-	(2,638,440)
Sale of capital assets	-	-	18,583	18,583
Total other financing sources (uses)	<u>(2,009,340)</u>	<u>(629,100)</u>	<u>1,850,851</u>	<u>(787,589)</u>
Net change in fund balances	<u>119,245</u>	<u>(185,058)</u>	<u>181,115</u>	<u>115,302</u>
Fund balances, beginning of year	9,547,350	629,567	-	10,176,917
Fund balances, end of year	<u><u>\$ 9,666,595</u></u>	<u><u>\$ 444,509</u></u>	<u><u>\$ 181,115</u></u>	<u><u>\$ 10,292,219</u></u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF FLAGLER BEACH, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Net change in fund balances - total governmental funds	\$ 115,302
Differences in amounts reported for governmental activities in the statement of activities are:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.	
Capital outlay expenditures	1,822,576
Depreciation expense	(1,128,921)
Bond and loan proceeds are reported as financing sources in the governmental funds. However, the issuance of debt is reported as long-term debt payable in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment of debt principal reduces long-term liabilities in the statement of net position. These amounts are as follows:	
Principal repayment of general long-term debt and lease liabilities	66,000
Governmental funds report contributions to defined benefit pension plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit pension plans reduces future net pension liability. Also included in pension expense in the statement of activities are amounts required to be amortized.	
Change in net pension asset/liability and deferred inflows/outflows related to pensions	269,237
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows:	
Change in compensated absences liability	(248,045)
Change in total OPEB liability and deferred outflows related to OPEB	(59,087)
Change in net position of governmental activities	<u>\$ 837,062</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF FLAGLER BEACH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Business-type Activities - Enterprise Funds				
	Water and Sewer	Sanitation	Stormwater	Pier	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 599,215	\$ -	\$ -	\$ -	\$ 599,215
Investments	3,366,785	618,681	-	-	3,985,466
Accounts receivable, net	1,097,828	182,607	104,137	31,054	1,415,626
Due from other governments	605,911	-	157,232	2,983,480	3,746,623
Leases receivable	-	-	-	100,985	100,985
Prepaid items	-	-	-	60,260	60,260
Due from other funds	11,920,206	585,642	1,224,284	1,057,329	14,787,461
Restricted current assets					
Cash and cash equivalents	294,125	-	-	-	294,125
Total current assets	<u>17,884,070</u>	<u>1,386,930</u>	<u>1,485,653</u>	<u>4,233,108</u>	<u>24,989,761</u>
Noncurrent assets:					
Restricted cash and investments	1,562,603	-	-	-	1,562,603
Special assessments receivable - restricted	92,709	-	-	-	92,709
Capital assets:					
Capital assets, not being depreciated	3,707,574	2,817	1,680,468	4,508,195	9,899,054
Other capital assets, net of depreciation and amortization	23,221,450	671,927	4,572,747	1,115,007	29,581,131
Total noncurrent assets	<u>28,584,336</u>	<u>674,744</u>	<u>6,253,215</u>	<u>5,623,202</u>	<u>41,135,497</u>
Total assets	<u>46,468,406</u>	<u>2,061,674</u>	<u>7,738,868</u>	<u>9,856,310</u>	<u>66,125,258</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to OPEB	4,655	1,707	887	-	7,249
Total deferred outflows of resources	<u>4,655</u>	<u>1,707</u>	<u>887</u>	<u>-</u>	<u>7,249</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	320,269	37,798	62,916	637,663	1,058,646
Deposits	240,767	-	-	9,000	249,767
Due to other funds	403,451	51,231	70,581	375,153	900,416
Compensated absences	26,641	16,905	8,810	-	52,356
Current maturities of lease liability	-	-	-	2,726	2,726
Accrued interest payable	-	-	-	153	153
Payable from restricted assets:					
Current maturities on long-term debt	494,720	-	-	-	494,720
Total current liabilities	<u>1,485,848</u>	<u>105,934</u>	<u>142,307</u>	<u>1,024,695</u>	<u>2,758,784</u>
Noncurrent liabilities:					
Notes payable	922,583	-	444,000	2,374,668	3,741,251
Lease liability	-	-	-	2,810	2,810
Compensated absences	73,841	33,178	7,948	-	114,967
Total OPEB liability	91,501	33,550	17,429	-	142,480
Total noncurrent liabilities	<u>1,087,925</u>	<u>66,728</u>	<u>469,377</u>	<u>2,377,478</u>	<u>4,001,508</u>
Total liabilities	<u>2,573,773</u>	<u>172,662</u>	<u>611,684</u>	<u>3,402,173</u>	<u>6,760,292</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to leases	-	-	-	89,876	89,876
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,876</u>	<u>89,876</u>
NET POSITION					
Net investment in capital assets	25,336,593	674,744	5,777,112	2,949,244	34,737,693
Restricted for debt service	121,363	-	-	-	121,363
Restricted for capital expansion	8,072,106	-	-	-	8,072,106
Unrestricted	10,369,226	1,215,975	1,350,959	3,415,017	16,351,177
Total net position	<u>\$ 43,899,288</u>	<u>\$ 1,890,719</u>	<u>\$ 7,128,071</u>	<u>\$ 6,364,261</u>	<u>\$ 59,282,339</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF FLAGLER BEACH, FLORIDA
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-type Activities - Enterprise Funds				
	Water & Sewer	Sanitation	Stormwater	Pier	Total
Operating revenues					
Charges for services	\$ 6,858,841	\$ 1,844,744	\$ 1,040,081	\$ 143,620	\$ 9,887,286
Other revenues	98,133	42,118	10,827	11,130	162,208
Total operating revenues	6,956,974	1,886,862	1,050,908	154,750	10,049,494
Operating expenses					
Personnel services	2,094,813	657,446	203,657	-	2,955,916
Operating expenses	1,874,404	1,015,837	357,014	207,741	3,454,996
Depreciation and amortization	1,493,625	213,559	193,221	154,784	2,055,189
Total operating expenses	5,462,842	1,886,842	753,892	362,525	8,466,101
Operating income (loss)	1,494,132	20	297,016	(207,775)	1,583,393
Nonoperating revenues (expenses)					
Investment earnings (loss)	560,723	39,660	33,571	-	633,954
Interest expense	(31,316)	-	(13,864)	(350)	(45,530)
Total nonoperating revenues (expenses)	529,407	39,660	19,707	(350)	588,424
Income (loss) before contributions and transfers	2,023,539	39,680	316,723	(208,125)	2,171,817
Capital contributions	883,810	-	-	-	883,810
Capital grants	1,089,542	-	50,881	2,983,480	4,123,903
Transfers in	-	60,800	-	745,372	806,172
Change in net position	3,996,891	100,480	367,604	3,520,727	7,985,702
Net position, beginning of year	39,902,397	1,790,239	6,760,467	2,843,534	51,296,637
Net position, end of year	<u>\$ 43,899,288</u>	<u>\$ 1,890,719</u>	<u>\$ 7,128,071</u>	<u>\$ 6,364,261</u>	<u>\$ 59,282,339</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF FLAGLER BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-type Activities - Enterprise Funds				
	Water & Sewer	Sanitation	Stormwater	Pier	Total
Cash flows from operating activities					
Cash received from customers	\$ 7,470,893	\$ 1,890,673	\$ 992,630	\$ (2,655,508)	\$ 7,698,688
Cash paid to employees	(2,054,681)	(624,270)	(186,713)	-	(2,865,664)
Cash paid to suppliers	(2,003,788)	(1,046,732)	(365,980)	422,838	(2,993,662)
Net cash provided by (used in) operating activities	3,412,424	219,671	439,937	(2,232,670)	1,839,362
Cash flows from noncapital financing activities					
Transfers from other funds	-	60,800	-	745,372	806,172
Intergovernmental grant proceeds	1,089,542	-	50,881	2,983,480	4,123,903
Interfund loans	(11,180,822)	(689,063)	(1,110,560)	(379,143)	(13,359,588)
Net cash provided by (used in) noncapital financing activities	(10,091,280)	(628,263)	(1,059,679)	3,349,709	(8,429,513)
Cash flows from capital and related financing activities					
Impact fees	883,810	-	-	-	883,810
Acquisition and construction of capital assets	(2,579,848)	(2,817)	(42,186)	(1,113,969)	(3,738,820)
Principal payments of long-term debt	(482,724)	-	(104,000)	-	(586,724)
Payments on lease liability	-	-	-	(2,646)	(2,646)
Interest paid	(31,316)	-	(13,864)	(424)	(45,604)
Net cash provided by (used in) capital and related financing activities	(2,210,078)	(2,817)	(160,050)	(1,117,039)	(3,489,984)
Cash flows from investing activities					
Interest received (loss)	560,723	39,660	33,571	-	633,954
Purchases of investments	8,177,336	-	624,995	-	8,802,331
Sales of investments	-	371,749	-	-	371,749
Net cash provided by (used in) investing activities	8,738,059	411,409	658,566	-	9,808,034
Net change in cash and cash equivalents	(150,875)	-	(121,226)	-	(272,101)
Cash and cash equivalents, beginning of year	1,044,215	-	121,226	-	1,165,441
Cash and cash equivalents, end of year	<u>\$ 893,340</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 893,340</u>
Cash and cash equivalents classified as:					
Unrestricted	\$ 599,215	\$ -	\$ -	\$ -	\$ 599,215
Restricted	294,125	-	-	-	294,125
Total cash and cash equivalents	<u>\$ 893,340</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 893,340</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 1,494,132	\$ 20	\$ 297,016	\$ (207,775)	\$ 1,583,393
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	1,493,625	213,559	193,221	154,784	2,055,189
Changes in assets and liabilities:					
Accounts receivable	(69,448)	(22,918)	(30,241)	(12,715)	(135,322)
Due from other governments	543,602	26,729	(28,037)	(2,798,656)	(2,256,362)
Lease receivable	-	-	-	1,113	1,113
Special assessments receivable	9,268	-	-	-	9,268
Prepaid items	3,322	-	-	(4,043)	(721)
Accounts payable and accrued liabilities	(132,706)	(30,895)	(8,966)	634,622	462,055
Deposits	30,497	-	-	-	30,497
Compensated absences	31,559	34,100	11,559	-	77,218
Total OPEB liability	8,573	(924)	5,385	-	13,034
Net cash provided by (used in) operating activities	<u>\$ 3,412,424</u>	<u>\$ 219,671</u>	<u>\$ 439,937</u>	<u>\$ (2,232,670)</u>	<u>\$ 1,839,362</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF FLAGLER BEACH, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2025

	Pension Trust Funds
ASSETS	
Cash and cash equivalents with trustee	\$ 942,784
Total cash and cash equivalents	<u>942,784</u>
Receivables	
Employee contributions receivable	20,733
State premium taxes	34,841
Total receivables	<u>55,574</u>
Investments, at fair value	
Mutual funds - equity	9,065,776
Mutual funds - fixed income	2,749,576
Total investments	<u>11,815,352</u>
Total assets	<u>12,813,710</u>
LIABILITIES	
Accounts payable	50,430
Total liabilities	<u>50,430</u>
NET POSITION	
Restricted for pensions	<u>\$ 12,763,280</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF FLAGLER BEACH, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Pension Trust Funds
Additions	
Contributions:	
Employer	\$ 644,067
Plan members	226,583
State - insurance premium taxes	196,700
Total contributions	<u>1,067,350</u>
Investment earnings (loss):	
Net appreciation (depreciation) in fair value of investments	1,216,889
Interest and dividends	253,323
Total investment earnings	<u>1,470,212</u>
Less: investment expense	<u>(32,250)</u>
Net investment income (loss)	1,437,962
Total additions	<u>2,505,312</u>
Deductions	
Benefit payments and refunds	441,911
Administrative expenses	102,506
Total deductions	<u>544,417</u>
Change in net position	<u>1,960,895</u>
Net position restricted for pensions, beginning of year	10,802,385
Net position restricted for pensions, end of year	<u><u>\$ 12,763,280</u></u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(1) Summary of Significant Accounting Policies:

The financial statements of the City of Flagler Beach, Florida (the City), have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles and the City has adopted the GASB Codification. The following is a summary of the City's significant accounting policies:

(a) **Reporting entity**—The City of Flagler Beach (City), Florida, Flagler County (County), a political subdivision incorporated in 1946, under the authority of Chapter 165 *Florida Statutes*, was established by Chapter 11.481 Laws of Florida Acts of 1925. The City operates under a Commission-Manager form of government and provides the following services, as authorized by the City Charter: public safety (police, fire, and building departments), highways and streets, culture/recreation, public improvements, planning and zoning, and general government services. As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present the government and its component units, entities for which the government is considered to be financial accountable. Blended component units, although legally separate entities, are in substance, part of the City's operations and so, data from these units are combined with the data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the City. The City has no discretely presented component units to report.

(b) **Blended component units**—The City has one blended component unit, as follows: The Flagler Beach Community Redevelopment Agency (the CRA) is operated by the City. The CRA was created by City Ordinance 95-24 and 97-21 pursuant to Florida Statute 163.387, for the purpose of rehabilitation, conservation and redevelopment of specific downtown areas of the City. Since the City is financially accountable for the activities of the CRA, its governing commission is the same, and its relationship to the City is significant, its financial activities are reported on a blended basis as if it were part of the primary government as a major special revenue fund.

(c) **Government-wide and fund financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report aggregated information for the overall government for all of the activities of the primary government. These statements do not report fiduciary funds or fiduciary component units such as retirement trust funds. Those activities are reported only in fund financial statements. The effect of interfund activity has been removed from these statements.

Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange revenues, are reported separately from business-type activities, which are financed wholly or partially by fees charged to external parties for goods or services and are reported in enterprise funds.

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

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

(d) **Measurement focus, basis of accounting, and financial statement presentation**—The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The accounting and financial reporting treatment is determined by the applicable measurement focus and the basis of accounting. The basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities).

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grants, other intergovernmental revenues, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, certain expenditures relating to future periods, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City reports the following major governmental funds:

General Fund—The General Fund is the principal fund of the City which accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the City other than proprietary fund activities are financed through revenues received by the General Fund.

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

The Flagler Beach Community Redevelopment Agency Fund—The City's special revenue fund. It accounts for revenue sources that are legally restricted to expenditures for the CRA.

Capital Projects Fund—The City's Capital Projects Fund is used to account for expenditures associated with capital projects within governmental funds and is primarily funded through transfers from the respective funds.

The City reports the following major proprietary funds:

Water and Sewer Fund—The Water and Sewer Fund accounts for the costs and recovery of costs in the form of user charges related to the production, treatment and distribution of potable water.

Sanitation Fund—The Sanitation Fund accounts for the costs and recovery of costs in the form of user charges related to the collection, treatment and disposal of sewage waste with the City.

Stormwater Fund—The Stormwater Fund accounts for the collection of drainage fees utilized for the expansion and maintenance of drainage facilities.

Pier Fund—The Pier Fund accounts for the operations and maintenance of the City pier.

Additionally, the City reports the following fund types:

Pension Trust Funds—The Pension Trust Funds account for the net position held in trust for defined pension benefits and the related financial activities of the employees' retirement system, which accumulates resources for defined pension benefit payments to the Municipal Police Officers' Retirement Trust Fund and the Municipal Firefighters' Pension Trust Fund.

As a general rule, the effect of the City's interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and sewer function and various other functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments (when applicable). Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

(e) **Budgets and budgetary accounting**—Annual budgets for all governmental and proprietary funds were adopted in compliance with Florida law. The basis on which the budgets are prepared is consistent with the basis of accounting utilized by the various fund types. The governmental funds' budgets are prepared on the modified accrual basis of accounting. The proprietary funds' budgets are prepared on a full accrual basis of accounting. The City uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

- i. On or before July 1st, the City Manager submits a preliminary budget to the City Commission for the ensuing fiscal year.
- ii. Budget workshop sessions are scheduled by the City Commission, as needed.
- iii. A general summary of the budget and notice of public hearing is made available to the public.
- iv. Prior to October 1st, the budget is legally enacted through passage of an ordinance.
- v. The City Commission, by resolution, may make supplemental appropriations in excess of those estimated for the year up to the amount of available revenue. Prior to the end of the fiscal year, supplemental appropriations are made for unanticipated spending requirements by the Commission.
- vi. The City Commission must approve all inter-departmental budget amendments and/or appropriations transfers.
- vii. Budgetary control is exercised at the department level.
- viii. Every appropriation lapses at the close of the fiscal year.

The budgets for governmental funds that were either adopted or amended during the year by the City Commission were prepared using the modified accrual basis of accounting in accordance with generally accepted accounting principles. The general and special revenue funds have legally adopted budgets.

The budgets for proprietary funds that were either adopted or amended during the year by the City Commission were prepared using the accrual basis of accounting in accordance with generally accepted accounting principles. The water, sewer, sanitation, and stormwater funds also have legally adopted annual budgets.

(f) **Deposits and investments**—The City's cash and cash equivalents include cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents.

The City's investment policies are governed by Chapter 280 and 218, Florida Statutes, City Code of Ordinances, and the adopted investment policy. All investments including investments in the City's fiduciary funds are recorded at fair value based on quoted market values, except for the City's investments in the Florida PRIME portion of the State Investment Pool, which are reported at amortized cost, which approximates fair value.

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

(g) **Receivables and payables**—Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e., the current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of historical trends. Utility operating sales are generally recognized on the basis of cycle billings rendered monthly. Unbilled accounts receivable are accrued by the City at September 30th, to recognize the sales revenues earned between the last meter reading dates made in mid-September through the end of the fiscal year.

(h) **Leases receivable**—When engaged in long-term leasing activity as the lessor, the City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.
- The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

(i) **Prepaid items**—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(1) Summary of Significant Accounting Policies: (Continued)

(j) **Capital assets**—Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, drainage improvements, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but charged to operating expense as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	15 – 50 years
Improvements	10 – 50 years
Machinery and equipment	5 – 15 years
Infrastructure	40 years
Right-to-use lease	5 years

(k) **Compensated absences**—The City reports compensated absences in the applicable governmental or business-type activity columns in the governmental-wide financial statements. The portion of employee payroll costs paid subsequent to year end attributable to services performed prior to year end and accumulated unpaid vacation, sick leave, and personal leave is recorded and recognized as a current liability. The remainder of the liability for compensated absences payable beyond the current period is recorded as a long-term liability.

(l) **Leases**—The City leases submerged land and equipment, and determines if an arrangement is a lease at inception. The City recognizes intangible right-to-use (RTU) assets and corresponding lease liabilities for all leases that are not considered short-term. RTU assets represent the City's right to use an underlying asset for the lease term and lease liabilities represent the City's obligation to make lease payments arising from the lease. RTU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term.

Basis of lease classification – Leases that meet the following requirements will not be considered short term: (1) the maximum possible lease term(s) is non-cancelable by both lessee and lessor, and (2) is more than 12 months.

Discount Rate – Unless explicitly stated in the lease agreement, known by the City, or the City is able to determine the rate implicit within the lease, the discount rate used to calculate lease right-to-use assets and liabilities will be the City's tax exempt market borrowing rate for 30 year fixed terms at the end of each year, which will be the rate utilized for the next calendar year. The City elected to use its incremental borrowing rate (IBR) of 3% as of September 30, 2024 for leases entered into beginning October 1, 2024.

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

(m) **Long-term obligations**—In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Original issue bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize premiums and discounts, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(n) **Fund balance**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

Nonspendable – amounts not available to be spent or not in spendable form, such as inventory and prepaid items.

Restricted – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions or by enabling legislation.

Committed – amounts constrained to specific purposes based on actions taken by the City Commission through ordinance.

Assigned – amounts the City intends to use for a specific purpose. Intent can be expressed by City Commission or by an official or body which the City Commission delegates authority.

Unassigned – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available; the City considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds and finally, unassigned funds, as needed.

It is the City's policy to allocate funds equivalent to a minimum of 25% of proposed General Fund budgeted expenditures and designate as emergency reserves to support General Fund emergency operations at the sole discretion of and as declared by the City Commission. The Utility Fund unrestricted net position will be 10% of proposed budgeted operating expenses, excess may be assigned to a rate stabilization fund or transferred to the Utility Capital Projects Fund. The Stormwater Fund unrestricted net position will be 10% of the proposed budgeted expenses, excess may be assigned for future system capital projects. The Sanitation Fund unrestricted net position will be 10% of proposed budgeted operating expenses, excess may be assigned to a rate stabilization fund.

(o) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

The City has multiple items, deferred outflows related to pensions and OPEB in the proprietary funds and government-wide statement of net position, which qualify for reporting in this category. Deferred outflows related to pensions are discussed further in Note (12) and deferred outflows related to OPEB are discussed further in Note (11).

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Currently, the items in this category are unavailable revenues, which will be recognized as inflows of resources in the period that the amounts become available; deferred inflows relates to leases, as discussed further in Note (4); deferred inflows of resources related to pensions, as discussed further in Note (12); and deferred inflows of resources related to OPEB, as discussed further in Note (11).

(p) **Property taxes**—Property tax revenues are recognized when levied, to the extent that they result in current receivables. Details of the property tax calendar are presented below:

Lien date	June 1
Levy date	November 1
Discount periods	November – February
No discount period	March
Delinquent date	April 1

(q) **Net position flow assumption**—Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the City's policy to consider restricted net position to have been used before unrestricted net position is applied.

(r) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(2) Reconciliation of Government-Wide and Fund Financial Statements:

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

(3) Deposits and Investments:

The City's investment policies are governed by Chapter 280 and 218, Florida Statutes. For all investments authorized by statute the City applies the "Prudent Person" standard when developing investment strategies. The basic allowable investment instruments are as follows:

The Local Government Surplus Trust Funds or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s. 163.01

Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency

Interest bearing time deposits or savings accounts in qualified public depositories as defined in Chapter 280, Florida Statutes

Direct obligations of the United States Treasury

Deposits include cash on hand and amounts held in the City's demand accounts. At September 30, 2025, the carrying amount of the City's deposits was \$3,585,729. Each demand account is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Any balance in excess of FDIC insurance is covered by collateral held by the City's custodial bank, which is pledged to a state trust fund that provides security in accordance with Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.

The Florida Security for Public Deposits Act (the Act) established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified public depository must pledge at least 50 percent of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to a maximum of 125 percent, may be required, if deemed necessary under the conditions set forth in the Act.

Obligations pledged to secure deposits must be delivered to the State Treasurer or, with the approval of the State Treasurer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Treasurer. Under the Act, the pool may assess participating financial institutions on a pro rata basis to fund any shortfall in the event of the failure of a member institution.

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(3) Deposits and Investments: (Continued)

Credit Risk: Credit risk is the risk that a debt issuer or other counter-party to an investment will not fulfill its obligations. The City has no investment policy that would limit its investment choices due to credit risk other than State statutes governing investments listing in Florida Statutes, Section 218.415.

Custodial Credit Risk—Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Pursuant to the applicable provisions of Chapter 280, Florida Statutes, *The Florida Security for Public Deposits Act*, the State of Florida, Department of Financial Services, Division of Treasury, Bureau of Collateral Management have established specific requirements relative to the security and collateralization for public deposits. Accordingly, banks qualifying as a public depository in the State of Florida must adopt the necessary procedures outlined in these statutes and meet all of the requirements of this chapter to be designated by the State Chief Financial Officer (CFO) as eligible to receive deposits from municipal depositors. Collateral having a market value equal to 50% of the average daily balance for each month of all public deposits in excess of any applicable depository insurance is required to be pledged or deposited with the State CFO to secure such deposits. Additional collateral, up to a maximum of 125% may be required if deemed necessary under the conditions set forth in the Act. Securities eligible to be pledged as collateral are generally limited to obligations of the United States government and any state thereof and are held in the name of the State CFO's office. Compliance with the provisions of Chapter 280, Florida Statutes, is monitored by a Qualified Public Depository Oversight Board with members appointed by the State CFO.

The City invests temporarily idle resources in the Local Government Investment Pool (State Pool). The State Pool is administered by the Florida Prime Investment Pool, who provides regulatory oversight. Florida Prime Investment Pool (Florida PRIME) is similar to money market funds in which units are owned in the fund rather than the underlying investments. These investments are reported at amortized cost and meet the requirements of GASB Codification Section I50, *Investments*, which establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. There is no limitation or restrictions on withdrawals from Florida PRIME; although in the occurrence of an event that has a material impact on liquidity or operations of the trust fund, the funds' executive director may limit contributions to or withdrawals from the trust fund for a period of 48 hours.

The City has investments in Florida Municipal Investment Trust (FMIT). The FMIT is an external pool established in 1993 and administered by the Florida League of Cities, Inc. pursuant to the laws of the State of Florida. The FMIT is exempt from registration under the Securities Act of 1933, the Investment Company Act of 1940 and the Florida Securities and Investors Protection Act. Participants in the FMIT are limited to governmental entities in the State of Florida. The FMIT has adopted GASB Codification Section I50, *Investments*, and the fair value of the City's position in the FMIT is the same as the fair value of the FMIT shares. The investment in the pool is not evidenced by securities that exist in physical or book entry form.

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(3) **Deposits and Investments:** (Continued)

The City measures and records its investments, assets whose use is limited, and restricted assets using fair value measurement guidelines, which recognize a three-tiered fair value hierarchy, as follows:

- *Level 1: Quoted* prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

The following chart shows the City's cash and investment accounts by investment portfolios and their respective maturities (in years) and fair value measurement levels as of September 30, 2025:

Investment Type	Carrying Value	Weighted Average Maturity (years)	Credit Rating (Fitch)	Fair Value Hierarchy Classification
Pooled Funds – 0-2 Year High Quality Bond Fund	\$ 3,058,243	0.90	AAAf/S1	Level 2
Pooled Funds – 1-3 Year High Quality Bond Fund	4,109,128	1.90	AAAf/S2	Level 2
Pooled Funds – Intermediate High Quality Bond Fund	1,755,986	4.80	AAf/S3	Level 2
Florida PRIME	17,827,855	47 days	AAA _m (S&P)	N/A
Cash and cash equivalents	3,879,854	N/A	NR	N/A
Total Portfolio	<u>\$ 30,631,066</u>			

Pension Plan Investments

The City's Pension plans have adopted investment policies which authorizes the pension managers to invest in the following:

Police Plan—Money market accounts, fixed income investments rated “A” or better (10% individual issuer limitation), equities traded on a national stock exchange (5% issuer limitation), and pooled funds such as mutual funds and ETFs.

Fire Plan—Money market accounts, fixed income investments rated “A” or better (10% individual issuer limitation), equities traded on a national stock exchange (5% issuer limitation), and pooled funds such as mutual funds and ETFs.

The pension plans measure and record investments using fair value measurement guidelines utilizing the same three-tiered fair value hierarchy as the City.

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(3) **Deposits and Investments:** (Continued)

The following is a description of the valuation techniques used for assets measured at fair value:

Corporate and Municipal Debt Obligations—Valued based on face value of the instruments adjusted for inflation and interest maturities.

Corporate and Equity Securities—Valued at fair value based on quoted market prices at year end.

Mutual Funds (fixed income and equity)—Valued based on face value of the instruments adjusted for inflation and interest maturities.

Real Estate Funds—Valued based upon the underlying investments' most recent audited financial statements.

A summary of investments held at fair value as of September 30, 2025, is as follows:

	<u>Fair Value</u>	<u>Level 1</u>
Investments, at fair value		
Corporate equity securities	\$ 9,065,776	\$ 9,065,776
Mutual funds - fixed income	2,749,576	2,749,576
Total investments	<u>\$ 11,815,352</u>	<u>\$ 11,815,352</u>

The pension plans also held a total of \$942,784 of cash and cash equivalents held in the pension trust funds.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. The City's investment policy requires diversifying investments to control the risk of loss resulting from over-concentrations of assets in a specific maturity.

Credit Risk: Credit risk is the risk that a debt issuer or other counter-party to an investment will not fulfill its obligations. The Pension Plans utilize portfolio diversification in order to limit investments to the highest rated securities as rated by nationally recognized rating agencies and credit rating limitations are in place through the plan investment policies. All investments rated within the investment policy guidelines at September 30, 2025.

Concentration of Credit Risk: The City's pension plans have varying limitations on investment in single-issuers as discussed in the authorized investments note. At September 30, 2025, the investment portfolios met the single issuer limitations.

Custodial Credit Risk: Custodial credit risk is the risk that the City may not recover cash and investments held by another party in the event of financial failure. Custodial credit risk is limited since investments are held in independent custodial safekeeping accounts or mutual funds.

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(3) **Deposits and Investments:** (Continued)

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Pension trust funds policies allow for up to 25% percent of its investments in common stock, capital stock and convertible securities at market value in foreign securities. At September 30, 2025, the investment portfolios met the foreign securities limitations.

(4) **Accounts Receivable:**

The City's receivables consisted of the following at September 30, 2025:

	Gross Receivable	Allowance for Doubtful Accounts	Net Receivable
Governmental Activities:			
General Fund	\$ 301,498	\$ (2,618)	\$ 298,880
Total – Governmental Activities	<u>301,498</u>	<u>(2,618)</u>	<u>298,880</u>
Business-Type Activities:			
Pier Fund	31,054	-	31,054
Water and Sewer Fund	1,186,994	(89,166)	1,097,828
Sanitation Fund	194,892	(12,285)	182,607
Stormwater Fund	109,068	(4,931)	104,137
Totals – Business-Type Activities	<u>1,522,008</u>	<u>(106,382)</u>	<u>1,415,626</u>
Totals	<u>\$ 1,823,506</u>	<u>\$ (109,000)</u>	<u>\$ 1,714,506</u>

In addition to accounts receivable, the City also recorded \$4,058,236 in due from other governments at September 30, 2025. These amounts reflect management's best estimate of recoveries based on costs incurred and approved projects and are subject to change pending adjustments made by the respective Federal and/or State agencies.

The City also recorded special assessments receivable of \$92,709, of which \$47,332 represents the balance remaining as of September 30, 2025, on the financing by the property owners of the Morningside Subdivision for Sewer System Construction, which was completed during the year ended September 30, 2014, at an original amount financed totaling approximately \$630,000.

In fiscal year 2014, pursuant to Resolutions 2013-05 and 2014-11, the City levied a special assessment for certain benefiting property owners to fund sanitary sewer improvements in the Morningside subdivision. The sanitary sewer improvements were constructed by the City, which retained ownership of the improvements. Related to the special assessment, the City entered into agreements with the individual property owners in the Morningside subdivision under which the City has financed and will collect \$632,997 plus interest at 4.75% per annum from this special assessment to fund these improvements. At September 30, 2025, \$92,709 of the original principal portion of the special assessment is reported as Special assessments receivable – restricted, and \$7,709 was included with interest earnings in the Water & Sewer Fund.

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(5) Interfund Loans and Transfers:

The outstanding balances between funds result mainly from the time lag between the dates reimbursable expenditures occur, when transactions are recorded in the accounting system, and when payments between funds are made. At September 30, 2025, individual fund interfund receivables and payables for the primary government were comprised of the following:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Governmental Activities:		
General Fund:		
CRA Fund	\$ 74	8,740
Capital Projects Fund	1,801,342	1,264,564
Water & Sewer Fund	247,352	11,920,206
Sanitation Fund	51,231	488,407
Stormwater Fund	70,581	1,165,420
Pier Fund	375,153	1,057,329
Town Center CRA Fund:		
General Fund	8,740	74
Capital Projects Fund	-	629,100
Capital Projects Fund:		
General Fund	1,264,564	1,801,342
CRA Fund	629,100	-
Business Type Activities:		
Water & Sewer Fund:		
General Fund	11,920,206	247,352
Sanitation Fund	-	97,235
Stormwater Fund	-	58,864
Sanitation Fund:		
General Fund	488,407	51,231
Water & Sewer Fund	97,235	-
Stormwater Fund:		
General Fund	1,165,420	70,581
Water & Sewer Fund	58,864	-
Pier Fund:		
General Fund	1,057,329	375,153
Totals - All Funds	<u><u>\$ 19,235,598</u></u>	<u><u>\$ 19,235,598</u></u>

Transfers are used to (1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, (2) move restricted amounts from borrowings to the debt service funds to establish and maintain mandatory reserve and sinking fund accounts, (3) move revenues from proprietary fund operations to the general fund for payments in lieu of taxes, and (4) move unrestricted revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for various grant programs.

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(5) **Interfund Loans and Transfers:** (Continued)

For the year ended September 30, 2025, individual transfers for the primary government were comprised of the following:

	<u>Transfer From</u>	<u>Transfer To</u>
Governmental Activities:		
General Fund:		
Capital Projects Fund	\$ -	\$ 1,203,168
Sanitation	-	60,800
Pier Fund	-	745,372
CRA Fund:		
Capital Projects Fund	-	629,100
Capital Projects Fund:		
General Fund	18,750	-
Debt Service Funds	1,184,418	-
CRA Fund	629,100	-
Business-Type Activities:		
Sanitation Fund:		
General Fund	60,800	-
Pier Fund:		
General Fund	745,372	-
	<u>\$ 2,638,440</u>	<u>\$ 2,638,440</u>

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(6) Capital Assets:

Capital asset activity for the fiscal year ended September 30, 2025, is as follows:

Governmental activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 2,601,023	\$ -	\$ -	\$ 2,601,023
Construction in progress	105,855	738,568	(451,802)	392,621
Total assets not being depreciated	<u>2,706,878</u>	<u>738,568</u>	<u>(451,802)</u>	<u>2,993,644</u>
Capital assets being depreciated:				
Buildings	3,426,937	-	-	3,426,937
Improvements	4,621,484	847,060	-	5,468,544
Machinery and equipment	4,835,952	688,750	(556,698)	4,968,004
Infrastructure	6,985,958	-	-	6,985,958
Total assets being depreciated	19,870,331	1,535,810	(556,698)	20,849,443
Less: accumulated depreciation	(12,081,505)	(1,128,921)	556,698	(12,653,728)
Total capital assets being depreciated, net	<u>7,788,826</u>	<u>406,889</u>	<u>-</u>	<u>8,195,715</u>
Governmental activities capital assets, net	<u>\$ 10,495,704</u>	<u>\$ 1,145,457</u>	<u>\$ (451,802)</u>	<u>\$ 11,189,359</u>

Business-type activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 1,648,235	\$ -	\$ -	\$ 1,648,235
Construction in progress	4,440,598	5,697,640	(1,887,419)	8,250,819
Total assets not being depreciated	<u>6,088,833</u>	<u>5,697,640</u>	<u>(1,887,419)</u>	<u>9,899,054</u>
Capital assets being depreciated and amortized:				
Buildings	12,659,712	-	-	12,659,712
Improvements	27,267,456	2,136,828	-	29,404,284
Machinery and equipment	7,075,397	166,438	(31,474)	7,210,361
Infrastructure	5,808,618	-	-	5,808,618
Right to use asset - land	15,831	-	-	15,831
Total assets being depreciated and amortized	52,827,014	2,303,266	(31,474)	55,098,806
Less: accumulated depreciation and amortization	(23,493,961)	(2,055,189)	31,474	(25,517,676)
Total capital assets being depreciated and amortized, net	<u>29,333,053</u>	<u>248,077</u>	<u>-</u>	<u>29,581,130</u>
Business-type activities capital assets, net	<u>\$ 35,421,886</u>	<u>\$ 5,945,717</u>	<u>\$ (1,887,419)</u>	<u>\$ 39,480,184</u>

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(6) **Capital Assets:** (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 655,977
Public safety	335,988
Public works	27,522
Culture and recreation	109,434
Total depreciation expense - governmental activities	<u>\$ 1,128,921</u>
Business-type activities:	
Water and Sewer	\$ 1,493,625
Sanitation	213,559
Stormwater	193,221
Pier	154,784
Total depreciation/amortization expense - business-type activities	<u>\$ 2,055,189</u>

(7) **Leases:**

(a) **City as Lessor**—The City is the lessor in a lease agreements for one building facility. A lease receivable and deferred inflow of resources was recorded for this leases.

In 2012, the City entered into a lease agreement with the Tenant for the leasing of the pier restaurant. Based on the terms of the agreement, the initial ten-year lease began on October 1, 2012, expired on September 30, 2022, and was extended for five years. Annual rentals under the lease agreement include minimum monthly payments of \$3,914 and will increase 3% annually. For the year ended September 30, 2025, the City recognized \$49,471 in lease revenue and (\$1,229) in interest revenue related to this lease. As of September 30, 2025, the City's receivable for lease payments was \$100,985 and for interest payments was \$252. Also, the City has a deferred inflow of resources associated with this lease that will be recognized over the lease term. As of September 30, 2025, the balance of the deferred inflow of resources was \$89,876.

The principal and interest requirements to maturity for this lease as of September 30, 2025, are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2026	\$ 48,967	\$ 2,360	\$ 51,327
2027	52,018	849	52,867
Total future minimum lease payment	<u>\$ 100,985</u>	<u>\$ 3,209</u>	<u>\$ 104,194</u>

(b) **City as Lessee**—The City is the lessee in one lease agreement for submerged land for the Pier Fund. A lease liability and a right-to-use asset was recorded for this lease in that funds.

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(7) **Leases:** (Continued)

In 2017, the City entered into a 60 month lease agreement with the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida for submerged land valued at \$15,831. The initial lease expired in October 2022 and was renewed for an additional five-year period. A right-to-use asset and initial lease liability was recorded by the City during the current fiscal year. As of September 30, 2025, the value of the lease liability was \$5,536. The City is required to make annual principal and interest payments of \$2,895. The City's incremental borrowing rate (IBR) was calculated at 3.0% at September 30, 2024, and was the discount rate utilized in the current year for this lease. The land has a five-year useful life. The value of the right-to-use assets as of September 30, 2025 was \$15,831 and had accumulated amortization of \$10,409.

Lease expense for the right-to-use assets for the years ended September 30, 2025, was as follows:

September 30, 2025	Business-type Activities
Amortization expense	\$ 2,602
Interest on lease liabilities	175
Total	\$ 2,777

The principal and interest requirements to maturity for the lease liability as of September 30, 2025, is as follows:

Business-type Activities Year Ending September 30,	Principal	Interest	Total Payments
2026	\$ 2,726	\$ 168	\$ 2,895
2027	2,809	85	2,895
Total future minimum lease payments	\$ 5,536	\$ 254	\$ 5,790

(8) **Long-Term Liabilities:**

Long-term liability activity for the year ended September 30, 2025, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable	\$ 347,000	\$ -	\$ (66,000)	\$ 281,000	\$ -
Compensated absences	426,153	329,203	(81,158)	674,198	46,311
Total long-term liabilities	\$ 773,153	\$ 329,203	\$ (147,158)	\$ 955,198	\$ 46,311

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(8) Long-Term Liabilities: (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Notes payable	\$ 2,448,027	\$ 2,374,668	\$ (586,724)	\$ 4,235,971	\$ 494,720
Lease liability	8,182	-	(2,646)	5,536	2,726
Compensated absences	90,105	196,339	(119,121)	167,323	52,356
Total long-term liabilities	<u>\$ 2,546,314</u>	<u>\$ 2,571,007</u>	<u>\$ (708,491)</u>	<u>\$ 4,408,830</u>	<u>\$ 549,802</u>

Notes payable in the City's governmental activities at September 30, 2025, were comprised of the following obligations:

Refunding Revenue Note, Series 2015, issued to (1) refund the City's outstanding stormwater revenue note, series 2015, (2) refund the outstanding principal amount of the 2009 CRA Note, and (3) pay related costs of issuance. The series 2015 note is secured by the City's covenant to budget and appropriate from legally available non-ad valorem revenues of the City. The note is split 43% and 57% between governmental and business type activities, respectively. The interest rate is 2.53% and the note matures October 2029. Principal payments are due annually on October 1st and interest payments are due semiannually on October 1st and April 1st. The outstanding balance at September 30, 2025, was \$281,000.

Annual debt service requirements to maturity for the City's governmental activities notes payable are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities Revenue Bonds & Notes</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2026	\$ -	\$ 3,555	\$ 3,555
2027	68,000	6,249	74,249
2028	69,000	4,517	73,517
2029	71,000	2,745	73,745
2030	73,000	923	73,923
2031-2035	-		
2036-2040			
2041			-
Total	<u>\$ 281,000</u>	<u>\$ 17,989</u>	<u>\$ 298,989</u>

Notes payable in the City's business-type activities at September 30, 2025, were comprised of the following obligations:

In January 2005, the City entered into an agreement with the State of Florida, Department of Environmental Protection for a \$3,375,000 loan for a water treatment plant expansion project at an interest rate of 2.67% per year. In June 2006, the loan was amended to include an additional \$3,158,750 with an interest rate of 2.65%. In July 2007, the loan was amended to include an additional \$3,280,134 with an interest rate of 2.64%. The semi-annual payment is due January 15th and July 15th. The loan is collateralized by the pledged revenues of the water and sewer system and carries with it certain rate coverage requirements, which the City was in compliance with at September 30, 2025. The outstanding balance at September 30, 2025, was \$680,460 and the note matures in 2027. Pledged revenues for the note payable was 13.86 times the annual debt service, which is enough to meet requirements of the note.

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(8) Long-Term Liabilities: (Continued)

Refunding Revenue Note, Series 2015, issued to (1) refund the City's outstanding stormwater revenue note, series 2015, (2) refund the outstanding principal amount of the 2009 CRA Note, and (3) pay related costs of issuance. The series 2015 note is secured by the City's covenant to budget and appropriate from legally available non-ad valorem revenues of the City. The note is split 43% and 57% between governmental and business type activities, respectively. The interest rate is 2.53% and the note matures October 2029. Principal payments are due annually on October 1st and interest payments are due semiannually on October 1st and April 1st. The outstanding balance at September 30, 2025, was \$444,000.

In July 2020, the City entered into an agreement with the State of Florida, Department of Environmental Protection for a \$900,000 loan for design activities related to Wastewater Treatment Facility Construction, at an interest rate of 0.58% per year. In August 2022, the loan was amended to be reduced by \$7,047. The first semi-annual payment is due August 15, 2022. The loan is collateralized by the pledged revenues of the water and sewer system and carries with it certain rate coverage requirements, which the City was in compliance with at September 30, 2025. The outstanding balance at September 30, 2025, was \$736,843 and the note maturity is estimated to occur in 2035.

In April 2025, the City entered into a non-revolving draw-down line of credit agreement in an amount not to exceed \$21,000,000. The agreement matures on November 1, 2027. Borrowings under the agreement bear interest at a variable rate per annum equal to the sum of (i) 79% of One-Month Term SOFR plus (ii) 0.70% (70 basis points). Interest is calculated on a 360-day year consisting of twelve 30-day months. As of September 30, 2025, the City had \$2,374,668 outstanding under the agreement.

Annual debt service requirements to maturity for the City's business-type activities notes payable, are as follows:

Year Ending September 30,	Business-type Activities				
	Revenue Bonds & Notes		SRF Loans		Total
	Principal	Interest	Principal	Interest	
2026	\$ -	\$ 12,549	\$ 494,720	\$ 19,384	\$ 526,653
2027	107,000	9,880	274,154	7,072	398,106
2028	2,484,668	7,135	44,593	3,761	2,540,157
2029	112,000	4,327	44,852	3,502	164,681
2030	115,000	1,455	45,113	3,242	164,810
2031-2035	-	-	229,523	12,255	241,778
2036-2040	-	-	236,269	18,342	254,611
2041	-	-	48,079	4,553	52,632
Total	\$ 2,818,668	\$ 35,346	\$ 1,417,303	\$ 72,111	\$ 4,343,428

In general, an event of default will occur if the City fails to make a payment of principal and interest when such amounts are due and payable or if the City fails to punctually perform any of the material covenants, conditions, agreements and provisions contained in a debt indenture. In the event of default, the note holders shall be entitled to sue for, enforce payment of, and receive any and all amounts due from the City for principal and interest. In addition, the notes shall bear interest at the default rate; the City may be subject to a late fee; and the City may be required to pay all of the note holders' attorney's fees incurred to remedy the default.

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(9) Commitments and Contingencies:

The City is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2025. The outcomes of established claims are included in these financial statements. In the opinion of the City's legal counsel, no legal proceedings are pending or threatened against the City which are not covered by applicable insurance which would inhibit its ability to perform its operations or materially affect its financial condition.

The City has active construction projects with uncompleted work commitments of \$18,262,687 as of September 30, 2025.

(10) Risk Management:

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, all of which is satisfactorily insured by limited risk, high-deductible commercial general liability insurance. Commercial insurance policies are also obtained for other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

(11) Other Postemployment Benefits (OPEB):

Plan Description—City of Flagler Beach, Florida, Post-Retirement Benefits Plan (the Plan) is a single-employer healthcare plan administered by the City. Pursuant to Section 112.0801, Florida Statutes, the City is required to permit participation in the Plan to retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Eligible individuals include all regular employees of the City who retire from active service under one of the pension plans sponsored by the City. Under certain conditions, eligible individuals also include spouses and dependent children. The Plan does not issue a publicly available financial report.

Funding Policy—The contribution requirements of plan members and the City are established by state statutes and may be amended by the state legislature. The required contribution is based on projected pay-as-you-go financing requirements and is subject to constant revision. The City has opted to not fund the total OPEB obligation or the resulting unfunded actuarial accrued liability on an annual basis. The City utilizes the General Fund to liquidate the liability for the OPEB obligation from previous years.

Benefits Provided—The Other Post Employment Benefit Plan is a single-employer benefit plan administered by the City. Retirees are charged whatever the insurance company charges for the type of coverage elected, however, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. The older retirees actually have a higher cost which means the City is actually subsidizing the cost of the retiree coverage because it pays all or a significant portion of the premium on behalf of the active employee, known as the "implicit rate subsidy."

Plan Membership—At September 30, 2023, the date of the latest actuarial valuation, plan participation consisted of the following:

Active Employees	80
Inactive Employees	-
	<u>80</u>

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(11) Other Postemployment Benefits (OPEB): (Continued)

Total OPEB Liability—The City’s total OPEB liability of \$440,077 was measured as of September 30, 2024, and was determined by an actuarial valuation as of September 30, 2024, utilizing the Alternative Measurement Method for small plans as permitted under GASB 75.

Actuarial Assumptions and Other Inputs—The total OPEB liability in the September 30, 2025, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	2.50%
Discount rate	4.06%
Healthcare cost trend rate	7.00%
Ultimate rate reached in 2075	4.00%
Retirees’ share of benefit-related costs	100.00%

Changes of assumptions reflect a change in the discount rate from 4.87% for the fiscal year ending September 30, 2024 to 4.06% for the fiscal year ending September 30, 2025. The City does not have a dedicated Trust to pay retiree healthcare benefits. The discount rate was based on the September 30, 2023 S&P Municipal Bond 20 Year High Grade Rate Index as published by the S&P Dow Jones Indices.

Mortality rates were based on the PuBG-2010 Mortality Tables.

For the fiscal year ended September 30, 2025, changes in the total OPEB liability were as follows:

Balance at September 30, 2024	\$ 368,476
Changes for a year:	
Service cost	35,584
Interest	19,204
Changes of assumptions	36,523
Difference between expected and actual experience	-
Changes of benefit terms	-
Benefit payments – implicit rate subsidy	(19,710)
Net changes	71,601
Balance at September 30, 2025	\$ 440,077

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the City calculated using the discount rate of 4.06%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 492,888	\$ 440,077	\$ 395,681

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(11) Other Postemployment Benefits (OPEB): (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate:

The following presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (3.00%-6.00%) or 1% higher (5.00%-8.00%) than the current healthcare cost trend rates (4.00%-7.00%):

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 391,410	\$ 440,077	\$ 498,194

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2025, the City recognized OPEB expense of \$94,511. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions subsequent to measurement date	\$ 22,390	\$ -
Total	<u>\$ 22,390</u>	<u>\$ -</u>

Deferred outflows for contributions subsequent to the measurement date will be recognized in fiscal year 2026.

(12) Employee Retirement Systems and Pension Funds:

General Employees - Defined Contribution Plan

The City Commission has adopted the International City Management Association Retirement corporation (ICMA-RC) Money Purchase Plan and Trust, as amended, effective March 10, 2016. The plan is available to the general employees who are not in one of the other City retirement plans. City contributions to the ICMA-RC Money Purchase Plan and trust for general employees shall be 6.5% of each participant's earnings for the plan year. Participants are not permitted to make contributions. City contributions fully vest in the year they are contributed. For the year ended September 30, 2025, actual employer contributions to this plan totaled \$276,633.

Municipal Police Officers' and Firefighters' Defined Benefit Pension Plans

The City's pension plans are established by various City ordinances. The City maintains two separate single employer benefit pension plans which cover firefighters and police officers. The City's ordinances governing the firefighters' and police officers' plans were written in compliance with the provisions of Florida Statutes, Chapters 175 and 185, respectively.

Plan Description and Administration

The City's pension plans are single employer defined benefit pension plans administered by a board of trustees. The board of trustees for each pension plan consists of two Commission appointees, two members of the plan elected by the plan membership, and one member elected by the other four members and appointed by the Commission.

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(12) Employee Retirement Systems and Pension Funds: (Continued)

No standalone financial reports exist for the pension plans. All financial activity is reported within the accompanying financial statements. Investments are reported at fair value and are managed by third party money managers. The City's independent custodian and the individual money managers price each instrument (using various third-party pricing sources) and reconcile material differences. Investments that do not have an established market are reported at estimated fair value. Performance reporting, manager fees, and the City's asset valuation are based on the custodian's determination of value.

Costs incurred by each of the plans for administration of the plans, which includes legal and actuarial fees, trustee fees and investment advisory fees, are borne by the respective retirement plans and are included in the actuarial analysis of the required funding amounts.

