

MEMORANDUM
FROM THE OFFICE OF THE CITY MANAGER

To: Mayor and City Commission

From: Pam Brangaccio, City Manager 

Re: City Manager's Report – September 9, 2014

Date: September 3, 2014

The Public Safety Open House is Saturday, September 6th beginning at 10:00 a.m. at the Public Safety Complex on Industrial Drive. There will be hands-on exhibits offered throughout the day, vehicle extrication and more; a fun event for the family!

The first Public Hearing on the budget will be September 8th at 6:00 p.m., with the second Public Hearing scheduled for 5.30pm on September 23th (before the regular meeting time of 6.30pm). Finance will have several budget adjustments, such as the ECHO grant agreements, which have been formally approved since June 2014.

The next Beachside Task Force meeting is September 11th, agenda subjects will include a recap of the September 2th P&Z meeting regarding the Ocean Flagler Tourist Code future land use category, as well as County Council District #3 Deb Denys who generously accepted an invitation by Commissioner Reiker to attend.

FDOT has notified the City that they are in the initial design stage for a new mast arm caution signal at SR44 and Airport Road. The schedule is to let the project in June 2015, with construction in the fall 2015. We have not received the FDOT study back on the traffic light studies at Corbin Park.

The formal bid award letter was provided to Masci Corporation (copy attached) for the Central Beach Phase III Project. A pre-construction meeting will be scheduled once the construction contracts are executed. The construction inspectors have also been setup in Coronado Civic Center to respond directly to citizen inquiries.

The Florida Police Benevolent Association (FPBA) have taken a beginning step to challenge the Department of Management Service' "Naples Letter" pension funding interpretation. A copy is attached for informational purposes.

Tony Otte has prepared an updated leasable commercial and retail space flyer for retailers (Shopping Center Realtors Conference). A copy is provided with this report.

The CRA placed the order for eight additional way-finding signs for Flagler Avenue and Canal Street for delivery by September 30th (photos & sign details are attached).

Finley Engineering is working to get final approval for the sign/landscaping at 3rd Avenue and Peninsula. They will get the survey started and the structural design of the sign, and the City will need to provide a resolution to be submitted with the final plans, if the name of South beach is to be formally utilized. A community aesthetics agreement with FDOT is scheduled for the September 23th agenda.

Finley Engineering is at 70% design on the North Causeway Beautification Project; FDOT permits are still needed on the design. The design package has been shared as well with North Causeway residents. (Revised schedule is attached)

The Fire Department is preparing to "Pink Wrap" a fire truck again in October at a total cost of \$3,807. The City, Fire Union and Bert Fish Medical Center are sharing the cost, 1/3 each, so the City's portion is \$1,269. BFMC is a new partner for venue.

Attached is a copy of an August 29th letter to APM Construction regarding the delays in meeting an August 31st substantial completion date on the central fire station. An administrative meeting with the owner of APM is set for this week. The City even took the extra step, of hiring a field construction inspector for the project through QIH, however, it is proving to be a challenging situation. Almost as challenging as the joint use agreement with Volusia County, in which we continue to request the donation of Station #23 site for a regional Fire Training Center. Good news, we still have old Station #50 and the new ALS engine is here !

The second structural engineer's opinion on the Sports Complex home side bleachers is underway; field inspections occurred this week on the beams in question. City staff, and QIH are very aware of the priority of getting the report completed as quickly as possible.

The lock down rate for the General Obligation Bond occurred on August 28th, as approved by the City Commission at the August 27th CC meeting. Copies of the documentation are provided with this report. Formal Loan Agreement are forthcoming as well for tonight's agenda. The rates were slightly lower than those anticipated! Finance will have new calculations for the debt service millage for the Second Public Hearing on September 23th (after formal closing of the bonds).

Should you have any questions or need additional information or clarification, please let me know.



City of New Smyrna Beach

August 25, 2014

Leticia Masci
Masci Corporation
5752 S Ridgewood Ave
Port Orange, FL 32127

**Re: Central Beach Phase III Flood Mitigation & Utilities Improvements
City of New Smyrna Beach, Florida**

Dear Ms. Masci:

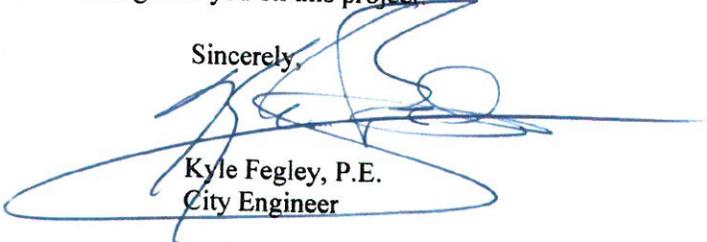
Two (2) sealed Bids were opened in City Hall for the referenced project on Tuesday, July 22, 2014, at 2:00 P.M., with the City Commission awarding the project to your firm at their regular meeting on August 12, 2014 at the Total Bid Amount of \$8,790,552.50.

Please provide three (3) original, signed construction contracts, which will be executed by the City upon receipt of your Liability and Workman's Compensation Insurance Certificate listing the City of New Smyrna Beach as an additional lien holder (A certificate of insurance from the Pedestrian Trail is attached as an example) and your Performance & Payment Bonds.

After the construction contracts have been completed, the City will arrange for a Pre-Construction Meeting, after which time the Notice to Proceed letter will be issued along with the return of the ten (10%) percent Bid Bond that you submitted as Bid Security, and the City's Purchase Order authorizing payment for the project.

Thank you for submitting your proposal for this project, and also for your interest in our City of New Smyrna Beach. We look forward to working with you on this project.

Sincerely,



Kyle Fegley, P.E.
City Engineer

KWF/dap

cc: Pam Brangaccio, City Manager (email)
Khalid Resheidat, Asst. City Manager (email)
Jesse Meyers, Civil Engineer (email)
Althea Philord, Finance Director (email)
Judith Rosado, Asst Finance Director (email)
Derek Wainscott, UC (email)
Dana Hale, UC (email)
Randy Wright, Division Chief (email)
David Hamstra, Pegasus Engineering (email)

Winkler, Sandy

From: Brangaccio, Pam
Sent: Friday, August 22, 2014 3:51 PM
To: Winkler, Sandy
Cc: Philord, Althea; Resheidat, Khalid
Subject: FW: Fire or Police Pension Plans / Use of Insurance Premium Tax Revenues
Attachments: Sarasota Naples Request.pdf

[Informational attachment for next CM Report.](#)

From: Lisa W. Dove [mailto:ldove@flcities.com]
Sent: Friday, August 22, 2014 2:13 PM
To: Brangaccio, Pam
Subject: Fire or Police Pension Plans / Use of Insurance Premium Tax Revenues

MEMORANDUM

TO: City Managers, Finance Directors and City Attorneys
FROM: Kraig Conn, Deputy General Counsel
SUBJECT: Fire or Police Pension Plans / Use of Insurance Premium Tax Revenues
DATE: August 22, 2014

On August 21, 2014, the Florida Police Benevolent Association (FPBA) and others appear to have taken a step to challenge the current Department of Management Services' (DMS) "Naples Letter" interpretation. Beginning with an August 14, 2012 letter to the City of Naples up to the present time, the DMS has applied an interpretation on the use of insurance premium tax revenues for fire/police pension plans operated under Chapters 175 and 185, Florida Statutes. The interpretation provides cities with significant opportunities to negotiate fire/police pension benefit levels and the use of insurance premium tax revenues.