Benefits Provided and Employees Covered

Each Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. Current membership in the employee retirement plans was composed of the following at October 1, 2024:

	<u>Police Plan</u>	<u>Fire Plan</u>
Inactive plan members or beneficiaries receiving benefits	8	6
Inactive plan members entitled to but not yet receiving benefits	9	7
Active participants	<u>14</u>	<u>14</u>
Total current membership	<u><u>31</u></u>	<u><u>27</u></u>

A summary of the benefits provided under each plan are as follows:

Police Officers Plan

- Normal Retirement Benefits: 3.50% of average final compensation times credited service
- Normal Retirement Age: Earlier of: 1) age 55 and 10 years of credited service or 2) 20 years of credited service, regardless of age
- Vesting Schedule: 100% after 10 years of credited service
- Vesting Benefit Amount: Members will receive the vested portion of accrued benefit at the otherwise normal retirement date
- Disability Eligibility Service Incurred: Covered from date of employment
- Disability Eligibility Nonservice Incurred: 10 years of credited service
- Disability Benefit: Benefit accrued to date of disability but not less than 42% of average final compensation (service incurred) or 3.19% of average final compensation multiplied by the total years of service (nonservice incurred)
- Pre-Retirement Death Benefits Vested: Monthly accrued benefit payable to designated beneficiary for 10 years
- Pre-Retirement Death Benefits Non-Vested: Refund of accumulated contributions without interest
- Share Plan: Pursuant to Chapter 2015-39, Laws of Florida, a supplemental benefit component for special benefits exists but is not currently funded per mutual consent between the City and membership.

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(12) Employee Retirement Systems and Pension Funds: (Continued)

Firefighters Plan

- Normal Retirement Benefits: 3.0% of average final compensation times credited service
- Normal Retirement Age: Earlier of age 55 and 10 years of credited service or age 52 and 25 years of credited service
- Early Retirement Benefits: Accrued benefit reduced 3% for each year commencement occurs prior to age 55
- Early Retirement Age: Age 50 and 10 Years of credited service
- Vesting Schedule: 100% after 10 years of credited service
- Vesting Benefit Amount: Members will receive the vested portion of accrued benefit at the otherwise normal retirement date
- Disability Eligibility Service Incurred: Covered from date of employment
- Disability Eligibility Nonservice Incurred: 10 years of credited service
- Disability Benefit: Benefit accrued to date of disability but not less than 42% of average final compensation (service incurred) or 25% of average final compensation (nonservice incurred)
- Pre-Retirement Death Benefits Vested: Monthly accrued benefit payable to designated beneficiary for 10 years
- Pre-Retirement Death Benefits Non-Vested: Refund of accumulated contributions without interest
- Share Plan: Pursuant to Chapter 2015-39, Laws of Florida, a supplemental benefit component for special benefits exists but is currently not funded.

The most recent experience studies for the police and fire plans were conducted as of August 1, 2025 and October 30, 2025, respectively.

Contributions

Members contribute ten percent (police) or five percent (fire) of their pretax earnings. The City contributes the remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over thirty years. The State of Florida contributes any monies received by reason of the laws of the State for the purpose of funding and paying for retirement benefits.

For the year ended September 30, 2025, contributions to the City's pension plans were as follows:

	<u>Police Plan</u>	<u>Fire Plan</u>	<u>Total</u>
Employee contributions	\$ 148,136	\$ 78,447	\$ 226,583
City contributions	553,347	90,720	644,067
State contributions	87,417	109,283	196,700
Total contributions	<u>\$ 788,900</u>	<u>\$ 278,450</u>	<u>\$ 1,067,350</u>

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(12) **Employee Retirement Systems and Pension Funds:** (Continued)

Investment Policy

See Note (2)(b) for additional discussion of the investment policies for each of the Plans. The following was the asset allocation policy for each of the plans at September 30, 2025:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	
	<u>Police Plan</u>	<u>Fire Plan</u>
Domestic equity	50%	50%
International equity	15%	15%
Broad Market Fixed Income	35%	35%

Net Pension Liability (Asset)

The components of the net pension liability (asset) of the pension plans at September 30, 2025, were as follows:

	<u>Police Plan</u>	<u>Fire Plan</u>	<u>Total</u>
Total pension liability	\$ 8,003,089	\$ 2,858,919	\$ 10,862,008
Plan fiduciary net position	(7,281,915)	(3,520,470)	(8,059,229)
Net pension liability (asset)	<u>\$ 721,174</u>	<u>\$ (661,551)</u>	<u>\$ 59,623</u>
Plan fiduciary net position as percentage of total pension liability	90.99%	123.14%	99.45%

The total pension liability was determined by an actuarial valuation as of October 1, 2024, and measurement date of September 30, 2025, using the following actuarial assumptions to all measurement periods.

	<u>Police Plan</u>	<u>Fire Plan</u>
Inflation	2.50%	2.50%
Salary increases	Service based	Service based
Investment rate of return	7.00%	7.00%
Mortality table	MP-2021, projected	MP-2021, projected

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates.

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(12) Employee Retirement Systems and Pension Funds: (Continued)

Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of September 30, 2025, are summarized in the following table:

Long Term Expected Real Rate of Return		
Asset Class	Police Plan	Fire Plan
Domestic equity	7.5%	7.5%
International equity	8.5%	8.5%
Broad Market Fixed Income	2.5%	2.5%

Discount rate:

The discount rate used to measure the total pension liability for each pension plan varied as discussed on the following pages. The projection of cash flows used to determine the discount rate assumed the plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in net pension liability (asset):

Changes in each plan's net pension liability (asset) were as follows:

	Police Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a-b)
Beginning Balance	\$ 6,660,584	\$ 5,412,501	\$ 1,248,083
Changes for year:			
Service cost	293,803	-	293,803
Interest	478,357	-	478,357
Share plan allocation	12,134	-	12,134
Differences between expected/actual experience	799,649	-	799,649
Changes in benefit terms	-	-	-
Changes of assumption	-	-	-
Contributions - employer	-	465,292	(465,292)
Contributions - employee	-	129,256	(129,256)
Contributions - state	-	84,268	(84,268)
Contributions - buy back	-	-	-
Net investment income	-	1,476,020	(1,476,020)
Benefit payments, including refunds	(241,438)	(241,438)	-
Administrative expenses	-	(43,984)	43,984
Net changes	1,342,505	1,869,414	(526,909)
Ending Balance	<u>\$ 8,003,089</u>	<u>\$ 7,281,915</u>	<u>\$ 721,174</u>

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(12) **Employee Retirement Systems and Pension Funds:** (Continued)

	Total	Fire Plan	
	Pension	Plan	Net
	Liability	Fiduciary	Pension
	(a)	Net Position	Liability (Asset)
	(a)	(b)	(a-b)
Beginning Balance	\$ 2,384,821	\$ 2,646,728	\$ (261,907)
Changes for year:			
Service cost	135,512	-	135,512
Interest	174,431	-	174,431
Differences between expected/actual experience	221,074	-	221,074
Change in excess state money	-	-	-
Change in benefit terms	-	-	-
Change in assumptions	-	-	-
Contributions - employer	-	119,352	(119,352)
Contributions - Buy Back	-	-	-
Contributions - employee	-	40,017	(40,017)
Contributions - state	-	101,505	(101,505)
Net investment income	-	712,802	(712,802)
Benefit payments, including refunds	(56,919)	(56,919)	-
Administrative expenses	-	(43,015)	43,015
Net changes	474,098	873,742	(399,644)
Ending Balance	<u>\$ 2,858,919</u>	<u>\$ 3,520,470</u>	<u>\$ (661,551)</u>

Sensitivity of the net pension liability (asset) to changes in the discount rate:

The following presents the net pension liability (asset) of the City calculated using the selected discount rates, as well as what the City's net pension liability (asset) (NPL(A)) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

Plan	Current	NPL(A) with	NPL(A) at	NPL(A) with
	Discount Rate	1% Decrease	Current	1% Increase
			Discount Rate	
Police	7.00%	\$ 1,714,581	\$ 721,174	\$ (102,197)
Fire	7.00%	(235,477)	(661,551)	(1,005,737)
Total		<u>\$ 1,479,104</u>	<u>\$ 59,623</u>	<u>\$ (1,107,934)</u>

For the year ended September 30, 2025, the annual-money weighted rate of return on each pension plan investments, net of pension plan investment expense was as follows:

	Police Plan	Fire Plan
Annual money-weighted rate of return	13.06%	13.02%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(12) **Employee Retirement Systems and Pension Funds:** (Continued)

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

For the year ended September 30, 2025, the City recognized pension expense (revenue) of \$428,261 and \$143,269 in the Police and Fire pension plans, respectively, for a total of \$571,530.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Police Plan		Fire Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 568,247	\$ (51,196)	\$ 233,820	\$ (28,402)
Changes of assumptions	-	-	-	-
Net difference between projected and actual investment earnings	-	(633,316)	-	(298,322)
Employer and State contributions subsequent to the measurement date	640,764	-	200,003	-
	<u>\$ 1,209,011</u>	<u>\$ (684,512)</u>	<u>\$ 433,823</u>	<u>\$ (326,724)</u>

The outcome of the deferred outflows of resources related to pensions resulting from employer and state contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2025. All other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

	Police Plan	Fire Plan
2026	\$ 120,672	\$ 33,432
2027	263,285	59,255
2028	(283,547)	(81,211)
2029	(216,675)	(104,380)
2030	-	-
Thereafter	-	-

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(12) **Employee Retirement Systems and Pension Funds:** (Continued)

C. Pension Fund Financial Statements

The City does not issue separate financial statements for the Police or Fire Plan. The basic financial statements of the City include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position that presents a single column presented by fund type for all pension trust funds. Presented below are the financial statements for each pension trust fund as of and for the year ended September 30, 2025:

COMBINING SCHEDULE OF NET POSITION – FIDUCIARY FUNDS

	Fire Plan	Police Plan	Total
ASSETS			
Cash and cash equivalents with trustee	\$ 232,431	\$ 710,353	\$ 942,784
Total cash and cash equivalents	<u>232,431</u>	<u>710,353</u>	<u>942,784</u>
Receivables			
Employee contributions receivable	1,920	18,813	20,733
State premium taxes	34,841	-	34,841
Total receivables	<u>36,761</u>	<u>18,813</u>	<u>55,574</u>
Investments, at fair value			
Mutual funds - equity	2,953,249	6,112,527	9,065,776
Mutual funds - fixed income	893,407	1,856,169	2,749,576
Total investments	<u>3,846,656</u>	<u>7,968,696</u>	<u>11,815,352</u>
Total assets	<u>4,115,848</u>	<u>8,697,862</u>	<u>12,813,710</u>
LIABILITIES			
Accounts payable	26,585	23,845	50,430
Total liabilities	<u>26,585</u>	<u>23,845</u>	<u>50,430</u>
NET POSITION			
Restricted for pensions	<u>\$ 4,089,263</u>	<u>\$ 8,674,017</u>	<u>\$ 12,763,280</u>

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(12) **Employee Retirement Systems and Pension Funds:** (Continued)

COMBINING SCHEDULE OF CHANGES IN NET POSITION – FIDUCIARY FUNDS

	<u>Fire Plan</u>	<u>Police Plan</u>	<u>Total</u>
Additions			
Contributions:			
Employer	\$ 90,720	\$ 553,347	\$ 644,067
Plan members	78,447	148,136	226,583
State - insurance premium taxes	109,283	87,417	196,700
Total contributions	<u>278,450</u>	<u>788,900</u>	<u>1,067,350</u>
Investment earnings (loss):			
Net appreciation (depreciation) in fair value of investments	396,796	820,093	1,216,889
Interest and dividends	81,335	171,988	253,323
Total investment earnings	<u>478,131</u>	<u>992,081</u>	<u>1,470,212</u>
Less: investment expense	<u>(14,250)</u>	<u>(18,000)</u>	<u>(32,250)</u>
Net investment income (loss)	463,881	974,081	1,437,962
Total additions	<u>742,331</u>	<u>1,762,981</u>	<u>2,505,312</u>
Deductions			
Benefit payments and refunds	135,021	306,890	441,911
Administrative expenses	38,517	63,989	102,506
Total deductions	<u>173,538</u>	<u>370,879</u>	<u>544,417</u>
Change in net position	<u>568,793</u>	<u>1,392,102</u>	<u>1,960,895</u>
Net position restricted for pensions, beginning of year	3,520,470	7,281,915	10,802,385
Net position restricted for pensions, end of year	<u><u>\$ 4,089,263</u></u>	<u><u>\$ 8,674,017</u></u>	<u><u>\$ 12,763,280</u></u>

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(13) Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the City's financial statements:

- (a) GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of GASB Statement No. 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The effective date for implementation is fiscal years beginning after June 15, 2025, and all reporting periods thereafter.
- (b) GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB Statement No. 104 requires governments to disclose separate information about specific types of capital assets and establishes criteria for identifying and reporting capital assets held for sale. The objective of GASB 104 is to enhance transparency and improve the usefulness of financial statements for stakeholders by providing more detailed information on these assets. The provisions are effective for fiscal years beginning after June 15, 2025.
- (c) GASB issued Statement No. 105, *Subsequent Events*, in December 2025. GASB Statement No. 105 clarifies the subsequent events time frame and establishes accounting and disclosure requirements for recognized and nonrecognized subsequent events. The provisions of GASB Statement No. 105 are effective for fiscal years beginning after June 15, 2026.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FLAGLER BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 7,513,943	\$ 7,513,943	\$ 8,005,892	\$ 491,949
Permits and fees	1,279,350	1,279,350	1,308,128	28,778
Intergovernmental	544,486	554,486	606,756	52,270
Charges for services	25,100	25,100	30,914	5,814
Fines and forfeitures	87,000	87,000	105,366	18,366
Investment income (loss)	509,000	509,000	580,387	71,387
Miscellaneous	33,000	33,000	881,166	848,166
Total revenues	9,991,879	10,001,879	11,518,609	1,516,730
Expenditures				
Current:				
General government	2,956,481	3,006,354	2,821,708	184,646
Public safety	5,505,971	6,041,716	5,570,918	470,798
Roads and streets	501,234	573,949	333,920	240,029
Transportation	373,369	493,713	-	493,713
Culture and recreation	689,005	690,005	663,478	26,527
Capital outlay	222,540	246,080	-	246,080
Total expenditures	10,248,600	11,051,817	9,390,024	1,661,793
Excess (deficiency) of revenues over expenditures	<u>(256,721)</u>	<u>(1,049,938)</u>	<u>2,128,585</u>	<u>3,178,523</u>
Other financing sources (uses)				
Transfers out	(1,927,350)	(2,529,028)	(2,009,340)	519,688
Sale of capital assets	-	13,736	-	(13,736)
Total other financing sources (uses)	<u>(1,927,350)</u>	<u>(2,515,292)</u>	<u>(2,009,340)</u>	<u>505,952</u>
Net change in fund balances	<u>(2,184,071)</u>	<u>(3,565,230)</u>	<u>119,245</u>	<u>3,684,475</u>
Fund balances, beginning of year	9,547,350	9,547,350	9,547,350	-
Fund balances, end of year	<u>\$ 7,363,279</u>	<u>\$ 5,982,120</u>	<u>\$ 9,666,595</u>	<u>\$ 3,684,475</u>

CITY OF FLAGLER BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - COMMUNITY REDEVELOPMENT AGENCY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	\$ 607,777	\$ 607,777	\$ 604,498	\$ (3,279)
Charges for services	1,000	1,000	-	(1,000)
Investment income	-	-	14,551	14,551
Total revenues	<u>608,777</u>	<u>608,777</u>	<u>619,049</u>	<u>10,272</u>
Expenditures				
Current:				
Physical environment	241,267	219,767	100,228	119,539
Debt service:				
Principal	70,389	70,389	66,000	4,389
Interest and fiscal charges	4,390	4,390	8,779	(4,389)
Total expenditures	<u>316,046</u>	<u>294,546</u>	<u>175,007</u>	<u>119,539</u>
Excess (deficiency) of revenues over expenditures	<u>292,731</u>	<u>314,231</u>	<u>444,042</u>	<u>129,811</u>
Other financing sources (uses)				
Transfers out to primary government	(577,731)	(577,731)	(629,100)	(51,369)
Total other financing sources (uses)	<u>(577,731)</u>	<u>(577,731)</u>	<u>(629,100)</u>	<u>(51,369)</u>
Net change in fund balances	<u>(285,000)</u>	<u>(263,500)</u>	<u>(185,058)</u>	<u>78,442</u>
Fund balances, beginning of year	629,567	629,567	629,567	-
Fund balances, end of year	<u><u>\$ 344,567</u></u>	<u><u>\$ 366,067</u></u>	<u><u>\$ 444,509</u></u>	<u><u>\$ 78,442</u></u>

CITY OF FLAGLER BEACH, FLORIDA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
LAST 10 FISCAL YEARS
(UNAUDITED)

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	\$ 35,584	\$ 36,358	\$ 48,772	\$ 63,360	\$ 50,906	\$ 36,092	\$ 37,961	\$ 40,191
Interest	19,204	21,370	13,131	13,443	16,863	16,701	14,031	11,433
Difference between expected and actual experience	-	(25,684)	-	(8,750)	-	(35,198)	-	-
Changes of assumptions	36,523	(110,554)	(127,166)	(127,771)	89,218	51,333	(23,985)	(26,484)
Changes of benefit terms	-	43,062	-	-	-	-	-	-
Benefit payments - implicit rate subsidy	(19,710)	(15,271)	(14,206)	(12,767)	(11,876)	(12,556)	(11,546)	(10,617)
Other changes	-	-	-	-	-	-	-	-
Net change in total OPEB liability	71,601	(50,719)	(79,469)	(72,485)	145,111	56,372	16,461	14,523
Total OPEB liability - beginning of year	368,476	419,195	498,664	571,149	426,038	369,666	353,205	338,682
Total OPEB liability - end of year	\$ 440,077	\$ 368,476	\$ 419,195	\$ 498,664	\$ 571,149	\$ 426,038	\$ 369,666	\$ 353,205
Covered employee payroll	\$ 5,283,791	\$ 5,154,918	\$ 4,118,134	\$ 4,017,692	\$ 3,680,762	\$ 3,590,988	\$ 3,542,740	\$ 3,456,332
Total OPEB liability as a percentage of covered employee payroll	8.33%	7.15%	10.18%	12.41%	15.52%	11.86%	10.43%	10.22%

Notes to Schedule:

Valuation date:	9/30/2023	9/30/2023	9/30/2021	9/30/2021	9/30/2019	9/30/2019	9/30/2018	9/30/2017
Measurement date:	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017

Changes of assumptions. Changes of assumptions and other changes reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

4.06%	4.87%	4.77%	2.43%	2.14%	3.58%	4.18%	3.64%
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Benefit Payments:

The plan sponsor did not provide actual net benefits paid by the Plan for the fiscal year ending on September 30, 2025. Expected net benefit payments produced by the valuation model for the same period are shown in the table above.

OPEB Trust:

For purposes of applying Paragraph 4 under Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the Plan does not meet the requirements for an OPEB plan administered through a trust.

*10 years of data will be presented as it becomes available.

CITY OF FLAGLER BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE PLAN
SEPTEMBER 30, 2025
(UNAUDITED)

Measurement Period - Fiscal Year Ending Reporting Period - Fiscal Year Ending	9/30/24 9/30/25	9/30/23 9/30/24	9/30/22 9/30/23	9/30/21 9/30/22	9/30/20 9/30/21	9/30/19 9/30/20	9/30/18 9/30/19	9/30/17 9/30/18	9/30/16 9/30/17	9/30/15 9/30/16
Total Pension Liability										
Service cost	\$ 293,803	\$ 247,097	\$ 258,908	\$ 219,241	\$ 183,067	\$ 186,283	\$ 181,472	\$ 163,804	\$ 140,418	\$ 152,425
Interest	478,357	449,362	425,763	351,050	334,013	323,707	286,220	270,030	233,628	218,206
Share plan allocation	12,134	7,355	1,939	7,076	6,748	6,549	5,344	764	-	-
Changes in benefit terms	-	-	532,682	-	-	-	-	-	-	-
Difference between actual and expected experience	799,649	(89,496)	(85,457)	175,733	1,108	(118,437)	204,944	(91,598)	114,638	(58,880)
Changes of assumptions	-	-	-	-	155,389	72,739	-	-	87,160	-
Contributions - Buy Back	-	-	-	-	-	42,166	-	-	-	-
Benefit payments including refunds of contributions	(241,438)	(252,185)	(252,256)	(263,967)	(227,816)	(221,582)	(157,515)	(137,764)	(102,745)	(90,905)
Net change in total pension liability	1,342,505	362,133	881,579	489,133	452,509	291,425	520,465	205,236	473,099	220,846
Total pension liability - beginning	6,660,584	6,298,451	5,416,872	4,927,739	4,475,230	4,183,805	3,663,340	3,458,104	2,985,005	2,764,159
Total pension liability - ending (a)	\$ 8,003,089	\$ 6,660,584	\$ 6,298,451	\$ 5,416,872	\$ 4,927,739	\$ 4,475,230	\$ 4,183,805	\$ 3,663,340	\$ 3,458,104	\$ 2,985,005
Total Fiduciary Net Position										
Contributions - employer	\$ 465,292	\$ 298,679	\$ 182,136	\$ 152,661	\$ 145,938	\$ 129,209	\$ 136,466	\$ 130,382	\$ 62,751	\$ 60,659
Contributions - state	84,268	74,711	63,877	57,106	56,449	56,051	53,639	44,481	42,952	38,667
Contributions - employee	129,256	115,356	91,518	88,757	89,695	77,838	83,550	81,895	72,128	71,655
Contributions - Buy Back	-	-	-	-	-	42,166	-	-	-	-
Net investment income	1,476,020	660,329	(1,012,789)	953,322	452,771	154,626	338,143	373,236	289,042	(40,277)
Benefit payments, including refunds of contributions	(241,438)	(252,185)	(252,256)	(263,967)	(227,816)	(221,582)	(157,515)	(137,764)	(102,745)	(90,905)
Administrative expense	(43,984)	(45,603)	(40,684)	(39,602)	(34,307)	(47,021)	(35,835)	(42,148)	(39,294)	(51,933)
Net change in plan fiduciary net position	1,869,414	851,287	(968,198)	948,277	482,730	191,287	418,448	450,082	324,834	(12,134)
Plan fiduciary net position - beginning	5,412,501	4,561,214	5,529,412	4,581,135	4,098,405	3,907,118	3,488,670	3,038,588	2,713,754	2,725,888
Plan fiduciary net position - ending (b)	\$ 7,281,915	\$ 5,412,501	\$ 4,561,214	\$ 5,529,412	\$ 4,581,135	\$ 4,098,405	\$ 3,907,118	\$ 3,488,670	\$ 3,038,588	\$ 2,713,754
Net pension liability - ending (a) - (b)	\$ 721,174	\$ 1,248,083	\$ 1,737,237	\$ (112,540)	\$ 346,604	\$ 376,825	\$ 276,687	\$ 174,670	\$ 419,516	\$ 271,251
Plan fiduciary net position as a percentage of the total pension liability	90.99%	81.26%	72.42%	102.08%	92.97%	91.58%	93.39%	95.23%	87.87%	90.91%
Covered payroll	\$ 1,292,557	\$ 1,153,564	\$ 915,178	\$ 887,565	\$ 896,948	\$ 778,377	\$ 835,497	\$ 818,946	\$ 721,277	\$ 716,550
Net pension liability as a percentage of covered payroll	55.79%	108.19%	189.83%	-12.68%	38.64%	48.41%	33.12%	21.33%	58.16%	37.86%

Changes of assumptions:

For measurement date 09/30/2024, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2021 FRS valuation report for special risk employees.

Investment rate return was 7.00%, net of investment related expenses.

CITY OF FLAGLER BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION ASSET AND RELATED RATIOS
FIRE PLAN
SEPTEMBER 30, 2025
(UNAUDITED)

Measurement Period - Fiscal Year Ending Reporting Period - Fiscal Year Ending	9/30/24 9/30/25	9/30/23 9/30/24	9/30/22 9/30/23	9/30/21 9/30/22	9/30/20 9/30/21	9/30/19 9/30/20	9/30/18 9/30/19	9/30/17 9/30/18	9/30/16 9/30/17	9/30/15 9/30/16
Total Pension Liability										
Service cost	\$ 135,512	\$ 115,680	\$ 125,059	\$ 103,175	\$ 97,586	\$ 129,855	\$ 129,752	\$ 82,884	\$ 81,822	\$ 74,954
Interest	174,431	159,387	143,892	109,271	103,952	117,847	94,641	90,640	77,035	69,702
Changes in benefit terms	-	-	156,031	-	-	(322)	-	-	-	-
Difference between actual and expected experience	221,074	(9,526)	8,871	159,876	(53,411)	(216,635)	146,201	(118,194)	16,460	(1,875)
Changes of assumptions	-	-	-	-	15,076	(82,951)	-	-	50,710	-
Contributions - Buy Back	-	-	30,649	-	-	-	-	-	-	-
Benefit payments including refunds of contributions	(56,919)	(83,996)	(71,483)	(39,812)	(43,381)	(63,246)	(58,679)	(39,022)	(52,357)	(51,394)
Net change in total pension liability	474,098	181,545	393,019	332,510	119,822	(115,452)	311,915	16,308	173,670	91,387
Total pension liability - beginning	2,384,821	2,203,276	1,810,257	1,477,747	1,357,925	1,473,377	1,161,462	1,145,154	971,484	880,097
Total pension liability - ending (a)	<u>\$ 2,858,919</u>	<u>\$ 2,384,821</u>	<u>\$ 2,203,276</u>	<u>\$ 1,810,257</u>	<u>\$ 1,477,747</u>	<u>\$ 1,357,925</u>	<u>\$ 1,473,377</u>	<u>\$ 1,161,462</u>	<u>\$ 1,145,154</u>	<u>\$ 971,484</u>
Total Fiduciary Net Position										
Contributions - employer	\$ 119,352	\$ 74,575	\$ 66,153	\$ 70,095	\$ 65,664	\$ 70,900	\$ 86,628	\$ 83,554	\$ 2,978	\$ 12,764
Contributions - state	101,505	91,859	54,933	55,641	49,127	47,053	43,677	31,857	35,714	62,074
Contributions - employee	40,017	36,808	29,988	31,050	31,446	27,936	24,886	25,221	15,917	14,900
Contributions - Buy Back	-	-	30,649	-	-	-	-	-	-	-
Net investment income	712,802	320,680	(493,497)	442,673	198,459	68,923	143,679	158,378	124,245	(19,545)
Benefit payments, including refunds of contributions	(56,919)	(83,996)	(71,483)	(39,812)	(43,381)	(63,246)	(58,679)	(39,022)	(52,357)	(51,394)
Administrative expense	(43,015)	(43,758)	(43,351)	(38,868)	(32,978)	(45,899)	(36,562)	(35,837)	(36,875)	(28,497)
Net change in plan fiduciary net position	873,742	396,168	(426,608)	520,779	268,337	105,667	203,629	224,151	89,622	(9,698)
Plan fiduciary net position - beginning	2,646,728	2,250,560	2,677,168	2,156,389	1,888,052	1,782,385	1,578,756	1,354,605	1,264,983	1,274,681
Plan fiduciary net position - ending (b)	<u>\$ 3,520,470</u>	<u>\$ 2,646,728</u>	<u>\$ 2,250,560</u>	<u>\$ 2,677,168</u>	<u>\$ 2,156,389</u>	<u>\$ 1,888,052</u>	<u>\$ 1,782,385</u>	<u>\$ 1,578,756</u>	<u>\$ 1,354,605</u>	<u>\$ 1,264,983</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ (661,551)</u>	<u>\$ (261,907)</u>	<u>\$ (47,284)</u>	<u>\$ (866,911)</u>	<u>\$ (678,642)</u>	<u>\$ (530,127)</u>	<u>\$ (309,008)</u>	<u>\$ (417,294)</u>	<u>\$ (209,451)</u>	<u>\$ (293,499)</u>
Plan fiduciary net position as a percentage of the total pension liability	123.14%	110.98%	102.15%	147.89%	145.92%	139.04%	120.97%	135.93%	118.29%	130.21%
Covered payroll	\$ 800,344	\$ 736,164	\$ 599,760	\$ 620,994	\$ 628,923	\$ 558,717	\$ 497,723	\$ 504,418	\$ 318,345	\$ 297,990
Net pension asset as a percentage of covered payroll	-82.66%	-35.58%	-7.88%	-139.60%	-107.91%	-94.88%	-62.08%	-82.73%	-65.79%	-98.49%

Changes of assumptions

For measurement date 09/30/2024, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2021 FRS valuation report for special risk employees.

The investment return assumption is 7.00%.

CITY OF FLAGLER BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
POLICE PLAN
SEPTEMBER 30, 2025
(UNAUDITED)

Fiscal Year	Actuarially Determined Contribution (ADC)	Contributions in Relation to ADC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Employee Payroll
2025	\$ 594,026	\$ 627,055	\$ (33,029)	\$ 1,481,361	42.33%
2024	469,198	537,426	(68,228)	1,292,557	41.58%
2023	384,137	366,035	18,102	1,153,564	31.73%
2022	230,625	244,074	(13,449)	915,178	26.67%
2021	205,028	202,691	2,337	887,565	22.84%
2020	195,535	195,639	(104)	896,948	21.81%
2019	184,475	178,711	5,764	778,377	22.96%
2018	172,112	184,762	(12,650)	835,497	22.11%
2017	180,987	174,099	6,888	818,946	21.26%
2016	98,815	105,703	(6,888)	721,277	14.65%

Notes to Schedule:

Valuation Date: 10/1/2023

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method: Entry age normal cost
Amortization Method: Unfunded actuarial accrued liability amortized over 15 years.
Asset Valuation Method: The Actuarial Value of Assets is based on a four-year smoothing methodology.
The annual difference between expected and actual investment earnings (Market Value, net of investment-related expenses), is phased in over a four-year period.
Inflation: 2.50%
Salary Increases: Service based
Investment Rate of Return: 7.0% per year compounded annually, net of investment related expenses.
Mortality: Healthy Active Lives:
Female: PubS.H-2010 for Employees, set forward one year.
Male: PubS.H-2010 (Below Median) for Employees, set forward one year.
Healthy Retiree Lives:
Female: PubS.H-2010 for Healthy Retirees, set forward one year.
Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.
Beneficiary Lives:
Female: PubG.H-2010 for (Below Median) Healthy Retirees.
Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.
Disabled Lives:
80% PubG.H-2010 for Disabled Retirees/20% PubS.H-2010 for Disabled Retirees.
Retirement Age: Earlier of: 1) age 55 and 10 years of service, or 2) age 52 and 25 years of service.
Members satisfying the above eligibility requirements are assumed to retire immediately.

Disability Rate Table

<u>Age</u>	<u>% Becoming Disabled During the Year</u>
20	0.15%
25	0.15%
30	0.20%
35	0.25%
40	0.35%
45	0.50%
50	0.90%
55	1.80%
60	4.50%
65	0.00%

CITY OF FLAGLER BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FIRE PLAN
SEPTEMBER 30, 2025
(UNAUDITED)

Fiscal Year	Actuarially Determined Contribution (ADC)	Contributions in Relation to ADC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Employee Payroll
2025	\$ 118,145	\$ 200,003	\$ (81,858)	\$ 634,505	31.52%
2024	162,870	220,857	(57,987)	800,344	27.60%
2023	149,515	166,434	(16,919)	736,164	22.61%
2022	112,455	121,086	(8,631)	599,760	20.19%
2021	118,859	125,736	(6,877)	620,994	20.25%
2020	119,496	114,791	4,705	628,923	18.25%
2019	123,253	117,953	5,300	558,717	21.11%
2018	120,300	130,305	(10,005)	497,723	26.18%
2017	115,411	115,411	-	504,418	22.88%
2016	45,588	38,692	6,896	318,345	12.15%

Notes to Schedule:

Valuation Date: 10/1/2023

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method: Entry age normal cost
Amortization Method: Unfunded actuarial accrued liability amortized over 15 years
Asset Valuation Method: All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period. (Prior year Fair Market Value, net of investment-related expenses).
Inflation: 2.50%
Salary Increases: Service based
Investment Rate of Return: 7.0% per year compounded annually, net of investment related expenses.
Mortality: Healthy Active Lives:
Female: PubS.H-2010 for Employees, set forward one year.
Male: PubS.H-2010 (Below Median) for Employees, set forward one year.
Healthy Retiree Lives:
Female: PubS.H-2010 for Healthy Retirees, set forward one year.
Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.
Beneficiary Lives:
Female: PubG.H-2010 for (Below Median) Healthy Retirees.
Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.
Disabled Lives:
80% PubG.H-2010 for Disabled Retirees/20% PubS.H-2010 for Disabled Retirees.

Retirement Age:	Number of Years after First Eligibility for Normal Retirement	Probability of Retirement
	0	20%
	1-4	5%
	5 or more	100%

Disability Rate Table:

Age	% Becoming Disabled During the Year
20	0.03%
30	0.04%
40	0.07%
50	0.18%
55	0.36%
60	0.90%

**CITY OF FLAGLER BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF INVESTMENT RETURNS
SEPTEMBER 30, 2025
(UNAUDITED)**

For the Year Ending September 30,	Police Plan	Fire Plan
2025	13.06%	13.02%
2024	26.63%	26.71%
2023	14.40%	14.37%
2022	-18.33%	-18.41%
2021	20.91%	20.41%
2020	11.08%	10.43%
2019	3.95%	3.82%
2018	9.76%	9.27%
2017	12.32%	11.83%
2016	10.62%	10.10%

SUPPLEMENTARY INFORMATION

CITY OF FLAGLER BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	\$ -	\$ 366,670	\$ 88,793	\$ (277,877)
Miscellaneous	-	12,641	64,047	51,406
Total revenues	-	379,311	152,840	(226,471)
Expenditures				
Capital outlay	1,072,731	2,221,228	1,822,576	398,652
Total expenditures	1,072,731	2,221,228	1,822,576	398,652
Excess (deficiency) of revenues over expenditures	(1,072,731)	(1,841,917)	(1,669,736)	172,181
Other financing sources (uses)				
Transfers in from primary government	1,072,731	1,303,992	1,832,268	528,276
Proceeds from sale of capital assets	-	-	18,583	18,583
Total other financing sources (uses)	1,072,731	1,303,992	1,850,851	546,859
Net change in fund balances	-	(537,925)	181,115	719,040
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ (537,925)</u>	<u>\$ 181,115</u>	<u>\$ 719,040</u>

SINGLE AUDIT

CITY OF FLAGLER BEACH, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Federal Agency / Pass-Through Entity / Federal Program	AL Number	Contract / Grant Number	Expenditures
FEDERAL AWARDS			
<u>U.S. Department of Treasury</u>			
Direct Programs:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5084	\$ 789,487
Total U.S. Department of Treasury			<u>789,487</u>
<u>U.S. Department of Justice</u>			
Direct Programs:			
Bulletproof Vest Partnership Program	16.607	N/A	1,604
Indirect Programs:			
Passed-Through State of Florida, Department of Legal Affairs - Office of the Attorney Division Victims of Crime Act	16.575	VOCA-2022-Flagler Beach Police	89,841
Total U.S. Department of Justice			<u>91,445</u>
<u>U.S. Department of Homeland Security</u>			
Indirect Programs:			
Passed through State of Florida, Division of Emergency Management: Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	DEM-17-PA-U5-04-28-01-094	2,551,029
Passed through Florida Executive Office of the Governor Hazard Mitigation Grant	97.039	H0933	23,100
Total U.S. Department of Homeland Security			<u>2,574,129</u>
Total Federal Awards			<u><u>\$ 3,455,061</u></u>

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this statement.

CITY OF FLAGLER BEACH, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

(1) Basis of Presentation:

The accompanying schedule of expenditures of federal awards (“the Schedule”) includes the federal grant activity of the City of Flagler Beach, Florida, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

(2) Summary of Significant Accounting Policies:

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

No amounts were passed through to subrecipients during the fiscal year ended September 30, 2025.

(3) De Minimis Indirect Cost Rate Election:

The City did not elect to use the de minimis indirect cost rate as covered in §200.414, *Indirect (F&A) costs*, of the Uniform Guidance.

(4) Deferred FEMA Expenditures

During the fiscal years ended September 30, 2022, 2023 and 2024, the City incurred substantial costs related to Hurricanes Ian, Nicole, and Milton, respectively. Per the OMB Compliance Supplement, any reimbursements from the Federal Emergency Management Agency (FEMA) under ALN 97.036 are not to be recognized as expenditures for purposes of the Schedule of Expenditures of Federal Awards until the respective Project Worksheets (PW) have been approved. At September 30, 2025, only some of the City’s PWs from these storms had been approved by FEMA. As a result, there are \$48,785 of expenditures and related revenues which have been recorded for financial statement purposes and not on the Schedule of Expenditures of Federal Awards; these expenditures will be recognized on the Schedule of Expenditures of Federal Awards in future years once approved by FEMA.

(5) Contingency:

Project expenditures are subject to audit and adjustment. If any expenditures were to be disallowed by the grantor agency as a result of such an audit, any claim for reimbursement to the grantor agency would become a liability of the City. In the opinion of management, all Project expenditures included on the accompanying schedule complied the terms of the project agreements and applicable federal and state laws and regulations.

**CITY OF FLAGLER BEACH, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

A. Summary of Auditors' Results:

Financial Statements:

Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiency(ies) identified? ☒ yes ☐ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards:

Internal control over major Federal programs:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiency(ies) identified? ☐ yes ☒ none reported

Type of auditors' report issued on compliance for major Federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ yes ☒ none reported

Auditee qualified as a low-risk auditee? ☒ yes ☐ no

Dollar threshold used to distinguish between type A and type B programs: \$1,000,000

Identification of major Federal programs:

AL Number	Program Name
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

B. Financial Statement Findings:

2025-001 Reconciliation of Account Balances

Criteria: Under Accurate and timely reconciliation of account balances is a key internal control to ensure the reliability of financial reporting. Account balances should be reviewed and reconciled periodically to supporting documentation to detect and correct errors in a timely manner.

Condition: During the audit, adjustments were required to properly state certain account balances. Specifically, adjustments were necessary to correct the balance of a line of credit within the proprietary funds and to reclassify impact fees that had been improperly recorded in a proprietary fund but should have been accounted for within governmental activities.

**CITY OF FLAGLER BEACH, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Cause: The condition appears to be the result of inadequate reconciliation procedures and insufficient review of account classifications and balances.

Effect: Inaccurate account balances and misclassifications can lead to material misstatements in the financial statements and reduce the reliability of financial information used for decision-making.

Recommendation: The City should strengthen its reconciliation and review procedures to ensure all account balances are accurately recorded and properly classified. This includes performing regular reconciliations of key accounts, implementing supervisory review processes, and ensuring a clear understanding of proper fund classification requirements.

- C. **Federal Program Findings and Questioned Costs:** None.
- D. **Summary Schedule of Prior Audit Findings:** See schedule of prior audit findings on page 76.
- E. **Corrective Action Plan:** See Management's Response to Findings on page 80.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the Honorable Mayor, City Commission, and City Manager,
City of Flagler Beach, Florida:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Flagler Beach, Florida's (the City) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2025. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

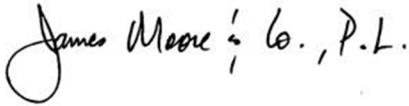
Report on Internal Control over Compliance

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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive, flowing style.

Daytona Beach, Florida
March 31, 2026

OTHER REPORTS

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

To the Honorable Mayor, City Commission, and City Manager,
City of Flagler Beach, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Flagler Beach, Florida (the City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 31, 2026.

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 the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, as described in the accompanying schedule of findings and questioned costs as item 2025-001, that we consider to be significant deficiency.

Report on Compliance and Other Matters

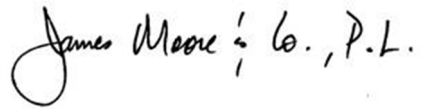
As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

Management's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our engagement and described in the table of contents. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Daytona Beach, Florida
March 31, 2026



**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA
OFFICE OF THE AUDITOR GENERAL**

To the Honorable Mayor, City Commission, and City Manager,
City of Flagler Beach, Florida:

Report on the Financial Statements

We have audited the basic financial statements of City of Flagler Beach, Florida (the City), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 31, 2026.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' 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 March 31, 2026, 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. Finding 2025-002 is repeated from the second preceding audit. The following is a summary of prior year findings and recommendations:

2024-001 Fund Balance and Net Position Opening Balances – Corrective action taken.

2024-002 Unexpended Fund Balance – Building Permits – Comment remains uncorrected from the preceding and second preceding audit; see repeat comment 2025-002.

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 City be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority for the primary government and component units of the reporting City is disclosed in Note 1 of the basic financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions 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 had the following recommendations:

2025-002 Unexpended Fund Balance – Building Permits

Section 553.80(7)(a), Florida Statutes, limits the amount of unexpended building permit funds carried forward to future fiscal years to no more than the City's average operating budget for enforcing the Florida Building Code for the previous four fiscal years. A local government must use any funds in excess of this limitation to rebate or reduce fees. The City's unexpended building permit funds in the Building Department Fund at September 30, 2025, exceeded the City's average operating budget for enforcing the Florida Building Code for the previous four fiscal years by approximately \$560,000. We recommend the City identify how it intends to reduce the amount of unexpended building code balances in order to comply with Section 553.80(7)(a) of Florida Statutes.

Property Assessed Clean Energy (PACE) Programs

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the City did have a property assessed clean energy (PACE) program that finances qualifying improvements authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the City's geographical boundaries during the fiscal year under audit.

As required by Section 10.554(1)(i)6.b. and Section 10.554(1)(i)6.c., Rules of the Auditor General, a full list of the full legal names and contact information of each program administrator and third-party administrator that administered the PACE program within the geographical area of the are as follows:

- a. Florida Resiliency and Energy District - rbartkus@fdcbonds.com

Special District Component Units

Section 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.

Specific Special District Information – CRAs

The required reporting items in accordance with Section 218.39(3)(c), Florida Statutes for the Flagler Beach Community Redevelopment Agency have been reported in the separately-issued audited financial statements.

Additional Matters

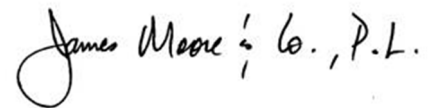
Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants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

Management's Response to Findings

The City's responses to the findings identified in our audit are outlined as listed in the table of contents. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, City Commission, management, others within the City, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Daytona Beach, Florida
March 31, 2026



INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Honorable Mayor, City Commission, and City Manager,
City of Flagler Beach, Florida:

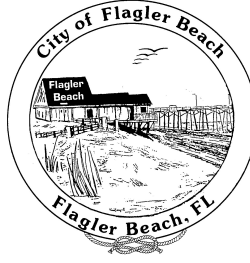
We have examined the City of Flagler Beach, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* (the "Statutes"), for the year ended September 30, 2025. Management is responsible for the City's compliance with the Statute. Our responsibility is to obtain reasonable assurance by evaluating the City's compliance with the Statute during the year ended September 30, 2025, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with the attestation standards for a direct examination engagement established by the AICPA. Those standards require that we obtain reasonable assurance by evaluating whether the City's compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2025, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of evaluation of the City's compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2025. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks that the City was not in compliance with the Statute in all material respects, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the City and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the City of Flagler Beach, Florida complied with the Statutes for the year ended September 30, 2025, in all material respects.

Daytona Beach, Florida
March 31, 2026



Management's Responses to Findings

2025-001 Reconciliation of Account Balances

The City acknowledges the finding regarding the reconciliation of account balances and the need for improved review procedures to ensure accurate financial reporting. Management recognizes the importance of timely reconciliations and proper fund classification.

The misclassification of impact fees identified during the audit has already been corrected in FY26. In addition, the City is implementing enhanced reconciliation procedures for all key accounts, including proprietary and governmental funds. Supervisory review processes are being strengthened to ensure account balances are properly classified and supported by appropriate documentation. Staff training is being conducted to reinforce proper fund classification and accounting procedures. Management believes these actions will prevent future misstatements, improve the reliability of financial reporting, and ensure compliance with internal control standards.

2025-002 Unexpended Fund Balance - Building Permits

The City acknowledges the finding regarding the unexpended fund balance in the Building Department Fund exceeding the limits established in Section 553.80(7)(a), Florida Statutes. Management has taken steps to address this issue. The City Commission is scheduled to adopt a resolution in April 2026 amending the current resolution to reduce permit fees from 50% to 25% of the adopted fee schedule. Additionally, a new Building Official will be hired at the end of April 2026. Management anticipates that these actions will reduce the unexpended fund balance and bring the Building Department Fund into compliance with statutory requirements.

**FLAGLER BEACH
COMMUNITY REDEVELOPMENT AGENCY
FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

**FLAGLER BEACH COMMUNITY REDEVELOPMENT AGENCY
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SEPTEMBER 30, 2025**

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INDEPENDENT AUDITORS' REPORT

To the Governing Board,
Flagler Beach Community Redevelopment Agency:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Flagler Beach Community Redevelopment Agency (the CRA), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the CRA, as of September 30, 2025, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CRA 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 CRA'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.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 GAAS and GAS, 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 CRA'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 CRA's ability to continue as a going concern for a reasonable period of time.

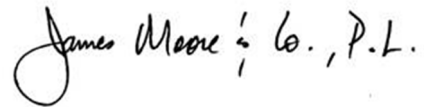
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, 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, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2026, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive, flowing style.

Daytona Beach, Florida
March 31, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Flagler Beach Community Redevelopment Agency's (the CRA) management's discussion and analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the CRA's financial activity, (c) identify changes in the CRA's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the MD&A is designed to focus on current year activities, resulting changes, and currently known facts, it should be read in conjunction with the CRA's financial statements which follow this section.

Financial Highlights

- The assets of the CRA exceeded its liabilities at September 30, 2025, by \$2,756,542 (net position). Of this amount, \$2,312,033 was the net investment in capital assets and \$444,509 was restricted for redevelopment purposes.
- As of September 30, 2025, the CRA's reported ending fund balances of \$444,509. Fund balance saw a change of \$(185,058) when compared to the prior year.
- The CRA's long-term debt obligations decreased by \$66,000 from the prior year due to timing of regularly scheduled payments.
- The CRA's capital assets, net of accumulated depreciation increased by \$365,650 due to depreciation expense of \$263,450 in the current year and \$629,100 in capital outlay.

The MD&A is intended to serve as an introduction to the CRA's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

Overview of the Financial Statements

This annual report consists of four components: 1) management's discussion and analysis (this section), 2) government-wide and fund financial statements, 3) notes to the financial statements, and 4) required supplementary information.

Government-wide Financial Statements

Government-wide financial statements provide readers with a broad overview of the CRA's finances in a manner similar to a private-sector business. The governmental activities of the CRA include providing access to healthcare services for the indigent.

The statement of net position presents information on all of the CRA's assets and liabilities, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the CRA is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported using the modified cash basis of accounting.

Notes to the Financial Statements

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

Government-wide Financial Analysis

Statement of Net Position

The following is a summary of the CRA's governmental activities net position for each of the past two years:

	Governmental Activities	
	2025	2024
ASSETS		
Current and other assets	\$ 1,071,240	\$ 663,232
Capital assets, net	2,593,033	2,227,383
Total assets	<u>\$ 3,664,273</u>	<u>\$ 2,890,615</u>
LIABILITIES		
Current liabilities	\$ 626,731	\$ 33,665
Noncurrent liabilities	281,000	347,000
Total liabilities	<u>\$ 907,731</u>	<u>\$ 380,665</u>
NET POSITION		
Net investment in capital assets	\$ 2,312,033	\$ 1,880,383
Restricted	444,509	629,567
Total net position	<u>\$ 2,756,542</u>	<u>\$ 2,509,950</u>

Statement of Activities

The following is a summary of the changes in the CRA's governmental activities net position for each of the past two years:

	Governmental Activities	
	2025	2024
REVENUES		
Property taxes	\$ 604,498	539,582
Other revenues	14,551	4,555
Total revenues	<u>619,049</u>	<u>544,137</u>
EXPENSES		
Community redevelopment	100,228	197,959
Interest on long-term debt	8,779	10,398
Depreciation	263,450	259,674
Total expenses	<u>372,457</u>	<u>468,031</u>
Net income before transfers	<u>246,592</u>	<u>76,106</u>
Change in net position	246,592	76,106
Net position , beginning of year	<u>2,509,950</u>	<u>2,433,844</u>
Net position , end of year	<u>\$ 2,756,542</u>	<u>\$ 2,509,950</u>

Financial Analysis of the General Fund

The focus of the CRA's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the CRA's financing requirements.

As of the end of the current fiscal year, the CRA's general fund reported an ending fund balance of \$444,509, a change of \$(185,058), in comparison with the prior year.

At the end of the current fiscal year, except for any nonspendable balances, the entire fund balance was restricted for community redevelopment. As the CRA is focused on reinvestment revenues into the CRA and does not have significant annual operational costs, the CRA fund is restricted, so there will not be any unrestricted fund balance.

General Fund Budgetary Highlights

There were no significant variations between original and final budget amounts in the current year.

Actual expenditures in the general fund were \$119,539 less than final budget amounts. The main reason for this is due to the timing of capital outlay and other expenditures.

Budgetary comparisons between the final budget and actual results can be found on page 17 of this report.

Capital Assets

The CRA's investment in capital assets for its governmental activities as of September 30, 2025, amounts to \$2,312,033 (net of accumulated depreciation). This investment in capital assets includes infrastructure and improvements. Additional information on the CRA's capital assets can be found in Note (4) on page 13 of this report.