The FPBA letter (attached) relates to the City of Sarasota Police Officers' Retirement Plan. The letter notes that the DMS "interpretation substantially affects the interests of the participants in the Sarasota Police Officers' Retirement Plan because under this determination, the City of Sarasota may use additional premium tax revenues to fund benefits already in the plan rather than use funds to provide extra benefits." The letter seeks for the DMS to provide a "point of entry" into the state administrative procedures process (Chapter 120, Florida Statutes), a process to challenge the interpretation, and requests a response from the DMS within 60 days.

The League wants to bring this matter to your attention, but please note that the FPBA's action is not a formal challenge to the interpretation; rather the FPBA appears to be seeking an opportunity to challenge. The League will closely monitor and report on all developments relating to this matter.

Based on the DMS's 2013 Florida Local Government Retirement Systems Annual Report (most current), the City of Sarasota Police Officer's Retirement Plan has assets of \$161,646,891 and unfunded liabilities of \$63,945,033, for an assets to liabilities funding ratio of 72 percent. This means for every one dollar of pension

benefits the Plan has only 72 cents to pay for the benefit. Also, the City's required contribution rate to pay for the Plan is 80.8 percent of payroll. This means the City is required to pay into the Plan on a yearly basis 80.8 cents for every one dollar of police officer payroll. This required pension plan contribution is extraordinarily high when compared to many other police pension plans in Florida.



FLORIDA POLICE BENEVOLENT ASSOCIATION, INC.

The Voice of Florida's Law Enforcement Officers

August 21, 2014

Keith Brinkman, Chief
Bureau of Local Retirement Systems
Division of Retirement
Post Office Box 9000
Tallahassee, FL 32315-9000

RE: Sections 175.351(2) and 185.35(2), Fla. Stats.
Naples Letter Interpretation

Dear Mr. Brinkman:

This is submitted on behalf of the Florida Police Benevolent Association, Inc., the Southwest Florida Police Benevolent Association, and Sarasota police retirement plan participant, Sergeant Michael McHale. As you are aware, the FPBA is a statewide association that represents law enforcement officers, many of which are covered by local municipal pension plans provided for by Chapter 185, Florida Statutes. The FPBA represents its members in a wide range of pension issues before the Florida Legislature and regulatory agencies such as the Division of Retirement, Department of Management Services. The FPBA and the Southwest Florida PBA are regularly involved in the negotiation of collective bargaining agreements with local municipalities, and specifically, the City of Sarasota. During these negotiations, the terms of pension plans are the subject of negotiations.

In 2012, the Division of Retirement announced a revised interpretation of Section 175.351(2), Florida Statutes, as it applied to the Naples firefighters pension plan, now known as the "Naples Letter" or "Naples Interpretation." Subsequently, it was informally announced by the Division at a municipal pension conference in May, 2013, that in the future, the Naples interpretation would be applied to pension plans receiving funds under 175.351(2) and Section 185.35(2), Florida Statutes. Several of the local municipalities with collective bargaining agreements with FPBA charters and chapters have received such a letter, including the Sarasota Police Officers' Retirement Plan. See attached Exhibit A.

The FPBA and the Southwest Florida PBA's Sarasota members, including Sergeant McHale, have been substantially affected by this agency interpretation and have never been provided a "point of entry" to challenge the modified interpretation.¹ The change in interpretation substantially affects the interests of the participants in the Sarasota Police Officers' Retirement Plan because under this determination, the City of Sarasota may use additional premium tax revenues to fund benefits already in the plan rather than use funds to provide extra benefits.

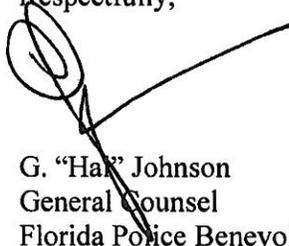
¹ It is clear that this revised interpretation was not developed in the rulemaking process as the authority to create such rules was removed from Chapter 185 in 2012.

Keith Brinkman, Chief
Bureau of Local Retirement Systems
Division of Retirement
Naples Letter
August 19, 2014
Page 2 of 2

This letter is to seek final agency action regarding the approval of the Sarasota police retirement plan and a point of entry under Florida Statutes §120.569, regarding the April 4, 2013 “Naples Letter” sent regarding the Sarasota Police Officers’ Retirement Plan. To our knowledge, the Naples interpretation modification has not been subject to public or administrative review as contemplated by statute and case law.

The Florida Police Benevolent Association, Inc. would appreciate a response to our request at your earliest convenience. Thus, providing the PBA and Michael McHale the opportunity to challenge the interpretation. If no response is received within 60 days, the Association and Sergeant McHale will move forward with alternative legal action to challenge this interpretation.

Respectfully,



G. “Ha” Johnson
General Counsel
Florida Police Benevolent Association, Inc.

GHJ/dlt

Attachments: Exhibit A – April 4, 2013 Sarasota Letter (and supporting correspondence)

c: Michael McHale, President
Southwest Florida Police Benevolent Association, Inc.
and police retirement plan participant

Thomas Wright, Assistant General Counsel
Florida Department of Management Services
4050 Esplanade Way
Tallahassee, Florida 32399

cc: Bonnie Jensen, Esquire
Robert Klausner, Esquire



The Voice of Florida's Law Enforcement Officers



Rick Scott
Governor

DEPARTMENT OF MANAGEMENT
SERVICES

CRAIG J. NICHOLS
Secretary

April 4, 2013

Honorable Suzanne Atwell
Mayor of Sarasota
Post Office Box 1058
Sarasota, Florida 34230-1058

Dear Mayor Atwell:

This is to acknowledge receipt of an actuarial impact statement dated April 18, 2012, as well as final Ordinance No. 12-4998 amending the Sarasota Police Officers' Retirement Plan. We also received an inquiry dated October 5, 2012, from the police plan actuary and one dated February 21, 2013, from the fire plan attorney concerning the use of insurance premium taxes.

The Department of Management Services (Department) has reviewed the statutory provisions regarding the use of the premium tax revenues. Section 185.35(2), Florida Statutes, provides that:

(2) The premium tax provided by this chapter shall in all cases be used in its entirety to provide extra benefits to police officers, or to police officers and firefighters if included. However, local law plans in effect on October 1, 1998, must comply with the minimum benefit provisions of this chapter only to the extent that additional premium tax revenues become available to incrementally fund the cost of such compliance as provided in s. 185.16(2). If a plan is in compliance with such minimum benefit provisions, as subsequent additional tax revenues become available, they shall be used to provide extra benefits. Local law plans created by special act before May 27, 1939, shall be deemed to comply with this chapter. For the purpose of this chapter, the term:

(a) "Additional premium tax revenues" means revenues received by a municipality pursuant to s. 185.10 which exceed the amount received for calendar year 1997.

(b) "Extra benefits" means benefits in addition to or greater than those provided to general employees of the municipality and in addition to those in existence for police officers on March 12, 1999.

A similar provision is found in section 175.351(2), Florida Statutes, relating to the Firefighters' Pension Trust Fund.

Please direct all correspondence to:

Division of Retirement
Municipal Police Officers' & Firefighters' Trust Funds' Office
PO Box 3010
Tallahassee, Florida 32315-3010
Toll Free: 877.738.6737 / Tel: 850.922.0667 / Fax: 850.921.2161

www.frn.MyFlorida.com

Previously, the Department had interpreted these laws to mean that in order for Sarasota to receive any state premium tax revenues it must provide chapter minimum benefits and must preserve benefits in place on March 12, 1999. However, upon reviewing the law again, this interpretation appears inaccurate. The law actually states that local law plans in effect on October 1, 1998, like the City of Sarasota's Police Officers' and Firefighters' Retirement Plans, "must comply with the minimum benefit provisions of this chapter *only to the extent that* additional premium tax revenues become available to incrementally fund the cost of such compliance." The phrase "only to the extent that" qualifies the law's requirement that local law plans "comply with the minimum benefit provisions" of chapters 175 and 185. This qualification means that, for local law plans in effect on October 1, 1998, the law compels them to provide chapter minimum benefits *only to the extent that* such benefits can be funded with "additional premium tax revenues." Additional premium tax revenues are defined as revenues "which exceed the amount received for calendar year 1997." Thus, for local law plans in effect on October 1, 1998, the law states that chapter minimum benefits must be provided only to the extent that they can be funded with premium tax revenues received in excess of the amount received for calendar year 1997. Once there are sufficient additional premium tax revenues to fund the chapter minimum benefits, the law states that any "subsequent additional premium tax revenues" must be used to fund "extra benefits," as defined above. These "subsequent additional premium tax revenues" are the only amount earmarked for "extra benefits" for local law plans in effect on October 1, 1998.

Based on the information provided with Ordinance No. 12-4998, and the actuary's October 5, 2012, e-mail, it appears that the Police Officers' Plan meets all the minimum benefit provisions and reduces some of the benefits that were in place on March 12, 1999. Under the revised interpretation, the documentation needed to demonstrate annual compliance has changed. The City of Sarasota is required to demonstrate that it is providing at least the level of minimum benefits that can be afforded by the amount of additional premium tax revenues actually received. If there are sufficient additional premium tax revenues to fully fund the annual cost of a chapter minimum benefit plan, then "subsequent additional premium tax revenues" above that amount must be used to fund extra benefits. In order for the Department to determine if these changes would jeopardize receipt of future premium tax revenues, the plan's actuary must provide a calculation comparing the cost required to fund the minimum chapter benefits, to the amount of additional premium tax revenues received. The calculation must demonstrate that the additional premium tax revenues are being used in their entirety to provide the minimum chapter benefits, or at least the portion thereof that can be provided with available additional premium tax revenues; and, if there are any subsequent additional premium tax revenues received above the cost to provide all minimum chapter benefits, then the actuary must demonstrate that they are being used or set aside to fund extra benefits.

With regard to the both the Police Officers' Retirement Plan and the Firefighters' Pension Plan, the police plan actuary and the fire plan attorney inquired about the use of the accumulated increases in the state premium tax moneys. The use of the accumulated increases for something other than "extra benefits" is under review. A response is unavailable at this time.

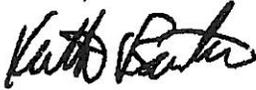
see
letter
dated
4/26/13
attached
document
dated
4/17/13.

Honorable Suzanne Atwell
Page 3
April 4, 2013

Please note that legislation is currently pending (see SB 458/HB 1399) which amends the provisions of sections 175.351 and 185.35, Florida Statutes. The effect and applicability of the foregoing interpretation is subject to statutory revision.

Please let me know if you have any questions or if this office can be of further assistance.

Sincerely,



Keith E. Brinkman, Chief
Bureau of Local Retirement Systems

cc: **Ronnie K. Baty, Chairman, Police Officers' Retirement Plan**
T. J. Broome, Chairman, Firefighters' Pension Plan
H. Lee Dehner, Police Plan Attorney
Pedro A. Herrera, Fire Plan Attorney
Brad Armstrong, Police Plan Actuary
Peter Strong, Fire Plan Actuary
Tom Kelley, Retirement Administrator
Pamala M. Nadalini, City Clerk
Patricia F. Shoemaker, Benefits Administrator, MPF Office



Gabriel Roeder Smith & Company
Consultants & Actuaries

One East Broward Blvd.
Suite 305
Ft. Lauderdale, FL 33301-1804

Agenda Item 8

954.327.1616 phone
954.325.0083 fax
www.gabrielroeder.com

April 17, 2013

RECEIVED

MAY 2 2013

Municipal Police Officers' &
Firefighters Retirement Funds

Mr. Thomas Kelley
Pension Plans Administrator
Sarasota Police Officers' Pension Fund
City of Sarasota
Post Office Box 1058
Sarasota, Florida 34230

Re: City of Sarasota Police Officers' Pension Fund
Use of Chapter 185 Revenue

Dear Mr. Kelley:

As requested, we have prepared the attached Actuarial Study which shows that the amount of additional Chapter 185 premium tax revenue is insufficient to provide the minimum Chapter 185 benefits for Police Officers under the City of Sarasota Police Officers' Pension Fund (Plan).

Based on our analysis and the letter received from the Department of Management Services dated April 4, 2013, the Plan should continue to receive Chapter 185 revenue.

We recommend that you have the State review our letter and provide you with documentation indicating that the Plan will not forfeit future Chapter 185 revenue due to the changes in Plan benefits resulting from Ordinance No. 12-4998.

Background:

As a result of Ordinance No. 12-4998, some Plan benefits are now less than the benefit levels that were in effect on March 12, 1999; but all Chapter 185 minimum benefits are still being met. Our Study identifies the Chapter 185 minimum benefits and develops the cost associated with providing them. Our Study also demonstrates that the cost of Chapter minimum benefits exceeds the additional premium tax revenues.

Additional premium tax revenues are defined as monies received from the State in excess of the base amounts (the base amounts are the amounts received for 1997, which were generally paid in 1998). Based on the letter from the Department of Management Services dated April 4, 2013 which was signed by Keith Brinkman, Chief of the Bureau of Local Retirement Systems (a copy of the letter is attached), if there are insufficient additional premium tax revenues to fund Chapter 185 minimum benefits, then benefits may be reduced below those in effect on March 12, 1999, as long as the City of Sarasota can demonstrate that it is providing at least the level of minimum benefits that can be afforded by the amount of additional premium tax revenues actually received. Once there are sufficient additional premium tax revenues to

Mr. Thomas Kelley
April 17, 2013
Page Two

provide Chapter minimum benefits, then additional premium tax revenues must be used to fund extra benefits.