Long-Term Debt

The CRA's long-term liabilities as of September 30, 2025, amount to \$281,000 and decreased by \$66,000 during the current fiscal year due to timing of payments. Additional information on the CRA's long-term liabilities can be found in Note (5) on page 13 of this report.

Economic Factors and Next Year's Budget

There are many challenges facing local governments today. Property values have continued to increase in recent years, contributing to related growth in the revenues of the CRA. While property values for the 2025-2026 fiscal year have increased, the future outlook of property values and any potential impact they will have on the CRA's finances are unknown.

Requests for Information

This report is designed to provide an overview of the CRA's finances for those with an interest in this area. Questions concerning any of the information found in this report, or requests for additional information, should be directed to the Finance Director, City of Flagler Beach, Florida, 105 South Second Street, Flagler Beach, FL 32136.

FLAGLER BEACH COMMUNITY REDEVELOPMENT AGENCY
BALANCE SHEET / STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	<u>Balance Sheet</u> <u>CRA</u> <u>Fund</u>	<u>Adjustments</u>	<u>Statement of</u> <u>Net Position</u> <u>Governmental</u> <u>Activities</u>
ASSETS			
Cash and cash equivalents	\$ 1,067,405	\$ -	\$ 1,067,405
Due from primary government	8,740	-	8,740
Capital assets:			
Non-depreciable	-	317,600	317,600
Depreciable, net	-	2,275,433	2,275,433
Total assets	<u>\$ 1,076,145</u>	<u>\$ 2,593,033</u>	<u>\$ 3,669,178</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 2,462	\$ -	\$ 2,462
Due to primary government	629,174	-	629,174
Noncurrent liabilities:			
Due within one year:			
Bonds and notes payable	-	-	-
Due in more than one year:			
Bonds and notes payable	-	281,000	281,000
Total liabilities	<u>631,636</u>	<u>281,000</u>	<u>912,636</u>
FUND BALANCE / NET POSITION			
Fund Balance:			
Restricted for:			
Community redevelopment	444,509	(444,509)	-
Net Position:			
Net investment in capital assets	-	2,312,033	2,312,033
Restricted for:			
Community redevelopment	-	444,509	444,509
Total fund balance / net position	<u>444,509</u>	<u>2,312,033</u>	<u>2,756,542</u>
Total liabilities and fund balance / net position	<u>\$ 1,076,145</u>	<u>\$ 2,593,033</u>	<u>\$ 3,669,178</u>

The accompanying notes to financial statements are an integral part of this statement.

FLAGLER BEACH COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE /
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Statement of Revenues, Expenditures and Changes in Fund Balance		Statement of Activities
	CRA Fund	Adjustments	Governmental Activities
Revenues			
Taxes	\$ 604,498	\$ -	\$ 604,498
Investment income	14,551	-	14,551
Total revenues	<u>619,049</u>	<u>-</u>	<u>619,049</u>
Expenditures / expenses			
Current:			
Community redevelopment	100,228	-	100,228
Debt service:			
Principal	66,000	(66,000)	-
Interest and fiscal charges	8,779	-	8,779
Depreciation	-	263,450	263,450
Total expenditures / expenses	<u>175,007</u>	<u>197,450</u>	<u>372,457</u>
Excess (deficiency) of revenues over expenditures / operating income (loss)	<u>444,042</u>	<u>(197,450)</u>	<u>246,592</u>
Other financing sources (uses)			
Transfers out to primary government	(629,100)	629,100	-
Total other financing sources (uses)	<u>(629,100)</u>	<u>629,100</u>	<u>-</u>
Net change in fund balance / net position	<u>(185,058)</u>	<u>431,650</u>	<u>246,592</u>
Fund balance / net position, beginning of year	629,567	1,880,383	2,509,950
Fund balance / net position, end of year	<u><u>\$ 444,509</u></u>	<u><u>\$ 2,312,033</u></u>	<u><u>\$ 2,756,542</u></u>

The accompanying notes to financial statements are an integral part of this statement.

FLAGLER BEACH COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(1) Summary of Significant Accounting Policies:

The financial statements of the Flagler Beach Community Redevelopment Agency (the CRA), have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles and the CRA has adopted the GASB Codification. The following is a summary of the CRA's significant accounting policies:

(a) **Reporting entity**—The Flagler Beach Community Redevelopment Agency was created on May 9, 2002, by City Resolution 2002-19 of the City of Flagler Beach, Florida (the City), pursuant to Florida Statute 163.387, to account for the receipt and expenditure of property tax revenues from the tax increment financing district to support redevelopment in the designated community redevelopment area. Since the City is financially accountable for the activities of the CRA, its governing board is the same, and its relationship to the CRA is significant, the CRA is considered to be a blended component unit in the City's financial statements, where it is also reported as a major special revenue fund.

The CRA has determined there are no component units that meet criteria for inclusion in the CRA's financial statements.

(b) **Government-wide and fund financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the CRA. The CRA only has governmental activities and does not engage in any business-type activity. Direct expenses are those that are clearly identifiable with a specific function or segment. General revenues include ad valorem taxes and interest income. Fund financial statements are presented for the CRA's General Fund. The General Fund, which accounts for all financial operations of the CRA, is considered to be a major fund and is the only fund of the CRA.

(c) **Measurement focus, basis of accounting, and financial statement presentation**—The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the grantor 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 when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the CRA considers property revenues to be available if they are collected within 60 days of the end of the current period. Grants, other intergovernmental revenues, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditures generally are recorded when a liability is incurred. However, expenditures related to long-term agreements are recorded only when payment is due.

FLAGLER BEACH COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

(d) **Budgets and budgetary accounting**—The governing board of the CRA adopts an annual operating budget, which is prepared on a modified accrual basis and can be amended by the board throughout the year. At the fund level, actual expenditures cannot exceed the budgeted amounts. The accompanying budgeted financial statements for the General Fund reflect the final budget authorization amounts, including all amendments.

(e) **Deposits and investments**—The CRA’s cash and cash equivalents include cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents.

(f) **Receivables and payables**—Activity between the CRA and the City has been classified as amount due to/from the primary government on the balance sheet and statement of net position. All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management’s analysis of outstanding balances and historical trends. At September 30, 2025, all of the CRA’s receivables were considered fully collectible.

(g) **Inventories**—The cost of inventory, if any, is accounted for on the consumption basis wherein inventories are charged as expenditures when used, rather than when purchased. All inventories are valued at cost, which approximates market, by using the weighted average valuation method.

(h) **Prepaid items**—Certain payments to vendors, if any, reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

(i) **Capital assets**—Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but charged to operating expense as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Improvements	15 years
Infrastructure	15 – 40 years

FLAGLER BEACH COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

(j) **Long-term obligations**—In the government-wide financial statements, long-term debt and other long-term obligations, as applicable, are reported as liabilities in the CRA's governmental activities. Original issue bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize premiums and discounts, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing uses.

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The CRA does not have any employees. Any employees who provide services to the CRA are employees of the primary government and do so at either no charge to the CRA, or any allocations made to the CRA represent reimbursements by the CRA to the primary government for services rendered (any items recorded to personnel expense accounts are only for ease of tracking the reimbursement amounts). As a result, there is no compensated absences, other post-employment benefits (OPEB), or pension liabilities recorded on the CRA's financial statements.

(k) **Fund balance**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

Nonspendable – amounts not available to be spent or not in spendable form, such as inventory and prepaid items.

Restricted – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government) through constitutional provisions or by enabling legislation.

Committed – amounts constrained to specific purposes based on actions taken by the CRA governing board through ordinance.

Assigned – amounts the CRA intends to use for a specific purpose. Intent can be expressed by the CRA governing board or by an official or body which the Board delegates authority.

Unassigned – amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available; the CRA considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the CRA considers amounts to have been spent first out of committed funds, then assigned funds and finally, unassigned funds, as needed.

(l) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The CRA has no items that meet this reporting criteria.

FLAGLER BEACH COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The CRA has no items that meet this reporting criteria.

(m) **Net position flow assumption**—Sometimes the CRA will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the CRA's policy to consider restricted net position to have been used before unrestricted net position is applied.

(n) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

(2) **Reconciliation of Government-Wide and Fund Financial Statements:**

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the funds, including \$281,000 of notes payable at year-end. Capital assets are not considered current financial resources and therefore not reported in the funds, including \$2,593,033 in net depreciable capital assets at year-end.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is as follows: principal adjustment of \$66,000 and depreciation on capital assets of \$263,450.

FLAGLER BEACH COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(3) Deposits and Investments:

The CRA is subject to the investment policy of the primary government and maintains interest-bearing banking accounts for substantially all CRA funds. Additional accounts are held for various other purposes, or to segregate cash balances for amounts which are restricted or held on behalf of others. State statutes authorize the CRA to invest excess funds in time deposits, or obligations of the principal and interest of which are unconditionally guaranteed by, the United States Government, commercial paper, corporate bonds, repurchase agreements and/or the State Board of Administration (SBA) Local Government Surplus Trust Fund Investment Pool or other investment vehicles authorized by local ordinance.

As of September 30, 2025, all CRA deposits were covered by private bank acquired insurance, Securities Investor Protection Corporation (SIPC) insurance, private broker/dealer acquired insurance, Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act). The Act established guidelines for qualification and participation by banks and savings associations, procedures for administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to 125% may be required if deemed necessary.

All of the CRA's deposits are held with public depositories and as of September 30, 2025, the CRA's deposits and investments were not subject to any substantial interest rate, credit, or concentration risks.

(4) Capital Assets:

Capital asset activity for the fiscal year ended September 30, 2025, is as follows:

Governmental activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Construction in progress	\$ 14,700	\$ 629,100	\$ (326,200)	\$ 317,600
Total assets not being depreciated	<u>14,700</u>	<u>629,100</u>	<u>(326,200)</u>	<u>317,600</u>
Capital assets being depreciated:				
Improvements	389,709	326,200	-	715,909
Machinery and equipment	48,022	-	-	48,022
Infrastructure	<u>5,860,656</u>	<u>-</u>	<u>-</u>	<u>5,860,656</u>
Total assets being depreciated	<u>6,298,387</u>	<u>326,200</u>	<u>-</u>	<u>6,624,587</u>
Less: accumulated depreciation	<u>(4,085,704)</u>	<u>(260,833)</u>	<u>-</u>	<u>(4,346,537)</u>
Total capital assets being depreciated, net	<u>2,212,683</u>	<u>65,367</u>	<u>-</u>	<u>2,278,050</u>
Governmental activities capital assets, net	<u>\$ 2,227,383</u>	<u>\$ 694,467</u>	<u>\$ (326,200)</u>	<u>\$ 2,595,650</u>

Depreciation expense of \$260,833 was charged to the general government function.

FLAGLER BEACH COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(5) Long-Term Liabilities:

Long-term liability activity for the year ended September 30, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds and notes payable	\$ 347,000	\$ -	\$ (66,000)	\$ 281,000	\$ -

Bonds and notes payable in the CRA's governmental activities at September 30, 2025, were comprised of the following obligations:

Refunding Revenue Note, Series 2015, July 10, 2015 with principal attributable to the CRA of \$873,000. The interest rate of 2.53%, with interest payments due semi-annually, and principal payments due October 1 annually through 2030, and secured by tax increment revenues. The outstanding balance at September 30, 2025, was \$281,000 for the Refunding Revenue Note, Series 2015.

Annual debt service requirements to maturity for the CRA's governmental activities bonds and notes payable are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities Revenue Bonds & Notes</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2026	\$ -	\$ 3,555	\$ 3,555
2027	68,000	6,249	74,249
2028	69,000	4,517	73,517
2029	71,000	2,745	73,745
2030	73,000	923	73,923
Total	<u>\$ 281,000</u>	<u>\$ 17,989</u>	<u>\$ 298,989</u>

(6) Commitments and Contingencies:

The CRA is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2025. The outcomes of established claims are included in these financial statements. In the opinion of the CRA and the primary government's legal counsel, no legal proceedings are pending or threatened against the CRA which are not covered by applicable insurance which would inhibit its ability to perform its operations or materially affect its financial condition.

The CRA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, all of which is satisfactorily insured by limited risk, high-deductible commercial general liability insurance. Commercial insurance policies are also obtained for other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

FLAGLER BEACH COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(7) Recent Accounting Pronouncements:

GASB has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the CRA's financial statements:

- (a) GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of GASB 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The effective date for implementation is fiscal years beginning after June 15, 2025, and all reporting periods thereafter.
- (b) GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB Statement No. 104 requires governments to disclose separate information about specific types of capital assets and establishes criteria for identifying and reporting capital assets held for sale. The objective of GASB 104 is to enhance transparency and improve the usefulness of financial statements for stakeholders by providing more detailed information on these assets. The provisions are effective for fiscal years beginning after June 15, 2025.
- (c) GASB issued Statement No. 105, *Subsequent Events*, in December 2025. GASB Statement No. 105 clarifies the subsequent events time frame and establishes accounting and disclosure requirements for recognized and nonrecognized subsequent events. The provisions of GASB Statement No. 105 are effective for fiscal years beginning after June 15, 2026.

REQUIRED SUPPLEMENTARY INFORMATION

FLAGLER BEACH COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	\$ 607,777	\$ 607,777	\$ 604,498	\$ (3,279)
Charges for services	1,000	1,000	-	(1,000)
Investment income	-	-	14,551	14,551
Total revenues	<u>608,777</u>	<u>608,777</u>	<u>619,049</u>	<u>10,272</u>
Expenditures				
Current:				
Community redevelopment	241,267	219,767	100,228	119,539
Debt service:				
Principal	70,389	70,389	66,000	4,389
Interest and fiscal charges	4,390	4,390	8,779	(4,389)
Total expenditures	<u>316,046</u>	<u>294,546</u>	<u>175,007</u>	<u>119,539</u>
Excess (deficiency) of revenues over expenditures	<u>292,731</u>	<u>314,231</u>	<u>444,042</u>	<u>129,811</u>
Other financing sources (uses)				
Transfers out to primary government	(577,731)	(577,731)	-	577,731
Total other financing sources (uses)	<u>(577,731)</u>	<u>(577,731)</u>	<u>-</u>	<u>577,731</u>
Net change in fund balances	<u>(285,000)</u>	<u>(263,500)</u>	<u>444,042</u>	<u>707,542</u>
Fund balances, beginning of year	629,567	629,567	629,567	-
Fund balances, end of year	<u><u>\$ 344,567</u></u>	<u><u>\$ 366,067</u></u>	<u><u>\$ 1,073,609</u></u>	<u><u>\$ 707,542</u></u>

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

To the Governing Board,
Flagler Beach Community Redevelopment Agency:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and each major fund of the Flagler Beach Community Redevelopment Agency (the CRA), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements and have issued our report thereon dated March 31, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CRA'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 CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA'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.

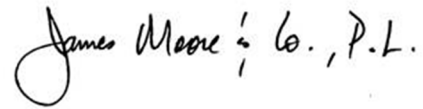
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during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

Report on Compliance and Other Matters

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

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 CRA'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 CRA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Daytona Beach, Florida
March 31, 2026

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA
OFFICE OF THE AUDITOR GENERAL**

To the Governing Board,
Flagler Beach Community Redevelopment Agency:

Report on the Financial Statements

We have audited the basic financial statements of the Flagler Beach Community Redevelopment Agency (the CRA), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 31, 2026.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 31, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No findings were noted in the preceding financial audit report or second preceding 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. The legal authority for the CRA is disclosed in Note 1 of the basic financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the CRA has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the CRA, 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 CRA. It is management's responsibility to monitor the CRA'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 had no such recommendations, other than those comments repeated above.

Property Assessed Clean Energy (PACE) Programs

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the CRA did have a property assessed clean energy (PACE) program that finances qualifying improvements authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the CRA's geographical boundaries during the fiscal year under audit.

As required by Section 10.554(1)(i)6.b. and Section 10.554(1)(i)6.c., Rules of the Auditor General, a full list of the full legal names and contact information of each program administrator and third-party administrator that administered the PACE program within the geographical area of the CRA are as follows:

- a. Florida Resiliency and Energy District - rbartkus@fdcbonds.com

Special District Component Units

Section 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.

Specific Special District Information – Flagler Beach Community Redevelopment Agency

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the CRA reported the following unaudited data:

- (a) The total number of CRA employees compensated in the last pay period of the CRA's fiscal year: 1
- (b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year: 4.
- (c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$61,934.
- (d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$26,013.
- (e) Each construction project with a total cost of at least \$65,000 approved by the CRA that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:
 - a. CRA Parking Lots: \$311,500
 - b. CRA Light Replacement: \$290,543
- (f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the CRA amends a final adopted budget under Section 189.016(6), Florida Statutes, as follows: as noted on page 17, the CRA's original budgeted expenditures totaled \$316,046 and was amended by the total amount of \$21,500, for final budgeted expenditures of \$294,546.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not 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 Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the CRA's governing board, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Daytona Beach, Florida
March 31, 2026





INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Governing Board,
Flagler Beach Community Redevelopment Agency:

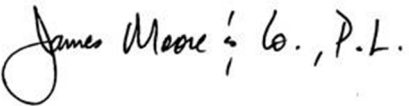
We have examined the Flagler Beach Community Redevelopment Agency's (the CRA) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, and Sections 163.387(6) and (7), Florida Statutes, *Redevelopment Trust Fund* (collectively, the Statutes), for the year ended September 30, 2025. Management is responsible for the CRA's compliance with those requirements. Our responsibility is to obtain reasonable assurance by evaluating the CRA's policies against the Statutes for the year ended September 30, 2025, to determine the CRA's compliance and performing other procedures to obtain sufficient appropriate audit evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with attestation standards for a direct examination established by the American Institute of Certified Public Accountants. Those standards require that we obtain reasonable assurance by evaluating the CRA's policies against the Statutes for the year ended September 30, 2025, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the result of our measurement or evaluation of the CRA's compliance for the year ended September 30, 2025. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with the Statutes in all material respects, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the CRA, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our examination engagement.

In our opinion, the Flagler Beach Community Redevelopment Agency complied with the Statutes for the year ended September 30, 2025, in all material respects.

Daytona Beach, Florida
March 31, 2026

 James Moore & Co., P.L.



Staff Report

City Commission Regular Meeting

April 23, 2026

To: City Commission
From: Hollie Harlan, Finance Director
Meeting Date: April 23, 2026
Item Name: FY26 Quarter 2 - Quarterly Financials

Background:

Presentation of the quarter two (January - March 2026) ending financials.

Fiscal Impact:

N/A

Staff Recommendation:

N/A

Attachments:

1. FY26 Q2 Financials Final - COFB

City of Flagler Beach
General, Building & Governmental
Impact Fee Funds
Revenue and Expense by Department
For the 6 months ended March 31, 2026

General Fund & Building Fund									
3/31/2025					3/31/2026				
	Budget + Amendments	Actual Revenue / Expense (YTD)	Percent		Budget + Amendments	Actual Revenue / Expense (YTD)	Percent	Budget Variance Favorable (Unfavorable)	
Beginning Fund Balance - As of 9/30		\$ 9,547,350			\$ 9,666,595	\$ 9,666,595			
Revenue:									
Property Tax, Sales & Use Tax - Dept 3100	\$ 7,707,318	\$ 6,289,626	82%		\$ 8,460,407	\$ 7,015,622	83%	\$ (1,444,785)	
License and Permits - Dept 3200	\$ 254,950	\$ 93,735	37%		\$ 259,000	\$ 92,676	36%	\$ (166,324)	
Intergovernmental - Dept 3300	\$ 773,311	\$ 291,757	38%		\$ 747,876	\$ 417,686	56%	\$ (330,190)	
Other local sources (Charges for services/ Fines and Forfeitures/ Misc Revenue)									
Depts 3400-3600	\$ 642,560	\$ 430,511	67%		\$ 2,270,054	\$ 697,809	31%	\$ (1,572,245)	
Encumbered to Fund Balance/Transfer from Capital Dept 3800	\$ 1,908,600	\$ -	0%		\$ 516,000	\$ -	0%	\$ (516,000)	
License & Permits - Building Fund - Dept 3200	\$ 609,200	\$ 364,974	60%		\$ 307,900	\$ 144,562	47%	\$ (163,338)	
Misc. Revenue - Building Fund - Dept 3600	\$ 10,000	\$ 3,100	31%		\$ 18,270	\$ -	0%	\$ (18,270)	
Transfer from Fund Balance Building Fund - Dept 3800	\$ 275,471	\$ -	0%		\$ 596,728	\$ -	0%	\$ (596,728)	
Governmental Impact Fee Fund - Dept 3600	\$ -	\$ -	0%		\$ -	\$ 118,792	0%	\$ 118,792	
Total Revenues	\$ 12,181,410	\$ 7,473,703	61%		\$ 13,176,235	\$ 8,487,148	64%	\$ (4,689,087)	
Expenditures:									
Commission	\$ 112,326	\$ 47,094	42%		\$ 133,291	\$ 112,399	84%	\$ 20,892	
Executive	\$ 237,286	\$ 105,712	45%		\$ 233,651	\$ 112,875	48%	\$ 120,776	
City Clerk	\$ 271,836	\$ 135,128	50%		\$ 250,206	\$ 122,079	49%	\$ 128,127	
Human Resources	\$ 174,443	\$ 76,559	44%		\$ 173,200	\$ 100,772	58%	\$ 72,428	
Finance	\$ 387,687	\$ 178,531	46%		\$ 391,322	\$ 198,816	51%	\$ 192,506	
Legal	\$ 233,500	\$ 72,806	31%		\$ 190,000	\$ 84,813	45%	\$ 105,187	
Facilities	\$ 730,898	\$ 317,330	43%		\$ 783,479	\$ 286,553	37%	\$ 496,926	
General Government	\$ 655,063	\$ 465,507	71%		\$ 567,805	\$ 413,489	73%	\$ 154,316	
Police	\$ 2,735,556	\$ 1,379,454	50%		\$ 3,196,477	\$ 1,512,002	47%	\$ 1,684,475	
Victim's Advocate	\$ 146,238	\$ 66,633	46%		\$ 145,074	\$ 69,476	48%	\$ 75,598	
Fire	\$ 1,434,392	\$ 777,402	54%		\$ 1,493,144	\$ 761,009	51%	\$ 732,135	
Planning & Zoning	\$ 422,736	\$ 163,236	39%		\$ 573,006	\$ 266,581	47%	\$ 306,425	
Fund Expense - Transfer to Capital/Contingency	\$ 2,205,569	\$ -	0%		\$ 2,689,344	\$ 49,575	2%	\$ 2,639,769	
Information Technology	\$ 272,915	\$ 142,753	52%		\$ 267,908	\$ 132,094	49%	\$ 135,814	
Roads & Streets	\$ 573,949	\$ 164,373	29%		\$ 512,972	\$ 191,498	37%	\$ 321,474	
Library	\$ 197,949	\$ 111,178	56%		\$ 197,572	\$ 92,762	47%	\$ 104,810	
Museum	\$ 8,560	\$ 2,574	30%		\$ 9,960	\$ 2,685	27%	\$ 7,275	
Recreation	\$ 495,956	\$ 168,252	34%		\$ 444,926	\$ 157,533	35%	\$ 287,393	
Building Fund - Dept 5242	\$ 894,671	\$ 247,593	28%		\$ 922,898	\$ 273,761	30%	\$ 649,137	
Total Expenditures	\$ 12,191,530	\$ 4,622,115	38%		\$ 13,176,235	\$ 4,940,771	37%	\$ 8,235,464	
Transfers out	\$ -	\$ -	0%		\$ -	\$ -	0%	\$ -	
Net Change in Fund Balance	\$ (10,120)	\$ 2,851,588			\$ -	\$ 3,546,377			
Fund balance, Ending	\$ 9,537,230	\$ 12,398,938			\$ 9,666,595	\$ 13,212,972			
Restricted Reserves		\$ 6,295,865				\$ 5,590,538			
Emergency Fund Balance Policy - 25% General Fund Only		\$ 2,334,157				\$ 2,821,570			
Estimated Undesignated Fund Balance		\$ 3,768,916				\$ 4,800,864			

Summary Points:

1. All beginning fund balances have been updated to reflect the FY25 audited financials.
2. New Revenue line added - Fund 199 - Governmental Impact Fees (no expenditure budgets).
3. The amount in restricted reserves includes funds restricted for the building department, capital assets, and various reserve funds such as street lighting, paving, park improvements etc.
4. Revenues (64%) are outpacing expectations while expenditures (37%) remain well controlled, generating a \$3.5M surplus.
5. Fund balance has grown to \$13.2M, with undesignated reserves (est \$4.8M) well above policy requirements.
6. Building permit revenue is lower than prior year due to a 50% reduction in permit fees, while property and sales tax revenues remain strong and continue to outperform expectations.

City of Flagler Beach
CRA Fund
Revenue and Expense by Department
For the 6 months ended March 31, 2026

CRA							
3/31/2025				3/31/2026			
	Budget + Amendments	Actual Revenue / Expense (YTD)	Percent	Budget + Amendments	Actual Revenue / Expense (YTD)	Percent	Budget Variance Favorable (Unfavorable)
Beginning Fund Balance - As of 9/30		\$ 629,567		\$ 444,509	\$ 444,509		
Revenue:							
Property Tax, Sales & Use Tax - Dept 3100	\$ 607,777	\$ 604,498	99%	\$ 701,725	\$ 702,378	100%	\$ 653
License and Permits - Dept 3200	\$ 1,000	\$ -	0%	\$ 2,000	\$ -	0%	\$ (2,000)
Intergovernmental - Dept 3300	\$ 170,000	\$ -	0%	\$ -	\$ -	0%	\$ -
Transfer from Fund Balance/Interest Earned - Dept 3600	\$ 285,000	\$ 5,859	2%	\$ 233,711	\$ 10,604	5%	\$ -
Total Revenues	\$ 1,063,777	\$ 610,357	57%	\$ 937,436	\$ 712,982	76%	\$ (224,454)
Expenditures:							
Fund Expense - Dept 5391	\$ 521,267	\$ 12,894	2%	\$ 192,327	\$ 75,785	39%	\$ 116,542
Redevelopment Grants - Dept 5391	\$ 65,000	\$ 5,000	8%	\$ 50,000	\$ 19,895	40%	\$ 30,105
Debt Service - Dept 5391	\$ 74,779	\$ -	0%	\$ 75,109	\$ 3,527	5%	\$ 71,582
Capital Improvements - Dept 5391	\$ 577,731	\$ -	0%	\$ 620,000	\$ -	0%	\$ 620,000
Total Expenditures	\$ 1,238,777	\$ 17,894	1%	\$ 937,436	\$ 99,207	11%	\$ 838,229
Net Change in Fund Balance	\$ (175,000)	\$ 592,463		\$ -	\$ 613,775		
Fund balance, Ending	\$ 454,567	\$ 1,222,030		\$ 444,509	\$ 1,058,284		
Restricted Reserves		\$ -			\$ 444,509		
Estimated Undesignated Fund Balance		\$ 1,222,030			\$ 613,775		

Summary Points:

1. The cra restricted reserves is for community redevelopment projects.
2. As shown in the audit, all of the CRA undesignated fund balance is considered "restricted."
3. Revenues are at 76% of budget, driven by property tax revenues performing at 100% of budget.
4. Only 11% of operating budget spent; majority of expenses incur in the Capital Reserve Fund.
5. While this fund shows a fund balance surplus, CRA-funded capital projects are being expended through the Capital Reserve Fund, so available fund balance here is not indicative of total CRA spending activity.

City of Flagler Beach
Capital Reserve Fund
Revenue and Expense by Fund
For the 6 months ended March 31, 2026

Capital Reserves Fund

3/31/2025			
	Budget + Amendments	Actual Revenue / Expense (YTD)	Percent

Beginning Fund Balance - As of 9/30	\$ -
-------------------------------------	------

Revenue:

Intergovernmental - Dept 3300	\$	-	\$	-	0%
Misc. Revenue - Dept 3600	\$	12,641	\$	-	0%
General Fund - Dept 3800					
	\$	476,250	\$	-	0%
CRA- Dept 3800	\$	577,731	\$	-	0%
Building Code - Dept 3800	\$	18,750	\$	-	0%
Total Revenues	\$	1,085,372	\$	-	0%

Expenditures:				
General Fund - All Depts	\$	488,891	\$	445,915 91%
CRA	\$	577,731	\$	150,770 26%
Building Code	\$	18,750	\$	- 0%
Total Expenditures	\$	1,085,372	\$	596,685 55%

Net Change in Fund Balance	\$	0	\$	(596,685)
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Fund balance, Ending	\$	0	\$	(596,685)
Restricted Reserves			\$	-
Estimated Undesignated Fund Balance			\$	(596,685)

3/31/2026			
Budget + Amendments	Actual Revenue / Expense (YTD)	Percent	Budget Variance Favorable (Unfavorable)

\$	181,115	\$	181,115
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\$	317,502	\$	100,000	31%	\$	(217,502)
\$	-	\$	-	0%	\$	-
\$	1,349,933	\$	-	0%	\$	(1,349,933)
\$	620,000	\$	-	0%	\$	(620,000)
\$	35,816	\$	-	0%	\$	(35,816)
\$	2,323,251	\$	100,000	4%	\$	(2,223,251)

\$	1,497,435	\$	863,765	58%	\$	633,670
\$	790,000	\$	289,222	37%	\$	500,778
\$	35,816	\$	35,816	100%	\$	-
\$	2,323,251	\$	1,188,803	51%	\$	1,134,448

\$ - \$ (1,088,803)

\$	181,115	\$	(907,688)
		\$	181,115
		\$	(1,088,803)

Summary Points:

1. Capital restricted reserves is restricted for capital improvements.
2. \$100K of intergovernmental revenue received is for the Police drones.
3. The fund shows a \$(1.09M) deficit, primarily due to capital expenditures occurring ahead of corresponding funding transfers, which are transferred at year end.
4. 51% of budget expended, reflecting ongoing capital project activity, particularly for General Fund and CRA projects.

Q2 Capital Fund Spend 25/26

PROJECT IN PROGRESS		PROJECT COMPLETED		ON COMMISSION MEETING AGENDA				Comments
Project #	Name	Fund	Funding Source	Budget 25/26	YTD Expense	Percent	Budget Variance	
558	Facilities - Air Conditioning Units	General	Unrestricted GF	24,000	0	0%	24,000	
556	Facilities - Bucket Truck	General	Unrestricted GF	100,000	35,700	36%	64,300	
556	Facilities - Dump Truck	General	Unrestricted GF	100,000	10,346	10%	89,654	
563	Facilities - Park Improvements	General	Unrestricted GF	10,000	8,415	84%	1,585	Fence at Palmetto Park complete.
572	Facilities - Hydroplanks	General	24/25 Capital/Grant Funded	147,502	150,123	102%	(2,621)	Public Works building installation complete. Facilities, FD, PD and Library still need to be installed.
Total Facilities				381,502	204,584	54%	176,918	
095	Police - Three Vehicles	General	Infrastructure Surtax Reserve	250,833	170,400	68%	80,433	Three of four vehicles have been received.
651	Police - Evidence Drying Cabinet	General	Unrestricted GF	0	8,324	0%	(8,324)	Need to complete BA from Police GF budget.
501	Police - Drones	General	Grant	0	0	0%	0	Drones on order. BA will need to be done for grant.
Total Police				250,833	178,724	71%	72,109	
603	Fire - Fire Station Repairs	General	Infrastructure Surtax Reserve	117,000	72,930	62%	44,070	New Bay Door installation completed. Training Room Renovations to anticipated to start April 20..
604	Fire - Painting of High Water Vehicle	General	Unrestricted GF	7,000	0	0%	7,000	Project will not be completed. Funds will be used for command vehicle.
604	Fire - Vehicle Replacement	General	Infrastructure Surtax Reserve / Fire Equip Reserve	59,000	0	0%	59,000	Vehicle on order.
Total Fire				183,000	72,930	40%	110,070	
553	P&Z - Code Enforcement New Golf Cart	General	Unrestricted GF	11,000	10,921	99%	79	Golf cart received.
Total Planning & Zoning				11,000	10,921	99%	79	
606	IT - New Server	General	Unrestricted GF	38,000	0	0%	38,000	
607	IT - City Wide Cameras	General	City Wide Camera Reserve	20,000	0	0%	20,000	
605	IT - BSA Cloud Version Update	Multi	Fund split across departments	68,100	55,839	82%	12,261	
Total IT				126,100	55,839	44%	70,261	
567	Roads & Streets - Paving & Sidewalks	General	Reserves/ Unrestricted GF	287,000	339,998	118%	(52,998)	BA to cover overage.
610	Roads & Streets - Vehicle Replacement	General	Unrestricted GF	20,000	0	0%	20,000	
618	Roads & Streets - Bridge Lighting	General	Bridge Lighting Reserve	203,000	0	0%	203,000	
Total Roads & Streets				510,000	339,998	67%	170,002	
611	Library - Exterior Rehab	General	Unrestricted GF	25,000	0	0%	25,000	Obtaining Quotes from Contractor week of APR 13
Total Library				25,000	0	0%	25,000	
554	Recreation - ATV	General	Reserves/ Unrestricted GF	10,000	0	0%	10,000	
599	Recreation - Driveway Improvements	General	Reserves/ Unrestricted GF	0	770	0%	(770)	Rollover from prior year.
Total Recreation				10,000	770	8%	9,230	
550	CRA - City Parking Lots	CRA	CRA Fund Balance	200,000	133,425	67%	66,575	S. 5th parking lot complete.
553	CRA - Decorative Street Lamp Replacement (Installation Only) (30Yrs)	CRA	CRA	200,000	0	0%	200,000	Contractor Completing Assessment and Preparing Quote Installation Anticipated to Begin in MAY
598	CRA - Veteran's Park Improvements	CRA	CRA	50,000	0	0%	50,000	
600	CRA - Wickline Playground Rebuild	CRA	FRDAP Grant / CRA	340,000	155,797	46%	184,203	Project 80% Complete Anticipated Final Completion MAY 8
Total CRA				790,000	289,222	37%	500,778	
596	BCI - Vehicle	BCI	BCI Fund; 24/25 Capital	35,816	35,816	100%	0	Truck received.
Total Building Code				35,816	35,816	100%	0	

Utility and Impact Fee Fund							
3/31/2025				3/31/2026			
	Budget + Amendments	Actual Revenue / Expense	Percent	Budget + Amendments	Actual Revenue / Expense (YTD)	Percent	Budget Variance Favorable (Unfavorable)
Beginning Fund Balance - As of 9/30		\$ 39,902,397		\$ 43,899,288	\$ 43,899,288		
Revenue:							
Impact & Utility Misc Revenue - Dept 3600	\$ 1,237,341	\$ 843,519	68%	\$ 2,409,000	\$ 605,469	25%	\$ (1,803,531)
Charges for Services - Dept 3400	\$ 7,008,000	\$ 2,931,556	42%	\$ 6,879,000	\$ 3,426,117	50%	\$ (3,452,883)
Grant Revenue - Dept 3300	\$ 5,426,936	\$ -	0%	\$ 4,573,677	\$ -	0%	\$ (4,573,677)
Fines - Dept 3500	\$ 65,000	\$ 27,093	42%	\$ 65,000	\$ 29,122	45%	\$ (35,878)
Proceeds - SRF Loan - WWTP - Project 119	\$ 25,000,000	\$ -	0%	\$ 26,777,000	\$ -	0%	\$ (26,777,000)
Transfer from Fund Balance - Dept 3800	\$ 3,869,765	\$ -	0%	\$ -	\$ -	0%	\$ -
Total Revenues	\$ 42,607,042	\$ 3,802,169	9%	\$ 40,703,677	\$ 4,060,707	10%	\$ (36,642,970)
Expenditures:							
WTP - Dept 5331	\$ 3,374,672	\$ 1,315,543	39%	\$ 1,426,119	\$ 524,631	37%	\$ 901,488
Utility Debt Service - Dept 5331	\$ 465,750	\$ 232,874	50%	\$ 465,750	\$ 232,875	50%	\$ 232,875
WWTP - Dept 5351	\$ 29,055,493	\$ 357,911	1%	\$ 1,003,233	\$ 359,260	36%	\$ 643,973
Utility Debt Service - Dept 5351	\$ 513,398	\$ 24,145	5%	\$ 978,506	\$ 24,145	2%	\$ 954,361
Utility Maintenance - Dept 5354	\$ 4,183,961	\$ 331,818	8%	\$ 1,090,465	\$ 353,796	32%	\$ 736,669
Utility & Impact Fees - Fund Expense - Dept 5391	\$ 1,381,144	\$ 802,927	58%	\$ 1,424,404	\$ 862,096	61%	\$ 562,308
Utility & Impact Fees - Capital Projects - Dept 5391	\$ 719,355	\$ 106,112	15%	\$ -	\$ -	0%	\$ -
Utility & Impact - Depreciation - Dept 5391	\$ 2,621,001	\$ -	0%	\$ 1,801,821	\$ -	0%	\$ 1,801,821
Utility & Impact - Reserve for Contingency - Dept 5391	\$ 928,739	\$ -	0%	\$ 32,513,379	\$ -	0%	\$ 32,513,379
Total Expenditures	\$ 43,243,513	\$ 3,171,329	7%	\$ 40,703,677	\$ 2,356,803	6%	\$ 38,346,874
Net Change in Fund Balance	\$ (636,471)	\$ 630,839		\$ -	\$ 1,703,904		
Fund balance, Ending	\$ 39,265,926	\$ 40,533,236		\$ 43,899,288	\$ 45,603,192		
Restricted Reserves		\$ 30,392,704			\$ 33,530,062		
Emergency Fund Balance Policy - 10% (utility fund only)		\$ 1,937,369			\$ 3,966,568		
Estimated Undesignated Fund Balance		\$ 8,203,164			\$ 8,106,562		

Summary Points:

1. Fund balance of \$45.6M reflects the utility system's overall financial position, including operating results, reserves, and timing of capital and financing activity.
2. Only 10% of budgeted revenues realized, primarily due to timing of grant funding, SRF loan proceeds, and utility/impact fee collections expected later in the year.
3. Significant capital project costs have already been incurred but are being recorded on the balance sheet, rather than as operating expenditures, resulting in lower reported YTD expense activity (6%).

Sanitation Fund							
3/31/2025				3/31/2026			
	Budget + Amendments	Actual Revenue / Expense (YTD)	Percent	Budget + Amendments	Actual Revenue / Expense (YTD)	Percent	Budget Variance Favorable (Unfavorable)
Beginning Fund Balance - As of 9/30		\$ 1,790,239		\$ 1,890,719	\$ 1,890,719		
Revenue:							
Charges for Services -							
Dept 3400	\$ 1,889,500	\$ 785,375	42%	\$ 2,002,800	\$ 1,029,420	51%	\$ (973,380)
Fines - Dept 3500	\$ 15,000	\$ 5,044	34%	\$ 15,000	\$ 7,720	51%	\$ (7,280)
Misc. - Dept 3600	\$ 76,500	\$ 35,147	46%	\$ 45,500	\$ 17,665	39%	\$ (27,835)
Roll Off License - Dept 3670	\$ 5,500	\$ -	0%	\$ 5,500	\$ -	0%	\$ (5,500)
Total Revenues	\$ 1,986,500	\$ 825,565	42%	\$ 2,068,800	\$ 1,054,804	51%	\$ (1,013,996)
Expenditures:							
Refuse Collection -							
Dept 5341	\$ 1,545,376	\$ 819,693	53%	\$ 1,647,935	\$ 617,941	37%	\$ 1,029,994
Capital Projects - Dept 5341	\$ 25,000	\$ -	0%	\$ -	\$ -	0%	\$ -
Fund Expense -							
Dept 5391	\$ 219,626	\$ 93,677	43%	\$ 160,145	\$ 101,566	63%	\$ 58,579
Depreciation - Dept 5391	\$ 196,498	\$ -	0%	\$ 221,807	\$ -	0%	\$ 221,807
Reserve for Contingencies - Dept 5391	\$ -		0%	\$ 38,913	\$ -	0%	\$ 38,913
Total Expenditures	\$ 1,986,500	\$ 913,370	46%	\$ 2,068,800	\$ 719,507	35%	\$ 1,349,293
Net Change in Fund Balance	\$ -	\$ (87,804)		\$ -	\$ 335,297		
Fund balance, Ending	\$ 1,790,239	\$ 1,702,435		\$ 1,890,719	\$ 2,226,016		
Restricted Reserves		\$ 885,486			\$ 674,744		
Emergency Fund Balance							
Policy - 10%		\$ 186,224			\$ 206,880		
Estimated Undesignated Fund Balance		\$ 630,725			\$ 1,344,392		

Summary Points:

1. Revenues are at 51% of budget, tracking ahead of prior year due to stronger charges for services collection.
2. All expenses are properly recorded in this fund; however, one small capital project was completed and appropriately recorded as a capital asset on the balance sheet in accordance with accounting standards.
3. Fund balance increased to \$2.23M, reflecting operating results, while capital costs are recorded as assets on the balance sheet and not reflected in this fund balance.

Stormwater Fund									
3/31/2025					3/31/2026				
	Budget + Amendments	Actual Revenue / Expense (YTD)	Percent		Budget + Amendments	Actual Revenue / Expense (YTD)	Percent	Budget Variance Favorable (Unfavorable)	
Beginning Fund									
Balance - As of 9/30		\$ 6,760,467			\$ 7,128,071	\$ 7,128,071			
Revenue:									
Intergovernmental -									
Dept 3300	\$ 64,944	\$ -	0%		\$ -	\$ -	0%	\$ -	
Charges for Service -									
Dept 3400	\$ 1,182,000	\$ 411,314	35%		\$ 1,174,000	\$ 599,942	51%	\$ (574,058)	
Misc - Dept 3600	\$ 7,000	\$ 24,041	343%		\$ 1,000	\$ 424	42%	\$ (576)	
Transfer from Fund									
Balance - Dept 3800	\$ 136,648	\$ -	0%		\$ -	\$ -	0%	\$ -	
Total Revenues	\$ 1,390,592	\$ 435,356	31%		\$ 1,175,000	\$ 600,366	51%	\$ (574,634)	
Expenditures:									
Fund Expense - Dept									
5391	\$ 523,305	\$ 181,587	35%		\$ 550,782	\$ 150,677	27%	\$ 400,105	
Capital Projects - Dept									
5391	\$ 558,128	\$ 72,129	13%		\$ -	\$ -	0%	\$ -	
Debt Principal and									
Interest - Dept 5391	\$ 117,865	\$ -	0%		\$ 118,233	\$ 5,573	5%	\$ 112,660	
Depreciation - Dept									
5391	\$ 195,107	\$ -	0%		\$ 218,729	\$ -	0%	\$ 218,729	
Reserve for									
Contingencies - Dept									
5391	\$ -	\$ -	0%		\$ 287,256	\$ -	0%	\$ 287,256	
Total Expenditures	\$ 1,394,405	\$ 253,716	18%		\$ 1,175,000	\$ 156,250	13%	\$ 1,018,750	
Net Change in Fund									
Balance	\$ (3,813)	\$ 181,640			\$ -	\$ 444,116			
Fund balance, Ending	\$ 6,756,654	\$ 6,942,107			\$ 7,128,071	\$ 7,572,187			
Restricted Reserves	\$ -	\$ 5,819,186			\$ -	\$ 5,777,112			
Emergency Fund									
Balance Policy - 10%		\$ 381,686				\$ 117,500			
Estimated									
Undesignated Fund									
Balance		\$ 741,235				\$ 1,677,575			

- Summary Points:
1. Revenues are at 51% of budget, driven by solid charges for services collections exceeding prior year timing.
 2. Operating expenditures are at 13% of budget, while capital project costs have been incurred and recorded as assets on the balance sheet rather than as operating expenses, resulting in lower reported expense levels.
 3. Fund balance increased to \$7.57M, reflecting the overall financial position of the Stormwater Fund at the close of quarter-two end.

City of Flagler Beach
Pier Fund
Revenue and Expense by Department
For the 6 months ended March 31, 2026

Pier Fund							
3/31/2025				3/31/2026			
	Budget + Amendments	Actual Revenue / Expense (YTD)	Percent	Budget + Amendments	Actual Revenue / Expense (YTD)	Percent	Budget Variance Favorable (Unfavorable)
Beginning Fund Balance - As of 9/30		\$ 2,843,534		\$ 6,364,261	\$ 6,364,261		
Revenue:							
Intergovernmental -							
Dept 3300	\$ 17,557,955	\$ -	0%	\$ 8,707,382	\$ -	0%	\$ (8,707,382)
Miscellaneous -							
Dept 3600	\$ 150,000	\$ 62,686	42%	\$ 10,107,000	\$ 3,665,688	36%	\$ (6,441,312)
Transfer from General Fund/Fund Balance - Dept 3800	\$ 2,040,265	\$ -	0%	\$ 516,000	\$ -	0%	\$ (516,000)
Total Revenues	\$ 19,748,220	\$ 62,686	0%	\$ 19,330,382	\$ 3,665,688	19%	\$ (15,664,694)
Expenditures:							
Operating - All - Dept 5725	\$ 150,000	\$ 76,764	51%	\$ 147,200	\$ 76,324	52%	\$ 70,876
Capital Projects - Dept 5725	\$ 19,269,520	\$ 38,172	0%	\$ -	\$ (1,200)	0%	\$ 1,200
Debt Principal and Interest - Dept 5725	\$ 198,400	\$ -	0%	\$ 7,956,899	\$ 26,128	0%	\$ 7,930,771
Depreciation - Dept 5725	\$ 131,665	\$ -	0%	\$ 184,100	\$ -	0%	\$ 184,100
Reserve for Pier Operations	\$ -		0%	\$ 11,042,183	\$ -	0%	\$ 11,042,183
Total Expenditures	\$ 19,749,585	\$ 114,936	1%	\$ 19,330,382	\$ 101,252	1%	\$ 19,229,130
Net Change in Fund Balance	\$ (1,365)	\$ (52,250)		\$ -	\$ 3,564,436		
Fund balance, Ending	\$ 2,842,169	\$ 2,791,284		\$ 6,364,261	\$ 9,928,697		
Restricted Reserves		\$ 2,281,167			\$ 2,949,244		
Estimated Undesignated Fund Balance		\$ 510,117			\$ 6,979,453		

Summary Points:

1. Revenues are at 19% of budget, primarily due to timing of intergovernmental and financing-related revenues, which are expected to be received later in the year.
2. Most activity in this fund relates to the pier capital project, with costs being recorded on the balance sheet rather than as operating expenditures, resulting in low reported expense levels (1%).
3. Fund balance increased to \$9.93M, primarily reflecting timing of project financing and capital activity within the fund during construction of the pier project.