The base amount of Chapter 185 premium tax revenues received by the Plan (the amount received in 1998) was \$638,128. The amount of Chapter 185 premium tax revenues received in 2012 was \$535,928. Therefore, the current total amount of additional premium tax revenues is \$0 (equal to lesser of \$0 and \$535,928 - \$638,128). Our analysis shows that this amount is insufficient to provide the Chapter 185 minimum benefits. This means additional premium tax revenues can continue to be received and recognized by the Plan.

Other Considerations:

Please note we have prepared our Study based upon our understanding of F.S., 99-1. We understand the State has revised its opinion on F.S., 99-1 for certain jurisdictions and for certain determinations and may be reviewing application herewith. Our analysis is based on the interpretation letter received from the Department of Management Services dated April 4, 2013.

Actuarial Assumptions and Methods, Financial Data and Member Census Data:

Other than indicated below, the actuarial assumptions and methods, financial data and member census data employed for purposes of our Study are the same actuarial assumptions and methods, financial data and member census data used for the September 30, 2012 Actuarial Valuation.

The only difference between the actuarial assumptions used for this Study and the actuarial assumptions used in the September 30, 2012 Actuarial Valuation is regarding the expected retirement rates. Under the Chapter 185 minimum benefits, the Normal Retirement Age is the earlier of age 55 and 10 years of Credited Service or age 52 and 25 years of Credited Service. The early retirement age under the Chapter minimums is age 50 and 10 years of Credited Service, which is one of the eligibility conditions for Normal Retirement under the current Plan Provisions. To reflect this difference, we adjusted the retirement assumption from 80% upon attainment of age 50 with 10 years of Credited Service to 20% per year until the Chapter minimum Normal Retirement Age (age 55 and 10 years of Credited Service or age 52 and 25 years Credited Service) is reached. The revised assumed rate of retirement upon attainment of the Chapter minimum Normal Retirement Age is 80% and then 20% per year thereafter.

This Actuarial Study is intended to describe the estimated future financial effects of the proposed benefit changes on the Plan and is not intended as a recommendation in favor of the change nor in opposition to the change.

These calculations are based upon assumptions regarding future events. However, the Plan's long term costs will be determined by actual future events, which may differ materially from the assumptions made.

If you have reason to believe the assumptions used are unreasonable, the Plan provisions are incorrectly described or referenced, important Plan provisions relevant to this Actuarial Study

Mr. Thomas Kelley
April 17, 2013
Page Three

are not described or that conditions have changed since the calculations were made, you should contact the undersigned prior to relying on information in this Actuarial Study. If you have reason to believe that the information provided in this Actuarial Study is inaccurate, or is in any way incomplete, or if you need further information in order to make an informed decision on the subject matter of this report, please contact the undersigned prior to making such decision.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.

This report should not be relied on for any purpose other than the purpose described in the primary communication. Determinations of the financial results associated with the benefits described in this report in a manner other than the intended purpose may produce significantly different results.

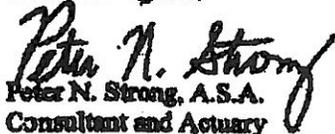
This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge and belief the information contained in this report is accurate and fairly presents the actuarial position of the City of Sarasota Police Officers' Pension Fund as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

The undersigned is independent of the Plan Sponsor.

The undersigned is a Member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

We look forward to discussing our findings with the interested parties and assisting in implementation including preparation of the Actuarial Impact Statement for filing with the State for any benefits adopted.

Sincerest regards,


Peter N. Strong, A.S.A.
Consultant and Actuary

Enclosure

Gabriel Roeder Smith & Company

**City of Sarasota
Police Officers' Pension Fund**

Chapter 185 Minimum Benefit Analysis as of October 1, 2012

	<u>10/1/2012</u>
<u>Assuming Chapter 185 Minimum Benefits were in place:</u>	
1. Total Normal Cost	\$ 1,352,655
2. Payment Required to Amortize Unfunded Liability	3,540,609
3. Administrative Cost	<u>189,286</u>
4. Total Required Contributions	\$ 5,082,550
5. Projected Member Contributions	\$ 470,599
6. Net Required Employer Contribution (4. - 5.)	\$ 4,611,951
7. Total Premium Tax Money - Received 2012	\$ 535,928
8. 1997 Base Amount - Premium Tax Money	<u>638,128</u>
9. Additional Premium Tax Money (greater of 7. - 8. and zero)	\$ -
10. Deficiency/(Excess) (6. - 9.)	\$ 4,611,951

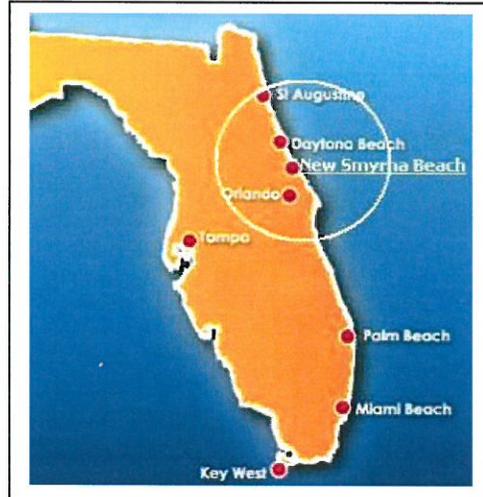
City of Saratoga Police Officers' Pension Fund

Comparison of Current Benefit Provisions to Chapter 186 Minimum Benefit Provisions

1. Normal Form of Payment	<p>Monthly annuity payable up to the member's life expectancy and thereafter for Normal Retirement and Transferred Vested.</p>	<p>Member may elect to receive a lump sum payment for 120 months certain and thereafter for Normal Retirement, Early Retirement and Transferred Vested.</p>
2. Normal Retirement	<p>Earlier of (1) attainment of age 59 and completion of 10 years of credited service or (2) completion of 25 years of credited service.</p>	<p>Earlier of (1) attainment of age 55 and completion of 10 years of credited service or (2) attainment of age 52 and completion of 25 years of credited service.</p>
3. Early Retirement	<p>Not applicable.</p>	<p>Attainment of age 50 and completion of 10 years of credited service.</p>
4. Service-Connected Disability Benefit	<p>Unreduced accrued benefit as of date of disability using the greater of actual Credited Service and 25 years, minimum of 75% of FAC, payable immediately for 120 months certain and life thereafter for members not eligible for normal retirement as of September 30, 2012 and a lifetime annuity with automatic continuation of 2/3 of the pension payable to the spouse for members eligible for normal retirement as of September 30, 2012.</p>	<p>Unreduced accrued benefit as of date of disability, minimum of 45% of average monthly compensation, payable immediately for 120 months certain and life thereafter.</p>
5. Non Service-Connected Disability Benefit	<p>2.5% of FAC multiplied by years of Credited Service up to a maximum of 40 years, payable immediately for 120 months certain and life thereafter for members not eligible for normal retirement as of September 30, 2012 or a lifetime annuity with automatic continuation of 2/3 of the pension payable to the spouse for members eligible for normal retirement as of September 30, 2012.</p>	<p>Accrued benefit as of the date of disability automatically reduced for early commencement (prior to completion of 10 years of credited service). Upon completion of 10 years of credited service, unreduced accrued benefit as of date of disability - minimum 25% of average monthly compensation. Benefit is payable immediately for 120 months certain and life thereafter.</p>
6. Death Benefit	<p>For members eligible for normal retirement as of September 30, 2012, the spouse will receive the member's accrued benefit under the Plan for life. For members not eligible for normal retirement as of September 30, 2012, the spouse or member's estate will be paid a 10 year term certain annuity in the amount of 2.5% of FAC multiplied by years of Credited Service up to a maximum of 40 years.</p>	<p>Benefit of member's accumulated contributions. Upon the completion of 10 years of credited service, minimum of the vested accrued benefit deferred to normal retirement payable for 10 years certain only or actuarially reduced for early commencement.</p>

New Smyrna Beach

has been nationally recognized for its standout surfing and pedestrian-friendly historic areas filled with shops, galleries, restaurants, and bars.



- Trade Area Population: 94,488
- Average Household Income in Trade Area: \$65,400
- Traffic counts: SR44 - 17,800 plus 25-40% weekends; US1: 22,000
- One of the “Top Ten Spots to Hang Ten” by Outside magazine, 2014.
- One of ten best beach towns in Florida by SmarterTravel.com in 2014.
- One of the Coolest Surf Towns, by Travel + Leisure Magazine in 2013.
- One of the World’s Top Twenty Surf Towns, by National Geographic Magazine in 2012.
- Voted the favorite beach of Orlando Sentinel readers!

Contact: Tony Otte - CRA/Economic Development Director,
City of New Smyrna Beach

totte@cityofnsb.com 386-424-2265 Cell: 386-566-3941

www.cityofnsb.com

New Smyrna Beach Available Properties Include:

Address	Contact /Number	Location Square Footage
1724 SR 44 – Plaza 44 Near signal intersection	Randy McHenry 714-334-9917	Retail units available for lease on state road leading to beach 2 adjacent units 3,000 sq ft each
649-699 US 1 Building & corner of Wayne Ave.	Keller Williams Jeff Singletary 407-383-1933 Steve Holler : 407-399-9739	Building for Sale – N.Unit: 7,000 sq. ft. S. Unit: 3 story - 30,000 sq. ft.
Ocean Village, Dollar General Market anchor 4168 S. Atlantic – A1A	888-532-5327 Southeast Properties	2 units available for lease: 975 and 2400 sq. ft
NSB Regional Shopping Center and former Walmart 1910-1998 SR 44	(407) 788-7011/949-5755 Equity One Realty Alex Loyd, Stacy Miller	22,250 and 2,500 sq. ft. spaces Publix, Bealls Outlet anchors
Venetian Bay Town Center 424 Luna Bella Lane	Nancy Grooms (386) 478- 9511	15 spaces available 756 - 4,138 sq. ft.
1405-1551 US 1 NSB Shopping Center	386-405-1378 Tom Corso	1 unit available for lease
524 Canal St. Canal Center	386 -423-5190 Phillip Stephens	Busy signalized US 1 corner 1 unit : 5,669 sq. ft. for lease
New Smyrna Beach Retail Center 720 US 1	Stu Silver (239) 896-2252 Linda Kazak (239) 671- 0085	2 spaces 8,400 and 8,310 sq. ft.
1835 SR 44 Coast Plaza Shopping Center	Eric Poole (386) 986-0265	Winn Dixie anchor; 3 spaces 4,200, 1,800, & 5,100 sq. ft.
Restaurant building 409 Mary at US 1	Travous Dever (386) 690- 1636	1,889 sq. ft. with 25 parking spaces \$2,000 per month
Shoppes at Coronado 2923 SR 44	Lee Stine (904) 399-5222 Ext. 3131	Walmart Supercenter 12,000 sq. ft. min 1,200 sq. ft. divisible
Victory Square 1851 SR 44	Julia Sosa (407) 660-7500	3 spaces in center with Sprint, Amscot, Mattress Barn

Contact: Tony Otte (386) 424-2265 or email: totte@cityofnsb.com



69 Megill Road, Farmingdale, New Jersey 07727 • 732 751 1818 • Fax 732 751 0398 www.allied-signs.com

August 20th, 2014

REP: RG

City of New Smyrna Beach
Community Redevelopment Agency
210 Sams Avenue
New Smyrna Beach, FL 32168
Attention: Renee Richards

RE: New Smyrna Beach Wayfinding Sign Type PK – Signage Quote

We are pleased to submit herein our estimate to perform the following:

Furnish and deliver eight (8) Sign Type PKs. Price includes shipping to the City of New Smyrna Beach.

PROJECT PRICE: \$19,000.00

TERMS: 30% Due with signed proposal, Balance due on completion. *see attached email Alko 8/20/14*
All Prices are Plus Tax (not applicable with a signed ST-8 capital improvement form), Permit and Engineering fee (if applicable).

Shop Drawings Must be approved by Customer Prior to Fabrication.

Allied Environmental Signage will be able to make the deadline of Sept. 30th as long as we receive our quote signed as well as the information that Robert Genz requested on 8/8/14 by the end of business on 8/20/14. Price is valid for 90 days.

Entire Sign is warranted for two years against any/all defects in workmanship and performance (excluding lamps and neon).
Entire installation to be in compliance with the National Electrical Code, Article 600 B.O.C.A. Code And Underwriters Laboratories. All signs have U.L. labels. Title to all materials and/or signs covered by this contract shall remain the property of Allied Environmental Signage, LLC until purchase price is paid in full.

Sincerely,

Robert Genz
Allied Environmental Signage

Client Signature:

Date:

8/20/14 ³⁸⁶ ~~(938)~~ 424-2265

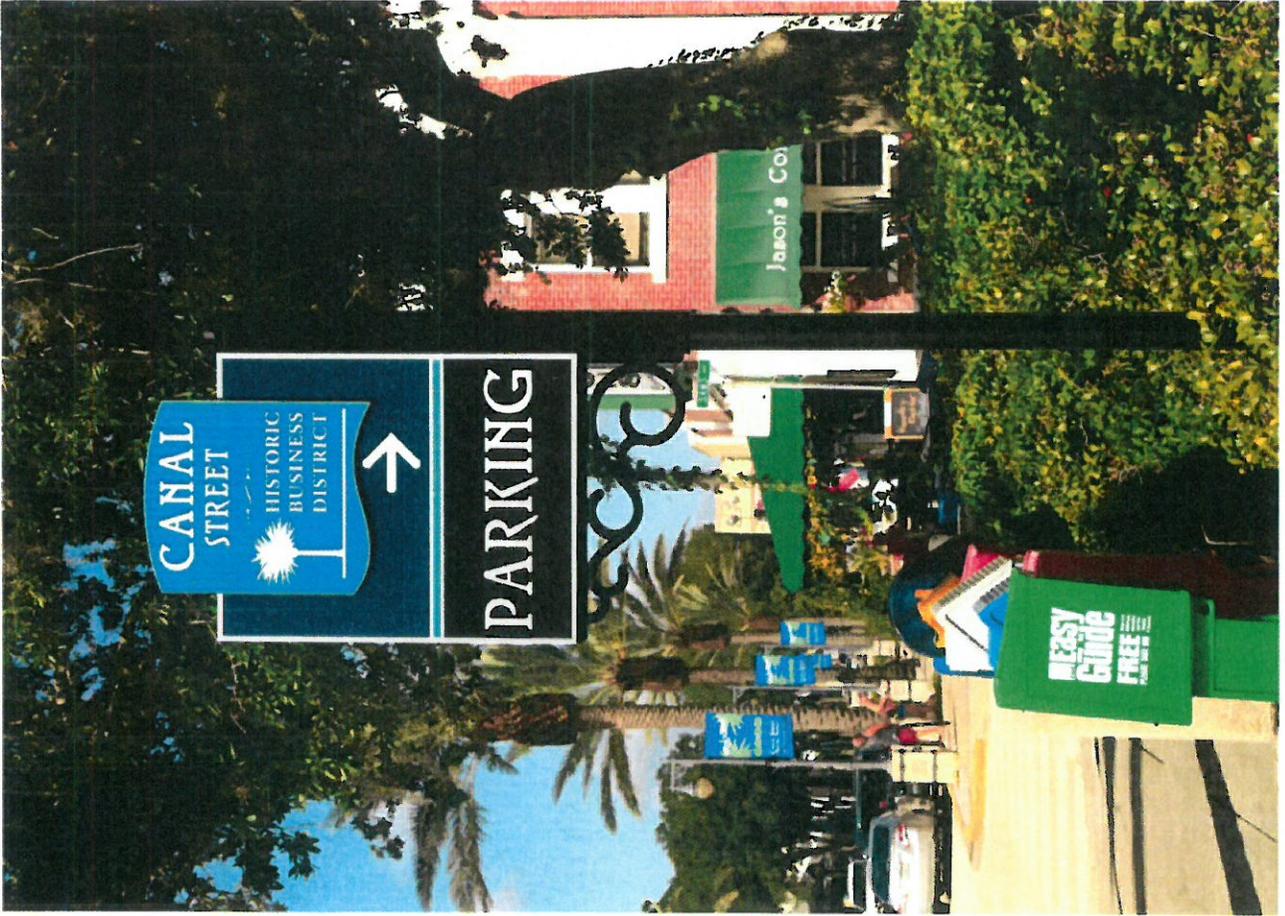
Note: see Attached photos & sign details From bid package:

- 3 Flagler PK signs; arrows pointing to pole

- 5 Canal PK Signs; arrows pointing to pole

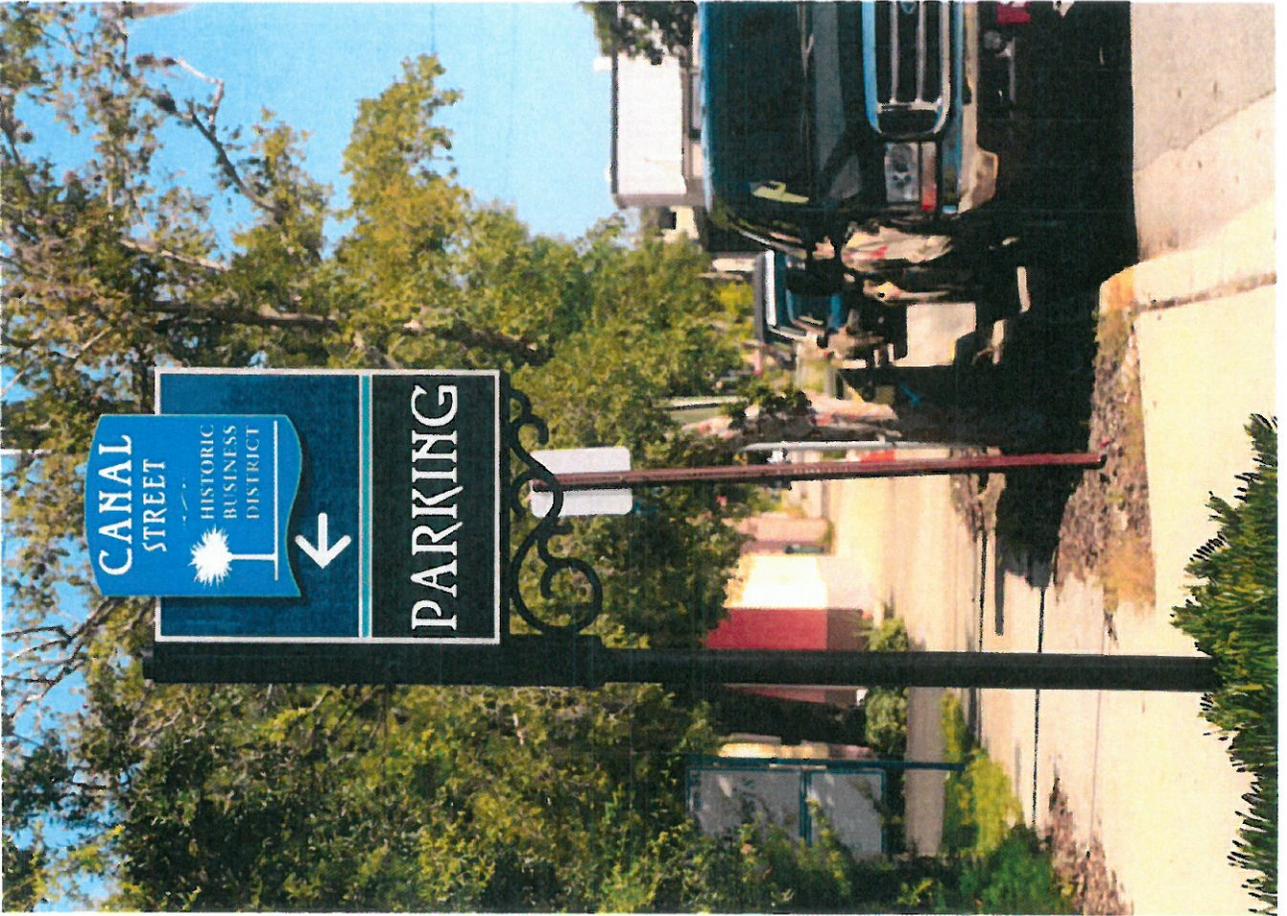
*Alko
8/20/14*

PK 2 - Canal St.