Q2 Enterprise Capital 25/26

PROJECT IN PROGRESS		PROJECT COMPLETED		ON COMMISSION MEETING AGENDA				
Project #	Name	Fund	Funding Source	Budget 25/26	YTD Expense	Percent	Budget Variance	Comments
260	Pier - Pier Reconstruction	Pier	FEMA / State Grant	9,956,774	2,960,801	30%	6,995,973	Construction Continues to Progress On-Schedule Final Completion Scheduled for JAN 2027
538	Pier - Pier Bathroom / Beach Walk	Pier	TDC Grant/ GF Transfer	1,266,000	15,215	1%	1,250,785	Project On-Hold Pending Funding & Dune Restoration Approval and Permitting
Total Pier Fund				11,222,774	2,976,016	27%	8,246,758	
645	Water Production - Well # 17 Design	Utility	Impact Fees - Water	100,000	20,458	20%	79,542	Design Progressing to 95% Submittal Groundwater Modeling & SJRWMD Permitting Continues
636	Water Production - Potable Water (Lambert) River Crossing Construction	Utility	Unrestricted Utility Fund	1,500,000	60,416	4%	1,439,585	100% Design Completed & Bid Advertisement APR 9 Pending FDEP/ACoE Permitting Review and Comments
	Water Production - Infrastructure Improvements	Utility	Unrestricted Utility Fund	500,000		0%	500,000	
570	Water Production - S Central Water Main	Utility	Unrestricted Utility Fund	0	112,137	0%	(112,137)	Funded from the Infrastructure Improvements
287	Water Production - Filter Elements	Utility	Unrestricted Utility Fund	6,500		0%	6,500	
639	Water Production - 1 MG Tank Construction/Design	Utility	Impact Fees - Water; 24/25 Capital	39,237	13,385	34%	25,852	Assessment Completed - Pending Funding for Construction
288	Water Production - 1 MG Tank Repairs & Inspections	Utility	Unrestricted Utility Fund	25,000	24,880	100%	120	Project in process.
174	Water Production - Stabilization Well 13 Road	Utility	Unrestricted Utility Fund	20,000		0%	20,000	
646	Water Production - Well # 18 Design	Utility	Impact Fees - Water	100,000	20,458	20%	79,542	Design Progressing to 95% Submittal Groundwater Modeling & SJRWMD Permitting Continues
290	Water Production - Chlorine Pump	Utility	Unrestricted Utility Fund	5,000		0%	5,000	
291	Water Production - VFD	Utility	Unrestricted Utility Fund	10,000		0%	10,000	Project in process.
593	Water Production - Install Acid Tanks	Utility	24/25 Capital	51,800		0%	51,800	Project completed in 24/25.
634	Water Production - Water Main River Crossing Design	Utility	24/25 Capital	83,406		0%	83,406	Design Services for Subaqueous Portion On-Hold until FY26/27
Total Water Production				2,440,943	251,734	10%	2,189,209	
238	Wastewater Plant - Screw Press Building Construction	Utility	50/50 Match (\$850K Each) Total \$1.7 M	2,728,211	1,804,991	66%	923,220	Construction 80% Complete - 90 Day Extension Granted New Final Completion: 30 AUG 2026
119	Wastewater Plant - WWTP - New Plant	Utility	SRF Loan/ Line of Credit	26,776,915	128,925	0%	26,647,990	Contractor Awarded - NTP Anticipated for July 2026
537	Wastewater Plant - EQ Basin Master Lift Station	Utility	Grant Funded	1,861,127		0%	1,861,127	Included with WWTP Project (PN 119) Contractor Awarded - NTP Anticipated for July 2026
238	Wastewater Plant - Startup Costs Screwpress	Utility	24/25 Capital	41,300		0%	41,300	Construction 80% Complete - 90 Day Extension Granted New Final Completion: 30 AUG 2026
Total Wastewater Plant				31,407,553	1,933,916	6%	29,473,637	
302	Utility Maintenance - Large Pumps	Utility	Unrestricted Utility Fund	60,000	36,138	60%	23,862	
168	Utility Maintenance - LS #8	Utility	Unrestricted Utility Fund		13,950	0%	(13,950)	
648	Utility Maintenance - Manhole Rehab	Utility	Unrestricted Utility Fund		76,300	0%	(76,300)	
622	Utility Maintenance - Sewer Connect Oak St.	Utility	Unrestricted Utility Fund		24,180	0%	(24,180)	
659	Utility Maintenance - Fire Main	Utility	Unrestricted Utility Fund		6,748	0%	(6,748)	
624	Utility Maintenance - S 13th Allyway New PVC	Impact Fees	Impact Fees		82,200	0%	(82,200)	
308	Utility Maintenance - Wet Well Rehabs	Utility	Unrestricted Utility Fund	1,800,000	59,013	3%	1,740,987	
592	Utility Maintenance - Manhole Rings and Covers / Installation	Utility	Unrestricted Utility Fund	150,000	18,620	12%	131,380	Manhole covers have been received, two are on backorder.
633	Utility Maintenance - Lift Station Rebuild / Construction - LS 2,4,5 & 7	Utility	Unrestricted Utility Fund / Grant	2,048,400	1,490	0%	2,046,910	Notice to Proceed Anticipated for APR 20 Construction to Begin with LS #5 on Lambert Avenue
301	Utility Maintenance - Lift Station Generators	Utility	Unrestricted Utility Fund	105,200	105,549	100%	-349	Generators received.
48	Utility Maintenance - Fire Hydrant Replacement	Utility	Infrastructure Reserve	90,000		0%	90,000	Fire hydrants notice to proceed has been given; we are adding the hydrant in front of Compass hotel to the scope and will be bringing this back to commission.
303	Utility Maintenance - Vehicle Replacement	Utility	Unrestricted Utility Fund	40,000		0%	40,000	
647	Utility Maintenance - Snack Jack Lift Station Design	Utility	Unrestricted Utility Fund	50,000	2,950	6%	47,050	
652	Utility Maintenance - Utility Locate Equipment	Utility	Unrestricted Utility Fund		17,550	0%	-17,550	Equipment on order.
304	Utility Maintenance - Utility Trailer	Utility	Unrestricted Utility Fund	7,000		0%	7,000	

Q2 Enterprise Capital 25/26

PROJECT IN PROGRESS			PROJECT COMPLETED	ON COMMISSION MEETING AGENDA				
Project #	Name	Fund	Funding Source	Budget 25/26	YTD Expense	Percent	Budget Variance	Comments
532,533, 534,535	Utility Maintenance - LS's #5 & #2, PS's #4 & #7	Utility	HA009 Grant/ 24/25 Capital	84,250	7,416	9%	76,834	Notice to Proceed Anticipated for APR 20 Construction to Begin with LS #5 on Lambert Avenue
	Total Utility Maintenance			4,434,850	452,105	10%	3,982,745	
305	Utility Admin Expense - BS&A Cloud Conversion	Utility	Unrestricted Utility Fund		12,261	0%	(12,261)	
305	Utility Admin Expense - New Golf Gart	Utility	Unrestricted Utility Fund	11,000		0%	11,000	
	Total Utility Admin			11,000	12,261	111%	-1,261	
605	BS&A Cloud Conversion	Sanitation	Sanitation Revenues		4,573	0%	(4,573)	
306	Sanitation - Forklift/Bobcat	Sanitation	Sanitation Revenues	20,000		0%	20,000	
	Total Sanitation			20,000	4,573	23%	15,427	
307	Stormwater - Roads & Streets Vehicle - 50%	Stormwater	Stormwater Unrestricted Fund Reserve	20,000		0%	20,000	
	Stormwater- Stormwater Improvements	Stormwater	Stormwater Revenues	500,000		0%	500,000	
230	Stormwater- S. Flagler	Stormwater	Grant		32,908	0%	(32,908)	
660	Stormwater - Pond Dredging	Stormwater	Stormwater Revenues		34,235	0%	(34,235)	
605	BS&A Cloud Conversion	Stormwater	Stormwater Revenues		611	0%	(611)	
640/643	Stormwater - Lambert Ave Projects - 640 & 643	Stormwater	24/25 Capital	118,759	118,759	100%	0	
586	Stormwater - John Bull Drainage Improvement	Stormwater	24/25 Capital	5,706		0%	5,706	
	Total Stormwater			644,465	186,514	29%	457,952	

City of Flagler Beach
Cash and Investments
For the 6 months ended March 31, 2026

Account	As of 3/31/2025	Rate	As of 3/31/2026	Rate	Dollar Change
Truist Depository	\$ 4,925,865	1.87%	\$ -		\$ (4,925,865)
PNC Depository	\$ -	0.00%	\$ 3,773,366	3.10%	\$ 3,773,366
Florida Prime (SBA)	\$ 18,424,541	4.70%	\$ 21,288,965	4.00%	\$ 2,864,424
Florida Municipal Investment Trust (FMIVT)	\$ 8,700,745	1.54%	\$ 9,059,877	1.53%	\$ 359,132
Subtotal	<u>\$ 32,051,150</u>		<u>\$ 34,122,208</u>		<u>\$ 2,071,058</u>
Police Pension Investments	\$ 469,839	4.15%	\$ 839,364	3.45%	\$ 369,525
Fire Pension Investments	\$ 217,061	4.14%	\$ 165,721	3.45%	\$ (51,340)
Subtotal	<u>\$ 686,901</u>		<u>\$ 1,005,086</u>		<u>\$ 318,185</u>
Total	<u><u>\$ 32,738,051</u></u>		<u><u>\$ 35,127,294</u></u>		<u><u>\$ 2,389,242</u></u>

Summary Points:

1. Total cash and investments increased to \$35.1M, a \$2.39M increase from the prior year.
2. Growth in balances is primarily driven by investment earnings and higher pooled investment balances, including Florida PRIME and FMIVT holdings.
3. Police and Fire pension investments grew modestly to \$1.0M combined, reflecting normal market performance and allocation changes across plans.



Staff Report

City Commission Regular Meeting

April 23, 2026

To: City Commission
From: Hollie Harlan, Finance Director
Meeting Date: April 23, 2026
Item Name: Resolution 2026-04. A Resolution by the City Commission of the City of Flagler Beach, Florida, amending Resolution 2025-76, Fiscal Year 2025-26 budget, for adjustments to revenues and expenditures; providing for conflict, providing an effective date hereof.

Background:

Since the adoption of the 2025-26 FY Budget in September, some changes have taken place. The following budget amendment is needed to reflect the financial changes as seen in the attached document.

Fiscal Impact:

This budget amendment includes a \$70,000 transfer from the General Fund to the Capital Fund, a \$282,000 reallocation of revenue from the Impact Fee Fund to the newly established Government Impact Fee Fund, and the reclassification of certain reserves from restricted to unrestricted within both the General Fund and Impact Fee Funds to provide greater financial flexibility.

Staff Recommendation:

The intent of the proposed Resolution is to maintain a balanced budget and address revised revenues/expenditures since the adoption of the original FY 2025/2026 annual budget. Staff recommends approval of Resolution 2026-04.

Attachments:

1. 2026-04 Budget Amendment Resolution

RESOLUTION 2026-04

A RESOLUTION BY THE CITY COMMISSION OF THE CITY OF FLAGLER BEACH, FLORIDA, AMENDING RESOLUTION 2025-76, FISCAL YEAR 2025-26 BUDGET, FOR ADJUSTMENTS TO REVENUES AND EXPENDITURES; PROVIDING FOR CONFLICT AND PROVIDING AN EFFECTIVE DATE.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FLAGLER BEACH, FLORIDA AS FOLLOWS:

SECTION 1. The FY 2025/26 Approved Budget is amended as follows:

FUND	DESCRIPTION	Dollar Amount	Purpose
Impact Fee	Police Impact Fees	(80,000.00)	Move to Fund 200
Impact Fee	Fire Impact Fees	(95,000.00)	Move to Fund 200
Impact Fee	Library Impact Fees	(17,000.00)	Move to Fund 200
Impact Fee	Parks & Rec Impact Fees	(90,000.00)	Move to Fund 200
Govt Impact Fee	Police Impact Fees	80,000.00	Move from Fund 402
Govt Impact Fee	Fire Impact Fees	95,000.00	Move from Fund 402
Govt Impact Fee	Library Impact Fees	17,000.00	Move from Fund 402
Govt Impact Fee	Parks & Rec Impact Fees	90,000.00	Move from Fund 402
General	Salary	24,850.00	PT Records Clerk Salary from Contingency Dept
General	Salary	48,304.00	2 Laborers from Contingency Dept
General	Salary	91,246.00	2 Laborers from Contingency Dept
General	Salary	55,528.00	HR Coordinator from Continency Dept
General	Salary & Benefits	(219,928.00)	New Hire Budgeted Funds to Depts
General	R&M	18,400.00	Supplies for New Hires from Contingency Dept
General	Supplies	1,500.00	Supplies for New Hires from Contingency Dept
General	Supplies	2,961.00	Supplies for New Hire from Contingency Dept
General	Equip/Supply Continency	(22,861.00)	New Hire Budgeted Funds to Depts
Utility	Salary	111,016.00	New Hire Salaries (2)
Utility	Salary Contingency	(111,016.00)	
Utility	Supplies	3,000.00	New Hire Supplies
Utility	Equip/Supply Continency	(3,000.00)	
Sanitation	Salary	22,361.00	New Hire Salary - PT Driver
Sanitation	Salary Contingency	(22,361.00)	
Sanitation	Supplies	1,040.00	New Hire Supplies
Sanitation	Equip/Supply Continency	(1,040.00)	
Stormwater	Salary	57,964.00	New Hire Salaries (2)

Stormwater	Salary Contingency	(57,964.00)	
Stormwater	Supplies	1,500.00	New Hire Supplies
Stormwater	Equip/Supply Contineny	(1,500.00)	
General	R&M Roadways	(70,000.00)	S. Central Paving Project
Capital	Street Paving	70,000.00	
		0.00	

FUND	DESCRIPTION	Dollar Amount	Comments
General	Restricted Reserve	234,345.21	Approval to move ISX Reserve funds and Fire Equipment Reserve from the GF Restricted Reserve to the GF Unrestricted Reserve to cover the cost of Fire Command Vehicle and Police Cars. All vehicles have been approved in the Capital Budget.
General	Unrestricted Reserve	(234,345.21)	
Impact Fee	Restricted Reserve	199,139.00	Approval to move Water Impact Fee Reserve Funds from the Restricted Reserve to the Unrestricted Reserve for the Roberts Road and John Anderson Highway Reclaimed Water Mains.
Impact Fee	Unrestricted Reserve	(199,139.00)	
		0.00	

SECTION 2. All Resolutions or parts thereof in conflict herewith be and the same are hereby repealed.

SECTION 3. This Resolution shall become effective immediately upon passage as provided by law.

Upon motion duly made and carried, the foregoing Resolution was accepted by the City Commission of the City of Flagler Beach this 23rd day of April, 2026.

CITY OF FLAGLER BEACH, FLORIDA

PATTI KING, MAYOR

ATTEST:

PENNY OVERSTREET, CITY CLERK



Staff Report

City Commission Regular Meeting

April 23, 2026

To: City Commission
From: Penny Overstreet
Meeting Date: April 23, 2026
Item Name: Consider a request for reduction of a Code Enforcement Order Imposing Fines and Utility Account Claim of Liens, as well as removal of administrative fees, penalties and interest related to the properties: 1104 S. Ocean Shore Blvd, 1115 S. Central Ave., and 108 S. 12th Street - Ruzanna Tarannik, Agent's Choice Title, LLC.

Background:

1104 S. Ocean Shore Blvd., 1115 S. Central Av., and 108 S. 12th Street are all properties owned by Golden Magnolia. The properties are under a short sale contract. The applicant, on behalf of the short sale lender, is seeking a reduction in the liens as well as a waiver of administrative fees, penalties and interest (three Utility Accounts, each with a lien, and one Code Enforcement Lien). Ms. Tarannik has been advised that the utility liens are generally not waived as they are pass-through expenses that the City has already expended funds for the production of water, processing of the wastewater, and removal of solid waste.

The three Utility Accounts have a total amount due of \$15,863.09 as of April 23, 2026. This amount (except penalties \$222.63) are pass-through costs the City has already expended. A breakdown of these expenses is attached (Utility Account Information). Interest is deemed a pass-through expense because the actuary studies on which Utility Fund Project Loans are based included the projected interest earned.

The Code Enforcement Fines/Fees due as of April 23, 2026, total \$16,250.00. \$1,051.46 of that amount are pass-through expenses (detailed in attachment titled Code Enforcement Information). Staff understands the goal of Code Enforcement is compliance rather than collecting fines. However, the residents (taxpayers) should not have to cover the amounts already expended as pass-through expenses.

Fiscal Impact:

If a waiver is granted for the Utility Lien/Fees, a \$15,863.09 deficit would impact the Utility Fund.

If a waiver is granted for the Code Enforcement Lien, a deficit of \$1,051.46 would impact the General Fund.

Staff Recommendation:

Maintain the imposition of the Utility Lien and pass-through expenses in the amount of \$15,863.09

If considering a reduction of the Code Enforcement Lien, at a minimum impose the pass-through expenses to include the additional cost of the lien release (\$48.74) for a total of \$1,100.20.

Attachments:

1. Application for waiver - reduction
2. Utility Account Information
3. Code Enforcement Information

City of Flagler Beach

Agenda Application

INDIVIDUAL'S NAME: Ruzanna Tarannik

BUSINESS NAME: Agent's Choice Title, LLC.
(If Applicable)

STREET ADDRESS: 5 Utility Dr. Ste. 17, Palm Coast, FL
(If within City of Flagler Beach) 32137

MAILING ADDRESS: Same
(Please provide City & Zip Code)

PHONE NUMBER: 386-445-9550 X101

EMAIL ADDRESS: info@titlefl.com

SUBJECT MATTER TO BE DISCUSSED WITH THE COMMISSION:
(This is the wording you would like on the agenda)

1104 S. Ocean Shore Blvd.; 1115 Central Ave. S.;
108 12th St. S. - Utility liens and code enforcement
lien - asking for penalties and interest to be waived
and payoff amounts reduced/discounted.

BACKGROUND INFORMATION REGARDING THE SUBJECT:

Subject properties are in foreclosure and being sold
in a short sale transaction. The short sale lender,
i think financial is requesting waiver or discounted
lien payoffs in order for SBA to approve the short sale.

(OVER)

City of Flagler Beach

Agenda Application Continued

REQUESTED ACTION SOUGHT FROM THE COMMISSION:

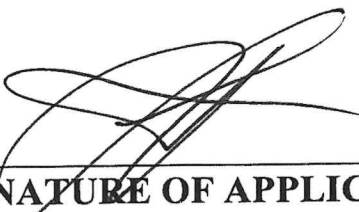
Please waive and all fees possible to reduce the payoff amounts for the utilities so that we can obtain short sale approval and transfer the property to the new Buyer, who will bring the property up to standards and resume timely payment of all bills.

ATTACHMENTS:

Copy of payoffs and liens.

Please note the City Commission's Rules of Procedures require all supporting documents to be provided at the time the agenda application is submitted. Please refrain from handing out material at the Commission Meetings.

The maximum time allowed for each request is 10 minutes.



SIGNATURE OF APPLICANT
Ruzanna Tarannik

03/20/2026

DATE

This instrument prepared by
And should be returned to:
Brenda Ludecker
City of Flagler Beach
P.O. Box 70
Flagler Beach, FL 32136

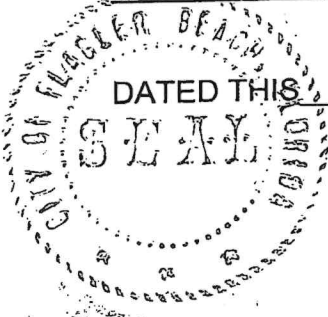
CLAIM OF LIEN

NOTICE is hereby given that pursuant to Land Development Regulations Appendix A, Section 5.03.35 of the Code of Ordinances for the City of Flagler Beach, State of Florida, has and claims a lien on the following described property, **1104 South Oceanshore Boulevard, Parcel #12-12-31-4500-00180-0010**, also described as **(see attached legal description)** in Flagler County, Florida, for failure to pay water, sewer, stormwater and garbage charges.

Property Owner: Golden Magnolia Marine, Inc.
1 Hargrove Grade Ste. 2
Palm Coast, Florida 32137

The said lien is claimed for the following charges and amounts:

Water, Sewer, Garbage, Stormwater, Base Fees, Late Charges and Penalties for **Account #07748 & #07750** in the amounts of **\$3,189.87 and \$1,203.25** respectively, incurred and assessed as a result of non-payment of utility fees rendered monthly by the City of Flagler Beach, Florida, plus accrued additional utility charges from now until paid, recording fees, administrative fees, release fees and interest to be determined at time lien is satisfied.



DATED THIS 23 DAY OF September, 2025.

Dale L. Martin
Dale L. Martin, City Manager
City of Flagler Beach

ATTEST:
Hollie Harlan
Hollie Harlan, Finance Director

State of Florida
County of Flagler

The foregoing instrument was personally acknowledged before me this 23rd day of September, 2025. Personally Known ☒ OR produced identification ☐
Type of identification produced _____

Brenda Ludecker
Notary Public

Stamp

 **BRENDA S. LUDECKER**
Notary Public
State of Florida
Comm# NH214999
Expires 2/3/2026

This instrument prepared by
And should be returned to:
Brenda Ludecker
City of Flagler Beach
P.O. Box 70
Flagler Beach, FL 32136

CLAIM OF LIEN

NOTICE is hereby given that pursuant to Land Development Regulations Appendix A, Section 5.03.35 of the Code of Ordinances for the City of Flagler Beach, State of Florida, has and claims a lien on the following described property, **108 South 12th Street, Parcel #12-12-31-4500-00180-0080** also described as **(see attached legal description)** in Flagler County, Florida for failure to pay water, sewer, stormwater and garbage charges.

Property Owner: Golden Magnolia Marine, Inc.
1 Hargrove Grade Ste. 2
Palm Coast, Florida 32137

The said lien is claimed for the following charges and amounts:

Water, Sewer, Garbage, Stormwater, Base Fees, Late Charges and Penalties for **Account #07749** in the amount of **\$1,288.49** incurred and assessed as a result of non-payment of utility fees rendered monthly by the City of Flagler Beach, Florida, plus accrued additional utility charges from now until paid, recording fees, administrative fees, release fees and interest to be determined at time lien is satisfied.



DATED THIS 23 DAY OF September, 2025.

Dale L. Martin
Dale L. Martin, City Manager
City of Flagler Beach

ATTEST:
Hollie Harlan
Hollie Harlan, Finance Director

State of Florida
County of Flagler

The foregoing instrument was personally acknowledged before me this 23rd day of September, 2025. Personally Known ☒ OR produced identification ☐
Type of identification produced _____

Brenda S. Ludecker
Notary Public

Stamp
BRENDA S. LUDECKER
Notary Public
State of Florida
Comm# HH214999
Expires 2/3/2026



**BEFORE THE SPECIAL MAGISTRATE FOR THE
CITY OF FLAGLER BEACH, FLORIDA**

CITY OF FLAGLER BEACH

Petitioner

vs.

CASE NUMBER EEN26-0043

GOLDEN MAGNOLIA MARINE INC.

Respondent.

FINDINGS OF FACT AND ORDER IMPOSING FINES

THIS MATTER having come before the Special Magistrate for the City of Flagler Beach, Florida, for hearing and determination on February 25, 2026, and the undersigned having received evidence and heard testimony under oath thereupon issues the following Findings of Fact and Order:

FINDINGS OF FACT

1. The property subject to this proceeding is located at 1104 S Ocean Shore Blvd., Flagler Beach, Florida 32136, and has Flagler County Tax Parcel ID 12-12-31-4500-00180-0010 (the "Subject Property") and is more particularly described as:

**Lots 1, 2 and 3, Block 18, PLAT OF MOODY'S SUBDIVISION,
according to the map or plat thereof, as recorded in Plat Book 1,
Page 24, of the Public Records of Flagler County, Florida.**

2. On February 3, 2026, the undersigned entered an order finding Respondent in violation of Section 303.1 of the International Property Maintenance Code, as adopted by Section 7-2 of the Code of Ordinances of the City of Flagler Beach, Florida, for failing to maintain the pool(s) located on the Subject Property in a clean and sanitary condition, and in good repair.

3. The undersigned ordered Respondent to cure the violation on or before February 17, 2026.

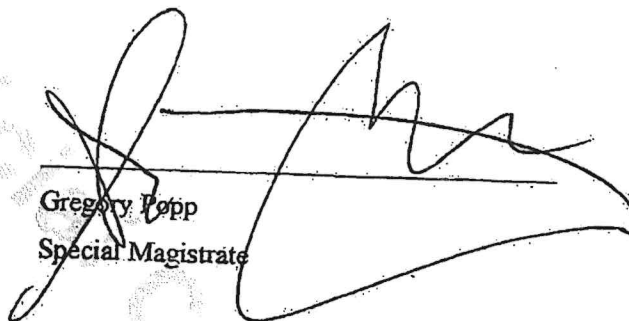
BASED UPON THE FOREGOING, IT IS ORDERED:

5. Based on Respondent's failure to comply with the undersigned's Order, dated February 3, 2026, a fine of **TWO HUNDRED FIFTY DOLLARS (\$250.00)** per day is hereby imposed beginning on February 18, 2026. In addition, the City has incurred administrative costs in the amount of Nineteen Dollars and 20/100 Cents (\$19.20).

6. As of February 25, 2026, the fines have accrued to **TWO THOUSAND DOLLARS (\$2,000.00)**. The daily fines shall continue to accrue until Respondent brings the Subject Property into compliance. Upon recordation of a certified copy of this Order in the Official Records of Flagler County, Florida, this Order shall constitute a lien for the imposed fines described above together with the administrative costs of \$19.20.

ORDERED on this 3rd day of March 2026, *nunc pro tunc* to February 25, 2026.




Gregory Popp
Special Magistrate

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 5th day of March 2026, a true and correct copy of the foregoing was furnished to Respondent by Certified and Regular Mail at 1 Hargrove Grade, Ste 2, Palm Coast, Florida 32137.



Michele Ficocello
Clerk to the Magistrate

Utility Account Information - three (3) Accounts. **Total amount due as of April 23, 2026 \$15,863.09** for the Hotel at 1104 S. Ocean Shore Boulevard and the Spa at 108 S. 12th Street.

Account Number	Bill Date	Category	Amount	Total Due
As of 02/28/2026				\$ 7,871.42
07748	2/13-3/13	Bill	\$ 640.30	\$ 8,511.72
		Penalty	\$ 64.04	\$ 8,575.76
		Interest	\$ 128.64	\$ 8,704.40
07748	3/13-4/13	Bill	\$ 640.30	\$ 9,344.70
		Penalty	\$ 64.04	\$ 9,408.74
		Interest	\$ 141.13	\$ 9,549.87
07748	04/13-04/23	Bill	\$ 220.10	\$ 9,769.97
		Penalty	\$ 22.01	\$ 9,791.98
		Interest	\$ 146.88	\$ 9,938.86

Administrative Fees	
Certified Mail (10 day lien letter)	\$ 10.44
Regular Mail	\$ 0.74
Certified Mail (Lien Document)	\$ 10.44
Regular Mail (Lien Document)	\$ 0.74
Recording Two Liens	\$ 37.00
One Hour Preparation Time (Brenda)	\$ 45.00
One Hour Release Time (Kimberly)	\$ 30.48
	\$ 134.84

Total all fees as of April 23, 2026 \$ 15,863.09

As of 02/28/2026				\$ 2,850.12
07749	2/13-3/13	Bill	\$ 213.36	\$ 3,063.48
		Penalty	\$ 21.35	\$ 3,084.83
		Interest	\$ 46.27	\$ 3,131.10
07749	3/13-4/13	Bill	\$ 213.36	\$ 3,344.46
		Penalty	\$ 21.35	\$ 3,365.81
		Interest	\$ 50.49	\$ 3,416.30
07749	04/13-04/23	Bill	\$ 80.92	\$ 3,497.22
		Penalty	\$ 8.09	\$ 3,505.31
		Interest	\$ 52.58	\$ 3,557.89

As of 02/28/2026				\$ 1,943.41
07750	2/13-3/13	Bill	\$ 92.80	\$ 2,036.21
		Penalty	\$ 9.29	\$ 2,045.50
		Interest	\$ 30.68	\$ 2,076.18
	3/13-4/13	Bill	\$ 92.90	\$ 2,115.18
		Penalty	\$ 9.29	\$ 2,124.47
		Interest	\$ 31.87	\$ 2,156.34
	04/13-04/23	Bill	\$ 31.89	\$ 2,195.34
		Penalty	\$ 3.19	\$ 2,198.53
		Interest	\$ 32.98	\$ 2,231.51

Code Enforcement Information
Lien totals and Administrative Fees
Total Amount Due \$17,301.46

Case No EEN26-0043

Findings of Fact and Order Imposing Fines

Order impose fines of \$250.00 per day beginning February 18, 2026.

As of April 23, 2026 The fines will have accrued to \$16,250.00

Administrative Expenses (pass through costs)

Staff Time:

<i>Code Officer</i>	6 hours	\$210.48
<i>Board Secretary</i>	3 hours	\$95.70
<i>Clerk</i>	0.5 hours	<u>\$30.24</u>
		\$336.42

Contracted Services.

<i>Magistrate</i>	
January Hearing	\$215.00
February Hearing	\$215.00
<i>City Attorney</i>	
January Hearing	\$109.89
February Hearing	<u>\$118.25</u>
	\$658.14

Postage and Recording Fees

Postage	\$38.40
Recording	<u>\$18.50</u>
	\$56.90

Pass Through Expenses Total	\$1,051.46
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Staff Report

City Commission Regular Meeting

April 23, 2026

To: City Commission
From: Hollie Harlan, Finance Director
Meeting Date: April 23, 2026
Item Name: Resolution 2026-28. A Resolution of the City Commission of the City of Flagler Beach, Florida, amending Resolution 2025-70; providing for a temporary reduction in certain Building Permit fees to twenty-five percent (25%) of the adopted Fee Schedule; providing for a sunset of reduced fees; providing for conflicts and an effective date.

Background:

Florida Statutes, Section 553.80(7)(a) limits the amount of unexpended building permit funds carried forward to future fiscal years to no more than the City's average operating budget for enforcing the Florida Building Code for the previous four fiscal years. A local government must use any funds in excess of this limitation to rebate or reduce fees. Resolution 2025-70 temporarily reduced certain building permit fees to support community recovery and redevelopment. Resolution 2026-28 amends the prior resolution by further reducing applicable fees to 25% of the adopted schedule for a limited time and establishing a sunset date for the reduction.

Fiscal Impact:

The temporary reduction in building permit fees to 25% of the adopted schedule will result in a decrease in Building Fund revenues during the effective period. The exact impact will depend on the volume and valuation of permits issued but may be partially offset by increased permit activity.

Staff Recommendation:

The intent of the proposed Resolution is to comply with State statutes related to reserve funds in the Building Code Enforcement Fund. Staff recommends approval of Resolution 2026-28.

Attachments:

1. 2025-28 Amend Building Permit Fee Reduction

RESOLUTION 2026-28

A RESOLUTION BY THE CITY COMMISSION OF THE CITY OF FLAGLER BEACH, FLORIDA, AMENDING RESOLUTION NO. 2025-70; PROVIDING FOR A TEMPORARY REDUCTION IN CERTAIN BUILDING PERMIT FEES TO TWENTY-FIVE PERCENT (25%) OF THE ADOPTED FEE SCHEDULE; PROVIDING FOR A SUNSET OF REDUCED FEES; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Flagler Beach, Florida collects fees related to building permits to offset the cost of Florida Building Code enforcement; and

WHEREAS, the City has experienced increased development activity in recent years; and

WHEREAS, the City continues to monitor the relationship between building permit fees and the cost of Building Code enforcement; and

WHEREAS, prior financial audits indicated that permitting fee revenues exceeded the cost of providing such services; and

WHEREAS, the City Commission previously adopted Resolution No. 2025-70, which provided for a temporary reduction in certain building permit fees; and

WHEREAS, the City Commission finds it appropriate to amend Resolution No. 2025-70 to further adjust the temporary fee reduction; and

WHEREAS, the City Commission finds this Resolution to be in the best interests of the health, safety, and welfare of the citizens of the City of Flagler Beach.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FLAGLER BEACH, FLORIDA AS FOLLOWS:

SECTION 1. The “WHEREAS” clauses above are hereby incorporated herein as legislative findings.

SECTION 2. Amendment to Fee Reduction

Section 2 of Resolution No. 2025-70 is hereby amended to provide that, during the Reduction Period (May 1, 2026 through April 30, 2027), the fees charged by the City for the following application fee categories shall be reduced to twenty-five percent (25%) of the fees described in Exhibit “A”:

- Permit Fees Based on Total Construction Cost
- Electrical / Plumbing
- Mechanical

- Mobile Home
- Pool/Spa – Residential

In addition, the following specific applications for building permits shall be reduced to twenty-five percent (25%) of the fees described in Exhibit “A” during the Reduction Period:

- Demolition
- House Moving
- Roofing / Siding / Windows
- Temporary Construction Trailer
- Wall Sign
- Freestanding Sign

Except as amended herein, the Building Department Fee Schedule attached as Exhibit “A” shall remain in full force and effect.

SECTION 3. The reductions set forth herein shall sunset, and fees shall revert to the amounts described in Exhibit “A,” on April 30, 2027, unless further amended or extended by Resolution of the City Commission.

SECTION 4. Conflicts. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict. Resolution No. 2025-70 shall remain in effect except as expressly amended herein.

SECTION 5. Severability. If any section, subsection, sentence, clause, or provision of this Resolution is held invalid, the remainder shall not be affected.

SECTION 6. Effective Date. This Resolution shall become effective upon adoption.

Upon motion duly made and carried, the foregoing Resolution was accepted by the City Commission of the City of Flagler Beach this 23rd day of April, 2026.

CITY OF FLAGLER BEACH, FLORIDA

PATTI KING, MAYOR

ATTEST:

PENNY OVERSTREET, CITY CLERK



City of Flagler Beach

PO Box 70 105 South 2nd Street
Flagler Beach, Florida 32136

Phone (386) 517-2000. Fax (386) 517-2008

**ALL FEES ARE PAID AT TIME OF SUBMITTAL UNLESS OTHERWISE NOTED.
ALL FEES ARE NON-REFUNDABLE UNLESS AN ERROR HAS BEEN MADE INTERNALLY.**

MISC BUILDING PERMIT FEES

Application	\$35.00 - a non-refundable application fee is in addition to the applicable fees below The following fee table shall be used for all building permits including electrical, mechanical, plumbing, fire related and building permits in which square footage is not an applicable determination to calculate building fees.	
PERMIT FEES BASED ON TOTAL CONSTRUCTION COST	TYPE	FEES
	Addition	\$40.00 + \$6.00 Per Thousand Valuation
	Aluminum	\$40.00 + \$6.00 Per Thousand Valuation
	Boathouse	\$40.00 + \$6.00 Per Thousand Valuation
	Building	\$40.00 + \$6.00 Per Thousand Valuation
	Commercial Hardscape	\$40.00 + \$6.00 Per Thousand Valuation
	Demolition	\$40.00 + \$6.00 Per Thousand Valuation
	Siding/Windows	\$40.00 + \$6.00 Per Thousand Valuation
	Fence	\$40.00 + \$6.00 Per Thousand Valuation
	Hurricane Shutters	\$40.00 + \$6.00 Per Thousand Valuation
	Insulation	\$40.00 + \$6.00 Per Thousand Valuation
	Irrigation	\$40.00 + \$6.00 Per Thousand Valuation
	LP Gas	\$40.00 + Plus \$7.00 Per Outlet
	Moving Structures	\$40.00 + \$6.00 Per Thousand Valuation
	Roofing	\$40.00 + \$6.00 Per Thousand Valuation
	Seawall	\$40.00 + \$6.00 Per Thousand Valuation
	Sign	\$40.00 + \$6.00 Per Thousand Valuation
	Solar	\$40.00 + \$6.00 Per Thousand Valuation
	Other Types of Work	\$40.00 + \$6.00 Per Thousand Valuation
ELECTRICAL PLUMBING	Low Voltage	\$35.00 + \$6.00 Per Thousand Valuation
	Single Phase	\$35.00 + \$6.00 Per Thousand Valuation or \$0.50 per Amp (Whichever is Greater)
	3-Phase (< 240 Volts)	\$35.00 + \$6.00 Per Thousand Valuation or \$0.75 per Amp (Whichever is Greater)
	3-Phase (>240 Volts)	\$35.00 + \$6.00 Per Thousand Valuation or \$1.00 per Amp (Whichever is Greater)
	Plumbing	\$35.00 + \$7.00 Per Fixture, Floor Drain or Trap

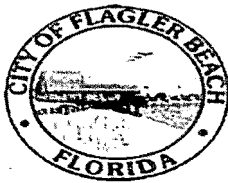
Continued Permit Fee Schedule

**ALL FEES ARE PAID AT TIME OF SUBMITTAL UNLESS OTHERWISE NOTED.
ALL FEES ARE NON-REFUNDABLE UNLESS AN ERROR HAS BEEN MADE INTERNALLY.**

MISC BUILDING PERMIT FEES

X	Mechanical	The following fee table shall be used for all building permits including electrical, mechanical, plumbing, fire related and building permits in which square footage is not an applicable determination to calculate building fees	
		TYPE	FEES
		< 3 Tons	\$50.00
		> 3 Tons and <10 Tons	\$50.00 + \$12.00 Per Ton >3
		>10 Tons and <25 Tons	\$134.00 + \$10.00 Per Ton >10
		>25 Tons and <50 Tons	\$284.00 + \$6.50 Per Ton >25
X	MOBILE HOME	>50 Tons	\$446.50 + \$5.50 Per Ton >50
		Tie Down and Foundation	\$100.00
		Plumbing and Sewer	\$25.00
		Electrical Service Connection	\$25.00
		Mechanical Service Connection	\$25.00
		Used Mobil Home Checklist	\$50.00 + Mileage Per IRS
X	POOL/ SPA RESIDENTIAL	In-Ground Pool	
		Pool/ Spa	\$75.00
		Minimum Electrical	\$35.00
		Minimum Plumbing	\$35.00
		Pool/Spa Safety Barrier Enclosure	\$25.00
		Pool Aluminum Enclosure	\$70.00
	RESIDENTIAL	Above-Ground Pool	
		Pool/Spa	\$45.00
		Minimum Electrical	\$35.00
		Minimum Plumbing	\$35.00
		Public/Commercial Pool	
		Pool/ Spa	\$100.00
		Minimum Electrical	\$50.00
		Minimum Plumbing	\$50.00
		Pool Safety Barrier Enclosure	\$50.00
		Pool Aluminum Enclosure	\$70.00

1. Valuations shall be used on Actual Value but not less than the most recent International Code Council (ICC) Building Valuation Data as published in the Building Safety Journal.
2. Fee for self-contained units.



City of Flagler Beach

PO Box 70 105 South 2nd Street
Flagler Beach, Florida 32136

Phone (386) 517-2000. Fax (386) 517-2008

**ALL FEES ARE PAID AT TIME OF SUBMITTAL UNLESS OTHERWISE NOTED.
ALL FEES ARE NON-REFUNDABLE UNLESS AN ERROR HAS BEEN MADE INTERNALLY.**

MISC BUILDING PERMIT FEES

Other Misc Fees

The following fee table shall be used for all building permits including electrical, mechanical, plumbing, fire related and building permits in which square footage is not an applicable determination to calculate building fees

TYPE	FEES
Review of Revisions to Approved Plans	25% of the Original Permit Fees or \$25.00 (Greater)
Stamp Extra Set of Plans	\$25.00 Per Set
(90) Day Permit Extension	\$25.00
Archive Copies	\$0.15 per one-sided legal size or smaller, \$0.20 per two-sided legal size or smaller, or actual cost of duplication of record
Letter of Compliance (i.e. Department of Environmental Protection, Exam Verification, Letters of Good Standing)	\$25.00 Each
Scanning	Free up to five 8.5 x 11 pages, \$0.50 per page < 11X17, \$1.00 per 11X17 and larger page, truss packages \$25.00 or \$0.50 per page, whichever is less
Prints of Scanned Large Format Documents	\$7.00 Per Page
Building or Addition	\$250.00 + any outstanding fees from original
In-Ground Pool	\$120.00 + any outstanding fees from original permit
Other Types of Work	\$40.00 + any outstanding fees from original permit
Minimum Plumbing	\$35.00
Penalty for Working Without a Permit	\$100.00 + 2 x Permit Fee
Change of Use or Occupancy Inspection	\$150.00
Failure to Call For Inspections	\$50.00

CLOSEOUT EXPIRED PERMITS

Continued Permit Fee Schedule

ALL FEES ARE PAID AT TIME OF SUBMITTAL UNLESS OTHERWISE NOTED. ALL FEES ARE NON-REFUNDABLE UNLESS AN ERROR HAS BEEN MADE INTERNALLY.		
MISC BUILDING PERMIT FEES		
OTHER MISC FEES	The following fee table shall be used for all building permits including electrical, mechanical, plumbing, fire related and building permits in which square footage is not an applicable determination to calculate building fees	
PLAN REVIEW FOR VALUATIONS > \$2500.00	TYPE	FEES
	First Review	10% of the Permit Fee
	Second Review	15% of the Permit Fee
	Third or More Review	40% of the Permit Fee
INSPECTIONS		
	First Return	\$30.00
	Second Return	\$60.00
	Third or More Returns	\$120.00
OTHER MISC FEES		
	Transfer of Permit to Another Contractor	\$100.00
	Change of Subcontractor	\$25.00 Each
	Master Files	\$50.00 Per Year
PERMIT EXPEDITING	Education Fee	\$2.50 + .01% of the Valuation
	Technology Fee	\$2.50 + .01% of the Valuation
	Early Power	
	Residential	\$25.00
	Commercial	\$50.00
	Expedited Plan Review	\$95.00 Per Hour (1 Hour Minimum)
	1 st Rough Plumbing - Inspection	\$85.00 Per Hour (2 Hour Minimum)
	Slab - Inspection	\$85.00 Per Hour (2 Hour Minimum)
	Framing / Truss - Inspection	\$85.00 Per Hour (2 Hour Minimum)
	FMEP - Inspection	\$85.00 Per Hour (2 Hour Minimum)
	Insulation - Inspection	\$85.00 Per Hour (2 Hour Minimum)
	Drywall - Inspection	\$85.00 Per Hour (2 Hour Minimum)
	Final - Inspection	\$85.00 Per Hour (2 Hour Minimum)
	Same Day Review / Inspections	\$50.00 Plus Hourly Rate and Minimums

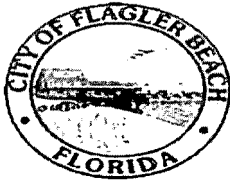
Continued Permit Fee Schedule

ALL FEES ARE PAID AT TIME OF SUBMITTAL UNLESS OTHERWISE NOTED. ALL FEES ARE NON-REFUNDABLE UNLESS AN ERROR HAS BEEN MADE INTERNALLY.		
MISC BUILDING PERMIT FEES		
Other Misc Fees	The following fee table shall be used for all building permits including electrical, mechanical, plumbing, fire related and building permits in which square footage is not an applicable determination to calculate building fees	
PLAN REVIEW FOR VALUATIONS> \$2500.00	TYPE	FEES
	First Review	10% of the Permit Fee
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	Insulation - Inspection	\$85.00 Per Hour (2 Hour Minimum)
	Drywall - Inspection	\$85.00 Per Hour (2 Hour Minimum)
	Final - Inspection	\$85.00 Per Hour (2 Hour Minimum)
	Same Day Review / Inspections	\$50.00 Plus Hourly Rate and Minimums

Continued Permit Fee Schedule

No refund shall be granted on any permit fee less than \$100.00. For permit fees greater than \$100.00, 70% of the amount above \$100.00 may be refunded, provided construction has not commenced. A letter requesting refunds must be received by the Building Department within (90) days of the date the permit was issued.

Approved housing projects funded by the Flagler County State Housing Initiative Program, (SHIP) for replacement/ rehabilitation will receive a 25% reduction of all plan review fees.



City of Flagler Beach

PO Box 70 105 South 2nd Street
Flagler Beach, Florida 32136

Phone (386) 517-2000. Fax (386) 517-2008

ALL FEES ARE PAID AT TIME OF SUBMITTAL UNLESS OTHERWISE NOTED. ALL FEES ARE NON-REFUNDABLE UNLESS AN ERROR HAS BEEN MADE INTERNALLY. RESIDENTIAL SINGLE FAMILY/ COMMERCIAL BUILDING PERMIT FEES		
Application	\$35.00 - a non-refundable application fee is in addition to the applicable fees below	
Permit Fees Based on Total Construction Cost	The following fee table shall be used for all building permits including electrical, mechanical, plumbing, fire related and building permits in which square footage is not an applicable determination to calculate building fees	
	TOTAL COST	FEES
	\$0 to \$2,000	\$50
	\$2,001 to \$5,000	\$110
	\$5,001 and above	\$110 plus \$6 per \$1,000 total cost, residential \$110 plus \$7 per \$1,000 total cost, commercial
Miscellaneous Permits	TYPE	FEES
	Certificate of Occupancy or Completion	\$200 Commercial, for change in tenant \$100 Residential, for requests without permit(s)
	Demolition	\$75
	House Moving Permit	\$75
	Roofing/Siding/Windows	Per fee table above
	Temporary Construction Trailer	\$100
	Wall Sign	Per fee table above
	Free Standing Sign	Per fee table above
Plan Review Fees	Plan Review	25% of the permit fee for commercial projects. 25% of the permit fee for residential projects.
	Plan Resubmittal (1 st free)	20% of the permit fee for commercial projects. 10% of the permit fee for residential projects.
	Replacement of permits, CO's, etc.	\$50
Certificates and Inspections	Re-inspection fee	\$50 first time \$75 second time \$120.00 third time and each subsequent time
	Inspections outside of normal business hours	\$75 per hour (\$150 minimum)
	Preliminary/Code compliance/Safety Inspections	\$100
	Utility Reconnect Inspection Fee	\$25
	Fee for work done without a permit	\$100.00 plus 2 X the original permit fee
Other Fees	Minor (50% or less) Plan Revision Reviews - Revision or change to plans after approval	\$75 per hour (\$150 minimum)
	Transfer of Permit/change of contractor	\$25
	Early Power	\$50
	Temporary Power Pole Only	\$25
	Pool Fence Building Review	\$25



Staff Report

City Commission Regular Meeting

April 23, 2026

To: City Commission
From: William Freeman, City Engineer/Public Works Administrator
Meeting Date: April 23, 2026
Item Name: Resolution 2026-32. A Resolution of the City Commission of the City of Flagler Beach, Florida, approving the revised Scope of Services and Fee Proposal from Mead & Hunt, Inc. for the South Central Water Main Replacement Project, Phase 2 (South 3rd Street to South 19th Street); authorizing execution of the Task Order; providing for conflict and an effective date.

Background:

The existing water main along South Central Avenue is composed of asbestos cement (AC) pipe installed several decades ago. AC pipe is no longer manufactured, is considered obsolete, and becomes increasingly brittle with age. As the pipe deteriorates, the risk of breaks, leaks, and service interruptions increases significantly. Emergency repairs are costly, disruptive to residents, and often require temporary road closures.

Replacing this pipe is not optional—it is a necessary investment in the City's core infrastructure. The project also supports long-term system resiliency by upgrading pipe size from eight inches to ten inches, improving flow capacity and pressure reliability. Additionally, installing a reclaimed water main ("dryline") now avoids future excavation and reduces long-term construction impacts.

Phase 1 of the S. Central Avenue Water Main Project provided valuable insight into the condition of the existing infrastructure and the complexity of construction along South Central Avenue. Several key findings influenced the approach to Phase 2:

- **Location of Existing Pipe:** South of S. 9th Street, the existing water main was found to be outside the roadway pavement, reducing anticipated restoration costs.
- **Updated Unit Costs:** Actual construction costs from Phase 1 were used to refine the cost estimate for Phase 2, resulting in a more accurate and defensible budget.
- **Phased Construction Approach:** To better align with annual funding availability and minimize disruption to residents, Phase 2 will be constructed in smaller segments over multiple years.
- **Coordination with Other Utilities:** Phase 1 revealed several utility conflicts that required additional coordination. Phase 2 incorporates a more robust utility coordination process.

to reduce delays.

These adjustments reflect responsible project management and ensure that Phase 2 is delivered efficiently and cost-effectively.

What This Project Does:

- Replaces approximately 7,000 linear feet of obsolete 8-inch AC water main with 10-inch PVC.
- Installs 7,000 linear feet of 8-inch reclaimed water main (“dryline”).
- Continues the City’s multi-year beachside water system renewal program.
- Provides design, permitting, and bidding documents for the first constructed portion (S. 3rd to S. 6th).
- Directly supports the City’s goals of maintaining reliable utility service, reducing maintenance costs, and preparing for future reclaimed water expansion.

Why It Matters:

- AC pipe is outdated, brittle, and prone to failure
- Phase 1 is complete; Phase 2 continues the system upgrade
- Reduces maintenance costs and improves reliability
- Supports long-term capital planning and regulatory compliance

Outcome: Approval allows design and permitting to begin immediately.

Mead & Hunt, Inc. submitted a revised Scope of Services dated March 6, 2026, covering project management, data collection, design development (60%, 90%, and 100%), permitting assistance, and bidding assistance for the first constructed portion (South 3rd Street to South 6th Street). Construction phase services will be provided under a future proposal.

The City receives professional services that prepare the project for construction. These include:

Survey & Data Collection

- Full topographic and boundary survey of the project corridor.
- Identification of existing utilities, including water, wastewater, stormwater, and private utilities.
- Field verification of conditions, including pavement, driveways, and drainage features.
- Photographic documentation for design and future reference.

Design Documents

- 60% Design: Preliminary layout, pipe alignment, utility conflicts, and initial cost estimate.
- 90% Design: Refined plans, specifications, and updated cost estimate suitable for permitting.
- 100% Design: Final bid-ready plans and specifications.

Permitting

- Preparation and submittal of the FDEP Specific Permit to Construct Public Water System Components.
- Response to one Request for Additional Information (RAI).

Bidding Assistance

- Preparation of draft and final bid documents.
- Attendance at non-mandatory pre-bid meeting.
- Preparation of addenda.
- Review of bids and recommendation of award.

These deliverables ensure the City receives a complete, permit-ready, and bid-ready project.

The City Commission's approval of this resolution will authorize execution of the Task Order and allow design and permitting activities to begin. After design work and bidding has been completed/reviewed, the City Commission will be provided a Resolution to begin construction of Phase 2 of the S. Central Avenue Water Main Project.

Fiscal Impact:

The not-to-exceed fee for the Scope of Services is \$279,138, consisting of:

- \$204,475 in lump-sum professional services
- \$74,663 in subconsultant and reimbursable costs

Funding for this work will be drawn from the Water Production Infrastructure Improvements capital budget and is consistent with the City's multi-year capital improvement planning for water system renewal.

Staff Recommendation:

Staff recommends approval of Resolution 2026-32, approving the revised Scope of Services and Fee Proposal from Mead & Hunt, Inc. for the South Central Water Main Replacement Project, Phase 2, in the not-to-exceed amount of \$279,138, and authorizing execution of the associated Task Order.

What This Project Will Accomplish

This project advances the City's multiyear effort to replace aging, brittle asbestos-cement water mains along South Central Avenue. The existing pipe is decades old, increasingly prone to breaks, and expensive to repair. By replacing roughly 7,000 linear feet of obsolete 8-inch AC pipe with modern 10-inch PVC, the City strengthens the reliability of its potable water system, improves flow and pressure, and reduces the risk of emergency outages. The project also installs a reclaimed water "dryline" at the same time, which avoids future excavation and prepares the City for long-term reclaimed water expansion. Phase 2 builds directly on the lessons learned from Phase 1, using updated unit costs, improved utility coordination, and a phased construction strategy to minimize disruption and ensure responsible use of capital funds. Approval of this scope allows design and permitting to begin immediately so construction can follow in future years.

Deliverables

The City will receive full professional engineering services that take the project from concept to a permit-ready, bid-ready design package. This includes a complete topographic and boundary survey of the corridor, identification and coordination of all utilities, and field verification of existing conditions. Mead & Hunt will produce 60%, 90%, and 100% design plans, specifications, and updated cost estimates, each reviewed and refined through structured meetings with City staff. The consultant will prepare and submit the required FDEP Specific Permit to Construct Public Water System Components and respond to one round of agency questions. For the first construction segment (South 3rd to South 6th), the City will receive draft and final bid documents, addenda, bid tabulation, and a recommendation of award. These deliverables collectively provide everything needed to move Phase 2 into construction once funding and scheduling align.

Measured Outcomes

Success is demonstrated when the City receives a complete, accurate, and fully coordinated design package that is ready for permitting and bidding. The project will produce a verified survey, resolve utility conflicts, and a set of 60%, 90%, and 100% plans that reflect real-world conditions and incorporate lessons from Phase 1. A successfully issued FDEP permit confirms regulatory compliance and readiness for construction. The bid documents and recommendation of award will allow the City to competitively procure construction services without delay. Ultimately, the measurable outcome is a shovel-ready project that positions the City to replace failing AC pipe, reduce maintenance costs, improve water system reliability, and continue its long-term beach side infrastructure renewal program.

Attachments:

1. 2026-32 S. Central Ave Water Main Design Services
2. South Central WM Replacement Ph. 2 Scope of Services Revised
3. Aerial Map of Project Location
4. Frequently Asked Questions

RESOLUTION 2026-32

A RESOLUTION BY THE CITY COMMISSION OF THE CITY OF FLAGLER BEACH, FLORIDA, APPROVING THE REVISED SCOPE OF SERVICES AND FEE PROPOSAL FROM MEAD & HUNT, INC. FOR THE SOUTH-CENTRAL WATER MAIN REPLACEMENT PROJECT, PHASE 2 (SOUTH 3RD STREET TO SOUTH 19TH STREET); AUTHORIZING EXECUTION OF THE TASK ORDER; PROVIDING FOR IMPLEMENTATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Flagler Beach ("City") continues its multi-year program to replace obsolete water mains on the beachside between State Road 100 (Moody Boulevard) and South 28th Street, including the remaining asbestos-cement (AC) water main along South Central Avenue; and,

WHEREAS, Phase 1 of this program, extending from SR 100 to South 3rd Street, has been successfully completed, and the City now intends to proceed with Phase 2, extending approximately 7,000 linear feet from South 3rd Street to South 19th Street; and,

WHEREAS, Phase 2 includes the replacement and abandonment of approximately 7,000 linear feet of 8-inch AC pipe with 10-inch PVC water main, and installation of 7,000 linear feet of 8-inch PVC reclaimed water 'dryline' main; and,

WHEREAS, Mead & Hunt, Inc. has submitted a revised Scope of Services dated March 6, 2026, which includes project management, data collection, design development (60%, 90%, and 100%), permitting assistance, and bidding assistance for the first constructed portion (South 3rd Street to South 6th Street); and,

WHEREAS, the not-to-exceed fee for these services is \$279,138, consisting of \$204,475 in lump-sum professional services and \$74,663 in subconsultant and reimbursable costs; and,

WHEREAS, Staff finds that the proposed Scope of Services is necessary, appropriate, and in the best interest of the public to ensure continued reliability of the City's potable water distribution system and to advance the multi-year capital improvement program;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FLAGLER BEACH, FLORIDA AS FOLLOWS:

SECTION 1. The "WHEREAS" clauses above are hereby incorporated herein as legislative findings.

SECTION 2. The City Commission hereby approves the Mead & Hunt, Inc. Scope of Services and Fee Proposal dated March 6, 2026, for the South Central Water Main Replacement Project, Phase

2, in the not-to-exceed amount of \$279,138 and authorizes Staff to execute the associated Task Order and all necessary documents.

SECTION 3. All resolutions and parts of resolution in conflict with this resolution are hereby repealed.

SECTION 4. If any portion of the Resolution shall be declared unconstitutional or if the applicability of this Resolution or any portion thereof to any person or circumstances shall be held invalid, the validity of the remainder of this Resolution and the applicability of this Resolution, or any portion thereof to other persons or circumstances, shall not be affected thereby.

SECTION 5. This Resolution shall become effective upon execution.

Upon motion duly made and carried, the foregoing Resolution was accepted by the City Commission of the City of Flagler Beach this 23th day of April, 2026.

CITY OF FLAGLER BEACH, FLORIDA

PATTI KING, MAYOR

ATTEST:

PENNY OVERSTREET, CITY CLERK



March 6, 2026

Bill Freeman, P.E.
City Engineer
City of Flagler Beach
800 S. Daytona Avenue
Flagler Beach, FL 32136

Email: bfreeman@cityofflaglerbeach.com

Subject: South Central Water Main Replacement, Phase 2 (South 3rd St. to South 19th St.)

Dear Mr. Freeman,

Mead & Hunt is pleased to provide this revised engineering scope of services and fee estimate for the above-mentioned project. The scope includes design, permitting, and bidding assistance. Construction phase services will be included in a future scope/proposal.

We look forward to the opportunity to complete another successful project for the City of Flagler Beach. If you have any questions or comments, please contact our office.

Sincerely,
MEAD & HUNT, Inc.

A blue ink signature of David A. King.

David A. King, P.E.
Vice President

A blue ink signature of Chris Fagerstrom.

Chris Fagerstrom, P.E.
Stormwater Practice Leader

DAK/CF;bf

Attachment: Scope of Services and Fee Estimate

**OWNER OF FLAGLER BEACH
SCOPE OF SERVICES
FOR
SOUTH CENTRAL WATER MAIN REPLACEMENT, PHASE 2
(SOUTH 3RD STREET TO SOUTH 19TH STREET)**

The Task Order is in conformance with the Agreement for Various Qualified Consulting Services, dated April 9, 2025, between the City of Flagler Beach (OWNER) and Mead & Hunt, Inc. (MEAD & HUNT) and is referred to herein as the Contract.

GENERAL

The City wishes to continue replacing the obsolete water mains on the beach side from south of SR 100 (Moody Blvd.) to S. 28th Street between S. Daytona Ave. and A1A and specifically along S. Central Ave.

The first phase between SR100 and S. 3rd St. was recently constructed, and the OWNER desires to proceed with Phase 2 which is intended to address the remainder of the existing AC pipe along S. Central as confirmed by OWNER investigation. This second phase will extend approximately 7,000 LF from S. 3rd St. to S. 19th St. along S. Central Ave. and will involve the replacement/abandonment of approximately 7,000 LF of 8-inch diameter AC with 10-inch diameter PVC watermain and 7,000 LF of 8-inch diameter PVC 'dryline' reclaimed watermain.

The order of magnitude construction cost estimate for this second phase is \$4.4M. This cost estimate is based on Phase 1 unit costs between S. 3rd and S. 9th and estimated lesser unit costs between S. 9th and S. 19th due to the existing water main being found not to be under the road pavement by the OWNER and less impact/restoration of surface improvements expected south of S. 9th. More specifically:

- \$1,650,000 – S. 3rd to S. 9th, or 1,500 LF @ \$1,100/LF
- \$2,750,000 - S. 9th to S. 19th, or 5,500 LF @ \$500/LF

The OWNER intends to construct this second phase in multiple, separate portions over multiple years with the first portion being between S. 3rd and S. 6th, with an estimated order of magnitude construction cost of \$825,000.

SCOPE OF SERVICES

After receipt of authorization to proceed, MEAD & HUNT will provide the following services:

RESPONSIBILITIES OF OWNER

This scope of services is based on the OWNER performing or providing the following:

- A designated representative with complete authority to transmit instructions and information, receive information, interpret policy, and define decisions
- Access to the project site
- Available data, drawings, and information related to the project

- Review of deliverables within reasonable timeframes of receipt
- Protection of MEAD & HUNT-supplied digital information or data, if any, from contamination, misuse, or changes

ASSUMPTIONS AND LIMITATIONS

MEAD & HUNT prepared this Scope of Work based on the following assumptions and limitations. If any of the assumptions below prove to be incorrect, MEAD & HUNT will consult with the OWNER and modify this scope as needed.

- Design concept of Phase 1 will be replicated
- No hydraulic modeling is needed
- No geotechnical investigation is included, will utilize previous area project geotechnical data

PHASE 1 – PROJECT MANAGEMENT

MEAD & HUNT's Project Manager (PM) will monitor and manage the project budget, schedule, and scope throughout the estimated ten (10) month project duration. The PM will manage the development of project work and subconsultant efforts. MEAD & HUNT will coordinate and conduct one (1) in-person project kick-off meeting with the project team and OWNER staff to review project goals, scope of work, team member roles, lines of communication, project schedule, and administrative processes. Following the meeting, MEAD & HUNT will prepare a written summary of the project meeting and distribute it to the attendees. MEAD & HUNT will implement, and the PM will monitor a quality assurance and control process, which includes independent technical review of project technical work products before their submission to the OWNER.

Deliverables

- Kick-Off Meeting Agenda and Summary

PHASE 2 – DATA COLLECTION AND SITE RECONNAISSANCE

Utility Coordination

MEAD & HUNT will coordinate with existing utilities along the project route by submission of 60% electronic construction drawings to all utility companies identified by the Sunshine 811 Design Ticket and request markups of existing facilities and resolution of any estimated conflicts with the proposed improvements. MEAD & HUNT will discuss the potential conflicts with the utility company representatives to coordinate the relocation needs as needed. MEAD & HUNT will add information to the construction drawings based on the received utility markups and planned relocations.

Survey

MEAD & HUNT will utilize a survey subconsultant to prepare a route survey along the project limits, including designating OWNER water/wastewater/storm facilities based on accessible features and record maps.

Site Reconnaissance

MEAD & HUNT will conduct site reconnaissance to verify existing conditions and collect photographic and other data collection needed for the design.

Deliverables

- Site Survey (electronic PDF format)

PHASE 3 – PROJECT DESIGN

Task 1 – 60% Design Development

The 60% submittal package will be submitted to the OWNER for review and comment. The submittal will include the items shown in the deliverable section below. It is assumed the OWNER will conduct their review in a two-week period. At the end of the OWNER's review period, MEAD & HUNT will schedule and attend a 60% design review meeting to review the OWNER's comments on the design drawings and specifications.

Deliverables

- 60% Design Drawings (electronic PDF format)
- 60% Specifications (electronic PDF format)
- 60% EOPCC (electronic PDF format)
- 60% Design Review Meeting Summary (electronic PDF format)

Task 2 – 90% Design Development

Based on the OWNER's 60% review comments received, MEAD & HUNT will prepare revised design drawings and specifications to 90% design level completion. MEAD & HUNT will prepare an updated EOPCC based upon the 90% submittal documents.

The 90% submittal package will be prepared and submitted to the OWNER and permitting agencies for review and comment. The submittal will include the items shown in the deliverable section below. It is assumed the OWNER will conduct their review in a two-week period. At the end of the OWNER's review period, MEAD & HUNT will schedule and attend a 90% design review meeting to review the OWNER's comments on the design drawings and specifications.

Deliverables

- 90% Design Drawings (electronic PDF format)
- 90% Specifications (electronic PDF format)
- 90% EOPCC (electronic PDF format)
- 90% Design Review Meeting Summary (electronic PDF format)

Task 3 – 100% Design Development

Based on the OWNER's 90% review comments received, MEAD & HUNT will prepare revised design drawings and specifications to 100% completion. MEAD & HUNT will prepare an updated EOPCC based upon the 100% submittal documents.

Deliverables

- 100% Design Drawings (electronic PDF format)
- 100% Specifications (electronic PDF format)
- 100% EOPCC (electronic PDF format)

PHASE 4 – PERMITTING ASSISTANCE

MEAD & HUNT shall prepare and submit permit applications for the project as detailed below. All permit fees will be paid by MEAD & HUNT.

FDEP Specific Permit to Construct PWS Components

MEAD & HUNT will prepare and submit the permit application in accordance with the permit requirements. Permit applications will be submitted after the 90% design has been reviewed and accepted by the OWNER.

MEAD & HUNT will respond to up to one (1) Request for Additional Information (RAI) as part of the permit application process.

Deliverables

- Final Specific Permit to Construct PWS Components Application

PHASE 5 – BIDDING ASSISTANCE (S. 3rd to S. 6th Portion)

The OWNER will be responsible for the overall solicitation for construction bids process, including any legal review of the bidding and contract documents (Division 0) and verifying compliance with OWNER purchasing and contract policies (Division 0 and 1). The OWNER will also be responsible for request for bid advertisements, distribution of bidding documents, prebid meeting, and bid opening. MEAD & HUNT will provide the following:

MEAD & HUNT will utilize OWNER supplied templates, bid number and dates (advertisement, prebid, bidder question deadline and bid opening) to prepare draft bidding and contract documents as Divisions 0 and 1 of the Project Manual and submit such to the OWNER for review. Upon receipt of the OWNER's review comments, MEAD & HUNT will prepare final bidding and contract documents and assemble the entire Project Manual and submit the Project Manual and Construction Drawings (denoted as bid set) in electronic format to the OWNER. The OWNER will be responsible for distributing bidding documents to interested parties. MEAD & HUNT will attend an in-person pre-bid meeting and present project information to the potential bidders. The OWNER will be responsible for the pre-bid meeting agenda, recording, and

summary/minutes. MEAD & HUNT will respond to potential bidders' questions during the bid period. MEAD & HUNT will prepare suggested responses and provide the OWNER with draft addenda for review. Upon receipt of OWNER comments, MEAD & HUNT will revise the addenda and provide such to the OWNER for distribution. This scope assumes two (2) addenda. MEAD & HUNT will attend the in-person bid opening. The OWNER will be responsible for receiving, opening, and recording the bids.

Upon receipt of copies of the submitted bid documents from the OWNER, MEAD & HUNT will review bids for completeness and conformance with technical requirements. MEAD & HUNT will evaluate the low bidder(s) submitted qualifications information and contact provided references to inquire about bidders' experience, if the OWNER or MEAD & HUNT does not have any past experience working with the bidders. MEAD & HUNT will prepare a tabulation of received bid prices, including unit prices, if applicable, and verify extended values and totals. MEAD & HUNT will also review submitted pricing for imbalances and other disparities. Based on that review, MEAD & HUNT will submit to the OWNER the bid tabulation and a recommendation of award. MEAD & HUNT will attend OWNER Commission meeting for bid award so to address questions regarding the recommendation of bid award.

Deliverables

- Draft/Final Bid Documents
- Draft/Final Addenda
- Bid Tabulation
- Recommendation of Award

PHASE 6 – REIMBURSABLES

Items under this phase include out-of-pocket direct job expenses such as reproductions, postage, etc. It is assumed permit application fees will be paid by MEAD & HUNT and are included in this phase. Items included in this phase will be billed at actual cost.

EXCLUSIONS

This scope of services excludes all items not specifically described herein, including but not limited to:

- Easement Acquisition
- Construction Phase Services
- Funding Assistance
- Environmental

SCHEDULE

Mead & Hunt estimates the work included in this task order will be completed in accordance with the following schedule:

Phase/Task	Duration to Complete (calendar days)	Cumulative Duration (calendar days)	Commencing Upon
<i>Phase 1 – Project Management</i>	275	-	<i>Receipt of PO/NTP</i>
<i>Kick-off Coordination</i>	15	15	<i>Receipt of PO/NTP</i>
<i>Phase 2 – Data Collection and Site Reconnaissance</i>	75	75	<i>Receipt of PO/NTP</i>
<i>Phase 3 – Project Design</i>	-	-	-
<i>Task 1 – 60% Design</i>	60	135	<i>Receipt of Survey</i>
<i>OWNER Review</i>	10	145	<i>Delivery of 60% Submittal</i>
<i>Task 2 – 90% Design</i>	30	175	<i>Receipt of Comments on 60% Submittal</i>
<i>OWNER Review</i>	10	185	<i>Delivery of 90% Submittal</i>
<i>Task 3 – 100% Design</i>	30	215	<i>Receipt of Comments on 90% Submittal</i>
<i>Phase 4 – Permitting Assistance</i>	30	215	<i>OWNER Approval of 90% Deliverable (concurrent with Phase 3, Task 3)</i>
<i>Phase 5 – Bidding Assistance</i>	60	275	<i>Completion of Phase 3, Task 3, or Phase 4 (OWNER preference)</i>

COMPENSATION

The not-to-exceed cost for this Scope of Services is **\$279,138** based on the following breakdown and labor estimate:

Phase/Task	Fee/Cost	Basis
<i>Phase 1 – Project Management</i>	\$16,178	<i>Lump Sum</i>
<i>Phase 2 – Data Collection and Site Reconnaissance</i>	\$17,795	<i>Lump Sum</i>
<i>Phase 3 – Project Design</i>	\$153,734	<i>Lump Sum</i>
<i>Phase 4 – Permitting Assistance</i>	\$5,286	<i>Lump Sum</i>
<i>Phase 5 – Bidding Assistance</i>	\$11,482	<i>Lump Sum</i>
<i>Subtotal</i>	\$204,475	
<i>Phase 6 – Subconsultants/Reimbursables</i>	\$74,663	<i>Actual cost</i>
TOTAL	\$279,138	

Phase	Description	Principal	Senior Client/Project Manager	Senior Engineer	Engineer III	Engineer II	Senior Technician	Administrative Assistant	Total Task (\$)
	Hourly Rate	\$ 340.00	\$ 309.00	\$ 217.00	\$ 195.00	\$ 172.00	\$ 188.00	\$ 114.00	See Below
1	Project Management								
	Project Kick-Off Meeting	2	2		2				\$ 1,688
	Project Coordination		30				10		\$ 10,410
	QA/QC	12							\$ 4,080
	Subtotals	14	32	0	2	0	0	10	\$ 16,178
2	Data Collection and Reconnaissance								
	Survey Coordination		1		2		2		\$ 1,075
	Utilities Coordination		8		24		8		\$ 8,656
	Site Visits		16		16				\$ 8,064
	Subtotals	0	25	0	42	0	10	0	\$ 17,795
3	Design								
	60% Design	4	16	16	100		280		\$ 81,916
	60% Design Review Meeting		2		2				\$ 1,008
	90% Design	4	12	16	60		120		\$ 42,800
	90% Design Review Meeting		2		2				\$ 1,008
	100% Design	4	10	16	40		60		\$ 27,002
	Subtotals	12	42	48	204	0	460	0	\$ 153,734
4	Permitting Assistance								
	FDEP PWS Application	2	4			12			\$ 3,980
	FDEP RAI Response		2			4			\$ 1,306
	Subtotals	2	6	0	0	16	0	0	\$ 5,286
5	Bidding Assistance								
	Bid Set Documents	2	8					30	\$ 6,572
	Prebid		2						\$ 618
	Addenda	1	2					6	\$ 1,642
	Bid Opening		2						\$ 618
	Bid Review and ROA	1	4					4	\$ 2,032
	Subtotals	4	18	0	0	0	0	40	\$ 11,482
TOTAL ALL TASKS		32	123	48	248	16	470	50	\$ 204,475
6	SUBCONSULTANT/ REIMBURSABLES								
	Survey Allowance	\$ 72,763							
	Permit Fee Allowance	\$ 900							
	Printing, etc.	\$ 1,000							
	Total	\$ 74,663							
								Lump Sum Total	\$ 204,475
								Subs/Reimbursables	\$ 74,663
								Contingency	\$ -
								GRAND TOTAL	\$ 279,138

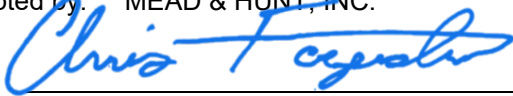
Authorization

The Scope of Services and Compensation stated in this proposal are valid for a period of thirty (30) days from date of submission. If authorization to proceed is not received during this period, this proposal may be withdrawn or modified by Mead & Hunt.

Signatures of authorized representatives of Flagler Beach and Mead & Hunt shall convert this proposal to an Agreement between the two parties, and receipt of one signed copy shall be considered authorization to proceed with the work described in the Scope of Services.

Accepted by: MEAD & HUNT, INC.

By:



Name: Chris Fagerstrom, P.E.

Title: Stormwater Practice Leader

Approved by: MEAD & HUNT, INC.

By:



Name: David A. King, P.E.

Title: Vice President

Date: March 6, 2026

Date: March 6, 2026

Accepted by: CITY OF FLAGLER BEACH

By:

Name:

Title:

*The above person is authorized to sign for Owner
and bind the Owner to the terms hereof.*

Date:

PURSUANT TO FLORIDA STATUTE SECTION 558.0035, AN INDIVIDUAL EMPLOYEE OR AGENT OF MEAD & HUNT INC. MAY NOT BE HELD INDIVIDUALLY LIABLE FOR NEGLIGENCE.

IF THE CONTRACTOR (MEAD & HUNT, INC.) HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S (MEAD & HUNT, INC.'s) DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT (PROPOSAL), CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT THE CITY OF FLAGLER BEACH, P.O. BOX 70, FLAGLER BEACH, FL 32136-0070, City Clerk, Penny Overstreet, (386) 517-2000, Ext. 233, POverstreet@CityofFlaglerBeach.com.



SOUTH 3RD STREET

PROPOSED WATER MAIN
REPLACEMENT AND NEW
RECLAIMED WATER MAIN

SOUTH 19TH STREET

Flagler Beach

Matanzas River

Data SIO, NOAA, U.S. Navy, NGA, GEBCO

Mead&Hunt

SOUTH CENTRAL WATER MAIN REPLACEMENT, PHASE 2



CITY OF FLAGLER BEACH

FLORIDA

Frequently Asked Questions (FAQ)

1. Why is the City replacing the existing water main?

The existing water main is made of asbestos-cement (AC) pipe installed several decades ago. AC pipe becomes brittle with age, is prone to cracking, and is no longer manufactured. As the pipe deteriorates, the likelihood of leaks, breaks, and emergency repairs increases. Replacing the pipe now reduces long-term maintenance costs, improves system reliability, and ensures consistent water service for residents.

2. What is asbestos-cement (AC) pipe, and is it dangerous?

AC pipe was commonly used in the mid-20th century for water systems. It is safe while intact and under pressure, but it is considered obsolete and structurally inferior to modern PVC pipe. The City follows all regulatory requirements for handling and disposing of AC pipe during replacement. The replacement is being done for structural and reliability reasons, not because of a health hazard.

3. Why is the new pipe larger (10-inch instead of 8-inch)?

The upsizing improves hydraulic capacity, enhances fire flow, and prepares the system for future demand. Larger pipe reduces friction loss, improves pressure stability, and supports long-term system resiliency.

4. What is a “dryline” reclaimed water main, and why install it now?

A “dryline” is a reclaimed water pipe installed before the reclaimed water system is fully built out. Installing it now avoids future excavation, reduces long-term construction impacts, and positions the City to expand reclaimed water service when supply becomes available.

5. Why is the project being constructed in smaller portions instead of all at once?

Constructing the project in smaller segments:

- Aligns with annual budget cycles
- Reduces disruption to residents
- Allows the City to manage construction impacts more effectively
- Spreads costs over multiple fiscal years
- Reduces risk by limiting the size of each construction contract

This phased approach is common for multi-year utility projects.



6. Why does the design cost \$279,138?

The design fee includes:

- Full survey of the corridor
- Utility coordination with all providers
- 60%, 90%, and 100% design plans
- Specifications and cost estimates
- FDEP permitting
- Bidding assistance
- Preparation of addenda
- Review of contractor bids

The fee represents 6.3% of the estimated \$4.4 million construction cost, which is at the low end of industry norms (6–12%).

7. What exactly will Mead & Hunt deliver for this fee?

The City will receive:

- A complete survey
- Utility conflict identification and coordination
- Three stages of design (60/90/100%)
- Updated cost estimates at each stage
- A permit-ready package for FDEP
- Bid-ready plans and specifications
- Support during bidding, including addenda and bid review
- A recommendation of award

These deliverables prepare the City to move directly into construction.

8. Why wasn't this work included in Phase 1?



CITY OF FLAGLER BEACH

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Phase 1 was limited to the segment between SR 100 and S. 3rd Street. The City intentionally divided the project into phases to:

- Manage costs
- Reduce disruption
- Allow time to evaluate the condition of the remaining AC pipe
- Incorporate lessons learned into future phases

Phase 2 continues the planned sequence of improvements.

9. How was the construction cost estimate of \$4.4 million developed?

The estimate is based on:

- Actual unit prices from Phase 1
- Updated assumptions for pavement restoration
- Reduced restoration costs south of S. 9th Street (pipe not under pavement)
- Standard industry pricing for water main installation

This estimate will be refined at each design milestone.

10. Will residents experience water outages during construction?

Short, planned outages may occur when connecting new pipe to the existing system. Residents will receive:

- Advance notice
- Door hangers
- Website and social media updates

Outages will be scheduled to minimize inconvenience.

11. Will roads be closed during construction?

Temporary lane closures may occur, but full road closures are not expected. Access to homes will be maintained. Construction will be sequenced to minimize disruption.

12. How long will construction take?



CITY OF FLAGLER BEACH

FLORIDA

Construction for each portion typically takes several months, depending on weather, utility conflicts, and restoration needs. The design schedule is approximately 275 days; construction will follow after bidding.

13. How will this project improve fire protection?

The new 10-inch PVC pipe provides:

- Higher flow capacity
- Improved pressure stability
- Better fire hydrant performance

This enhances fire protection for the entire corridor.

14. How does this project fit into the City's long-term Capital Improvement Plan?

The project is a key component of the City's multi-year water system renewal program. It aligns with:

- The adopted CIP
- Utility Maintenance Fund planning
- Long-term replacement of aging infrastructure
- Future reclaimed water expansion

15. What happens after design is completed?

After design and permitting:

1. The project will be advertised for construction bids.
2. Bids will be reviewed and brought to the Commission for award.
3. Construction will begin once funding is appropriated.

16. Will the City need to acquire easements?

At this time, no easements are anticipated. The work is expected to occur within existing right-of-way. If unforeseen conditions require easements, they will be brought to the Commission for approval.

17. How will the City ensure the project stays on budget?



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Budget control measures include:

- Updated cost estimates at 60%, 90%, and 100% design
- Value engineering during design
- Competitive bidding
- Review of unit prices for imbalances
- Construction oversight during the build phase

18. How will the City communicate with residents during construction?

The City will use:

- Door hangers
- Website updates
- Social media posts
- Direct contact for driveway access coordination
- On-site signage

A dedicated project contact will be available for questions.

19. What risks exist, and how are they being managed?

Key risks include:

- Utility conflicts
- Permit delays
- Construction cost escalation
- Subsurface surprises
- Resident disruption

Mitigation strategies include early utility coordination, phased design reviews, updated cost estimates, and proactive communication.

20. What benefits will residents see once the project is complete?

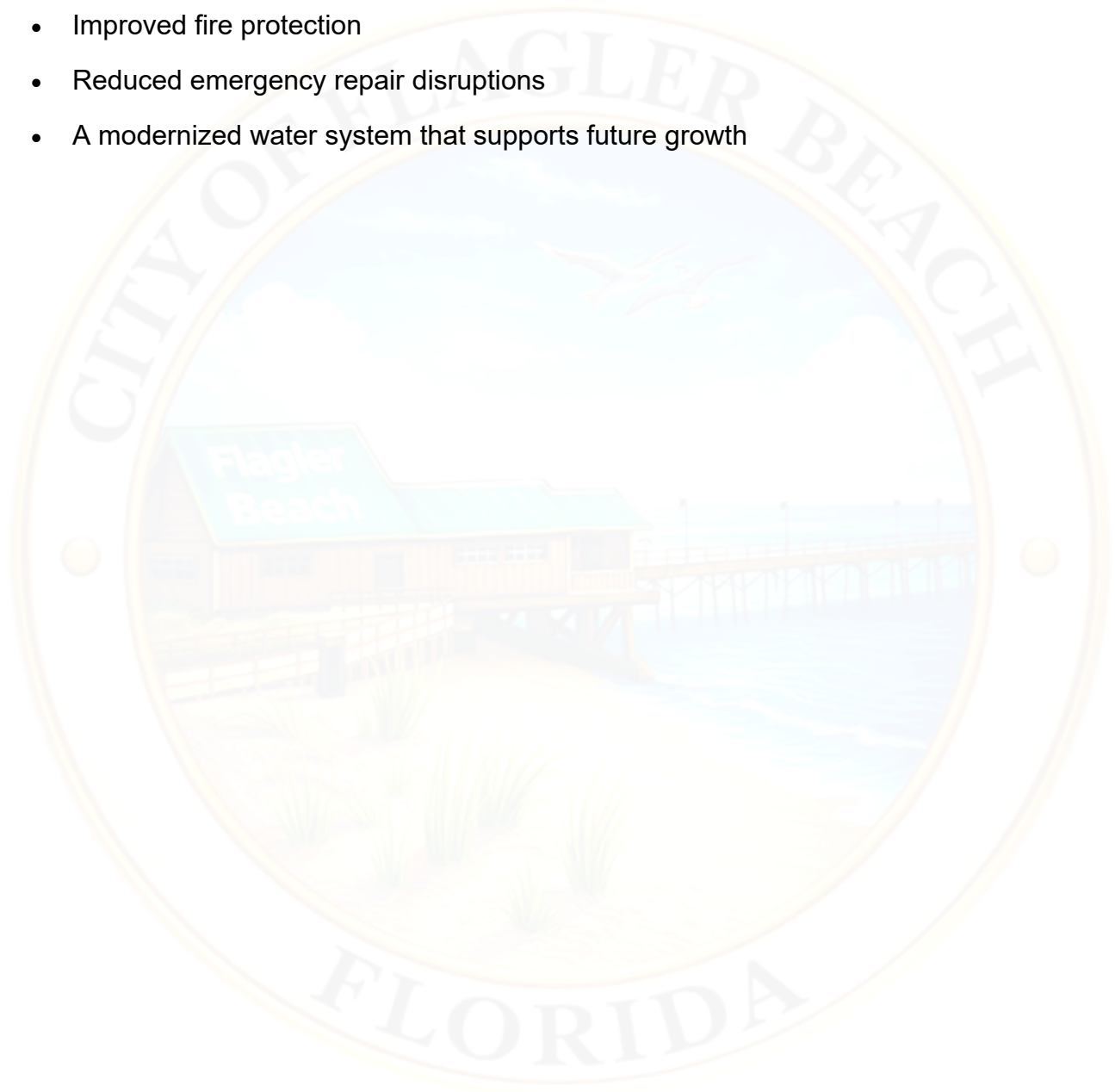
Residents will benefit from:



CITY OF FLAGLER BEACH

FLORIDA

- Fewer water main breaks
- More reliable water service
- Improved fire protection
- Reduced emergency repair disruptions
- A modernized water system that supports future growth





Staff Report

City Commission Regular Meeting

April 23, 2026

To: City Commission
From: William Freeman, City Engineer/Public Works Administrator
Meeting Date: April 23, 2026
Item Name: Resolution 2026-33, A Resolution of the City Commission of the City of Flagler Beach, Florida, approving the proposal from Freese and Nichols, Inc. for the Palm Harbor Drainage Improvements Feasibility Study; authorizing the City Manager to execute the Task Order under the Continuing Services Agreement; providing for findings, for funding, and for an effective date.

Background:

The City continues to experience recurring nuisance flooding and limited drainage capacity within the Palm Harbor neighborhood. Previous stormwater studies have identified existing conditions and recommended improvements. However, the City seeks a more focused feasibility analysis to evaluate additional alternatives, refine drainage subbasins, and establish planning-level costs for future capital improvements.

Freese and Nichols, Inc. (FNI), an engineering consultant under the City's Continuing Services Agreement, submitted a proposal dated March 23, 2026, titled *Palm Harbor Drainage Improvements Feasibility Study*. The proposal includes:

- Project management and administration
- Data collection, including review of previous studies, City records, LiDAR, and coordination of a design survey
- A pre-design field visit
- Development of up to two conceptual drainage alternatives
- Preliminary hydrologic analysis using the rational method
- Coordination with the St. Johns River Water Management District (SJRWMD) for a pre-application meeting
- Preparation of planning-level cost estimates
- Delivery of a Technical Memorandum summarizing findings, alternatives, costs, permitting considerations, and recommendations.

What This Project Will Accomplish

1. Give the City a clear picture of how Palm Harbor actually drains

The study will map how water moves through the neighborhood using new survey data, LiDAR, and field checks. This replaces old assumptions with accurate information.

2. Identify realistic ways to reduce nuisance flooding

The consultant will create two improvement concepts, things like upgraded pipes, re-graded swales, or hybrid systems, and show how each one would function.

3. Provide early cost ranges for each improvement option

The City will know the approximate construction cost for each concept so it can plan future capital budgets.

4. Clarify what permits will be required

The consultant will meet with the Water Management District to understand what environmental permits will be needed and what constraints exist.

5. Give the City a defensible roadmap for next steps

This study sets the stage for design, permitting, and construction. It does not build anything, it prepares the City to make informed decisions.

What the City Will Receive

1. Updated drainage basin maps

Clear graphics showing 3–5 drainage subbasins and how water currently flows.

2. Two conceptual improvement alternatives

Each alternative will include a simple planview layout, approximate pipe sizes or ditch sections, notes on constraints or conflicts.

3. Planning-level construction cost estimates

Cost tables for each alternative, including contingencies.

4. A summary of permitting requirements

A written explanation of what the Water Management District will expect.

5. A full Technical Memorandum

This will summarize existing conditions, alternatives, costs, permitting, and recommended next steps (Subsurface Utility Engineering, Geotechnical Investigation, etc.)

6. Supporting documentation

Kickoff meeting notes

Monthly status summaries

Data request log

Field visit photos and notes

Measured Outcomes

1. Accurate drainage subbasins are established

The City will have a correct, updated hydrologic picture of the neighborhood.

2. Two fully developed alternatives are ready for comparison

The City can evaluate feasibility, cost, and constructability.

3. Planning-level cost estimates are complete

The City can begin budgeting for capital improvements.

4. Permitting pathway is clearly defined

The City will know what permits are required and what hurdles exist.

5. A final Technical Memorandum is delivered

This becomes the official basis for moving into design and construction.

6. Improved communication with residents

The graphics and summaries make it easier to explain what the City can realistically do.

Fiscal Impact:

The lump-sum fee for the feasibility study is \$34,795, as itemized in the proposal's compensation table. Funding will be drawn from the Stormwater Professional Services Fund.

Staff Recommendation:

Staff recommends approval of Resolution 2026-33, approving the proposal from Freese and Nichols, Inc. for the Palm Harbor Drainage Improvements Feasibility Study in the amount of \$34,795, and authorizing the City Manager to execute the associated Task Order under the City's Continuing Services Agreement.

Attachments:

1. Resolution Palm Harbor Feasibility Study Proposal
2. Palm Harbor - Scope of Services (03-24-2026)
3. Frequently Asked Questions

RESOLUTION 2026-33

A RESOLUTION BY THE CITY COMMISSION OF THE CITY OF FLAGLER BEACH, FLORIDA, APPROVING THE PROPOSAL FROM FREESE AND NICHOLS, INC. FOR THE PALM HARBOR DRAINAGE IMPROVEMENTS FEASIBILITY STUDY; AUTHORIZING THE CITY MANAGER TO EXECUTE THE TASK ORDER UNDER THE CONTINUING SERVICES AGREEMENT; PROVIDING FOR FINDINGS, FOR FUNDING, AND FOR AN EFFECTIVE DATE.

WHEREAS, the City of Flagler Beach continues to experience recurring nuisance flooding and localized drainage limitations within the Palm Harbor neighborhood; and,

WHEREAS, previous stormwater studies have identified existing conditions and recommended improvements, but the City desires a more focused feasibility analysis to evaluate additional alternatives, refine drainage subbasins, and establish planning-level costs for future capital improvements; and,

WHEREAS, Freese and Nichols, Inc. (FNI), a qualified engineering consultant under the City's Continuing Services Agreement, submitted a detailed proposal dated March 23, 2026, titled "Palm Harbor Drainage Improvements Feasibility Study," outlining a comprehensive scope of services including project management, data collection, hydrologic review, conceptual alternative development, permitting coordination, and preparation of a technical memorandum; and,

WHEREAS, the proposal includes three primary tasks, Project Management, Data Collection, and Feasibility Analysis, with a total lump-sum fee of Thirty-four thousand, seven hundred ninety-five dollars (\$34,795), as itemized in the compensation table provided in the proposal; and,

WHEREAS, Staff have reviewed the proposal and determined that the scope, methodology, and cost are appropriate, reasonable, and necessary to advance the City's stormwater planning efforts for the Palm Harbor neighborhood; and,

WHEREAS, the City Commission finds that acceptance of this proposal is in the best interest of the residents of Flagler Beach and supports the City's ongoing commitment to improving stormwater resiliency and neighborhood flood protection.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FLAGLER BEACH, FLORIDA AS FOLLOWS:

SECTION 1. The "WHEREAS" clauses above are hereby incorporated herein as legislative findings.

SECTION 2. The City Commission hereby approves the proposal from Freese and Nichols, Inc. dated March 23, 2026, for the Palm Harbor Drainage Improvements Feasibility Study in the amount of \$34,795, and authorizes the City Manager to execute the corresponding Task Order and issue a Notice to Proceed under the City's Continuing Services Agreement.

SECTION 3. All resolutions and parts of resolution in conflict with this resolution are hereby repealed.

SECTION 4. If any portion of the Resolution shall be declared unconstitutional or if the applicability of this Resolution or any portion thereof to any person or circumstances shall be held invalid, the validity of the remainder of this Resolution and the applicability of this Resolution, or any portion thereof to other persons or circumstances, shall not be affected thereby.

SECTION 5. This Resolution shall become effective upon execution.

Upon motion duly made and carried, the foregoing Resolution was accepted by the City Commission of the City of Flagler Beach this 23rd day of April, 2026.

CITY OF FLAGLER BEACH, FLORIDA

PATTI KING, MAYOR

ATTEST:

PENNY OVERSTREET, CITY CLERK

March 23rd, 2026

Bill Freeman, P.E.
City of Flagler Beach
P.O. Box 70
Flagler Beach, FL 32136



Flagler Beach
FLORIDA

RE: PROPOSAL FOR PALM HARBOR DRAINAGE IMPROVEMENTS FEASIBILITY STUDY

Dear Mr. Freeman,

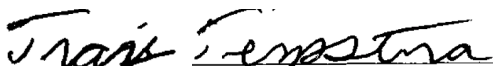
Freese and Nichols, Inc. (FNI) is pleased to submit this proposal for providing professional engineering services to the City of Flagler Beach (CLIENT) to perform Feasibility Study of proposed stormwater improvements within the Palm Harbor neighborhood.

Freese and Nichols, Inc. (FNI) will render professional services as outlined in the attached Scope of Services and is ready to commence work upon authorization to proceed and will complete the services in accordance with the task durations outlined in the referenced project schedule.

FNI proposes to provide the services described herein for a lump sum fee of Thirty-four thousand, seven hundred ninety-five Dollars (\$34,795).

We appreciate the opportunity to submit this proposal. If additional information or clarification is desired, please do not hesitate to contact us. If you agree with the services described above and wish for us to proceed with this assignment, please initiate authorization in accordance with the City's Continuing Contracts Agreement.

Sincerely,



Travis Terpstra, P.E.
Project Manager



Cory J. Stull, P.E.
Principal / Vice President

March 23rd, 2026

Bill Freeman, P.E.
City of Flagler Beach
P.O. Box 70
Flagler Beach, FL 32136

**Flagler Beach**
FLORIDA

CITY OF FLAGLER BEACH
PALM HARBOR DRAINAGE IMPROVEMENTS FEASIBILITY STUDY

1. PROJECT BACKGROUND

The City of Flagler Beach (City) is evaluating opportunities to enhance regional flood protection and frequent neighborhood nuisance flooding within the City. Previous stormwater studies have identified existing conditions, recommended improvements, and prioritized the projects for implementation. The City desires to expand upon the previous study efforts and review additional options to improve the flooding within the Palm Harbor neighborhood.

2. PROJECT APPROACH

Freese and Nichols, Inc. (FNI) will build upon previously conducted studies to evaluate stormwater improvement opportunities within the Palm Harbor neighborhood (Figure 1). The approach will include data collection, preliminary hydrologic analysis, site visit, discussions with St. Johns Water Management District (SJRWMD), and summarizing the results within a short technical memorandum. The goal is to provide the City with a clear understanding of the feasibility and costs for the proposed project alternative(s).

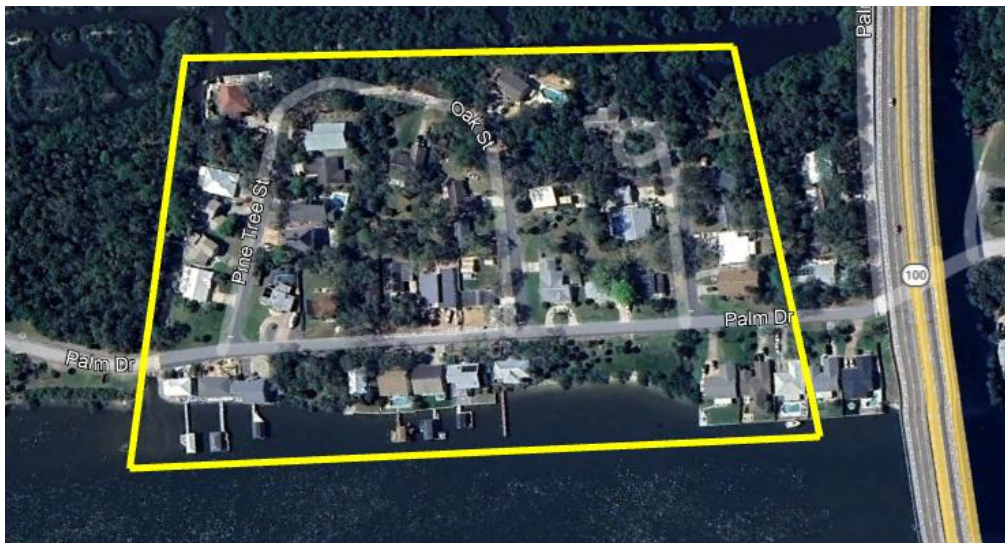


Figure 1: Palm Harbor Neighborhood Drainage Feasibility Study Location

A breakdown of the tasks that FNI will conduct as part of this project is shown in **Table 1**. Details of each task are included in the following sections.

Table 1: Project Tasks

TASK	DESCRIPTION
1	Project Management and Administration
2	Data Collection
3	Feasibility Analysis and Tech Memo

TASK 1 | PROJECT MANAGEMENT

FNI will perform project management and administration necessary for completion of the project. Services shall be based on an estimated four (4) month duration for feasibility services including the following:

- Project setup, including project accounting setup, file management, financial tracking, and routine project controls including monthly invoicing.
- Conduct a project kickoff meeting with the City to review the project scope, schedule, data requests, expectations, and project milestones. This meeting will be in-person with a virtual attendance option. FNI will discuss the City's intentions, goals, and budget for the proposed drainage improvements. FNI will prepare a meeting agenda and provide min. after the kickoff meeting. FNI will also hold a similar project kickoff meeting internally for the project team.
- Provide a monthly project status summary memo to accompany each invoice.
- Implement a quality management plan and perform quality assurance and quality control (QA/QC) reviews in accordance with FNI's QA program.

TASK 2 | DATA COLLECTION

FNI will collect information and data necessary for completion of the planning and design of the project including the following:

Public Information – FNI will research, gather, and review publicly available information including previous studies, soil maps, LiDAR topography, floodplain maps, and previous Environmental Resource Permits.

City Data Request – FNI will request and review information from the City including previous stormwater models and calculations, record plans for subdivisions, as-constructed records, City utility maps, utility as-builts, and adjacent projects. FNI will

provide the City with a data request memorandum listing data needs and will maintain a data request log identifying information received and any outstanding data needs.

Survey Coordination and Review – The City will procure a design survey of the project site from local survey company for use in this study as well as the final design. FNI will assist the City in preparing a scope of work for the survey. The City's survey scope of work will consist of a design-ready topographic and ROW survey including a complete Digital Elevation Model (DEM) surface suitable for planning, final design, permitting, and preparation of final construction plans. FNI will review the survey deliverables for consistency with the observed site conditions and the intended scope of work. FNI will utilize the completed survey deliverables as the basis for the existing conditions.

Pre-design Team Field Visit – FNI will perform one (1) field visit, document existing conditions, and take current photographs of the project area and conveyance routes. As applicable, note visible horizontal, vertical, and overhead infrastructure and encroachments requiring relocation, protection, or other conflict resolution measures.

TASK 3 | FEASIBILITY ANALYSIS AND TECHNICAL MEMORANDUM

FNI will review the existing conditions, previously recommended improvements, collected data, goals of the City, and will evaluate cost saving opportunities. FNI will discuss the feasibility recommendations with the City and prepare a brief technical memorandum summarizing the feasibility study results.

3.1 Review Existing Conditions and Collected Data

- FNI will review the City's survey, existing ROW, City's existing infrastructure records, current land uses, public maps, recent or upcoming projects, and observed field conditions to gain an understanding of the project site challenges.
- FNI will delineate approximately 3 to 5 overall drainage basins for the Palm Harbor neighborhood based on the completed data collection to establish the area's overall existing drainage patterns.
- FNI will prepare preliminary drainage maps and approximate peak discharge rates for a 5-year storm event using the rational method for the existing conditions.

3.2 Concept Development

- Based on the City's intentions and goals for the project as discussed at the project kickoff meeting and the review of the available data, FNI will generate up to two (2) conceptual alternatives to the previously recommended improvements. The conceptual alternatives considered may consist of piped storm drain system as well

as open swales. No pump stations or stormwater force main systems will be considered.

- FNI will prepare a preliminary drainage map showing approximately 3 to 5 drainage subbasins for the roughly 15 acre neighborhood. FNI will estimate the largest approximate pipe size for the anticipated peak discharge rates resulting from a 5-year storm event for each of the 3 to 5 drainage subbasins using the rational method. Hydrologic and hydraulic stormwater modeling is not included. Complete storm detailed drain design is not included.
- FNI will prepare a single Planview sheet for each of the two (2) alternatives - schematically showing the conceptual layout for review and discussion with the City.

3.3 Permit Pre-Application Meeting

- FNI will coordinate and attend a pre-application meeting with St. Johns River Water Management District (SJRWMD) to discuss the anticipated Environmental Resource Permit (ERP) requirements for the proposed alternatives.
- FNI will prepare a short summary of the environmental permitting requirements as discussed with SJRWMD to be included in the technical memorandum.

3.4 Opinion of Probably Construction Cost

- FNI will prepare a planning-level construction cost estimate for each of the two proposed alternatives including contingencies.

3.5 Technical Memorandum

- FNI will prepare a brief technical memorandum summarizing the project effort, recommendations, and budget-level cost estimates including the following:
 - One aerial graphic of the approximately 15 acre neighborhood showing 3 to 5 primary drainage subbasins and the conceptually proposed alternative improvements will be provided for each of the two (2) alternatives. The graphic will also include a conceptual size of the largest outfall pipe(s) or a preliminary cross section of the proposed outfall ditch(es) for each of primary drainage subbasin. Detailed construction plans will not be provided.
 - The Conceptual Opinion of Probable Construction Cost will be provided for each of the two alternatives. Estimation of property acquisition area will be included, however, property and acquisition costs are not included.
 - Recommendations for SUE locates, geotechnical investigations, or other recommended data collection.
 - A summary of the anticipated permitting requirements.
 - Written commentary on the potential non-quantitative benefits and

challenges of each of two alternatives.

- FNI will provide one draft to the City for review and discussion and incorporate City comments and questions one week prior to a review meeting.
- FNI will conduct a Technical Memo review meeting.
- FNI will provide a final Technical Memorandum.

3.6 Meetings

- FNI anticipates the following meetings throughout the duration of the project:
 - FNI internal Team kickoff meeting (included in Task 1.0)
 - Project kickoff meeting with the City (included in Task 1.0)
 - Conceptual Layout Review meeting (included in Task 3.5)
 - SJRWMD pre-application meeting (included in Task 3.3)
 - Tech Memo Review Meeting (included in Task 3.5)

SCHEDULE:

FNI is authorized to commence work on the Project upon execution of this Task Order and estimates the work included in this task order will be completed in accordance with schedule shown in **Table 2**.

Table 2: Project Schedule

Task	Description	Calendar Days
Task 1	Project Management	Ongoing throughout the project
Task 2	Data Collection	30 days from the kick-off meeting
Task 3	Analysis and Tech Memo	120 days from completion of data collection *

* Completion of data collection includes receiving the final design survey provided by the City.

COMPENSATION:

For performance of the services described in this Scope of Services, the City will compensate FNI in the lump sum amount of \$34,795 for Tasks 1 through X as shown in **Table 3**. FNI will be paid for services performed per task as set forth herein, covering the work-in-progress expressed as a percentage of the total cost of the service and work required for each task involved.