⑤ Canal St. Total front + back

Arrows pointing to pole



PK1 - Flagler



③ Total (front + back)

Arrows pointing to pole

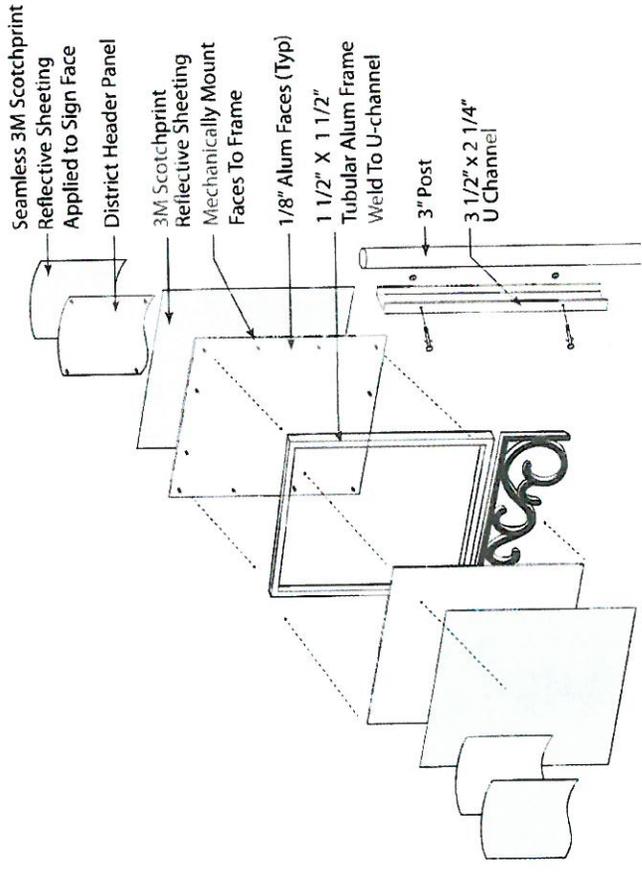




Question:
Shaughnessy,
I have a question on the PK parking signs for New Smyrna.
Does it matter which way the signs are flagged on the poles?

Pat Pesapane
Design Dept./Project Manager
ALLIED ENVIRONMENTAL SIGNAGE

Answer:
Yes, the pole / Bracket & Sign will mount on the inside of the ROW.
Arrows will point toward the pole. (typical)



Sign Type PK
Isometric View

NEW SMYRNA BEACH
FLORIDA

Parking Lot Directional Signs

Sign Type PK:
Background - 36" x 24"



Typical Existing Sign

Note:
Existing Parking Signs to Be
Removed & Replaced with New
Signs. Exact location will be
coordinated with City.

DATE: April 18, 2012

FLART SHAUGHNESSY HART & ASSOCIATES, INC.
CORPORATE DESIGN & CONSTRUCTION

BH
BELLOMO
CORPORATE
AND GOVERNMENT, INC.
CORPORATE ARCHITECTURE



SIDE A



SIDE B

Typical Set per Location



HEADER - PK-1
(7) Locations



HEADER - PK-2
(9) Locations

Directional Sign Type PK

All Signs are Double-Faced

Winkler, Sandy

From: Brangaccio, Pam
Sent: Tuesday, August 26, 2014 9:50 AM
To: Winkler, Sandy
Subject: FW: Third and Peninsula Project (FDOT #D-5 CAF Local ID Marker: City of New Smyrna Beach, SR 44, Volusia County)
Attachments: SignatureLetter.pdf

Next CM report

From: Jerry Finley [mailto:jfinley@finleyengineers.com]
Sent: Tuesday, August 26, 2014 8:19 AM
To: Brangaccio, Pam; Otte, Tony; Resheidat, Khalid; Updike, Michelle; Fegley, Kyle
Cc: Jan Stern
Subject: Third and Peninsula Project (FDOT #D-5 CAF Local ID Marker: City of New Smyrna Beach, SR 44, Volusia County)

We are one step closer to getting the sign/landscaping at Third and Peninsula.

I will get the Survey started and the structural design of the sign

Looks like you will need to do a Resolution recognizing "South Beach" as a recognized community; Maybe you could do a similar thing to recognize "Third Avenue" merchants as a recognized community

See FDOT review below.

Please advise the Third Avenue merchants of our progress

Jerry

Jerry K. Finley, P.E.
Finley Engineering Group
5531 So. Ridgewood Ave., Unit #1
Port Orange, Fl. 32127
(386) 756-8676

From: Loecken, Carol [mailto:Carol.Loecken@dot.state.fl.us]
Sent: Tuesday, August 26, 2014 7:45 AM
To: Jerry Finley - Finley Engineering Group (jfinley@finleyengineers.com)
Cc: Neumann, Albert; Meade, Ron; LoPiccolo, Victor
Subject: FW: D-5 CAF Local ID Marker: City of New Smyrna Beach, SR 44, Volusia County

Hi Jerry. Sorry for the delay, we received the information from our Central Office yesterday.

Please see the comments below for additional information needed for the final approval.

The final submittal will include:

Completed CAF agreement and resolution from the City of New Smyrna Beach (includes bonding information)

Final plans that include the items below (please highlight changes on final plans)

Signature Letter for final submittal

I will be writing the agreement today and will be sending this along after it is completed along with a sample resolution and signature letter for the final submittal.

Best regards,



Carol Loecken

Contract and Permits Coordinator

District 5 - Deland Operations

carol.loecken@dot.state.fl.us

(386) 740-3460

T-F (6:30 am - 5:00 pm)

From: Irizarry, Maria

Sent: Monday, August 25, 2014 11:03 AM

To: Brennan, Annette

Cc: Borchik, George; Meade, Ron; Loecken, Carol; Fletcher, Jeremy

Subject: D-5 CAF Local ID Marker: City of New Smyrna Beach, SR 44, Volusia County

D-5 Local ID Marker – Stand Alone: City of New Smyrna Beach, SR 44, Volusia County

In review and discussion with the Roadway Aesthetics Community of Practice and Michael Shepard, P.E., State Roadway Design Engineer, this submittal package for Local ID Marker has been Conceptually Approved. The following comments should be addressed in the submittal for Final Approval:

1. Please show, label and dimension the existing ROW in the plan view of the proposed location.
2. Lighting or retroreflective material should be provided for this feature.
3. Please remove the community or street names from the proposed feature ("South Beach" and "Third Ave."). (See **PPM Sec. 9.5.1.C.2.**) If South Beach is a formally recognized community within New Smyrna Beach, please include a resolution endorsing this community and its location.
4. Please include the CAF Agreement in the final submittal package.

If you have any questions and/or comments, please feel free to contact me.

Thanks,

Maria J. Irizarry, E.I.