Table 3: Compensation for Basic Services

Task No.	Description	LS Fee
1	Project Management	\$ 6,160
2	Data Collection	\$ 6,530
3	Hydrologic and Hydraulic Analysis	\$ 22,105
Lump Sum Total		\$ 34,795

DESIGNATED REPRESENTATIVES: FNI and Client designate the following representatives:

City's Designated Representative: Bill Freeman, PE
City Engineer
(386) 517-2000, ext. 230 (office)
(386) 276-1007 (cell)
BFreeman@cityofflaglerbeach.com

FNI's Designated Representative: Travis Terpstra, PE
Project Manager
(386) 991-5352 (office)
(386) 237-0374 (cell)
travis.terpstra@freese.com

Total Project	\$ 34,795

Task Description	Labor										Total
	Project Manager	Senior Hydrologic & Hydraulic Engineer	Design Engineer 2	CAD Tech / Designer 3	QA/QC	Total Hours	Total Labor Effort	Miles	Other	Total Expense Effort	Total Effort
	\$276	\$244	\$137	\$153	\$193						
1.0 - Project Management and Administration							\$ -			\$ -	\$ -
Project Setup and Administraion	2	1				3	\$ 796			\$ -	\$ 796
Kickoff Meetings	2	2	4	2	2	12	\$ 2,282			\$ -	\$ 2,282
Monthly Invoicing and Status Reports	4					4	\$ 1,104			\$ -	\$ 1,104
Quality Management Plan and Quality Assurance Reviews	4	2			2	8	\$ 1,979			\$ -	\$ 1,979
2.0 - Data Collection							\$ -			\$ -	\$ -
Public Information Collection and Review	2		4	2		8	\$ 1,407			\$ -	\$ 1,407
City Data Collection Request and Tracking	2		8	2		12	\$ 1,955			\$ -	\$ 1,955
Survey coordination and review	2		2	4		8	\$ 1,438			\$ -	\$ 1,438
Pre-Design Site Visit	2	2	2	2		8	\$ 1,621	109		\$ 109	\$ 1,729
3.0 - Feasibility Analysis							\$ -			\$ -	\$ -
3.1 - Review Existing Conditions	4		8	6		16	\$ 2,845			\$ -	\$ 2,845
3.2 - Concept Development	8	1	16	16	2	43	\$ 7,482			\$ -	\$ 7,482
3.3 - Permit Pre-Application Meeting (1 max)	2		8	4		14	\$ 2,262			\$ -	\$ 2,262
3.4 - Cost Estimate	2		8	2	2	14	\$ 2,342			\$ -	\$ 2,342
3.5 - Tech Memo	6	2	16	16	2	42	\$ 7,174			\$ -	\$ 7,174
	-	-	-	-			\$ -	-	-	\$ -	\$ -
	48	12	88	70	10	192		150	-		
	\$ 12,000	\$ 3,432	\$ 14,696	\$ 12,880	\$ 2,140		\$ 34,686	\$ 109	\$ -	\$ 109	\$ 34,795



FREQUENTLY ASKED QUESTIONS

1. What is the purpose of the Palm Harbor Drainage Improvements Feasibility Study?

The purpose of the study is to determine what drainage improvements are technically feasible, cost-effective, and permissible within the Palm Harbor neighborhood. It evaluates existing conditions, identifies drainage basins, develops conceptual alternatives, estimates construction costs, and outlines the regulatory requirements that would apply to any future project. The study gives the City a clear, defensible foundation before moving into design, permitting, and construction.

2. Why is Palm Harbor being evaluated now?

Palm Harbor has experienced recurring nuisance flooding for many years, particularly during moderate rainfall events. The neighborhood's low elevation, shallow swales, undersized culverts, and limited outfall capacity contribute to slow drainage and roadway ponding. Previous studies identified general issues, but the City now needs a more focused and updated evaluation to determine which improvements are viable and how much they will cost.

3. What specific problems does Palm Harbor currently face?

Palm Harbor experiences roadway ponding, slow drainage, and limited conveyance capacity during storms. Many swales have filled in over time, culverts may be undersized or aging, and the area's flat topography makes it difficult for stormwater to move efficiently toward outfalls. These conditions reduce the system's ability to handle even moderate rainfall events, leading to frequent resident complaints and operational challenges.

4. What will the City receive at the end of the study?

The City will receive a comprehensive Technical Memorandum that includes updated drainage basin maps, two conceptual improvement alternatives, planning-level construction cost estimates, a summary of permitting requirements, and recommendations for next steps. The document will also include graphics, conceptual layouts, and commentary on the benefits and challenges of each alternative.



5. Will this study fix flooding in Palm Harbor?

No. The study itself does not fix flooding. It identifies solutions, evaluates their feasibility, and provides cost estimates. Construction of improvements requires separate phases that include engineering design, permitting, budgeting, bidding, and contractor selection. This study is the first step in that multi-phase process.

6. Why can't the City skip the study and go straight to construction?

Skipping the study would expose the City to significant engineering, financial, and regulatory risks. Without a feasibility analysis, the City cannot accurately size pipes, determine which improvements are feasible, estimate costs, or apply for required permits. State law and engineering standards require conceptual evaluation before design. Constructing drainage improvements without this step could lead to ineffective systems, cost overruns, or regulatory violations.

7. How long will the study take to complete?

The study will take approximately 150 days after the kickoff meeting. The first 30 days are dedicated to data collection, including review of previous studies, survey coordination, and a field visit. The remaining 120 days are used for feasibility analysis, concept development, cost estimating, regulatory coordination, and preparation of the Technical Memorandum.

8. How much does the study cost, and how is it funded?

The study costs \$34,795. Funding will come from the City's stormwater Professional Services Fund. The cost includes engineering labor, field verification, survey coordination, conceptual design work, cost estimating, and regulatory coordination.

9. Why was Freese & Nichols selected for this work?

Freese & Nichols is an engineering consultant under the City's Continuing Services Agreement. They have extensive experience in stormwater engineering, familiarity with Flagler Beach's drainage systems, and a strong track record working with the St. Johns River Water Management District. Their proposal includes a detailed scope, clear methodology, and a transparent cost structure.



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10. What role does the St. Johns River Water Management District play in this project?

The St. Johns River Water Management District regulates stormwater systems through the Environmental Resource Permit program. The study includes a pre-application meeting with SJRWMD to confirm permitting thresholds, identify environmental constraints, determine water quality treatment requirements, and discuss retention or attenuation needs. Early coordination helps prevent delays during the design and permitting phases.

11. Will residents be affected during the study?

Residents will experience minimal impact. The only field activity is a pre-design site visit to document existing conditions, take photographs, and verify drainage paths. No construction, excavation, or disruptive work will occur during the study.

12. Will the study require access to private property?

Most observations will occur within public rights-of-way. If access to private property becomes necessary, the City will coordinate directly with property owners and ensure that all access is respectful, limited, and clearly communicated.

13. Will this study increase taxes or utility rates?

No. The study is funded through existing stormwater or capital improvement accounts. Future construction costs will be evaluated separately and may be funded through grants, capital budgets, or stormwater utility revenues. Any future rate discussions would occur separately and would require public input.

14. What happens after the study is completed?

After the study is completed, the City will review the Technical Memorandum, select a preferred alternative, authorize engineering design, apply for SJRWMD permits, develop construction plans, bid the project, and begin construction. Each of these steps requires separate authorization and funding.

15. When could construction begin?

Construction cannot begin until design is completed, permits are issued, funding is allocated, and the project is bid and awarded. This process typically takes 12 to 24 months after the feasibility study, depending on complexity, permitting timelines, and budget cycles.



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16. Will the study include construction cost estimates?

Yes. Each conceptual alternative will include a planning-level Opinion of Probable Construction Cost. These estimates will include materials, labor, contingencies, and estimated property acquisition areas if needed. Property acquisition costs themselves are not included.

17. Will the study identify environmental impacts?

Yes. The study will review existing environmental conditions, identify wetlands or sensitive areas, summarize permitting requirements, and identify potential mitigation needs. This ensures that future design work is aligned with regulatory expectations.

18. Will the study consider future development or redevelopment in the area?

Yes. The analysis will review current land uses, zoning, and adjacent projects to ensure that recommended improvements remain viable as the community evolves. This helps the City avoid designing systems that become outdated or undersized.

19. How will the City communicate updates to residents?

The City will use public meetings, the City website, social media, and direct communication during future design phases. If additional field work is required later, the City may use door hangers or mailers to notify affected residents.

20. What if the study finds that improvements are not feasible?

If certain improvements are not feasible, the Technical Memorandum will explain why and identify constraints such as right-of-way limitations, utility conflicts, environmental restrictions, or cost barriers. The document will also recommend alternative approaches or additional data collection if needed.

21. Will this study help the City secure grants?

Yes. Grant applications require defined project scopes, cost estimates, permitting pathways, and engineering justification. This study provides all of those elements, making the City more competitive for state and federal funding opportunities.



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FLORIDA

22. How does this study fit into the City's long-term stormwater strategy?

The study supports capital improvement planning, stormwater utility rate planning, flood mitigation efforts, resiliency planning, and compliance with state and federal regulations. It is part of a broader effort to modernize the City's stormwater infrastructure and reduce flooding risks.

23. What responsibilities does the City have during the study?

The City will provide requested data, coordinate survey procurement, participate in meetings, review draft documents, and communicate with residents. The City will also ensure that the consultant has access to necessary information and field locations.

24. What is the difference between a feasibility study and engineering design?

A feasibility study is conceptual and high-level. It identifies options, evaluates feasibility, and estimates costs. Engineering design is detailed and technical. It produces construction plans, specifications, permit applications, and bid documents. The feasibility study must be completed before design can begin.

25. Will the study address maintenance issues?

Yes. The study will identify areas where swales need regrading, culverts may be undersized, or maintenance could improve flow. These observations help the City prioritize short-term operational improvements while planning long-term capital projects.

26. Will the study consider sea-level rise or climate impacts?

Yes. Modern stormwater planning incorporates increased rainfall intensity, higher groundwater levels, and tidal backflow considerations. These factors influence the feasibility and effectiveness of drainage improvements.

27. How will the City ensure transparency throughout the process?

The City will publish the proposal, staff report, resolution, and Technical Memorandum. Public meetings will be held to discuss findings, and updates will be provided through the City's communication channels. All documents are public records and will be available for review.

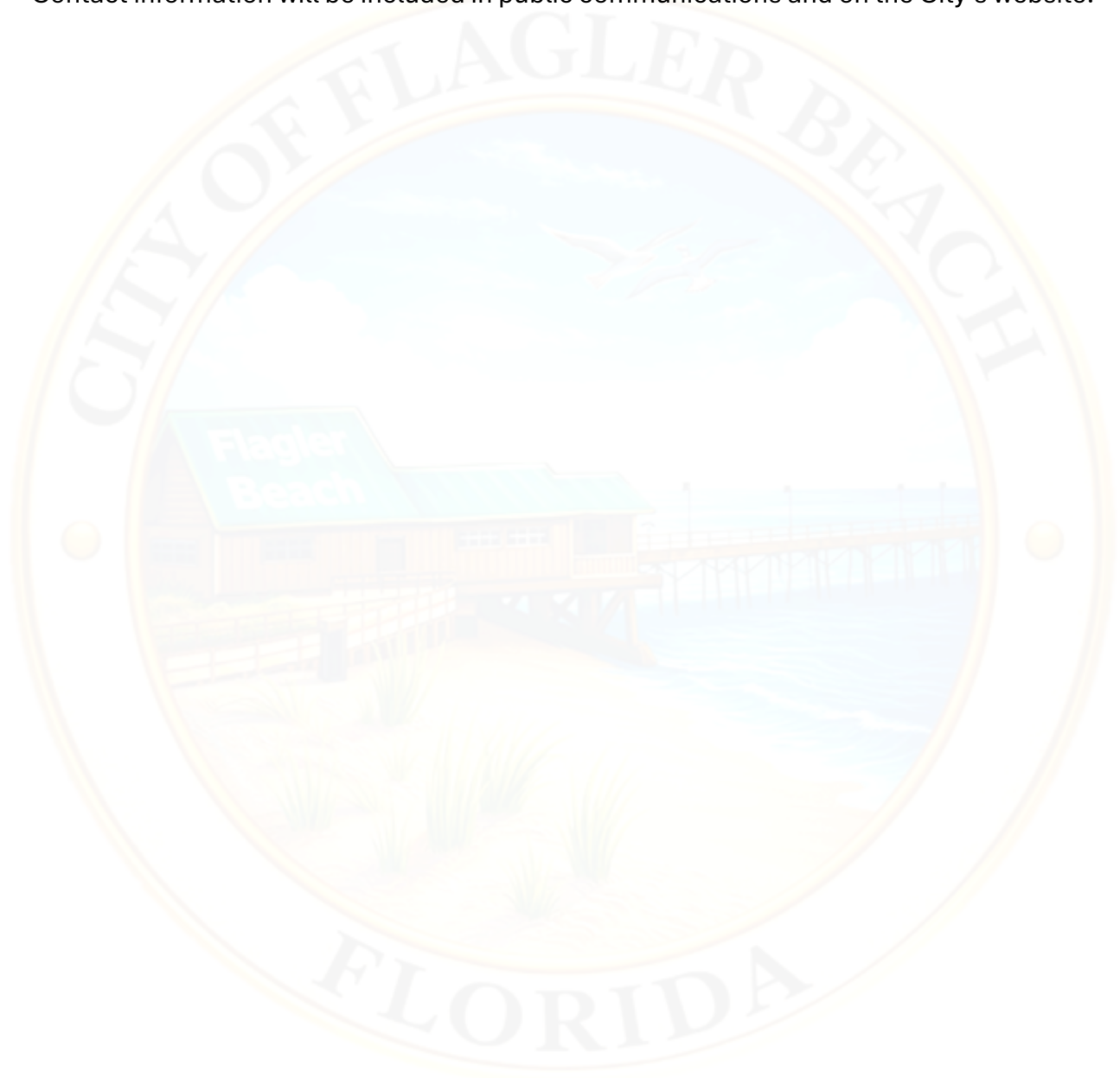


CITY OF FLAGLER BEACH

FLORIDA

28. Who can residents contact with questions about the study?

Residents may contact the City Engineer, the City Manager, or the Public Works Department. Contact information will be included in public communications and on the City's website.





Staff Report

City Commission Regular Meeting

April 23, 2026

To: City Commission
From: William Freeman, City Engineer/Public Works Administrator
Meeting Date: April 23, 2026
Item Name: Resolution 2026-34. A Resolution of the City Commission of the City of Flagler Beach approving the rehabilitation and polyurethane structural lining of Lift Station #4, Lift Station 8, and Pump Station #8 through an intergovernmental cooperative purchase in an amount not to exceed \$98,878.05; providing for conflict and an effective date.

Background:

The City of Flagler Beach is undertaking a critical rehabilitation project involving three wastewater assets: Lift Station #4, Lift Station 8, and Pump Station #8. These stations form part of the backbone of the City's sanitary sewer collection system, conveying wastewater from neighborhoods to the treatment plant. Over time, the interior concrete surfaces of these stations have deteriorated due to hydrogen sulfide exposure, groundwater infiltration, and general aging.

This project will restore structural integrity, eliminate active leaks, and apply a long-term corrosion-resistant polyurethane lining. The work will be performed by Engineered Spray Solutions LLC (ESS) through a piggyback procurement method, allowing the City to use competitively bid pricing already established under an existing contract. The combined cost for all three stations is \$98,878.05, funded through the Utility Maintenance Fund.

This rehabilitation effort is proactive, cost-effective, and essential to preventing future failures, emergency bypass pumping, environmental violations, and costly emergency repairs.

Project Background

Flagler Beach operates twenty-eight lift and pump stations distributed throughout the City. These stations are essential for moving wastewater from lower elevations to higher elevations, ensuring continuous flow to the wastewater treatment facility. Routine inspections and operational monitoring identified three stations—LS #4, LS 8, and PS #8—as having significant interior deterioration.

Concrete surfaces inside these stations have been exposed to corrosive gases, moisture, and infiltration. Over time, this leads to surface loss, cracking, and structural weakening. Infiltration of groundwater into the stations increases flow to the treatment plant, raising operational costs and reducing system efficiency.

ESS's proposals, dated March 30, 2026, outline a comprehensive rehabilitation process that includes high-pressure cleaning, structural repair, leak sealing, and application of a 250-mil SprayWall polyurethane structural coating. This coating provides long-term protection against corrosion and infiltration, extending the life of the stations by decades.

The City's decision to rehabilitate these stations now is based on condition assessments, operational data, and the need to maintain system reliability.

Engineered Spray Solutions LLC ("ESS") submitted proposals dated March 30, 2026 for the rehabilitation of all three stations. The scope of work includes high-pressure cleaning, surface repair, leak sealing, and installation of a 250-mil SprayWall polyurethane structural coating, followed by spark testing to ensure a monolithic, pinhole-free lining.

To expedite the rehabilitation work and avoid duplicative procurement efforts, Staff recommends utilizing an intergovernment cooperative procurement effort based on an existing competitively awarded contract (to JEA) under which ESS is an approved vendor. This procurement method is consistent with the City's purchasing policies and Florida procurement law and allows the City to leverage previously bid pricing and terms.

At the end of this project, the City will have three fully-rehabilitated three wet wells with:

- Cleaned and repaired interior concrete surfaces.
- All identified leaks sealed with chemical grout (within the included quantities).
- A continuous 250-mil SprayWall polyurethane structural lining on ceilings, walls, and fillets.
- Spark-tested, pinhole-free coatings verified by ESS.
- Documentation of work performed, including quantities used and any field adjustments.

Functionally, each station will have a new interior protective shell bonded to the existing structure, significantly extending its useful life and reducing the likelihood of infiltration and corrosion-related failures. The deliverables are not just "work done" but a measurable improvement in asset condition.

Fiscal Impact:

The project totals submitted by ESS are as follows:

- **Lift Station #4:** \$32,179.35
- **Lift Station 8:** \$32,179.35
- **Pump Station #8:** \$34,519.35

Combined Total: \$98,878.05

Funding for the rehabilitation of Lift Station #4, Lift Station 8, and Pump Station #8 will be drawn from the City's Utility Capital Projects budget. The total amount requested under this Resolution is not to exceed \$98,878.05.

Staff Recommendation:

Staff recommends approval of Resolution 2026-34, authorizing the rehabilitation and polyurethane structural lining of Lift Station #4, Lift Station 8, and Pump Station #8 through an intergovernmental cooperative procurement effort with Engineered Spray Solutions LLC, in an amount not to exceed \$98,878.05.

What This Project Will Accomplish

This project will restore the structural integrity and extend the service life of three critical wastewater assets: Lift Station #4, Lift Station 8, and Pump Station #8. These stations have interior concrete surfaces that are deteriorating from age, moisture, and corrosive sewer gases. The rehabilitation work will clean, repair, seal, and structurally reinforce the inside of each station using a 250-mil polyurethane SprayWall lining. Once installed, the lining creates a seamless, corrosion-resistant barrier that prevents leaks, protects the concrete, and reduces the risk of structural failure. Completing this work ensures the stations continue operating safely and reliably, reduces future emergency repairs, and supports regulatory compliance for the City's wastewater system.

Deliverables

The City will have fully-rehabilitated interior structures at all three stations, including cleaned and restored concrete surfaces, sealed leaks, and a new structural polyurethane lining applied to the walls, ceiling, and fillet areas. Each station will undergo spark testing to confirm the lining is continuous and free of defects. ESS will provide all labor, equipment, traffic control, and surface preparation necessary to complete the work. The City will also receive documentation of the completed rehabilitation, including confirmation of the applied coating thickness and verification that the lining meets structural and corrosion-resistance requirements.

Measured Outcomes

Success will be measured by the completion of all three rehabilitations with a fully bonded, pinhole-free polyurethane lining that restores structural strength and eliminates active leaks. The stations will show improved interior condition, reduced corrosion exposure, and extended operational life. Spark testing will confirm that the lining is monolithic and meets performance standards. The City will also see reduced maintenance needs, fewer emergency failures, and improved reliability of the wastewater collection system. The project's completion at the agreed-upon cost and within the expected timeframe further demonstrates successful execution.

Attachments:

1. Resolution 2026-34 Engineered Spray Solutions

2. City of Flagler Beach LS # 8 Proposal
3. Flagler Beach LS #8 Work Up
4. City of Flagler Beach PS #8- Proposal
5. Flagler Beach PS #8 Work Up
6. City of Flagler Beach LS #4 Proposal
7. Flagler Beach LS #4 Work-Up
8. Contract #JEA11199 titled Sanitary Sewer Manhole Structural Rehabilitation and Repair_signed
9. Contract #JEA11199, Amendment #6, titled Sanitary Sewer Manhole Structural Rehabilitation and Repair_signed
10. Frequently Asked Questions

RESOLUTION 2026-34

A RESOLUTION BY THE CITY COMMISSION OF THE CITY OF FLAGLER BEACH, FLORIDA, APPROVING THE REHABILITATION AND POLYURETHANE STRUCTURAL LINING OF LIFT STATION #4, LIFT STATION 8, AND PUMP STATION #8 THROUGH AN INTERGOVERNMENTAL COOPERATIVE PURCHASE UTILIZING ENGINEERED SPRAY SOLUTIONS LLC; AUTHORIZING THE CITY TO EXECUTE ALL DOCUMENTS NECESSARY TO EFFECTUATE THE WORK; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Flagler Beach ("City") owns, operates, and maintains wastewater lift and pump stations that are essential components of the City's sanitary sewer collection system; and,

WHEREAS, the structural integrity of Lift Station #4 located at 2001 N. Daytona Ave, Lift Station 8 located at 1728 Windsong Circle, and Pump Station #8 located at Moody Lane and Lantana Ave requires rehabilitation and application of a corrosion-resistant polyurethane lining to ensure continued safe, reliable, and compliant operation; and,

WHEREAS, Engineered Spray Solutions LLC ("ESS") submitted proposals dated March 30, 2026, each providing for high-pressure cleaning, surface repair, leak sealing, and installation of a 250-mil SprayWall polyurethane structural coating, including spark testing to ensure a monolithic, pinhole-free lining; and,

WHEREAS, ESS's proposals identify project totals of \$32,179.35 for Lift Station #4, \$32,179.35 for Lift Station 8, and \$34,519.35 for Pump Station #8, for a combined total project cost of \$98,878.05, as confirmed in the bid work-ups submitted to the City; and,

WHEREAS, the City desires to procure these services through an intergovernmental cooperative purchase competitively awarded contract (JEA) that includes ESS as an approved vendor, thereby allowing the City to utilize previously bid pricing, terms, and conditions in accordance with the City's purchasing policies and Florida procurement law; and,

WHEREAS, intergovernmental cooperative purchases are a recognized and efficient method of public purchasing that reduces administrative burden, avoids duplicative solicitation processes, and expedites critical infrastructure rehabilitation; and,

WHEREAS, Staff finds that ESS's proposals, as described in the previously awarded contract, constitute the most efficient, cost-effective, and timely means of completing the required rehabilitation work;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FLAGLER BEACH, FLORIDA AS FOLLOWS:

SECTION 1. The “WHEREAS” clauses above are hereby incorporated herein as legislative findings.

SECTION 2. The City Commission hereby approves the rehabilitation and polyurethane structural lining of Lift Station #4, Lift Station 8, and Pump Station #8 utilizing Engineered Spray Solutions LLC through an intergovernmental cooperative purchase under the provisions of an existing competitively awarded contract, in a total amount not to exceed \$98,878.05.

SECTION 3. All resolutions and parts of resolution in conflict with this resolution are hereby repealed.

SECTION 4. If any portion of the Resolution shall be declared unconstitutional or if the applicability of this Resolution or any portion thereof to any person or circumstances shall be held invalid, the validity of the remainder of this Resolution and the applicability of this Resolution, or any portion thereof to other persons or circumstances, shall not be affected thereby.

SECTION 5. This Resolution shall become effective upon execution.

Upon motion duly made and carried, the foregoing Resolution was accepted by the City Commission of the City of Flagler Beach this 23rd day of April, 2026.

CITY OF FLAGLER BEACH, FLORIDA

PATTI KING, MAYOR

ATTEST:

PENNY OVERSTREET, CITY CLERK



1306 Banana Road, Lakeland, Florida 33810

Local Phone • 863-859-3889

Toll Free • 800-329-3889

March 30, 2026

To: City of Flagler Beach
2000 Ave A
Flagler Beach, FL, 32136

Project: City of Flagler Beach – PS 8 located 1728 Windsong Circle, Flagler Beach, FL. One (1) Pump Station for repair and lining using SprayWall Polyurethane Protective Lining System.

Scope of Work:

- PS 8 Rehab Project – 1 pump station located at 1728 Windsong Circle, Flagler Beach, FL, with dimension as measured is an estimated 348.55 square feet including ceiling, walls, and fillet area.
- Mobilize competent crew of four (4) and capable equipment to the Flagler Beach, FL project site.
- 5,000 psi high pressure water cleaning of the concrete surface within host manhole.
- Inspect the manhole surface area for defects. Utilize high strength profile cement for proper surface rebuilding.
- Stop any leaks with chemical grout
- Make suitable repairs to concrete surface area to prepare surface for the SprayWall Protective Lining System.
- Spray-apply 250 mils of Spraywall to ceiling, walls, and fillet areas
- Spark Test the structure to ensure a pinhole free monolithic lining
- Bypassing is not accounted for in this proposal. Bypassing to be coordinated by city.
- Traffic control including cones and signs are accounted for.
- Two to three (2-3) days is estimated to complete the work

Included: ESS professional crew and equipment, Traffic control.

Exclusions: By-passing of any wastewater, dewatering, bonding

Notes: At the assessment of the structures, a determination will be made regarding the need for additional Euclid V100 cement beyond the proposed amount. Additional cement and workmanship will be addressed via change order. Six (6) gallons of 355 1K chemical grout for water stop is accounted for in this proposal. However, chemical grout for water stop if required beyond six (6) gallons, will be invoiced at \$195.00/gallon with approved change order. Standby of crew for situations beyond our control could result in additional charges. Any items not included in the above Scope of Work are considered excluded and would be completed only by approved change order.

Project is bid based on standard daylight work hours. Balance is due upon completion. Proposal price is valid for 90 days.

City of Flagler Beach- PS 8 Rehab Project

PS 8- \$32,179.35

Project- Total: \$32,179.35

Respectfully Submitted,

Shane Castro

Shane Castro
Business Development Manager
863-308-0110
Scastro@ess-1.net

It is mutually understood that in undertaking to correct/repair conditions present, other conditions that were hidden may become known. Such consequences will be beyond ESS's control, and ESS assumes no responsibility for such consequences. ESS will, however, use its best skills and experience to avoid or minimize them. The owner assumes responsibility for any hazardous waste uncovered at this site.

1. The *buyer* has furnished pre-bid information used in planning the work covered in this proposal to ESS, and ESS assumes no responsibility for its accuracy. If the conditions are not in accordance with the information furnished to ESS by the *buyer* or others, the recommended procedures and scope of work in this proposal may not apply. The *buyer* will reimburse any additional expenses incurred by ESS as a result of this difference to ESS.
2. Any items of work not specifically included in this proposal shall not be the responsibility of ESS. Any alteration or deviation from the attached or referenced specifications, involving extra costs will be executed only upon written orders, and will become an extra charge over and above this proposal. All agreements are contingent upon strikes, accidents, or delays beyond our control.
3. It is mutually agreed that ESS shall retain all rights conferred upon it by the lien statutes of any State, Federal, or Territorial Government and will exercise lien rights if necessary. If ESS is not paid when required by this contract, interest of 1.5% will be charged per month. If the delinquent amount is referred to an attorney for collection, the buyer will pay all costs of collection including reasonable attorney fees and court costs. Should any legal action be required as a result of this contract, venue for such action shall be Polk County, Florida.
4. Our proposal is based on carrying out the work in a continuous manner during regular working hours. Should our work be delayed or interrupted for any reason beyond our control we will be compensated for standby of the crew and equipment.
5. If conditions beyond ESS's control make it impossible for us to render performance as specified, and buyer elects to terminate the contract, ESS will be entitled to a cancellation charge for any job set-up, in addition to reimbursement in full for all of ESS's costs (including labor, materials, and overhead), plus reasonable profit for all work performed to date of written notification by the buyer.
6. By executing this contract, owner agrees that all vendor requirements, including but not limited to pre-qualification, insurance, W-9, etc., have been adequately met.

1410804046 Appendix B - Bid Workbook for Flagler Beach LS 8

Spec No. column values beginning with "2" refer to a paragraph in the solicitation.

Spec No. column values beginning with "9" refer to SPECIAL CONDITION ITEM 900 SERIES in Appendix A - Technical Specifications.

				Company name	Engineered Spray Solutions LLC	
Item No.	Spec No.	Est. Qty.	Unit	Description	Unit Price	Annual Extended Price
1		0.25	EA	Mobilization (per 8-10- Manholes)	\$12,500.00	\$3,125.00
2		0.00	SF	Surface Preparation - Existing Fiberglass liner	\$12.00	\$0.00
3		0.00	SF	Removal of Existing Epoxy or Polyurea Liners	\$38.00	\$0.00
4		0.00	EA	Bench and Invert Channel Repair	\$1,450.00	\$0.00
5		6.00	GAL	Chemical Grouting Sealing	\$195.00	\$1,170.00
6		0.00	EA	Install/Replace Inside Drop System, <=8"	\$1,200.00	\$0.00
7		0.00	EA	Install/Replace Inside Drop System, >=10"	\$1,600.00	\$0.00
8		0.00	SF	Installing Corrosion Inhibiting Coating on New Manhole	\$44.00	\$0.00
9		0.00	SF	Installing Corrosion Inhibiting Coating on Existing Manhole	\$56.00	\$0.00
10		348.55	SF	Install Polyurethane Structural Coating, Minimum Thickness 250 mil base	\$80.00	\$27,884.35
11		0.00	SF	Install Polyurethane Structural Coating, Additional 0.125-in of thickness	\$18.00	\$0.00
12		0.00	EA	Manhole Inspection Level 2 with 3D scan and imagery	\$325.00	\$0.00
				Cash Allowances		
		0.00	LS	Bypass Pumping Service Allowance	\$200,000.00	\$0.00
		0.00	LS	Maintenance of Traffic Allowance	\$200,000.00	\$0.00
		0.00	LS	Miscellaneous Allowance	\$100,000.00	\$0.00
SubTotal Bid Price						\$32,179.35
				Bond at 1.5%		\$0.00
Total						\$32,179.35



1306 Banana Road, Lakeland, Florida 33810

Local Phone • 863-859-3889

Toll Free • 800-329-3889

March 30, 2026

To: City of Flagler Beach
2000 Ave A
Flagler Beach, FL, 32136

Project: City of Flagler Beach – PS #8 located at the intersection of Moody Lane & Lantana Ave, Flagler Beach, FL. One (1) Pump Station for repair and lining using SprayWall Polyurethane Protective Lining System.

Scope of Work:

- PS #8 Rehab Project – 1 lift station located at the intersection of Moody Lane & Lantana Ave, Flagler Beach, FL, with dimension as measured is an estimated 348.55 square feet including ceiling, walls, and fillet area.
- Mobilize competent crew of four (4) and capable equipment to the Flagler Beach, FL project site.
- 5,000 psi high pressure water cleaning of the concrete surface within host manhole.
- Inspect the manhole surface area for defects. Utilize high strength profile cement for proper surface rebuilding.
- Stop any leaks with chemical grout
- Make suitable repairs to concrete surface area to prepare surface for the SprayWall Protective Lining System.
- Spray-apply 250 mils of Spraywall to ceiling, walls, and fillet areas
- Spark Test the structure to ensure a pinhole free monolithic lining
- Bypassing is not accounted for in this proposal. Bypassing to be coordinated by city.
- Traffic control including cones and signs are accounted for.
- Two to three (2-3) days is estimated to complete the work

Included: ESS professional crew and equipment, Traffic control.

Exclusions: By-passing of any wastewater, dewatering, bonding

Notes: At the assessment of the structures, a determination will be made regarding the need for additional Euclid V100 cement beyond the proposed amount. Additional cement and workmanship will be addressed via change order. Twelve (12) gallons of 355 1K chemical grout for water stop is accounted for in this proposal. However, chemical grout for water stop if required beyond twelve (12) gallons, will be invoiced at \$195.00/gallon with approved change order. Standby of crew for situations beyond our control could result in additional charges. Any items not included in the above

Scope of Work are considered excluded and would be completed only by approved change order. Project is bid based on standard daylight work hours. Balance is due upon completion. Proposal price is valid for 90 days.

City of Flagler Beach- PS #8 Rehab Project

PS #8- \$34,519.35

Project- Total: \$34,519.35

Respectfully Submitted,

Shane Castro

Shane Castro

Business Development Manager

863-308-0110

Scastro@ess-1.net

It is mutually understood that in undertaking to correct/repair conditions present, other conditions that were hidden may become known. Such consequences will be beyond ESS's control, and ESS assumes no responsibility for such consequences. ESS will, however, use its best skills and experience to avoid or minimize them. The owner assumes responsibility for any hazardous waste uncovered at this site.

1. The *buyer* has furnished pre-bid information used in planning the work covered in this proposal to ESS, and ESS assumes no responsibility for its accuracy. If the conditions are not in accordance with the information furnished to ESS by the *buyer* or others, the recommended procedures and scope of work in this proposal may not apply. The *buyer* will reimburse any additional expenses incurred by ESS as a result of this difference to ESS.
2. Any items of work not specifically included in this proposal shall not be the responsibility of ESS. Any alteration or deviation from the attached or referenced specifications, involving extra costs will be executed only upon written orders, and will become an extra charge over and above this proposal. All agreements are contingent upon strikes, accidents, or delays beyond our control.
3. It is mutually agreed that ESS shall retain all rights conferred upon it by the lien statutes of any State, Federal, or Territorial Government and will exercise lien rights if necessary. If ESS is not paid when required by this contract, interest of 1.5% will be charged per month. If the delinquent amount is referred to an attorney for collection, the buyer will pay all costs of collection including reasonable attorney fees and court costs. Should any legal action be required as a result of this contract, venue for such action shall be Polk County, Florida.
4. Our proposal is based on carrying out the work in a continuous manner during regular working hours. Should our work be delayed or interrupted for any reason beyond our control we will be compensated for standby of the crew and equipment.
5. If conditions beyond ESS's control make it impossible for us to render performance as specified, and buyer elects to terminate the contract, ESS will be entitled to a cancellation charge for any job set-up, in addition to reimbursement in full for all of ESS's costs (including labor, materials, and overhead), plus reasonable profit for all work performed to date of written notification by the buyer.
6. By executing this contract, owner agrees that all vendor requirements, including but not limited to pre-qualification, insurance, W-9, etc., have been adequately met.

1410804046 Appendix B - Bid Workbook for Flagler Beach PS #8 (Moody Lane & Lantana Ave)

Spec No. column values beginning with "2" refer to a paragraph in the solicitation.

Spec No. column values beginning with "9" refer to SPECIAL CONDITION ITEM 900 SERIES in Appendix A - Technical Specifications.

				Company name	Engineered Spray Solutions LLC	
Item No.	Spec No.	Est. Qty.	Unit	Description	Unit Price	Annual Extended Price
1		0.25	EA	Mobilization (per 8-10- Manholes)	\$12,500.00	\$3,125.00
2		0.00	SF	Surface Preparation - Existing Fiberglass liner	\$12.00	\$0.00
3		0.00	SF	Removal of Existing Epoxy or Polyurea Liners	\$38.00	\$0.00
4		0.00	EA	Bench and Invert Channel Repair	\$1,450.00	\$0.00
5		18.00	GAL	Chemical Grouting Sealing	\$195.00	\$3,510.00
6		0.00	EA	Install/Replace Inside Drop System, <=8"	\$1,200.00	\$0.00
7		0.00	EA	Install/Replace Inside Drop System, >=10"	\$1,600.00	\$0.00
8		0.00	SF	Installing Corrosion Inhibiting Coating on New Manhole	\$44.00	\$0.00
9		0.00	SF	Installing Corrosion Inhibiting Coating on Existing Manhole	\$56.00	\$0.00
10		348.55	SF	Install Polyurethane Structural Coating, Minimum Thickness 250 mil base	\$80.00	\$27,884.35
11		0.00	SF	Install Polyurethane Structural Coating, Additional 0.125-in of thickness	\$18.00	\$0.00
12		0.00	EA	Manhole Inspection Level 2 with 3D scan and imagery	\$325.00	\$0.00
				Cash Allowances		
		0.00	LS	Bypass Pumping Service Allowance	\$200,000.00	\$0.00
		0.00	LS	Maintenance of Traffic Allowance	\$200,000.00	\$0.00
		0.00	LS	Miscellaneous Allowance	\$100,000.00	\$0.00
SubTotal Bid Price						\$34,519.35
				Bond at 1.5%		\$0.00
				Total		\$34,519.35



1306 Banana Road, Lakeland, Florida 33810

Local Phone • 863-859-3889

Toll Free • 800-329-3889

March 30, 2026

To: City of Flagler Beach
2000 Ave A
Flagler Beach, FL, 32136

Project: City of Flagler Beach – LS #4 located at 2001 N Daytona Ave, Flagler Beach, FL.
One (1) Lift Station for repair and lining using SprayWall Polyurethane Protective Lining System.

Scope of Work:

- LS #4 Rehab Project – 1 lift station located at 2001 N Daytona Ave, Flagler Beach, FL, with dimension as measured is an estimated 348.55 square feet including ceiling, walls, and fillet area.
- Mobilize competent crew of four (4) and capable equipment to the Flagler Beach, FL project site.
- 5,000 psi high pressure water cleaning of the concrete surface within host manhole.
- Inspect the manhole surface area for defects. Utilize high strength profile cement for proper surface rebuilding.
- Stop any leaks with chemical grout
- Make suitable repairs to concrete surface area to prepare surface for the SprayWall Protective Lining System.
- Spray-apply 250 mils of Spraywall to ceiling, walls, and fillet areas
- Spark Test the structure to ensure a pinhole free monolithic lining
- Bypassing is not accounted for in this proposal. Bypassing to be coordinated by city.
- Traffic control including cones and signs are accounted for.
- Two to three (2-3) days is estimated to complete the work

Included: ESS professional crew and equipment, Traffic control.

Exclusions: By-passing of any wastewater, dewatering, bonding

Notes: At the assessment of the structures, a determination will be made regarding the need for additional Euclid V100 cement beyond the proposed amount. Additional cement and workmanship will be addressed via change order. Twelve (12) gallons of 355 1K chemical grout for water stop is accounted for in this proposal. However, chemical grout for water stop if required beyond twelve (12) gallons, will be invoiced at \$195.00/gallon with approved change order. Standby of crew for situations beyond our control could result in additional charges. Any items not included in the above

Scope of Work are considered excluded and would be completed only by approved change order. Project is bid based on standard daylight work hours. Balance is due upon completion. Proposal price is valid for 90 days.

City of Flagler Beach- LS #4 Rehab Project

LS #4- \$32,179.35

Project- Total: \$32,179.35

Respectfully Submitted,

Shane Castro

Shane Castro

Business Development Manager

863-308-0110

Scastro@ess-1.net

It is mutually understood that in undertaking to correct/repair conditions present, other conditions that were hidden may become known. Such consequences will be beyond ESS's control, and ESS assumes no responsibility for such consequences. ESS will, however, use its best skills and experience to avoid or minimize them. The owner assumes responsibility for any hazardous waste uncovered at this site.

1. The *buyer* has furnished pre-bid information used in planning the work covered in this proposal to ESS, and ESS assumes no responsibility for its accuracy. If the conditions are not in accordance with the information furnished to ESS by the *buyer* or others, the recommended procedures and scope of work in this proposal may not apply. The *buyer* will reimburse any additional expenses incurred by ESS as a result of this difference to ESS.
2. Any items of work not specifically included in this proposal shall not be the responsibility of ESS. Any alteration or deviation from the attached or referenced specifications, involving extra costs will be executed only upon written orders, and will become an extra charge over and above this proposal. All agreements are contingent upon strikes, accidents, or delays beyond our control.
3. It is mutually agreed that ESS shall retain all rights conferred upon it by the lien statutes of any State, Federal, or Territorial Government and will exercise lien rights if necessary. If ESS is not paid when required by this contract, interest of 1.5% will be charged per month. If the delinquent amount is referred to an attorney for collection, the buyer will pay all costs of collection including reasonable attorney fees and court costs. Should any legal action be required as a result of this contract, venue for such action shall be Polk County, Florida.
4. Our proposal is based on carrying out the work in a continuous manner during regular working hours. Should our work be delayed or interrupted for any reason beyond our control we will be compensated for standby of the crew and equipment.
5. If conditions beyond ESS's control make it impossible for us to render performance as specified, and buyer elects to terminate the contract, ESS will be entitled to a cancellation charge for any job set-up, in addition to reimbursement in full for all of ESS's costs (including labor, materials, and overhead), plus reasonable profit for all work performed to date of written notification by the buyer.
6. By executing this contract, owner agrees that all vendor requirements, including but not limited to pre-qualification, insurance, W-9, etc., have been adequately met.

1410804046 Appendix B - Bid Workbook for Flagler Beach LS #4 (2001 N Daytona)

Spec No. column values beginning with "2" refer to a paragraph in the solicitation.

Spec No. column values beginning with "9" refer to SPECIAL CONDITION ITEM 900 SERIES in Appendix A - Technical Specifications.

Company name					Engineered Spray Solutions LLC	
Item No.	Spec No.	Est. Qty.	Unit	Description	Unit Price	Annual Extended Price
1		0.25	EA	Mobilization (per 8-10- Manholes)	\$12,500.00	\$3,125.00
2		0.00	SF	Surface Preparation - Existing Fiberglass liner	\$12.00	\$0.00
3		0.00	SF	Removal of Existing Epoxy or Polyurea Liners	\$38.00	\$0.00
4		0.00	EA	Bench and Invert Channel Repair	\$1,450.00	\$0.00
5		6.00	GAL	Chemical Grouting Sealing	\$195.00	\$1,170.00
6		0.00	EA	Install/Replace Inside Drop System, <=8"	\$1,200.00	\$0.00
7		0.00	EA	Install/Replace Inside Drop System, >=10"	\$1,600.00	\$0.00
8		0.00	SF	Installing Corrosion Inhibiting Coating on New Manhole	\$44.00	\$0.00
9		0.00	SF	Installing Corrosion Inhibiting Coating on Existing Manhole	\$56.00	\$0.00
10		348.55	SF	Install Polyurethane Structural Coating, Minimum Thickness 250 mil base	\$80.00	\$27,884.35
11		0.00	SF	Install Polyurethane Structural Coating, Additional 0.125-in of thickness	\$18.00	\$0.00
12		0.00	EA	Manhole Inspection Level 2 with 3D scan and imagery	\$325.00	\$0.00
				Cash Allowances		
		0.00	LS	Bypass Pumping Service Allowance	\$200,000.00	\$0.00
		0.00	LS	Maintenance of Traffic Allowance	\$200,000.00	\$0.00
		0.00	LS	Miscellaneous Allowance	\$100,000.00	\$0.00
SubTotal Bid Price						\$32,179.35
				Bond at 1.5%		\$0.00
				Total		\$32,179.35

**CONTRACT
BETWEEN
JEA
AND
ENGINEERED SPRAY SOLUTIONS, LLC.
JEA CONTRACT # JEA11199**

THIS CONTRACT is made and entered into as of the 1st day of October, 2022 (the “**Effective Date**”) by and between **JEA**, a body politic and corporate in the City of Jacksonville, Florida (“**JEA**”) and, **ENGINEERED SPRAY SOLUTIONS, LLC.**, a Florida Limited Liability Company authorized to conduct business in the state of Florida with its principal address at 1306 BANANA RD, LAKELAND, Florida, 33810, United States (“**Company**”).

WHEREAS, JEA issued a Solicitation 1410804046 for “**Sanitary Sewer Manhole Structural Rehabilitation and Repair**”, as amended by Addendum Number One dated August 18, 2022, and Addendum Number Two dated September 02, 2022 (the “**Solicitation**”); and

WHEREAS, based on Company’s response to the Solicitation (the “**Response**”), on **October 06, 2022**, JEA’s Awards Committee awarded a contract to Company to provide certain services to JEA as described in the Solicitation (the “**Work**”);

NOW THEREFORE, in consideration of the mutual covenants contained below, JEA and Company agree as follows:

- 1. Engagement and Performance of Work.** JEA engages Company to perform the Work, and Company shall perform the Work in accordance with the terms and conditions of this Contract.
- 2. Compensation.** JEA shall pay the Company for the Work in accordance with the terms of the Solicitation and the pricing attached to this Contract as **Exhibit A**.
- 3. Maximum Indebtedness.** JEA’s maximum indebtedness for all fees, costs, expenses and all other amounts payable under this Contract shall be a fixed monetary amount not-to-exceed **Four Million and 00/100 Dollars (\$4,000,000.00)**. All amounts payable under this Contract are contingent upon the existence of lawfully appropriated funds therefor.
- 4. Term.** The term of this Contract shall commence on the Effective Date and shall continue through **September 30, 2025**, unless sooner terminated in accordance with the terms of the Solicitation. JEA shall have the right, in its sole discretion, to renew this Contract for up to two (2) additional terms of one (1) year(s) each.
- 5. Contract Documents.** This Contract consists of the following documents which are incorporated by reference as if fully set forth herein and which, in case of conflict, shall have priority in the order listed below:

- This document (including all attachments and exhibits hereto), as modified by any subsequently signed amendments
- Any Addenda to the Solicitation issued by JEA
- The Solicitation as originally issued by JEA, including all amendments, technical specifications, appendices and exhibits thereto
- JEA Purchase Order
- The Response, provided, however, that any terms in the Response that are inconsistent with the Solicitation shall not be included in this Contract, unless expressly agreed to in writing by JEA

6. Notices.

All notices under this Contract shall be in writing and shall be delivered by email (delivery receipt requested), certified mail (return receipt requested), or by other delivery with receipt to the following:

As to JEA:

JEA
21 W. Church Street
Jacksonville, Florida 32202
Attn: Justin B. Sencer

and to:

JEA
21 W. Church Street, CC-6
Jacksonville, Florida 32202
Attn: Heather Beard, Procurement Contract Administration
bearhb@jea.com

As to the Company:

ENGINEERED SPRAY SOLUTIONS LLC
1306 BANANA RD, LAKE LAND, Florida, 33810, United States
Attn: JIM COLLIER
Email: jcollier@ess-1.net

7. Authority. Company represents and warrants to JEA that Company has full right and authority to execute and perform its obligations under this Contract, and Company and the person(s) signing this Contract on Company's behalf represent and warrant to JEA that such person(s) are duly authorized to execute this Contract on Company's behalf without further consent or approval by anyone. Company shall deliver to JEA promptly upon request all documents reasonably requested by JEA to evidence such authority.

8. Entire Agreement. This Contract constitutes the entire agreement between the parties hereto for the Work to be performed and furnished by the Company. No statement,

representation, writing, understanding, agreement, course of action or course of conduct, made by either party or any representative of either party, which is not expressed herein shall be binding. Company may not unilaterally modify the terms of this Contract by affixing additional terms to materials delivered to JEA (e.g., “shrink wrap” terms accompanying or affixed to a deliverable) or by including such terms on a purchase order or payment document. Company acknowledges that it is entering into this Contract for its own purposes and not for the benefit of any third party.

9. Amendments. All changes to, additions to, modifications of, or amendment to this Contract, or any of the terms, provisions and conditions hereof, shall be binding only when in writing and signed by the authorized officer, agent or representative of each of the parties to this Contract.

10. Counterparts. This Contract, and all amendments hereto, may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument. This Contract may be delivered by facsimile or by email transmittal of a PDF image, and such facsimile or PDF counterparts shall be valid and binding on JEA and Company with the same effect as if original signatures had been exchanged.

[Remainder of page left blank intentionally. Signature page follows immediately.]

IN WITNESS WHEREOF, JEA and Company have duly executed this Contract as of the Effective Date.

JE A:

JE A

Signature:



Signed on Oct 19,2022 | 19:18:41 (GMT -5:00)

Email: gleejs@jea.com
Name: Jenny McCollum
Title: Director, Procurement Services
Date: Oct 19,2022 | 19:18:41 (GMT -5:00)

WITNESS:

JE A

Signature:



Signed on Oct 10,2022 | 13:47:34 (GMT -5:00)

Email: talljb@jea.com
Name: Jessica Talley
Title: Contracts Assistant
Date: Oct 10,2022 | 13:47:34 (GMT -5:00)

COMPANY:

ENGINEERED SPRAY SOLUTIONS, LLC

Signature:

JIM COLLIER

Signed on Oct 10,2022 | 13:37:40 (GMT -5:00)

Email: JCOLLIER@ESS-1.NET
Name: JIM COLLIER
Title: Authorized Representative
Date: Oct 10,2022 | 13:37:40 (GMT -5:00)

FORM APPROVED:

JE A

Signature:



Signed on Oct 19,2022 | 18:49:42 (GMT -5:00)

Email: lavirc@jea.com
Name: Rebecca Lavie
Title: Assistant General Counsel
Date: Oct 19,2022 | 18:49:42 (GMT -5:00)

Exhibit A

Appendix B - Bid Forms
1410804046 Sanitary Sewer Manhole Structural Rehabilitation and Repair

Submit the Bid electronically as described in section 1.1.3 of the Solicitation.

Company Name: Engineered Spray Solutions LLC

Company's Address: 1306 Banana Road, Lakeland Florida 33810

License Number: CGC 1504067

Phone Number: 863-577-4821 FAX No: Email Address: jcollier@ess-l.net

BID SECURITY REQUIREMENTS ☐ None required ☒ Certified Check or Bond (Five Percent (5%))		TERM OF CONTRACT ☐ One Time Purchase ☐ Annual Requirements ☒ Other, Specify - Project Completion	
SAMPLE REQUIREMENTS ☒ None required ☐ Samples required prior to Bid Opening ☐ Samples may be required subsequent to Bid Opening		SECTION 255.05, FLORIDA STATUTES CONTRACT BOND ☐ None required ☒ Bond required 100% of Bid Award	
QUANTITIES ☐ Quantities indicated are exacting ☒ Quantities indicated reflect the approximate quantities to be purchased Throughout the Contract period and are subject to fluctuation in accordance with actual requirements.		INSURANCE REQUIREMENTS Insurance required	
PAYMENT DISCOUNTS ☒ 1% 20, net 30 ☐ 2% 10, net 30 ☐ Other ☐ None Offered			
ENTER YOUR BID FOR SOLICITATION 1410804046		TOTAL BID PRICE	
Total Bid Price (enter total from cell H23 in the Bid Workbook)		\$28,753,050.00	
☒ I have read and understood the Sunshine Law/Public Records clauses contained within this solicitation. I understand that in the absence of a redacted copy my proposal will be disclosed to the public "as-is".			
BIDDER CERTIFICATION			
By submitting this Bid, the Bidder certifies that it has read and reviewed all of the documents pertaining to this Solicitation, that the person signing below is an authorized representative of the Bidding Company, that the Company is legally authorized to do business in the State of Florida, and that the Company maintains in active status an appropriate contractor's license for the work (if applicable). The Bidder also certifies that it complies with all sections (including but not limited to Conflict Of Interest and Ethics) of this Solicitation.			
We have received addenda _____ 1 _____ through _____ 2 _____		 Handwritten Signature of Authorized Officer of Company or Agent 9/13/22 Date James J Collier Printed Name and Title	

1410804046 Appendix B - Bid Workbook Sanitary Sewer Manhole Structural Rehabilitation and Repair (Only complete the Prices in Yellow Cells)							
Spec No. column values beginning with "2" refer to a paragraph in the solicitation. Spec No. column values beginning with "9" refer to SPECIAL CONDITION ITEM 900 SERIES in Appendix A - Technical Specifications.							
Company name					Engineered Spray Solutions LLC		
Item No.	Spec No.	Est. Qty.	Unit	Description	Unit Price	Annual Extended Price	3 Year Extended Price
1	901	45	EA	Mobilization	\$12,500.00	\$562,500.00	\$1,687,500.00
2	902	4,000	SF	Surface Preparation - Existing Fiberglass liner	\$12.00	\$48,000.00	\$144,000.00
3	903	13,000	SF	Removal of Existing Epoxy or Polyurea Liners	\$38.00	\$494,000.00	\$1,482,000.00
4	904	120	EA	Bench and Invert Channel Repair	\$1,450.00	\$174,000.00	\$522,000.00
5	905	2,235	GAL	Chemical Grouting Sealing	\$195.00	\$435,825.00	\$1,307,475.00
6	906	55	EA	Install/Replace Inside Drop System, <=8"	\$1,200.00	\$66,000.00	\$198,000.00
7	906	20	EA	Install/Replace Inside Drop System, >=10"	\$1,600.00	\$32,000.00	\$96,000.00
8	907	4,000	SF	Installing Corrosion Inhibiting Coating on New Manhole	\$44.00	\$176,000.00	\$528,000.00
9	907	7,000	SF	Installing Corrosion Inhibiting Coating on Existing Manhole	\$56.00	\$392,000.00	\$1,176,000.00
10	908	54,000	SF	Install Epoxy, Polyurea or Polyurethane Structural Coating, Minimum Thickness	\$80.00	\$4,320,000.00	\$12,960,000.00
11	908	63,000	SF	Install Epoxy, Polyurea or Polyurethane Structural Coating, Additional 0.125-in of thickness	\$36.00	\$2,268,000.00	\$6,804,000.00
12	909	357	EA	Manhole Inspection Level 2 with 3D scan and imagery	\$325.00	\$116,025.00	\$348,075.00
				Cash Allowances			
	910	1	LS	Bypass Pumping Service Allowance	\$200,000.00	\$200,000.00	\$600,000.00
	911	1	LS	Maintenance of Traffic Allowance	\$200,000.00	\$200,000.00	\$600,000.00
	2.14.4	1	LS	SWA Allowance	\$100,000.00	\$100,000.00	\$300,000.00
Total Bid Price (transfer total to Page 1 Appendix B - Bid Form)						\$28,753,050.00	

Audit Summary for Contract number JEA11199, titled Sanitary Sewer Manhole Structural Rehabilitation and Repair

Report Time	Agreement Name	Document Created Time
10/19/2022 23:18:47 (GMT)	Contract number JEA11199, titled Sanitary Sewer Manhole Structural Rehabilitation and Repair	10/10/2022 13:48:51 (GMT)
Document Created By	Document Sent Time	Transaction ID
Jessica Talley (talljb@jea.com)	10/10/2022 13:48:51 (GMT)	b93df536-ad22-414b-916d-3c32bf8ed116
Documents	Recipients	Document Status
1665409712285.pdf	JIM COLLIER (JCOLLIER@ESS-1.NET), Jessica Talley (talljb@jea.com), Rebecca Lavie (lavirc@jea.com), Jenny McCollum (gleejs@jea.com)	Completed
Document Status Action Time	Number of Signatures	Number of Initials
10/19/2022 23:18:47 (GMT)	4	0
Number of Stamps	Number of Pages in Document	CC Users
0	7	

Audit Events

- Document created by Jessica Talley (talljb@jea.com) via API integration user Heather Beard (bearhb@jea.com)

Time	IP Address	Geolocation	Browser	OS
10/10/2022 13:48:51 (GMT)	207.211.63.71	-	-	-

- Document emailed by Jessica Talley (talljb@jea.com) via API integration user Heather Beard (bearhb@jea.com)
Sent to - JIM COLLIER (JCOLLIER@ESS-1.NET)

Time	IP Address	Geolocation	Browser	OS
10/10/2022 13:48:56 (GMT)	-	-	-	-

- Email link authenticated by JIM COLLIER (JCOLLIER@ESS-1.NET)

Time	IP Address	Geolocation	Browser	OS
10/10/2022 17:09:28 (GMT)	97.78.136.234	-	Chrome 106	Windows 10

- Document viewed by JIM COLLIER (JCOLLIER@ESS-1.NET)

Time	IP Address	Geolocation	Browser	OS
10/10/2022 17:09:28 (GMT)	97.78.136.234	-	Chrome 106	Windows 10

- Certinal eSign Terms of Use, User Disclosure and Privacy Policy associated with this document have been agreed by JIM COLLIER (JCOLLIER@ESS-1.NET)

Time	IP Address	Geolocation	Browser	OS
10/10/2022 17:37:40 (GMT)	97.78.136.234	-	Chrome 106	Windows 10

- Document eSigned by JIM COLLIER (JCOLLIER@ESS-1.NET)
Signature Method - Signature Typed

Time	IP Address	Geolocation	Browser	OS
10/10/2022 17:37:40 (GMT)	97.78.136.234	-	Chrome 106	Windows 10

- Email link authenticated by JIM COLLIER (JCOLLIER@ESS-1.NET)

Time	IP Address	Geolocation	Browser	OS
10/10/2022 17:37:45 (GMT)	97.78.136.234	-	Chrome 106	Windows 10

- Document viewed by JIM COLLIER (JCOLLIER@ESS-1.NET)

Time	IP Address	Geolocation	Browser	OS
10/10/2022 17:37:45 (GMT)	97.78.136.234	-	Chrome 106	Windows 10

- Document emailed
Sent to - Jessica Talley (talljb@jea.com)

Time	IP Address	Geolocation	Browser	OS
10/10/2022 17:37:49 (GMT)	-	-	-	-

- Email link authenticated by JIM COLLIER (JCOLLIER@ESS-1.NET)

Time	IP Address	Geolocation	Browser	OS
10/10/2022 17:37:51 (GMT)	97.78.136.234	-	Chrome 106	Windows 10

- Document viewed by JIM COLLIER (JCOLLIER@ESS-1.NET)

Time	IP Address	Geolocation	Browser	OS
10/10/2022 17:37:51 (GMT)	97.78.136.234	-	Chrome 106	Windows 10

- Email link authenticated by Jessica Talley (talljb@jea.com)

Time	IP Address	Geolocation	Browser	OS
10/10/2022 17:47:23 (GMT)	12.139.123.91	-	Chrome 105	Windows 10

- Document viewed by Jessica Talley (talljb@jea.com)

Time	IP Address	Geolocation	Browser	OS
10/10/2022 17:47:24 (GMT)	12.139.123.91	-	Chrome 105	Windows 10

- Email link authenticated by Jessica Talley (talljb@jea.com)

Time	IP Address	Geolocation	Browser	OS
10/10/2022 17:47:27 (GMT)	54.165.109.22	-	Chrome 105	Windows 10

- Document viewed by Jessica Talley (talljb@jea.com)

Time	IP Address	Geolocation	Browser	OS
10/10/2022 17:47:28 (GMT)	54.165.109.22	-	Chrome 105	Windows 10

- Certinal eSign Terms of Use, User Disclosure and Privacy Policy associated with this document have been agreed by Jessica Talley (talljb@jea.com)

Time	IP Address	Geolocation	Browser	OS
10/10/2022 17:47:35 (GMT)	12.139.123.91	-	Chrome 105	Windows 10

- Document eSigned by Jessica Talley (talljb@jea.com)
Signature Method - Signature Typed (Pre-Saved)

Time	IP Address	Geolocation	Browser	OS
10/10/2022 17:47:35 (GMT)	12.139.123.91	-	Chrome 105	Windows 10

- Document emailed
Sent to - Rebecca Lavie (lavirc@jea.com)

Time	IP Address	Geolocation	Browser	OS
10/10/2022 17:47:42 (GMT)	-	-	-	-

- Reminder mail sent to Rebecca Lavie (lavirc@jea.com)

Time	IP Address	Geolocation	Browser	OS
10/13/2022 22:48:34 (GMT)	-	-	-	-

- Email link authenticated by Rebecca Lavie (lavirc@jea.com)

Time	IP Address	Geolocation	Browser	OS
10/19/2022 22:44:41 (GMT)	12.139.123.91	-	Chrome 104	Windows 10

- Document viewed by Rebecca Lavie (lavirc@jea.com)

Time	IP Address	Geolocation	Browser	OS
10/19/2022 22:44:42 (GMT)	12.139.123.91	-	Chrome 104	Windows 10

- Email link authenticated by Rebecca Lavie (lavirc@jea.com)

Time	IP Address	Geolocation	Browser	OS
10/19/2022 22:44:47 (GMT)	23.21.227.46	-	Chrome 104	Windows 10

- Document viewed by Rebecca Lavie (lavirc@jea.com)

Time	IP Address	Geolocation	Browser	OS
10/19/2022 22:44:47 (GMT)	23.21.227.46	-	Chrome 104	Windows 10

- Email link authenticated by Rebecca Lavie (lavirc@jea.com)

Time	IP Address	Geolocation	Browser	OS
10/19/2022 22:45:24 (GMT)	64.120.28.53	-	Chrome 104	Windows 10

- Document viewed by Rebecca Lavie (lavirc@jea.com)

Time	IP Address	Geolocation	Browser	OS
10/19/2022 22:45:26 (GMT)	64.120.28.53	-	Chrome 104	Windows 10

- Certinal eSign Terms of Use, User Disclosure and Privacy Policy associated with this document have been agreed by Rebecca Lavie (lavirc@jea.com)

Time	IP Address	Geolocation	Browser	OS
10/19/2022 22:49:42 (GMT)	12.139.123.91	-	Chrome 104	Windows 10

- Document eSigned by Rebecca Lavie (lavirc@jea.com)
Signature Method - Signature Typed

Time	IP Address	Geolocation	Browser	OS
10/19/2022 22:49:42 (GMT)	12.139.123.91	-	Chrome 104	Windows 10

- Document emailed
Sent to - Jenny McCollum (gleejs@jea.com)

Time	IP Address	Geolocation	Browser	OS
10/19/2022 22:49:52 (GMT)	-	-	-	-

- Email link authenticated by Jenny McCollum (gleejs@jea.com)

Time	IP Address	Geolocation	Browser	OS
10/19/2022 23:17:00 (GMT)	67.190.249.60	-	Chrome Mobile 106	iOS 16

- Document viewed by Jenny McCollum (gleejs@jea.com)

Time	IP Address	Geolocation	Browser	OS
10/19/2022 23:17:00 (GMT)	67.190.249.60	-	Chrome Mobile 106	iOS 16

• Email link authenticated by Jenny McCollum (gleejs@jea.com)

Time	IP Address	Geolocation	Browser	OS
10/19/2022 23:17:04 (GMT)	52.73.188.4	-	Chrome Mobile 106	iOS 16

• Document viewed by Jenny McCollum (gleejs@jea.com)

Time	IP Address	Geolocation	Browser	OS
10/19/2022 23:17:04 (GMT)	52.73.188.4	-	Chrome Mobile 106	iOS 16

• Email link authenticated by Jenny McCollum (gleejs@jea.com)

Time	IP Address	Geolocation	Browser	OS
10/19/2022 23:17:39 (GMT)	85.114.136.119	-	Chrome 104	Windows 10

• Document viewed by Jenny McCollum (gleejs@jea.com)

Time	IP Address	Geolocation	Browser	OS
10/19/2022 23:17:42 (GMT)	85.114.136.119	-	Chrome 104	Windows 10

• Certinal eSign Terms of Use, User Disclosure and Privacy Policy associated with this document have been agreed by Jenny McCollum (gleejs@jea.com)

Time	IP Address	Geolocation	Browser	OS
10/19/2022 23:18:41 (GMT)	67.190.249.60	-	Chrome Mobile 106	iOS 16

• Document eSigned by Jenny McCollum (gleejs@jea.com)
Signature Method - Signature Drawn (Pre-Saved)

Time	IP Address	Geolocation	Browser	OS
10/19/2022 23:18:41 (GMT)	67.190.249.60	-	Chrome Mobile 106	iOS 16

• Final Agreement Emailed
Sent to - Jenny McCollum (gleejs@jea.com)
JIM COLLIER (JCOLLIER@ESS-1.NET)
Rebecca Lavie (lavirc@jea.com)
Jessica Talley (talljb@jea.com)

Time	IP Address	Geolocation	Browser	OS
10/19/2022 23:18:47 (GMT)	-	-	-	-

End of Report

Sender Assigned Fields To Recipients

Recipient	Field	Required	PDF Page No.	Value	Activity Time
JIM COLLIER (JCOLLIER@ESS-1.NET)	Field Type: Signature Field Name: null	Yes	Page No.: 4	JIM COLLIER Signed on Oct 10,2022 13:37:40 (GMT -5:00)	10/10/2022 17:37:42 (GMT)
JIM COLLIER (JCOLLIER@ESS-1.NET)	Field Type: Title Field Name: null	Yes	Page No.: 4	Authorized Representative	10/10/2022 17:37:42 (GMT)
JIM COLLIER (JCOLLIER@ESS-1.NET)	Field Type: Signed Date Field Name: null	Yes	Page No.: 4	Oct 10,2022 13:37:42 (GMT -5:00)	10/10/2022 17:37:42 (GMT)
Jessica Talley (talljb@jea.com)	Field Type: Signature Field Name: null	Yes	Page No.: 4	<i>Jessica Talley</i> Signed on Oct 10,2022 13:47:34 (GMT -5:00)	10/10/2022 17:47:37 (GMT)
Jessica Talley (talljb@jea.com)	Field Type: Signed Date Field Name: null	Yes	Page No.: 4	Oct 10,2022 13:47:37 (GMT -5:00)	10/10/2022 17:47:37 (GMT)
Rebecca Lavie (lavirc@jea.com)	Field Type: Signature Field Name: null	Yes	Page No.: 4	<i>Rebecca Lavie</i> Signed on Oct 19,2022 18:49:42 (GMT -5:00)	10/19/2022 22:49:45 (GMT)
Rebecca Lavie (lavirc@jea.com)	Field Type: Signed Date Field Name: null	Yes	Page No.: 4	Oct 19,2022 18:49:45 (GMT -5:00)	10/19/2022 22:49:45 (GMT)
Jenny McCollum (gleejs@jea.com)	Field Type: Signature Field Name: null	Yes	Page No.: 4	<i>JMcCollum</i> Signed on Oct 19,2022 19:18:41 (GMT -5:00)	10/19/2022 23:18:43 (GMT)
Jenny McCollum (gleejs@jea.com)	Field Type: Signed Date Field Name: null	Yes	Page No.: 4	Oct 19,2022 19:18:43 (GMT -5:00)	10/19/2022 23:18:43 (GMT)

Parties accepted the User Disclosure: JIM COLLIER (JCOLLIER@ESS-1.NET), Jessica Talley (talljb@jea.com), Rebecca Lavie (lavirc@jea.com), Jenny McCollum (gleejs@jea.com)

Company and its Users' Disclosure Regarding Conducting Business Electronically, and Signing Documents Electronically

By using Certinal Application, you hereby specifically provide your consent to use Certinal Application for receiving notifications electronically and/or electronically signing e-documents rather than executing those documents through wet signatures. If you do not wish to receive notifications electronically and/or execute e-documents by applying electronic signatures, then you may withdraw your consent in following manner:

- You may notify the sender by writing email to the sender of e-document that you do not wish to execute e-documents by applying electronic signatures.
- You may write email to the sender of e-document and ask the sender to provide print of the document for executing the same by applying wet signatures.
- You yourself may download the document from Certinal Application and print the same for executing it by applying wet signatures.

Any such action of yours by which you do not proceed to electronically sign e-documents shall be construed as withdrawal of your consent to electronically sign e-documents.

You may be required to pay to the sender for executing hard copy of the document through wet signatures needs to be settled between you and the sender. Certinal is not liable in any manner whatsoever related to any such cost if any incurred by you.

After withdrawal of such consent if at any time in future you again use the Certinal Application either to electronically sign the same document for which you had earlier withdrawn your consent or you use the Certinal Application to sign any other new document then by such act of yours you acknowledge that you are consenting to use Certinal Application for electronically signing e-documents.

Following are the system requirements for using Certinal Application.

System Requirements	
RAM Requirements	Minimum: 8GB Recommended: 16GB
Hard Disk Requirements	100GB
Supported Operating system	MAC OS X v11 or later and Windows 8, 10
Supported Browser	<i>*Edge Chromium based browser Recommended</i> Edge Version 81.0.416.58 + Firefox Version 75.0 + Chrome 78.0.3904.97 + Safari 11 +
System Resolution	1920*1080, 1024*768, 1152*864, 1366*768, 1440x900, 2560*1600, 3072*1920
Additional Hardware/Software Requirements	4 Cores (CPU)

Please note that Edge Chromium based browser, Firefox, and Chrome are evergreen browsers with automatic updates. Support is provided for two of their latest stable releases. The supported versions will change as and when they release a new version.

Following are the document formats supported for electronic signature.

- PDF (.pdf)
- Word (.doc and .docx)
- Graphics (.tif, .jpg, .jpeg, .gif, .bmp, and .png)

You are required to have Acrobat® or similar software applications to view electronically signed document.

Sanitary Sewer Manhole Structural Rehabilitation and Repair

**AMENDMENT # 6
TO CONTRACT # JEA11199
BETWEEN
JEA
AND
ENGINEERED SPRAY SOLUTIONS LLC**

THIS AMENDMENT NUMBER 6 (“Sixth Amendment”) is made and entered into this 4th day of September, 2025, (the “Effective Date”), by and between **JEA**, a body politic and corporate located at 225 N. Pearl St., Jacksonville, Florida, 32202, and **ENGINEERED SPRAY SOLUTIONS LLC**, a Florida corporation authorized to perform work in the State of Florida, with a principal address of 1306 BANANA RD, LAKE LAND, Florida, 33810, United States (the “Company”).

RECITALS:

WHEREAS, on **October 01, 2022**, the parties made and entered into an agreement (the “Original Agreement”) under which Company agreed to provide “**Sanitary Sewer Manhole Structural Rehabilitation**” (the Work), to JEA until **September 30, 2025**, (the “Term”), with the option of two (2), one (1) year renewals, with a maximum indebtedness of **Four Million and 00/100 Dollars (\$4,000,000.00)** (the “Maximum Indebtedness”); and

WHEREAS, on **October 19, 2022**, JEA corrected the Original Agreement, Exhibit A, Page 2 for Item No. # 11 and revised the Unit Price from \$36.00 to \$18.00; and

WHEREAS, on **November 04, 2022**, JEA revised the Original Agreement to include Payment & Performance Bonds in the amount of **Five Hundred Thousand and 00/100 Dollars (\$500,000.00)**; and

WHEREAS, on **March 18, 2025**, JEA increased the Maximum Indebtedness in the amount of **Four Hundred Thousand and 00/100 Dollars (\$400,000.00)**, as allowed by the JEA

Procurement Code, for a new Maximum Indebtedness of **Four Million Four Hundred Thousand and 00/100 Dollars (\$4,400,000.00)**; and

WHEREAS, on **April 10, 2025**, JEA increased the Maximum Indebtedness in the amount of **One Million Three Hundred Thousand and 00/100 Dollars (\$1,300,000.00)**, as approved by the JEA Awards Committee, for a new Maximum Indebtedness of **Five Million Seven Hundred Thousand and 00/100 Dollars (\$5,700,000.00)**; and

WHEREAS, on **July 28, 2025**, JEA increased the Maximum Indebtedness in the amount of **Five Hundred Seventy Thousand and 00/100 Dollars (\$570,000.00)**, as allowed by the JEA Procurement Code, for a new Maximum Indebtedness of **Six Million Two Hundred Seventy Thousand and 00/100 Dollars (\$6,270,000.00)** and renewed the Term of the Original Agreement until **September 30, 2026**; and

WHEREAS, JEA now desires to increase the Maximum Indebtedness in the amount of **Two Million and 00/100 Dollars (\$2,000,000.00)**, as approved by the JEA Awards Committee on **September 04, 2025**, for a new Maximum Indebtedness of **Eight Million Two Hundred Seventy Thousand and 00/100 Dollars (\$8,270,000.00)**.

IN CONSIDERATION of the Original Agreement and for the mutual promises and covenants herein contained, the sufficiency and receipt of which is hereby acknowledged, the parties agree as follows:

AGREEMENT:

1. **Maximum Indebtedness.** The Maximum Indebtedness of the Original Agreement shall be increased by **Two Million and 00/100 Dollars (\$2,000,000.00)**, and shall be invoiced to JEA in accordance with the Original Agreement. The Maximum Indebtedness shall now be **Eight Million Two Hundred Seventy Thousand and 00/100 Dollars (\$8,270,000.00)**.

2. The above recitals are true and correct and, by reference, are incorporated herein and made part hereof.

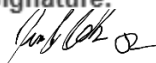
SAVE AND EXCEPT as hereby specifically amended herein, the terms and conditions of the Original Agreement, as amended, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment the day and year first above written.

SIGNATURES TO FOLLOW

ENGINEERED SPRAY SOLUTIONS, LLC

Signature:

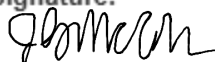


Signed on 09/15/2025 | 09:45:55 (GMT -5:00)

Email: JCOLLIER@ESS-1.NET
Name: JIM COLLIER
Title: President
Date: 09/15/2025 | 09:45:55 (GMT -5:00)

JEA

Signature:



Signed on 09/15/2025 | 09:58:08 (GMT -5:00)

Email: gleejs@jea.com
Name: Jenny McCollum
Title: Director, Procurement Services
Date: 09/15/2025 | 09:58:08 (GMT -5:00)

JEA-Witness

Signature:



Signed on 09/15/2025 | 10:01:41 (GMT -5:00)

Email: talljb@jea.com
Name: Jessie Talley
Title: Contracts Associate
Date: 09/15/2025 | 10:01:41 (GMT -5:00)



CITY OF FLAGLER BEACH

FLORIDA

Public FAQ

What is being done?

Three wastewater lift/pump stations are being cleaned, repaired, and lined with a structural polyurethane coating to extend their life and stop leaks.

Why is this needed?

The interior concrete has deteriorated over time due to wastewater gases and groundwater. If not addressed, this can lead to failures, overflows, and expensive emergency repairs.

Will my service be interrupted?

No planned service interruptions are expected. If bypass pumping is needed, it will be arranged so that wastewater continues to flow without impact to customers.

How long will it take?

Each station will take about two to three days of on-site work. The three stations will be scheduled sequentially.

How much does it cost?

The total cost for all three stations is \$98,878.05, funded from the City's Utility Maintenance Fund.

Who is doing the work?

Engineered Spray Solutions LLC, a contractor with experience in structural polyurethane lining systems.

Why is the City using an intergovernmental procurement effort?

This process allows the City to use pricing and terms from an existing competitively bid contract, saving time and ensuring competitive rates.

What are the benefits to residents?

More reliable wastewater service, reduced risk of overflows, and long-term protection of infrastructure that supports public health and the environment.



Staff Report

City Commission Regular Meeting

April 23, 2026

To: City Commission
From: William Freeman, City Engineer/Public Works Administrator
Meeting Date: April 23, 2026
Item Name: Resolution 2026-35. A Resolution Approving the Location of Six (6) Grounding Beds Associated with the DC Blox Data Center Project; providing for conflict and an effective date.

Background:

DC Blox is developing a new data center facility in the City of Palm Coast, which requires a dedicated electrical grounding and protection system. A portion of the supporting electrical infrastructure for this project traverses the City of Flagler Beach, necessitating the installation of six (6) grounding beds within Flagler Beach's jurisdiction.

In 2024, the City Commission adopted Resolutions related to the proposed undersea cable landing to support the Palm Coast data center: Resolution 2024-38 determined the fee associated with the necessary easements and Resolution 2024-24 formalized the easement agreement. The easements are in the vicinity of S. 6th Street at S. Oceanshore Boulevard (SR A1A) to serve as the landing site for the undersea cable. The infrastructure associated with the landing site will be constructed within the S. 6th Street right-of-way.

These grounding beds are integral to the safe and compliant operation of the electrical system that will ultimately serve the Palm Coast data center. The grounding beds provide controlled dissipation of fault currents, voltage stabilization, and protection of both equipment and personnel. All installations must comply with the National Electrical Code (NEC), utility standards, and the engineered design submitted to the City.

City staff has reviewed the engineering plans and confirmed:

- The six grounding beds are located within approved utility corridors or easements in Flagler Beach.
- The installations do not conflict with City utilities, stormwater assets, or planned capital improvements.
- The work will be performed by DC Blox's contractor, with all testing and certification submitted to the City for recordkeeping.

The grounding beds are required to complete the regional electrical interconnection that

supports the Palm Coast data center and must be installed to maintain the project's construction schedule.

The proposed resolution will be considered CONDITIONAL pending State of Florida Communities Trust review and approval.

Fiscal Impact:

There is no direct fiscal impact to the City of Flagler Beach, as all costs associated with the grounding bed installation, including materials, labor, testing, and restoration, are the responsibility of DC Blox and its contractor. No City funds are requested or required for this approval. Once DC Blox has secured the appropriate permits, DC Blox will be required to pay a \$600,000 easement fee to the City (for three undersea cable landings) and, when appropriate, another \$200,000 per additional cable landing.

Staff Recommendation:

City staff finds the installation of six grounding beds within Flagler Beach to be necessary, technically appropriate, and compliant with applicable codes and standards. Staff recommends that the City Commission approve the installation of six grounding beds within the City of Flagler Beach associated with the DC Blox data center project in Palm Coast, and authorize DC Blox and its contractor to proceed with the work in coordination with City staff (pending State of Florida review and approval).

Attachments:

1. Resolution 2026- 35 DC Blox
2. DCBLOX-Michael Baker_Project Orchid Presentation

RESOLUTION 2026-35

A RESOLUTION APPROVING THE LOCATION OF SIX (6) GROUNDING BEDS ASSOCIATED WITH THE DC BLOX DATA CENTER PROJECT; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Flagler Beach (“City”) approved easements for DC Blox to construct a landing site for an undersea cable in the vicinity of S. 6th Street and S. Oceanshore Boulevard; and,

WHEREAS, additional infrastructure, specifically grounding beds, are required to be constructed to support the undersea cable connect to the proposed data center located in Palm Coast; and,

WHEREAS, the previous approvals for the landing site easements additionally stipulated City Commission for the location of the grounding beds within the City rights-of-way; and,

WHEREAS, the proposed grounding bed sites located within the S. Flagler Avenue right-of-way will not conflict with current and planned City projects in that right-of-way;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FLAGLER BEACH, FLORIDA AS FOLLOWS:

SECTION 1. The “WHEREAS” clauses above are hereby incorporated herein as legislative findings.

SECTION 2. The City Commission hereby approves the location of the DC Blox grounding beds in the S. Flagler Avenue right-of-way as depicted in Exhibit A.

SECTION 3. All resolutions and parts of resolution in conflict with this resolution are hereby repealed.

SECTION 4. If any portion of the Resolution shall be declared unconstitutional or if the applicability of this Resolution or any portion thereof to any person or circumstances shall be held invalid, the validity of the remainder of this Resolution and the applicability of this Resolution, or any portion thereof to other persons or circumstances, shall not be affected thereby.

SECTION 5. This Resolution shall become effective upon satisfactory review and approval by appropriate State agencies (specifically the Florida Communities Trust).

Upon motion duly made and carried, the foregoing Resolution was accepted by the City Commission of the City of Flagler Beach this 23rd day of April, 2026.

CITY OF FLAGLER BEACH, FLORIDA

PATTI KING, MAYOR

ATTEST:

PENNY OVERSTREET, CITY CLERK

Attachment:

Exhibit A



Staff Report

City Commission Regular Meeting

April 23, 2026

To: City Commission
From: Lupita McClenning, Planner
Meeting Date: April 23, 2026
Item Name: Ordinance 2026-06. Application PCPA26-0001. An Ordinance of the City Commission of the City of Flagler Beach, Florida, amending the Comprehensive Plan Future Land Use Map designation for approximately 2.943 acres of certain real property with Parcel ID 29-12-32-0000-01010-0010 from High Density Residential to Recreation; providing for severability, conflicts, and an effective date.

Background:

Amending the Future Land Use Category from High Density to Recreation aligns with the City's vision for the golf course to remain recreational land without the potential for residential development.

Fiscal Impact:

Amending the FLUM does not have a fiscal impact; however, changing ownership of the parcel from government use to private ownership puts the parcel on the tax rolls.

Staff Recommendation:

On April 7, 2026, the Planning and Architectural Review Board unanimously recommended approval of Ordinance 2026-06. Staff recommends to the City Commission to approve the FLUM request as it is compatible with the Comprehensive Plan and compatible with the surrounding neighborhood.

Attachments:

1. Staff Report PCPA 26-0001
2. Ordinance 2026-06_FLUM Amendment - Golf Course_Draft
3. Application PCPA26-0001
4. 260402 COFB Public Hearing Notice - Ordinance 2026-06 n_a (340327) Flagl



March 31, 2026

To: Planning and Architectural Review Board (PARB)

From: Lupita McClenning, City Planner

Re: Small-Scale FLUM Amendment High Density Residential (HDR) to Recreation

Date: March 31, 2026

Applicant/ City of Flagler Beach
Owner PO Box 70
Flagler Beach, FL 32136

Parcel ID: 29-12-32-0000-01010-0010

Golf Course

Total Parcel: +/- 34 acres *Source: Flagler County Property Appraiser*

Amending: +/- 2.94 acres of High Density Residential (HDR) to Recreation

Project 3600 S. Central Ave.
Address: Flagler Beach, FL 32136

Current
FLUM: High Density Residential (HDR)

Proposed
FLUM: Recreation

Parcel Size: +/-2.94 acres

The request to amend FLUM from High Density Residential to Recreation aligns with the City's vision for the golf course to remain without potential for residential development.

The request is consistent with the City Comprehensive Plan, Land Development code and compatible with the surrounding use of the golf course and neighborhood.

Staff Recommendation

Staff recommends the Planning and Architectural Review Board recommend to the City Commission to approve the FLUM amendment for +/- 2.94 acres of High Density Residential to Recreation.

ORDINANCE 2026-06

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF FLAGLER BEACH, FLORIDA, AMENDING THE COMPREHENSIVE PLAN FUTURE LAND USE MAP DESIGNATION FOR APPROXIMATELY 2.943 ACRES OF CERTAIN REAL PROPERTY WITH FLAGLER COUNTY PARCEL ID 29-12-32-0000-01010-0010 GENERALLY LOCATED INTERIOR TO THE PROPERTY KNOWN AS THE OCEAN PALM GOLF COURSE; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Commission of the City of Flagler Beach enacted Ordinance 2018-11, adopting the 2035 Comprehensive Plan which includes the City of Flagler Beach Future Land Use Map (FLUM), which Plan and FLUM have been amended from time-to-time; and

WHEREAS, Section 163.3161 et seq., Florida Statutes established the Community Planning Act; and

WHEREAS, Section 163.3184, Florida Statutes, establishes a process for adoption of comprehensive plans or plan amendments amending the future land use designation of property; and

WHEREAS, the City of Flagler Beach is desirous of amending the future land use designation of the subject property from High Density to Recreation; and

WHEREAS, the City of Flagler Beach Planning and Architectural Review Board (PARB) acting as the City's Local Planning Agency, considered the proposed map amendment at a duly noticed meeting and recommended approval; and

WHEREAS, the City of Flagler Beach City Commission, after due public notice and hearing, has adopted the proposed Comprehensive Plan amendment; and

WHEREAS, the City Commission of the City of Flagler Beach finds that this Ordinance is in the best interest of the health, safety, and welfare of the citizens of Flagler Beach.

NOW, THEREFORE, IT IS HEREBY ORDAINED BY THE CITY COMMISSION OF FLAGLER BEACH, FLORIDA, THAT THE FUTURE LAND USE MAP IS AMENDED AS FOLLOWS:

SECTION 1. LEGISLATIVE AND ADMINISTRATIVE FINDINGS. The above recitals (whereas clauses) are hereby adopted as the legislative and administrative findings of the City Commission of the City of Flagler Beach.

SECTION 2. FUTURE LAND USE MAP AMENDED. The Future Land Use Map designation for the approximately 2.943 acre subject property with Flagler County Property ID 29-12-32-0000-01010-0010, and more particularly described in Exhibit “A,” is amended from High Density to Recreation.

SECTION 3. CONFLICTS. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 4. NON-CODIFICATION. As this amendment only changes the Future Land Use Map, it is not necessary to codify this Ordinance.

SECTION 5. SEVERABILITY. If any section, subsection, sentence, clause, phrase or provision of this Ordinance is held to be unconstitutional or otherwise invalid by a court of competent jurisdiction, such unconstitutionality or invalidity shall not be construed as to render unconstitutional or invalid the remaining provisions of the Ordinance.

SECTION 6. EFFECTIVE DATE. The effective date of this plan amendment, if the amendment is not timely challenged, shall be 31 days after the state land planning agency notifies the local government that the plan amendment package is complete. If timely challenged, this amendment shall become effective on the date the state land planning agency or the Administration Commission enters a final order determining this adopted amendment to be in compliance. No development orders, development permits or land use dependent on this amendment may be issued or commence before it has become effective. If a final order of noncompliance is issued by the Administration Commission, this amendment may nevertheless be made effective by adoption of a resolution affirming its effective status, a copy of which resolution shall be sent to the state land planning agency.

APPROVED on first reading after due public notice and hearing the _____ day of _____, 2026.

ADOPTED on second reading after due public notice and public hearing this _____ day of _____, 2026.

ATTEST:

CITY OF FLAGLER BEACH, FLORIDA
CITY COMMISSION

CITY CLERK

Patti King, Mayor

EXHIBIT "A"

A PORTION OF SECTION 29 AND 30, TOWNSHIP 12 SOUTH, RANGE 32 EAST, FLAGLER COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

FROM THE NORTHEAST CORNER OF PALM HAVEN SUBDIVISION, AS RECORDED IN PLAT BOOK 27, PAGE 27, OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, BEING ON THE WESTERLY RIGHT-OF-WAY LINE OF SOUTH CENTRAL AVENUE; A 50 FOOT RIGHT-OF-WAY, RUN NORTH 21 DEGREES 48 MINUTES 08 SECONDS WEST ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 130.00 FEET TO THE POINT OF BEGINNING; THENCE DEPARTING SAID RIGHT- OF-WAY LINE, RIGHT SOUTH 68 DEGREES 11 MINUTES 52 SECONDS WEST, A DISTANCE OF 86.00 FEET; THENCE SOUTH 59 DEGREES 08 MINUTES 59 SECONDS WEST, A DISTANCE OF 109.23 FEET; THENCE SOUTH 02 DEGREES 29 MINUTES 39 SECONDS EAST, A DISTANCE OF 400.00 FEET; THENCE SOUTH 87 DEGREES 30 MINUTES 21 SECONDS WEST, A DISTANCE OF 220.00 FEET; THENCE NORTH 02 DEGREES 29 MINUTES 39 SECONDS WEST, A DISTANCE OF 495.00 FEET; THENCE NORTH 68 DEGREES 11 MINUTES 52 SECONDS EAST, A DISTANCE OF 240.09 FEET; THENCE SOUTH 21 DEGREES 48 MINUTES 08 SECONDS EAST, A DISTANCE OF 105.22 FEET; THENCE NORTH 68 DEGREES 11 MINUTES 52 SECONDS EAST, A DISTANCE OF 130.00 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF SAID SOUTH CENTRAL A VENUE; THENCE SOUTH 21 DEGREES 48 MINUTES 08 SECONDS EAST ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 40.00 FEET TO THE POINT OF BEGINNING.



CITY OF FLAGLER BEACH
PLANNING & ZONING DEPARTMENT

INTAKE APPLICATION	
☐ Final Site Plan	☐ Preliminary Plat
☐ Master Site Plan	☐ Final Plat
☐ Site Development Plan(s)	☐ Plat Vacating
☐ Rezoning	☐ Subdivision Master Plan
☐ Comprehensive Plan Amendment	☐ Non-statutory Land Division/Parcel Reconfiguration
☒ Future Land Use Map Amendment	☐ Site Plan Modification (Post approval)
☐ Special Exception	☐ Development Order Modification
☐ Variance	☐ Wireless Communication Facility (new structure)

RECEIVED

DATE RECEIVED: MAR 25 2026 APPLICATION NUMBER: PCPA26-0007

ALL FEES REQUIRED AT INTAKE ARE BASED ON THE APPLICATION TYPE.
CITY STAFF WILL PROVIDE A FEE SCHEDULE TO THE APPLICANT PRIOR TO SUBMISSION.

A. PROJECT NAME: Golf Course

B. LOCATION OF SUBJECT PROPERTY (PHYSICAL ADDRESS): 3600 S. Central Ave

C. PROPERTY APPRAISER'S PARCEL ID NUMBER(s): 29-12-32-0000-01010-0010

D. LEGAL DESCRIPTION: Attached Subdivision Name: Palm Haven

Section; _____ Block(s); _____ Lot(s); _____

E. SUBJECT PROPERTY ACRES / SQUARE FOOTAGE: 2.943 Acres

F. FUTURE LAND USE MAP DESIGNATION: HDR EXISTING ZONING DISTRICT: MDR

OVERLAY DISTRICT: _____

G. FLOOD ZONE: X/AE FEMA COMMUNITY PANEL NUMBER: _____ DATE: _____

H. CURRENT USE OF PROPERTY: Municipal

I. DESCRIPTION OF REQUEST/PROPOSED DEVELOPMENT (ATTACH ADDITIONAL SHEETS) Small scale future land use amendment to RECREATION

J. PROPOSED NUMBER OF LOTS (If Applicable): 0 Development Phasing: Yes ☐ No ☒



CITY OF FLAGLER BEACH PLANNING & ZONING DEPARTMENT

K. LIST BELOW ANY APPLICATIONS CURRENTLY UNDER REVIEW OR RECENTLY APPROVED ASSOCIATED WITH THIS APPLICATION: PR226-0001 / ordinance 2026-04 Rezone

L. WATER/SEWER PROVIDER: _____

M. EXISTING MORTGAGE? Yes ☐ No ☐

OWNER: <u>City of Flagler Beach</u>	APPLICANT/AGENT:
Name: <u>City Manager Dale Martin</u>	Name:
Mailing Address: <u>P.O. Box 70</u>	Mailing Address:
Phone Number: <u>386-517-2000</u>	Phone Number:
E-mail Address: <u>dmartin@cityofflaglerbeach.com</u>	E-mail Address:

MORTGAGE HOLDER:	ENGINEER OR PROFESSIONAL:
Name:	Name:
Mailing Address:	Mailing Address:
Phone Number:	Phone Number:
E-mail Address:	E-mail Address:

SURVEYOR:	ATTORNEY OF RECORD:
Name:	Name:
Mailing Address:	Mailing Address:
Phone Number:	Phone Number:
E-mail Address:	E-mail Address:

PLANNER:	TRAFFIC ENGINEER:
Name:	Name:
Mailing Address:	Mailing Address:
Phone Number:	Phone Number:
E-mail Address:	E-mail Address:

I HEREBY CERTIFY THAT ALL INFORMATION ON THIS APPLICATION IS CORRECT: Signature of owner OR person authorized to represent this application:

Dale L. Martin Dale L. Martin Mar 25, 2026
Signature Print Name Date

STATE OF Florida

COUNTY OF Flagler

The foregoing instrument was sworn to or affirmed X in person or _____ by virtual notarization on the 25th day of March, 2026 by Dale Martin who is personally known to me or who produced _____ as identification.

Michele C. Ficocello
Signature of Notary





City of Flagler Beach
Planning & Zoning Department
P.O. Box 70 * 800 S Daytona Ave.
Flagler Beach, FL 32136
www.cityofflaglerbeach.com

Application for Amendment to the City of Flagler Beach Comprehensive Plan

Small Area Amendment: (Sec. 163.33187.FS) X
Under 1 Acre _____ Over 1, Under 10 Acres X Fees: \$ _____
Regular Amendment _____ Number of Acres _____ Fees: \$ _____

Any party requesting a change of land use must provide the city with sufficient information to determine the practicality of effecting such a change. The party making such a request must provide the following information to the city building department, on a form provided by the city and pay a fee established by the city commission which may be amended as experience dictates:

Part I. Applicant / Owner Information

Applicant's Address: City of Flagler Beach, 105 S 2nd Street

Applicant's Contact Numbers: 517-2000 or _____

Applicant's E-mail: dmartin@cityofflaglerbeach.com

If the Owner is different from the Applicant please fill out the following:

Owner's Name: _____

Owner's Address: _____

Owner's Contact Numbers: Home _____ Business _____ FAX _____

Owner's E-mail (if applicable): _____

Part II. Parcel Description

Parcel ID Number: 29-12-32-0000-01010-0010

Legal Description: (Attach if necessary) Attached

Number of Acres or Fraction Thereof: 2.943 Acres

Existing Land Use Designation: High Density Residential (HDR)

Application for amendment to Comp. Plan

1/25/2026

Proposed Land Use Designation: Recreation (REC)

Number of Units to Be Developed: by type: 0 / zero

Roads Serving Site: _____

Recreational facilities serving site: _____

	Yes	No
Will the Site be served by: Central Water?	<u>/</u>	—
Central Sewer?	<u>/</u>	—
Is the Site in 100-year Flood Zone?	—	<u>/</u>
Does Site Contain Critical Habitat for Endangered/Threatened Species?	—	<u>/</u>
Will proposed change affect beach accessibility?	—	<u>/</u>

Please state the reason for the requested change:

See Attachment A



Attachment A

Amending the Future Land Use Map (FLUM) for +/- 2.943 acres from High Density Residential (HDR) to Recreation (REC) aligns with the City's vision for the parcel to remain without potential for residential development.

The amendment is consistent with the Comprehensive Plan Land Use element, Policy A.1.1.3, G. Recreation. The small-scale FLUM amendment is compatible with the surrounding neighborhood.

Demand on Infrastructure

Potable Water

The current water demand is met by pumping water from the stormwater pond.

Sanitary Sewer

Zero Demand on sanitary sewer.

Solid Waste

Zero Demand on solid waste.

Drainage

The post development run off will meet the pre-development which is zero.

Topography

The site slopes east to west.

Cultural or Historic impacts.

None

Part III: Attachments Checklist

The information and attachments requested as part of this application are the minimum necessary to determine if the proposed amendment complies with the requirements of the Florida Statutes, Administrative Code, Comprehensive Land Use Plan (CLUP) and the Land Development Code (LDC). The City may require additional information at any time during the application process, depending on the nature of the request.

- ___ DEED/AFFIDAVIT OF OWNERSHIP OR CONTRACT FOR PURCHASE (COPY)
- ___ OWNER'S AGENT AUTHORIZATION FORM
- ___ SURVEY (1"=20', With Raised Seal and Signature of Florida Registered Surveyor or Engineer)
- ___ PROVIDE A MAP SHOWING THE PROPOSED FUTURE LAND USE MAP DESIGNATION OF THE SUBJECT PARCEL AND ITS LOCATION IN RELATION TO THE SURROUNDING STREET NETWORK.
- ___ PROVIDE A MAP SHOWING THE CURRENT LAND USE DESIGNATION OF THIS SUBJECT AND ABUTTING PARCELS ON THE FUTURE LAND USE MAP
- ___ PROVIDE A DESCRIPTION OF THE AVAILABILITY OF AND DEMAND ON THE FOLLOWING PUBLIC FACILITIES; SANITARY SEWER, SOLID WASTE, DRAINAGE, POTABLE WATER, TRAFIC CIRCULATION AND RECREATION.
- ___ DESCRIPTION OF HOW THE PROPOSED AMENDMENT IS CONSISTENT WITH THE INTENT AND PURPOSE OF THE CITY OF FLAGLER BEACH COMPREHENSIVE LAND USE PLAN
- ___ DESCRIPTION OF HOW THE PROPOSED AMENDMENT WILL ENCOURAGE THE MOST APPROPRIATE USE OF LAND AND CITY RESOURCES, CONSISTENT WITH THE PUBLIC INTEREST
- ___ PROVIDE AN ANALYSIS, INCLUDING SOILS, TOPOGRAPHY, NATURAL RESOURCES AND HISTORIC RESOURCES OF THE SUBJECT PARCEL
- ___ OTHER INFORMATION REQUIRED FOR COMPLIANCE WITH STATE STATUTES AND CODES AND LDR

NOTE: Approval of an application for a land use change amendment to the comprehensive plan does not reserve infrastructure capacity for future development.

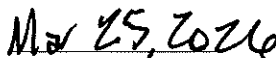
NOTE: Should your request for a Comprehensive Plan Amendment also require a re-zoning, you must submit the requests at the same time. A separate re-zoning application is required.

******* CERTIFICATION *******

I hereby certify that the information contained in this application and the attachments hereto are true and correct to the best of my knowledge and belief. Furthermore, I acknowledge that the City has the right to inspect the property in conjunction with this Comprehensive Land Use Plan amendment application. (Please advise the City of any restrictions or limitations on the inspections.)



Signature of Applicant



Date

Prepared by and return to:

R. Neil Johnson

Johnson & Johnson

150 S. Palmetto Ave

Daytona Beach, FL 32114

386-252-3694

File Number: Golf st Flagler

Parcel Identification No. : 29-12-32-0000-01010-0010

\$459,000.00

[Space Above This Line For Recording Data]

WARRANTY DEED

This Warranty Deed made this 8th day of March, 2022 between John C. Ledbetter, a single man whose post office address is 1 Tomoka Oaks Blvd., 128, Ormond Beach, FL 32174, grantor, and City of Flagler Beach whose post office address is P.O. Box 70, Flagler Beach, FL 32136, grantee:

(Whenever used herein the terms "grantor" and "grantee" include all the parties to this instrument and the heirs, legal representatives, and assigns of individuals, and the successors and assigns of corporations, trusts and trustees)

Witnesseth, that said grantor, for and in consideration of the sum of Four Hundred Fifty-Nine Thousand and 00/100 Dollars (\$459,000.00 and other good and valuable considerations to said grantor in hand paid by said grantee, the receipt whereof is hereby acknowledged, has granted, bargained, and sold to the said grantee, and grantee's heirs and assigns forever, the following described land, situate, lying and being in Flagler County, Florida to-wit:

A PORTION OF SECTION 29 AND 30, TOWNSHIP 12 SOUTH, RANGE 32 EAST, FLAGLER COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:
FROM THE NORTHEAST CORNER OF PALM HAVEN SUBDIVISION, AS RECORDED IN PLAT BOOK 27, PAGE 27, OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, BEING ON THE WESTERLY RIGHT-OF-WAY LINE OF SOUTH CENTRAL AVENUE; A 50 FOOT RIGHT-OF-WAY, RUN NORTH 21 DEGREES 48 MINUTES 08 SECONDS WEST ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 130.00 FEET TO THE POINT OF BEGINNING; THENCE DEPARTING SAID RIGHT-OF-WAY LINE, RIGHT SOUTH 68 DEGREES 11 MINUTES 52 SECONDS WEST, A DISTANCE OF 86.00 FEET; THENCE SOUTH 59 DEGREES 08 MINUTES 59 SECONDS WEST, A DISTANCE OF 109.23 FEET; THENCE SOUTH 02 DEGREES 29 MINUTES 39 SECONDS EAST, A DISTANCE OF 400.00 FEET; THENCE SOUTH 87 DEGREES 30 MINUTES 21 SECONDS WEST, A DISTANCE OF 220.00 FEET; THENCE NORTH 02 DEGREES 29 MINUTES 39 SECONDS WEST, A DISTANCE OF 495.00 FEET; THENCE NORTH 68 DEGREES 11 MINUTES 52 SECONDS EAST, A DISTANCE OF 240.09 FEET; THENCE SOUTH 21 DEGREES 48 MINUTES 08 SECONDS EAST, A DISTANCE OF 105.22 FEET; THENCE NORTH 68 DEGREES 11 MINUTES 52 SECONDS EAST, A DISTANCE OF 130.00 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF SAID SOUTH CENTRAL AVENUE; THENCE SOUTH 21 DEGREES 48 MINUTES 08 SECONDS EAST ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 40.00 FEET TO THE POINT OF BEGINNING.

SUBJECT TO covenants, conditions, restrictions, easements, and reservations of record, if any, the mention of which shall not be deemed to reimpose the same; taxes for the year 2022 and subsequent years.

Together with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

To Have and to Hold, the same in fee simple forever.

And the grantor hereby covenants with said grantee that the grantor is lawfully seized of said land in fee simple; that the grantor has good right and lawful authority to sell and convey said land; that the grantor hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is free of all encumbrances, except taxes accruing subsequent to **December 31, 2021**

In Witness Whereof, grantor has hereunto set grantor's hand and seal the day and year first above written.

Signed, sealed and delivered in our presence:

Witness Name: [Signature]
Witness Name: Jacki Downey

[Signature] (Seal)
John C. Ledbetter

State of Florida
County of Volusia

The foregoing instrument was acknowledged before me by means of ☒ physical presence or ☐ online notarization, this 8th day of March, 2022 by John C. Ledbetter, who ☐ is personally known or ☒ has produced a driver's license as identification.

[Notary Seal]



[Signature]
Notary Public

Printed Name: _____

My Commission Expires: _____

Existing FLUM

FLAGLER COUNTY PROPERTY APPRAISER



Proposed FLUM



LEGAL DESCRIPTION (PARCEL 29-12-32-0000-01010-0000)

A PORTION OF SECTIONS 29 AND 30, TOWNSHIP 12 SOUTH, RANGE 32 EAST, FLAGLER COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:
FROM THE SOUTHEAST CORNER OF LOT 31, OCEAN PALM SUBDIVISION, RECORDED IN MAP BOOK 5, PAGE 70, OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, AS THE POINT OF BEGINNING, RUN ALONG THE BOUNDARY OF SAID OCEAN PALM SUBDIVISION, SOUTH 88 DEGREES 22 MINUTES 14 SECONDS WEST A DISTANCE OF 676.36 FEET; THENCE SOUTH 20 DEGREES 17 MINUTES 35 SECONDS EAST A DISTANCE OR 1032.06 FEET; THENCE SOUTH 23 DEGREES 41 MINUTES 30 SECONDS EAST A DISTANCE OF 720.11 FEET; THENCE DEPARTING SAID BOUNDARY, RUN SOUTH 16 DEGREES 35 MINUTES 48 SECONDS EAST A DISTANCE OF 163.31 FEET; THENCE SOUTH 23 DEGREES 40 MINUTES 41 SECONDS EAST A DISTANCE OF 190.01 FEET; THENCE SOUTH 66 DEGREES 20 MINUTES 13 SECONDS WEST A DISTANCE OF 79.93 FEET; THENCE SOUTH 23 DEGREES 43 MINUTES 09 SECONDS EAST ALONG THE EASTERLY RIGHT-OF-WAY LINE OF OCEAN PALM DRIVE, A 50 FOOT RIGHT-OF-WAY LINE, A DISTANCE OR 254.37 FEET; THENCE DEPARTING SAID RIGHT-OF-WAY LINE, RUN ALONG THE BOUNDARY OF OCEAN PALM VILLA II, RECORDED IN MAP BOOK 11, PAGE 27, OR THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, NORTH 88 DEGREES 26 MINUTES 53 SECONDS EAST A DISTANCE OF 464.85 FEET; THENCE SOUTH 21 DEGREES 50 MINUTES 13 SECONDS EAST A DISTANCE OF 29.89 FEET THENCE ALONG THE BOUNDARY OF OCEAN PALM VILLA II, RECORDED IN MAP BOOK 16, PAGE 1, OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA AND THE EXTENSION THEREOF, NORTH 88 DEGREES 26 MINUTES 53 SECONDS EAST A DISTANCE OF 164.59 FEET; THENCE NORTH 75 DEGREES 47 MINUTES 32 SECONDS EAST A DISTANCE OF 128.87 FEET; THENCE DEPARTING SAID BOUNDARY, RUN ALONG THE BOUNDARY OF PALM HAVEN SUBDIVISION, RECORDED IN MAP BOOK 27, PAGE 27, OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, NORTH 21 DEGREES 48 MINUTES 08 SECONDS WEST A DISTANCE OF 1059.50 FEET; THENCE RUN NORTH 69 DEGREES 11 MINUTES 52 SECONDS EAST A DISTANCE OF 100.00 FEET TO THE WESTERLY R/W LINE OF SOUTH CENTRAL AVENUE, A 50' R/W, THENCE NORTH 21 DEGREES 48 MINUTES 08 SECONDS WEST ALONG SAID R/W LINE A DISTANCE OF 300.00 FEET; THENCE DEPARTING SAID R/W LINE, RUN SOUTH 68 DEGREES 11 MINUTES 52 SECONDS WEST A DISTANCE OF 100.00 FEET; THENCE NORTH 21 DEGREES 48 MINUTES 08 SECONDS WEST A DISTANCE OF 1032.43 FEET TO THE POINT OF BEGINNING.

LESS AND EXCEPT THE FOLLOWING:

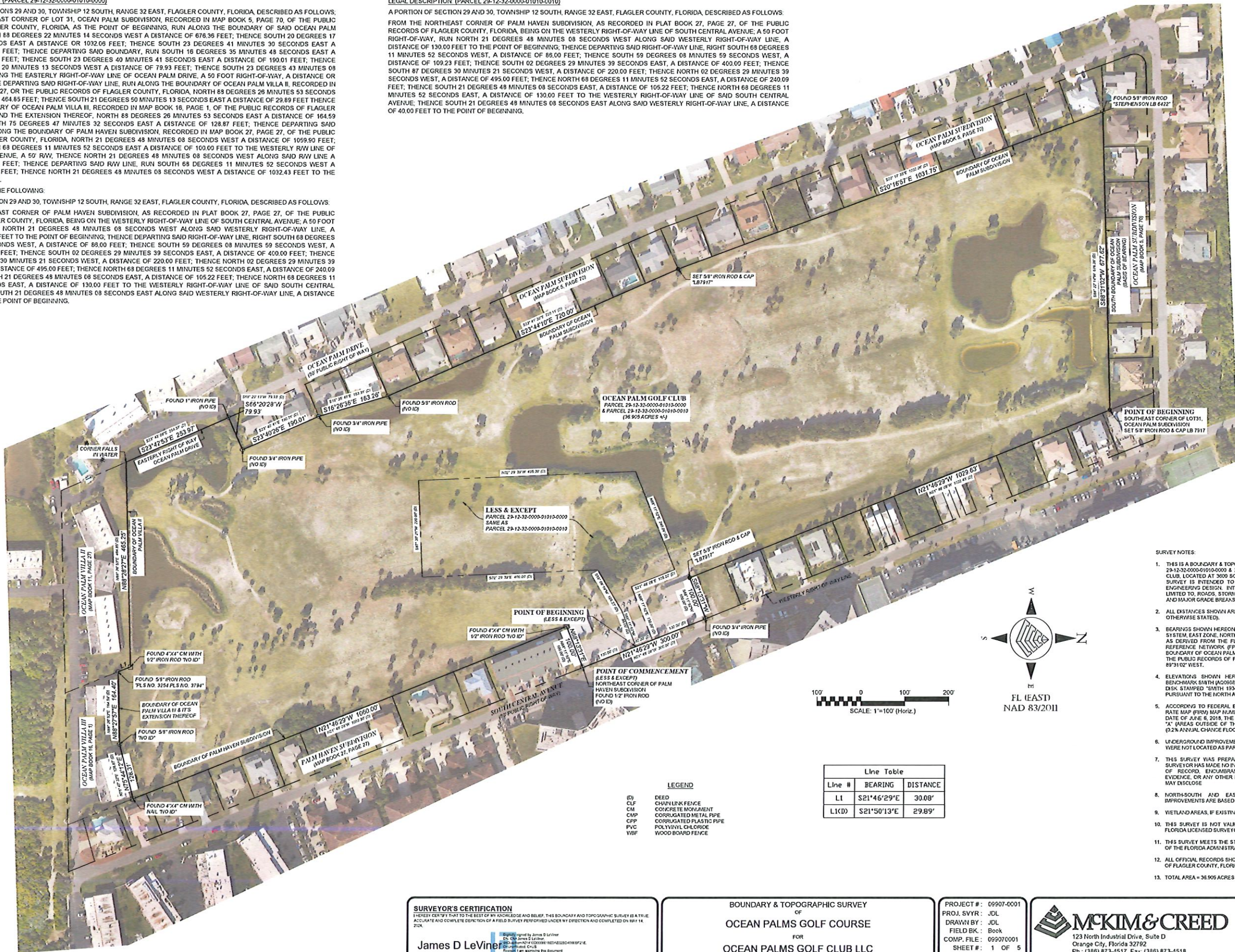
A PORTION OF SECTION 29 AND 30, TOWNSHIP 12 SOUTH, RANGE 32 EAST, FLAGLER COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

FROM THE NORTHEAST CORNER OF PALM HAVEN SUBDIVISION, AS RECORDED IN PLAT BOOK 27, PAGE 27, OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, BEING ON THE WESTERLY RIGHT-OF-WAY LINE OF SOUTH CENTRAL AVENUE, A 50 FOOT RIGHT-OF-WAY, RUN NORTH 21 DEGREES 48 MINUTES 08 SECONDS WEST ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 130.00 FEET TO THE POINT OF BEGINNING, THENCE DEPARTING SAID RIGHT-OF-WAY LINE, RIGHT SOUTH 68 DEGREES 11 MINUTES 52 SECONDS WEST, A DISTANCE OF 65.00 FEET; THENCE SOUTH 59 DEGREES 08 MINUTES 59 SECONDS WEST, A DISTANCE OF 109.23 FEET; THENCE SOUTH 02 DEGREES 29 MINUTES 39 SECONDS EAST, A DISTANCE OF 400.00 FEET; THENCE SOUTH 87 DEGREES 30 MINUTES 21 SECONDS WEST, A DISTANCE OF 220.00 FEET; THENCE NORTH 02 DEGREES 29 MINUTES 39 SECONDS WEST, A DISTANCE OF 495.00 FEET; THENCE NORTH 69 DEGREES 11 MINUTES 52 SECONDS EAST, A DISTANCE OF 240.09 FEET; THENCE SOUTH 21 DEGREES 48 MINUTES 08 SECONDS EAST, A DISTANCE OF 105.22 FEET; THENCE NORTH 69 DEGREES 11 MINUTES 52 SECONDS EAST, A DISTANCE OF 130.00 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF SAID SOUTH CENTRAL AVENUE; THENCE SOUTH 21 DEGREES 48 MINUTES 08 SECONDS EAST ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 40.00 FEET TO THE POINT OF BEGINNING.

LEGAL DESCRIPTION (PARCEL 29-12-32-0000-01010-0010)

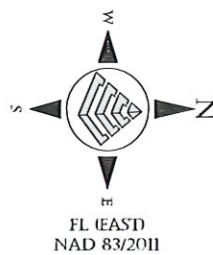
A PORTION OF SECTION 29 AND 30, TOWNSHIP 12 SOUTH, RANGE 32 EAST, FLAGLER COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

FROM THE NORTHEAST CORNER OF PALM HAVEN SUBDIVISION, AS RECORDED IN PLAT BOOK 27, PAGE 27, OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, BEING ON THE WESTERLY RIGHT-OF-WAY LINE OF SOUTH CENTRAL AVENUE, A 50 FOOT RIGHT-OF-WAY, RUN NORTH 21 DEGREES 48 MINUTES 08 SECONDS WEST ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 130.00 FEET TO THE POINT OF BEGINNING, THENCE DEPARTING SAID RIGHT-OF-WAY LINE, RIGHT SOUTH 68 DEGREES 11 MINUTES 52 SECONDS WEST, A DISTANCE OF 65.00 FEET; THENCE SOUTH 59 DEGREES 08 MINUTES 59 SECONDS WEST, A DISTANCE OF 109.23 FEET; THENCE SOUTH 02 DEGREES 29 MINUTES 39 SECONDS EAST, A DISTANCE OF 400.00 FEET; THENCE SOUTH 87 DEGREES 30 MINUTES 21 SECONDS WEST, A DISTANCE OF 220.00 FEET; THENCE NORTH 02 DEGREES 29 MINUTES 39 SECONDS WEST, A DISTANCE OF 495.00 FEET; THENCE NORTH 69 DEGREES 11 MINUTES 52 SECONDS EAST, A DISTANCE OF 240.09 FEET; THENCE SOUTH 21 DEGREES 48 MINUTES 08 SECONDS EAST, A DISTANCE OF 105.22 FEET; THENCE NORTH 69 DEGREES 11 MINUTES 52 SECONDS EAST, A DISTANCE OF 130.00 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF SAID SOUTH CENTRAL AVENUE; THENCE SOUTH 21 DEGREES 48 MINUTES 08 SECONDS EAST ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 40.00 FEET TO THE POINT OF BEGINNING.



SURVEY NOTES:

- THIS IS A BOUNDARY & TOPOGRAPHIC SURVEY OF FLAGLER COUNTY PARCEL NUMBER 29-12-32-0000-01010-0000 & 29-12-32-0000-01010-0010, KNOWN AS OCEAN PALMS GOLF CLUB, LOCATED AT 3600 SOUTH CENTRAL AVENUE, FLAGLER BEACH, FLORIDA. THIS SURVEY IS INTENDED TO SHOW EXISTING TOPOGRAPHIC FEATURES TO AID IN ENGINEERING DESIGN. INTENDED TOPOGRAPHIC FEATURES INCLUDE, BUT ARE NOT LIMITED TO, ROADS, STORM AND SANITARY STRUCTURES, ABOVE GROUND UTILITIES, AND MAJOR GRADE BREAKS.
- ALL DISTANCES SHOWN ARE HORIZONTAL GROUND DISTANCES IN U.S. FEET (UNLESS OTHERWISE STATED).
- BEARINGS SHOWN HEREON ARE BASED ON THE FLORIDA STATE PLANE COORDINATE SYSTEM, EAST ZONE, NORTH AMERICAN DATUM (NAD) OF 1983 WITH 2011 ADJUSTMENT AS DERIVED FROM THE FLORIDA DEPARTMENT OF TRANSPORTATION PERMANENT REFERENCE NETWORK (FPRN), AS A REFERENCE FOR THIS SURVEY. THE SOUTH BOUNDARY OF OCEAN PALM SUBDIVISION AS RECORDED IN MAP BOOK 5, PAGE 70 OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA HAVING A BEARING OF SOUTH 85°10' WEST.
- ELEVATIONS SHOWN HEREON ARE BASED ON NATIONAL GEODETIK SURVEY BENCHMARK SMITH 1934, SAID POINT BEING A CONCRETE MONUMENT WITH BRASS DISK STAMPED "SMITH 1934". SAID POINT HAVING AN ELEVATION OF 19.16 FEET, PURSUANT TO THE NORTH AMERICAN VERTICAL DATUM OF 1988.
- ACCORDING TO FEDERAL EMERGENCY MANAGEMENT AGENCY'S FLOOD INSURANCE RATE MAP (FIRM) MAP NUMBER 12050C021E, FLAGLER COUNTY, FLORIDA, EFFECTIVE DATE OF JUNE 8, 2018, THE PROPERTY DESCRIBED HEREON LIES WITHIN ZONES "A2", "A" (AREAS OUTSIDE OF THE 0.2% ANNUAL CHANCE FLOODPLAIN) AND "SHADED A" (0.2% ANNUAL CHANCE FLOODPLAIN).
- UNDERGROUND IMPROVEMENTS, ENCROACHMENTS, FOUNDATIONS AND/OR UTILITIES WERE NOT LOCATED AS PART OF THIS SURVEY UNLESS OTHERWISE SHOWN.
- THIS SURVEY WAS PREPARED WITHOUT THE BENEFIT OF A TITLE COMMITMENT, SURVEYOR HAS MADE NO INVESTIGATION OR INDEPENDENT SEARCH FOR EASEMENTS OF RECORD, ENCUMBRANCES, RESTRICTIVE COVENANTS, OWNERSHIP, TITLE EVIDENCE, OR ANY OTHER FACTS THAT AN ACCURATE AND CURRENT TITLE SEARCH MAY DISCLOSE.
- NORTHSOUTH AND EAST-WEST TIES TO FOUND MONUMENTATION AND IMPROVEMENTS ARE BASED ON CARDINAL DIRECTION.
- WETLAND AREAS, IF EXISTING, WERE NOT ADDRESSED AS A PART OF THIS SURVEY.
- THIS SURVEY IS NOT VALID WITHOUT THE ORIGINAL SIGNATURE AND SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER.
- THIS SURVEY MEETS THE STANDARDS OF PRACTICE AS SET FORTH IN CHAPTER 54-17 OF THE FLORIDA ADMINISTRATIVE CODE.
- ALL OFFICIAL RECORDS SHOWN HEREON ARE REFERENCED TO THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA.
- TOTAL AREA = 36.905 ACRES



Line Table		
Line #	BEARING	DISTANCE
L1	S21°46'29"E	30.08'
L1(LD)	S21°50'13"E	29.89'

LEGEND

- (D) DEAD CHAIN LINK FENCE
- CLF CONCRETE MONUMENT
- CM CORRUGATED METAL PIPE
- CPP CORRUGATED PLASTIC PIPE
- PVC POLYVINYL CHLORIDE
- WBF WOOD BOARD FENCE

SURVEYOR'S CERTIFICATION

I HEREBY CERTIFY THAT TO THE BEST OF MY KNOWLEDGE AND BELIEF, THIS BOUNDARY AND TOPOGRAPHIC SURVEY IS A TRUE, ACCURATE AND COMPLETE DEPICTION OF A FIELD SURVEY PERFORMED UNDER MY DIRECTION AND COMPLETED ON MAY 14, 2024.

James D LeViner

JAMES LEVINER, PSM
FLORIDA CERTIFICATE No. 6915
McNM & CREED, INC.

DATE

SEAL

BOUNDARY & TOPOGRAPHIC SURVEY
OF
OCEAN PALMS GOLF COURSE
FOR
OCEAN PALMS GOLF CLUB LLC

DATE: MAY 14, 2024

SCALE: AS NOTED

PORTIONS OF SECTIONS 29 & 30, TOWNSHIP 12 SOUTH, RANGE 32 EAST, FLAGLER CO.

PROJECT #: 09907-0001
PROJ. SVYR.: JDL
DRAWN BY: JDL
FIELD BK.: Book
COMP. FILE: 099070001
SHEET #: 1 OF 5

DWG. #: 01



123 North Industrial Drive, Suite D
Orange City, Florida 32792
Ph.: (386) 873-4517, Fax: (386) 873-4518
LB 7517

Internet Site: <http://www.mckimcreed.com>

DATE	REVISION	BY
-	-	-

PUBLIC HEARING NOTICE
ORDINANCE 2026-06. AN
ORDINANCE OF THE CITY
COMMISSION OF THE CITY OF
FLAGLER BEACH, FLORIDA,
AMENDING THE COMPREHENSIVE
PLAN FUTURE LAND USE MAP
DESIGNATION FOR
APPROXIMATELY 2.943 ACRES OF
CERTAIN REAL PROPERTY WITH
PARCEL ID 29-12-32-0000-01010-
0010 FROM HIGH DENSITY
RESIDENTIAL TO RECREATION;
PROVIDING FOR SEVERABILITY;
PROVIDING FOR CONFLICTS; AND
PROVIDING FOR AN EFFECTIVE
DATE.

Comprehensive Plan Future Land Use
Map Amendment Application PCPA26-
0001 - An application has been submitted to amend the Comprehensive Plan Future Land Use Map designation for the subject property from High Density Residential (HOR) to Recreation (REC). The subject property is identified by the Flagler County Property Appraiser as Parcel ID No. 29-12-32-0000-01010-0010 pictured in Exhibit A. Applicant: City of Flagler Beach.

A PUBLIC HEARING IS SCHEDULED
TO BE HELD AT CITY HALL, 105 S.
2N^o STREET, FLAGLER BEACH,
FLORIDA AS FOLLOWS:

PLANNING AND ARCHITECTURAL
REVIEW BOARD: TUESDAY, APRIL 7,
2026, AT 5:30 P.M.

FIRST READING CITY
COMMISSION: THURSDAY, APRIL
23, 2026, AT 5:30 PM OR SOON
THEREAFTER.

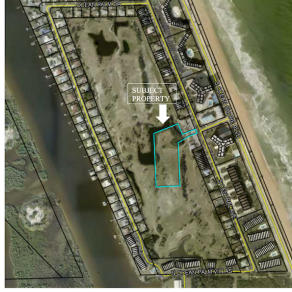
SECOND READING CITY
COMMISSION: THURSDAY, MAY 14,
2026, AT 5:30 PM OR SOON
THEREAFTER.

ALL INTERESTED PARTIES ARE
INVITED TO ATTEND.

PLEASE DIRECT ANY QUESTIONS
TO THE CITY OF FLAGLER BEACH
AT 386-517-2000 EXT. 231.

The public hearings may be continued to a future date or dates. The times and dates of any continuances of a public hearing shall be announced during the public hearing without any further published notice. The request will be heard at 5:30 PM, or as soon thereafter as possible, in the City Commission Chambers located at 105 South Second Street, Flagler Beach, Florida. If a person decides to appeal any decision made with respect to any matter considered at the above referenced hearings, he/she will need a record of the proceedings. For such purposes, it may be necessary to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. In accordance with the *Americans with Disabilities Act*, persons needing assistance to participate in any of these proceedings should contact the City Clerk's Office at 386-517-2000 Ext. 233 at least 48 hours prior to the meeting. For further information about this request, please call the Planning & Zoning Department at (386) 517-2000 Ext. 231. More detailed information may be inspected by the public at the Planning & Zoning Department, 800 S. Daytona Avenue, Flagler Beach, during office hours.

EXHIBIT A





Staff Report

City Commission Regular Meeting

April 23, 2026

To: City Commission
From: Crystal Nobre, Utility Billing Manager
Meeting Date: April 23, 2026
Item Name: Ordinance 2026-09. An Ordinance by the City of Flagler Beach, Florida, amending Article V, Development Design and Improvement Standards of the City of Flagler Beach Land Development Regulations relating to Utility Services, amending Section 5.03.02, Deferment of Charges Due to Broken Waterlines, Etc. to provide for credits or adjustments in utility charges under certain conditions; establishing procedures for determining eligibility, calculating and approving adjustments; creating Section 5.03.43, "Data Logs," to provide for the collection, transmission, and review of water meter data; providing for authorized access for inspection and establishing water meter data collection, transmission, and review procedures; providing for codification, severability, conflicts and for an effective date (First Reading).

Background:

Ordinance 2026-09, amending Section 5.03.02, establishes standardized criteria and procedures for both residents and staff to assist in granting adjustments due to broken waterlines and similar circumstances. Additionally, 5.03.43 introduces new requirements for the collection, transmission, and review of water meter data to improve the City's ability to monitor consumption, identify potential issues, and support informed decision-making.

Fiscal Impact:

The proposed ordinance is not expected to have a significant fiscal impact. A \$25 administrative fee will be assessed for excessive requests for water meter data logs, which is intended to offset staff time and administrative costs associated with fulfilling such requests.

Staff Recommendation:

Staff recommends approval of Ordinance 2026-09 (First Reading).

Attachments:

1. Ord. No. 2026-X - utility bill adjustments and meter logs DRAFT (v1) (DAS rev 040226) 1

ORDINANCE NO. 2026-XX

AN ORDINANCE OF THE CITY OF FLAGLER BEACH, FLORIDA, AMENDING ARTICLE V, "DEVELOPMENT DESIGN AND IMPROVEMENT STANDARDS," OF THE CITY OF FLAGLER BEACH LAND DEVELOPMENT REGULATIONS RELATING TO UTILITY SERVICES; AMENDING SECTION 5.03.02., "DEFERMENT OF CHARGES DUE TO BROKEN WATERLINES, ETC." TO PROVIDE FOR CREDITS OR ADJUSTMENTS IN UTILITY CHARGES UNDER CERTAIN CONDITIONS; ESTABLISHING PROCEDURES FOR DETERMINING ELIGIBILITY, CALCULATING, AND APPROVING ADJUSTMENTS; CREATING SECTION 5.03.43., "DATA LOGS," TO PROVIDE FOR THE COLLECTION, TRANSMISSION, AND REVIEW OF WATER METER DATA; PROVIDING FOR AUTHORIZED ACCESS FOR INSPECTION AND ESTABLISHING WATER METER DATA COLLECTION, TRANSMISSION, AND REVIEW PROCEDURES; PROVIDING FOR CODIFICATION, SEVERABILITY, CONFLICTS, AND FOR AN EFFECTIVE DATE.

WHEREAS, pursuant to Chapter 166 and Chapter 180, *Florida Statutes*, the City of Flagler Beach has the power to establish regulations for its water and wastewater system within the municipal boundaries and service area of its water and wastewater system; and,

WHEREAS, the City desires to amend Article V – *Development Design and Improvement Standards* of the City's Land Development Regulations to make certain amendments to the regulations for its water and wastewater system concerning utility billing adjustments and the collection, transmission, and review of water meter data; and

WHEREAS, the amendments to the City's water and wastewater system regulations, as set forth herein, serve a valid public purpose.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF FLAGLER BEACH, FLORIDA, THAT:

SECTION 1. Recitals. The foregoing recitals are adopted as the legislative findings of the City Commission of the City of Flagler Beach.

SECTION 2. Amendment. Article V. – *Development Design and Improvement Standards* of the City of Flagler Beach Land Development Regulations is amended as follows:

[Text with ~~strikethrough~~ indicates deletions; text with underlines indicates additions; asterisks (* * * *) indicate an omission from the existing text which is intended to remain unchanged.]

48
49 **Sec. 5.03.00. – Utilities.**
50

51 * * * *

52
53 **Sec. 5.03.02. - Deferment of charges due to broken waterlines, etc.**
54

55 ~~In those instances where customers receive utility service bills which are due and payable, but~~
56 ~~vary from their normal monthly bill as a result of accidental broken waterlines or other plumbing~~
57 ~~failure or defects, where the water did not enter the sewer system, the city manager may, upon~~
58 ~~request of the customer, issue a credit for the amount of the sewer flow adjustment. The leak~~
59 ~~adjustment request must be made on a form approved by the city and include evidence that the~~
60 ~~leak is now repaired, either by including a paid invoice or a receipt for parts used in the repair. The~~
61 ~~city will issue no credits for water or sewer charges due to pool filling, lawn irrigation, or leaking~~
62 ~~plumbing fixtures, except as otherwise set forth herein. The city may issue a one-time per calendar~~
63 ~~year sewer adjustment for a pool fill related to a leak.~~
64

65 ~~If any utility customer questions the monthly reading of their meter, upon customer requests,~~
66 ~~the city will re-read the customer's water meter to verify the existing reading. A service charge~~
67 ~~will be added to the customer's account for this service in accordance with the city's adopted utility~~
68 ~~fee schedule. In any case, where the initial reading is found to be incorrect, or in cases where there~~
69 ~~is a documented leak and a sewer credit is issued, this charge will be refunded.~~
70

71 When a customer receives a utility bill that significantly exceeds their typical monthly charges
72 due to a verified leak on the customer's side of the meter, and the lost water did not enter the sewer
73 collection system, the city's utility billing department may, upon request from the customer, issue
74 a credit adjustment. The credit will be calculated based on the customer's average consumption
75 over a designated period.
76

77 (1) Eligibility requirements. To be considered for a leak adjustment, the customer must:
78

79 (a) Submit a request using a form approved by the city.
80

81 (b) Provide verification that the leak has been repaired, demonstrated by a paid service
82 invoice or a receipt for materials used in the repair.
83

84 (2) Ineligible adjustments. Any leak resulting in water entering the sewer collection system is
85 not eligible for adjustment under this section. In addition, a water leak resulting from any of
86 the following, as determined by the city in its sole discretion, shall be ineligible for
87 adjustment under this section:
88

89 (a) Leaking plumbing fixtures (e.g., toilets, faucets, water heaters, or water filtration
90 systems).
91

92 (b) Faucets, hoses, or other outlets left running (e.g., garden hoses bursting, outdoor
93 showers left on).

- 94
- 95 (c) Undetermined or unexplained water loss.
- 96
- 97 (d) Water used for irrigation, lawns, gardens, or new sod.
- 98
- 99 (e) Faulty irrigation timers or broken sprinkler heads.
- 100
- 101 (f) A property left vacant or abandoned without reasonable care for the plumbing system.
- 102
- 103 (3) Calculation of adjustments.
- 104
- 105 (a) Upon the city's approval of a requested adjustment, the adjusted balance will be
- 106 calculated using an average of twelve months' sewer consumption. If a twelve-month
- 107 history is not available, the first three (3) months without a leak will be used.
- 108
- 109 (b) Credits are limited to two (2) billing cycles per leak.
- 110
- 111 (c) Sewer adjustments will only be approved if the customer or business has not received an
- 112 adjustment within the most recent twelve-month period.
- 113
- 114 (d) Excessive or repeated leaks may be reviewed and considered on a case-by-case basis.
- 115
- 116 (4) Residential swimming pools. A customer may request an adjustment to their sewer bill by
- 117 notifying the city prior to draining and refilling a residential swimming pool. Following
- 118 notification, the city may adjust wastewater charges based on the customer's average usage.
- 119 No adjustment shall be provided for water usage. This adjustment may be requested only one
- 120 time in a rolling twelve-month period. Adjustments totaling 2,500 gallons or less will not be
- 121 approved.
- 122
- 123 (5) Final approval. The city manager shall have final approval of any adjustment of user charges
- 124 pursuant to this section. The determination of the city manager shall be final and is not subject
- 125 to appeal.
- 126

127 * * * *

128

129 **Sec. 5.03.43. - Data logs.**

130

- 131 (1) Purpose. The purpose of this section is to establish procedures for the collection,
- 132 transmission, and review of water meter data to ensure accurate billing, efficient utility
- 133 operations, and timely leak detection.
- 134
- 135 (2) Authorized access. Authorized city representatives, including meter technicians and other
- 136 designated personnel, shall have reasonable access during normal working hours to any
- 137 premises where water meters are installed. Such access is for the purpose of, and shall be
- 138 limited to, conducting a meter reading, inspection, maintenance, or data collection.
- 139

(3) Data collection and transmission. Meter technicians shall electronically transmit collected water meter data while on-site, allowing designated city personnel to review and evaluate water usage patterns.

(4) Requests for review. A customer may submit a request to the city to have designated personnel review the customer's water usage data for the purpose of leak detection. Customer-initiated data reviews for leak detection shall be limited to three (3) occurrences within any six-month period without charge. Any additional data review or related activities within such six-month period shall be billed to the customer's utility account in accordance with the rate schedule established under Section 5.03.39.

* * * *

SECTION 3. Codification. It is the intent of the City Commission of the City of Flagler Beach that the provisions of this Ordinance shall be codified. The codifier is granted broad and liberal authority in codifying the provisions of this Ordinance.

SECTION 4. Severability. Should any word, phrase, sentence, subsection, or section be held by a court of competent jurisdiction to be illegal, void, unenforceable, or unconstitutional, then that word, phrase, sentence, subsection, or section so held shall be severed from this Ordinance and all other words, phrases, sentences, subsections, or sections shall remain in full force and effect.

SECTION 5. Conflicts. All ordinances or parts thereof in conflict herewith are repealed to the extent of such conflict.

SECTION 6. Effective Date. This Ordinance shall take effect immediately upon its passage and adoption.

PASSED UPON the first reading of the City Commission on the _____ day of _____ 2026.

PASSED UPON the second and final reading of the City Commission on the _____ day of _____ 2026.

CITY OF FLAGLER BEACH, FLORIDA

Patti King, Mayor

ATTEST:

Penny Overstreet, City Clerk



Staff Report

City Commission Regular Meeting

April 23, 2026

To: City Commission
From: Drew Smith, City Attorney
Meeting Date: April 23, 2026
Item Name: Ordinance 2026-08. An Ordinance of the City of Flagler Beach, Florida, relating to littering regulations; amending Chapter 14, "Offenses and Miscellaneous Provisions; adopting more stringent littering regulations; restricting the use of plastic and metallized party decorations outside on public properties; providing for penalties and enforcement; providing for appeals and payment of citations; providing for conflicts; providing for severability; and providing an effective date (First Reading).

Background:

Resident Darryl Reynolds lobbied the Commission to adopt more stringent regulations related to littering and to ban the use of glitter and confetti in public parks and recreation zoned areas. Attorney Smith crafted the ordinance based upon regulations adopted by Marion County on the same subject.

Fiscal Impact:

The cost to codify and advertise the proposed ordinance is approximately \$250 (City Clerk Department, lines 001-5123-304700 and 001-5123-304901).

Staff Recommendation:

NA

Attachments:

1. 2026-08 04162026 Drew revised
2. Proof 2026-07 and 2026-08
3. BIS 2026-08 Littering

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WHEREAS, it is the intent of the City of Flagler Beach to promote a clean, healthy, safe, and attractive community and environment in which to live; and

WHEREAS, the Florida Legislature in adopting the Florida Litter Law, Sections 403.413--4135, Florida Statutes, made legislative findings that a comprehensive illegal dumping, litter, and marine debris control program and prevention program is necessary to protect the beauty and the environment of Florida; and

WHEREAS, Sec. 403.4135 (8), Florida Statutes, provides that the Florida Litter Law does not preempt local agencies from enforcing other laws, rules, or ordinances relating to that are more stringent than state law; and

WHEREAS, the City Commission finds that illegal dumping of litter on public and private property is a serious problem resulting in unnecessary cost to taxpayers, and adversely affecting the natural beauty and attractiveness of the community as a whole; and,

WHEREAS, the City Commission finds that plastic and metallized party decorations are lightweight and easily dispersed into the environment by wind when used or displayed outside; and

WHEREAS, these products are commonly composed of petroleum-based plastics or metallized plastics that fragment into microplastics and nano plastics, which persist in the environment for years and are impractical to remove once dispersed; and

WHEREAS, non-plastic alternatives, such as reusable, natural fiber, or paper-based materials and compostable items designed for outdoor use, are readily available; and

WHEREAS, the City Commission finds the adoption of this Ordinance to be in the best interest of the health, safety, and welfare of the Flagler Beach community.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF FLAGLER BEACH, FLORIDA:

SECTION 1. Recitals Adopted. The foregoing “WHEREAS” clauses are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this Ordinance upon adoption hereof.

SECTION 2. Chapter 14, “Offenses and Miscellaneous Provisions,” Article I, Section 14-12 is amended as follows:

Sec. 14-12. Littering-on-public-property.

(a) — ~~It shall be unlawful for any person to deposit, discard, throw, place or pile any trash, litter of any type, paper, garbage, cans, cartons, bottles, cigarette butts, filters, products containing tobacco or used for consuming tobacco products or other waste or discard materials on the city beach or any public street, right-of-way or other public places in the city, except in public receptacles or in authorized private receptacles for collection.~~

(b) — ~~The city may prosecute violations of this section in any manner available under law including, but not limited to, issuance of "litter citations" which shall contain the following information:~~

~~(1) — Name of person alleged to have violated this section;~~

~~(2) — The address of the person alleged to have violated this section; if such person is unable or unwilling to provide their address, the issuing official shall so note on the form;~~

~~(3) — Description of the alleged violation including a reference to this section;~~

~~(4) — Date, time and place of the alleged violation;~~

~~(5) — Witnesses, if any;~~

~~(6) — Name and position of the official charging the violation;~~

~~(7) — The amount of the fine to be paid;~~

~~(8) — The process for appealing the citation if the person alleged to have violated this section desires to contest the citation and a statement that such person shall be responsible for the administrative costs incurred in conducting an appellate hearing if the citation is upheld.~~

~~(9) — The date and time of the issuance of the citation.~~

~~(10) — A space for the alleged violator to indicate receipt of the citation.~~

(c) — The fine for violation of this section shall be one hundred dollars (\$100.00). Upon a first offense, an alleged violator shall be provided a written warning and allowed an opportunity to remove the litter deposited. If the alleged violator refuses to remove the litter deposited and/or

~~commits a subsequent violation of this section in the future, such person shall be subject to the penalty provided herein.~~

~~(d) — All sworn police officers, code enforcement officers, and lifeguard captains employed by the city shall be authorized to issue citations for violation of this section.~~

~~(e) — Appeals of citations issued pursuant to this section shall be heard by the code enforcement special magistrate at the next available regularly scheduled hearing date after receipt of a notice of appeal. A written request to appeal a citation must [be] received within thirty (30) calendar days of the date the citation was issued. Failure to appeal the citation within such time shall constitute a waiver of the right to appeal. At a hearing to contest a litter citation, the code enforcement special magistrate may uphold or dismiss the citation. If the citation is upheld, the code enforcement special magistrate may impose administrative costs in an amount not to exceed \$100.00 (one hundred dollars) in addition to the amount of the fine.~~

~~(f) — In lieu of payment of a fine, a person issued a citation pursuant to this section may participate in two (2) City of Flagler Beach sponsored or approved beach clean ups. A person opting for said alternative must notify the city within thirty (30) days of the date of the issuance of the violation and must complete participation in the two (2) beach clean ups within ninety (90) days of the issuance of the notice of violation. Those opting for participation in beach clean ups pursuant to this section must spend a minimum of two (2) hours at each clean up and the city shall verify participation. Anyone who opts to participate in the beach clean up but fails to complete the participation shall be responsible for payment of the original citation.~~

(a) It shall be unlawful to dump litter or junk in any manner or amount:

(1) In or on any public highway, road, street, alley, or thoroughfare, including any portion of the right-of-way thereof, or any other public lands, except in containers lawfully provided therefor. When any litter or junk is thrown, blown, bounced or discarded from a motor vehicle, the operator or owner of the motor vehicle, or both, shall be deemed in violation of this section; or

(2) In or on any waterbody located within the jurisdictional boundaries of the City. When any litter or junk is thrown, blown or discarded from any boat or vessel, the operator or owner of the boat or vessel, or both, shall be deemed in violation of this section; or

(3) In or on any private property, unless specifically authorized by law.

(b) Any motor vehicle transporting litter or other items likely to fall or be blown from such motor vehicle shall be enclosed, covered, or secured with a close-fitting tarpaulin or other appropriate cover or load securing device to prevent its contents from blowing, dropping, or falling from such vehicle.

(c) When a violation of any provision of this section has been observed by any person, and the litter or junk dumped or disposed of on a highway, right-of-way, property adjacent to a highway

104 or right-of-way, private property, or body of water has been ejected from a motor vehicle or vessel,
105 a rebuttable presumption shall exist that the owner and operator of such motor vehicle or vessel,
106 was the person responsible for the littering.

107 (d) All law enforcement officers, code enforcement officers, building officials,
108 maintenance supervisors, sanitation supervisors, and lifeguards are authorized to enforce the
109 provisions of this Section.

110 (e) Any person who violates the provisions of this section may be issued a citation as
111 follows:

112 (1) A person who commits a first violation of this section shall be guilty of a
113 noncriminal infraction and subject to a civil penalty of one hundred fifty dollars (\$150);

114 (2) A person who commits a second violation inclusive of and within twelve (12)
115 months of a first offense shall be subject to a civil penalty of two hundred fifty dollars
116 (\$250);

117 (3) A person who commits three or more violations inclusive of and within twelve
118 (12) months of the first violation shall be subject to a civil penalty of \$500.00 for the third
119 and each subsequent violation.

120 (f) In any proceeding brought under this article, a photograph of the litter or junk that is the
121 subject of the proceeding may be deemed competent substantial evidence of the litter or junk and
122 may be admissible in the prosecution to the same extent as if the litter or junk were introduced into
123 evidence. Such photograph shall be taken by, or at the direction of, a law enforcement officer or
124 other person responsible for enforcement of this Article. After litter or junk is photographed, it
125 may be destroyed or otherwise disposed of by the person who took or directed the taking of the
126 photograph.

127 (g) A citation served pursuant to this Section may be appealed to the City's Code
128 Enforcement Special Magistrate. Such appeal must be received by the City within thirty (30) days
129 of the date of the citation and shall be made in writing and accompanied by the applicable fee.
130 Upon receipt of the request for appeal and fee, the City shall schedule the appeal for the next
131 available Magistrate hearing date and shall provide the appellant with written notice of same at
132 least ten (days) prior to the hearing date. Failure to make timely appeal, including payment of the
133 applicable fee, shall cause the cited violation to be deemed admitted.

134 (h) Payment of a citation issued shall be due within thirty (30) days of the issuance of the
135 citation. The City is authorized to utilize all lawful means to collect unpaid citations.

136 (i) The provisions of this Section are supplemental and the City may utilize any other lawful
137 means to address any violations hereunder.

138 **SECTION 3.** Chapter 14, “Offenses and Miscellaneous Provisions,” Article I, Section 14-
139 15 is created as follows:

140 **Section 14-15. Prohibition of plastic and metallized party decorations.**

141 (a) For purposes of this Section, “*prohibited decoration item*” means any plastic-related or
142 metallized decorative material, product, or article designed or used for celebration, display, or
143 ornamentation, including but not limited to glitter, confetti, sequins, tinsel, mylar streamers,
144 artificial decorative petals, metallic garlands, plastic or metallized table scatter, plastic decorative
145 cut-outs, plastic or metallized party poppers or cannons, and similar items that are likely to
146 fragment or disperse in outdoor environments. The term shall not include reusable decorations
147 made exclusively of natural fibers (such as cotton, jute, hemp, or untreated wood) or uncoated
148 paper products that do not contain plastic, plastic coatings, metallized films, or glitter.

149 (b) It shall be unlawful to use or display any prohibited decoration item outside at any
150 public facility, public park, or public beach located within the jurisdictional boundary of the City.

151 (c) All law enforcement officers, code enforcement officers, building officials,
152 maintenance supervisors, sanitation supervisors, and lifeguards are authorized to enforce the
153 provisions of this Section.

154 (d) Any person who violates the provisions of this section may be issued a citation as
155 follows:

156 (1) A person who violates this Section shall be guilty of a noncriminal infraction
157 and subject to a civil penalty of fifty (\$50) dollars;

158 (2) A person who commits a second violation inclusive of and within twelve (12)
159 months of a first offense shall be subject to a civil penalty of one hundred twenty-five
160 dollars (\$125);

161 (3) A person who commits three or more violations inclusive of and within twelve
162 (12) months of the first violation shall be subject to a civil penalty of two hundred fifty
163 dollars (\$250.00) for the third and each subsequent violation.

164 (e) A citation served pursuant to this Section may be appealed to the City’s Code
165 Enforcement Special Magistrate. Such appeal must be received by the City within thirty (30) days
166 of the date of the citation and shall be made in writing and accompanied by the applicable fee.
167 Upon receipt of the request for appeal and fee, the City shall schedule the appeal for the next
168 available Magistrate hearing date and shall provide the appellant with written notice of same at
169 least ten (days) prior to the hearing date.

170 (f) Failure to make timely appeal, including payment of the applicable fee, shall cause the
171 cited violation to be deemed admitted.

172 _____ (g) Payment of a citation issued shall be due within thirty (30) days of the issuance of the
173 citation. The City is authorized to utilize all lawful means to collect unpaid citations.

174 **SECTION 4.** Conflicts. All ordinances or parts of ordinances in conflict with this
175 ordinance are hereby repealed to the extent of such conflict.

176 **SECTION 5.** Codification. The City Planner shall cause the Code of Ordinances of the
177 City of Flagler Beach to be amended as provided by this Ordinance and may renumber, re-letter,
178 and rearrange the codified parts of this Ordinance if necessary to facilitate the finding of the law.

179 **SECTION 6.** Severability. Should any word, phrase, sentence, subsection, or section be
180 held by a court of competent jurisdiction to be illegal, void, unenforceable, or unconstitutional,
181 then that word, phrase, sentence, subsection, or section so held shall be severed from this
182 Ordinance and all other words, phrases, sentences, subsections, or sections shall remain in full
183 force and effect.

184 **SECTION 7.** Effective Date. This Ordinance shall become effective immediately upon its
185 passage and adoption.

186 PASSED ON FIRST READING THIS ____ DAY OF _____ 2026.

187 PASSED AND ADOPTED THIS ____ DAY OF _____, 2026.

188 CITY OF FLAGLER BEACH, FLORIDA

190 _____
191 Patti King, Mayor

192 ATTEST:

194 _____
195 Penny Overstreet, City Clerk

The City of Flagler Beach proposes to adopt the following ordinances entitled:

ORDINANCE 2026-07

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF FLAGLER BEACH, FLORIDA, AMENDING CHAPTER 12 OF THE CODE OF ORDINANCES; SETTING FORTH GENERAL PROVISIONS FOR MOBILITY FEES, DEFINITIONS, PURPOSE, AND ADOPTION OF THE MOBILITY FEE STUDY; PROVIDING FOR IMPOSITION AND A MOBILITY FEE SCHEDULE; PROVIDING FOR CODIFICATION, CONFLICTS, SEVERABILITY, AND FOR AN EFFECTIVE DATE.

ORDINANCE 2026-08

ORDINANCE 2026-08. AN ORDINANCE OF THE CITY OF FLAGLER BEACH, FLORIDA, RELATING TO LITTERING REGULATIONS; AMENDING CHAPTER 14, OFFENSES AND MISCELLANEOUS PROVISIONS; ADOPTING MORE STRINGENT LITTERING REGULATIONS; RESTRICTING THE USE OF PLASTIC AND METALLIZED PARTY DECORATIONS OUTSIDE ON PUBLIC PROPERTIES; PROVIDING FOR PENALTIES AND ENFORCEMENT; PROVIDING FOR APPEALS AND PAYMENT OF CITATIONS; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AND EFFECTIVE DATE.

Public Hearings will be conducted to consider the amendments as follows:

City Commission: Thursday, May 14, 2026, at 5:30 p.m. or soon thereafter

The public hearings may be continued to a future date or dates. The times and dates of any continuance of a public hearing shall be announced during the public hearing without any further published notice. The request will be heard at 5:30 PM, or as soon thereafter as possible, in the City Commission Chambers located at 105 South Second Street, Flagler Beach, Florida. If a person decides to appeal any decision made with respect to any matter considered at the above referenced hearings, he/she will need a record of the proceedings. For such purposes, it may be necessary to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. In accordance with the Americans with Disabilities Act, persons needing assistance to participate in any of these proceedings should contact the City Clerk's Office at 386-517-2000 Ext. 233 at least 48 hours prior to the meeting.

7763-342685

Apr. 30, 2026

Business Impact Estimate

This form should be included in the agenda packet for the item under which the proposed ordinance is to be considered and must be posted on the City's website by the time notice of the proposed ordinance is published.

ORDINANCE NO. 2026-08

AN ORDINANCE OF THE CITY OF FLAGLER BEACH, FLORIDA, RELATING TO LITTERING REGULATIONS; AMENDING CHAPTER 14, "OFFENSES AND MISCELLANEOUS PROVISIONS; ADOPTING MORE STRINGENT LITTERING REGULATIONS; RESTRICTING THE USE OF PLASTIC AND METALLIZED PARTY DECORATIONS OUTSIDE ON PUBLIC PROPERTIES; PROVIDING FOR PENALTIES AND ENFORCEMENT; PROVIDING FOR APPEALS AND PAYMENT OF CITATIONS; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

This Business Impact Estimate is provided in accordance with section 166.041(4), Florida Statutes. If one or more boxes are checked below, this means the City is of the view that a business impact estimate is not required by state law¹ for the proposed ordinance, but the City is, nevertheless, providing this Business Impact Estimate as a courtesy and to avoid any procedural issues that could impact the enactment of the proposed ordinance. This Business Impact Estimate may be revised following its initial posting.

- ☐ The proposed ordinance is required for compliance with Federal or State law or regulation;
- ☐ The proposed ordinance relates to the issuance or refinancing of debt;
- ☐ The proposed ordinance relates to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget;
- ☐ The proposed ordinance is required to implement a contract or an agreement, including, but not limited to, any Federal, State, local, or private grant or other financial assistance accepted by the municipal government;
- ☐ The proposed ordinance is an emergency ordinance;
- ☐ The ordinance relates to procurement; or
- ☐ The proposed ordinance is enacted to implement the following:
 - a. Part II of Chapter 163, Florida Statutes, relating to growth policy, county and municipal planning, and land development regulation, including zoning, development orders, development agreements and development permits;
 - b. Comprehensive plan amendments and land development regulation amendments initiated by an application by a private party other than the municipality

¹ See Section 166.041(4)(c), Florida Statutes.

- c. Sections 190.005 and 190.046, Florida Statutes, regarding community development districts;
- d. Section 553.73, Florida Statutes, relating to the Florida Building Code; or
- e. Section 633.202, Florida Statutes, relating to the Florida Fire Prevention Code.

In accordance with the provisions of controlling law, even notwithstanding the fact that an exemption noted above may apply, the City hereby publishes the following information:

1. Summary of the proposed ordinance (must include a statement of the public purpose, such as serving the public health, safety, morals and welfare): In order to address littering within the City for the health, safety, and welfare of the City and its residents, the ordinance adopts littering regulation more restrictive than State law regulations as authorized by Florida Statutes. The ordinance also restricts the use of certain plastic and metallized disposable party decorations at events conducted on public property within the City.

2. An estimate of the direct economic impact of the proposed ordinance on private, for-profit businesses in the City, if any: The ordinance is not expected to have any direct economic impact on any private, for profit business in the City.

3. Good faith estimate of the number of businesses likely to be impacted by the proposed ordinance: The ordinance is not expected to have any direct economic impact on any private, for profit business in the City.



Staff Report

City Commission Regular Meeting

April 23, 2026

To: City Commission

From:

Meeting Date: April 23, 2026

Item Name: Commission comments, including reports from meetings attended

Background:

Fiscal Impact:

Staff Recommendation:

Attachments:

None



Staff Report

City Commission Regular Meeting

April 23, 2026

To: City Commission

From:

Meeting Date: April 23, 2026

Item Name: Public comments regarding items not on the agenda. Citizens are encouraged to speak. However, comments should be limited to three minutes. A thirty-minute allocation of time for public comment on items not on the agenda. Each speaker has up to three-minutes to address the Chair, and one opportunity to speak, no time can be allotted to another speaker.

Background:

Fiscal Impact:

Staff Recommendation:

Attachments:

None