Quality Assurance Specialist

Florida Department of Transportation

Exhibit 23-A Submittal/Approval Letter

To: Annette Brennan
District or Turnpike Design Engineer

Date: JUNE 13, 2014

Financial Project ID: N/A New Const. () RRR ()
Federal Aid Number: N/A
Project Name: NSB 3rd & Peninsula Beautification
State Road Number: SR44 Co./Sec./Sub. _____
Begin Project MP: _____ End Project MP: _____

Full Federal Oversight: Yes () No ()

Request for: Design Exception (), Design Variation ()

Community Aesthetic Feature: Conceptual (X), Final ()

(For Design Exception or Design Variations Requiring Central Office Approval)

Re-submittal: Yes () No () Original Ref# _____ - _____ - _____

Requested for the following element(s):

- () Design Speed () Lane Widths () Shoulder Widths () Bridge Widths
- () Structural Capacity () Vertical Clearance () Grades () Cross Slope
- () Superelevation () Horizontal Alignment () Vertical Alignment () Stopping Sight Distance
- () Horizontal Clearance () Other _____

1. Include a brief statement here describing the project and the Design Exception, Design Variation or Community Aesthetic Feature requested.
Beautification of 3rd & Peninsula in NSB.
2. Attach the Signed and Sealed Report including applicable documentation as per Section 23.5.

See attached plans

Recommended by:

Jerry K. Finley Date 6-13-14
Responsible Professional Engineer or Landscape Architect (Landscape-Only Projects)
JERRY K. FINLEY, P.E.

Approvals:

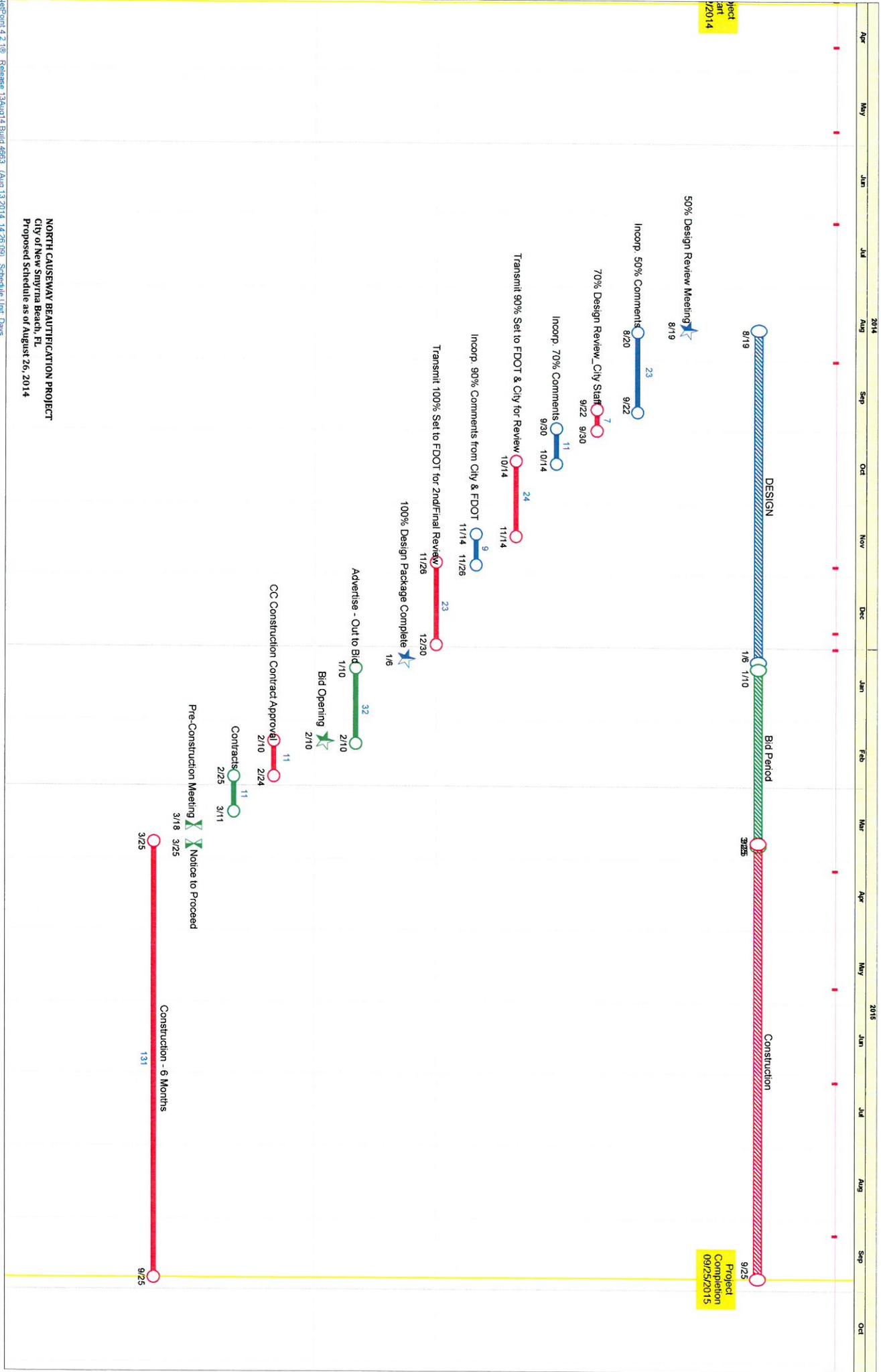
Sam S. [Signature] Date 8-6-14
District or Turnpike Design Engineer
Michael [Signature] Date 8-22-14
State Roadway Design Engineer

District Structures Design Engineer

State Structures Design Engineer

Chief Engineer

FHWA Division Administrator



NORTH CAUSEWAY BEAUTIFICATION PROJECT
 City of New Smyrna Beach, FL
 Proposed Schedule as of August 26, 2014



City of New Smyrna Beach

August 29, 2014

James Ploska, President
APM Construction Corporation
208 Cessna Blvd
Port Orange, FL 32128

Re: Central Fire Station
Substantial Completion

Dear Mr. Ploska:

As you know the City approved change order #6 revised the substantial completion date to August 31, 2014 and it is apparent this milestone will not be met, for reasons we believe are directly attributed to APM Construction Corporation's (APM) project management practices. Thus for reasons stated below APM is not adhering to contract conditions stipulated within section 8 of the General Conditions.

After a lengthy project time frame of one year to complete the 11,030 sq. ft. Station and Accessory Structure the project time was extended via change order #6 for four (4) months, placing the substantial completion date at the aforementioned date, and yet the City is once again faced with a delay of opening the Central Fire Station facility due to the actions (or inactions in this case) of APM. Based upon our observation the delay is attributed to the fact there doesn't appear to be sufficient trades or manpower on site to perform the tasks needed to comply with the contractual requirements. Several examples are as follows:

- The concrete access drive providing ingress/egress to Finley Street has not been completed due to Contractor/subcontractor issues, which is unacceptable as the weather has been cooperative but the concerted effort is just not there on APM's behalf. Even if the concrete is placed in the next couple of days it has to cure to at least 75% design strength to be useable by Fire Rescue personnel or delivery trucks providing interior furnishings.
- There remains extensive electrical activities that haven't been accomplished (i.e. wire isn't pulled for Accessory Structure, no switches in place at the Station nor is the grounding/lightning protection system finished and so on) and our daily reports show no presence of an electrician for days at a time and when on site typically only one person is present to attend to all the project needs. Attached are daily reports from Quentin L. Hampton & Associates validating on site trades (dates enclosed 8/06/14 through 8/27/14).

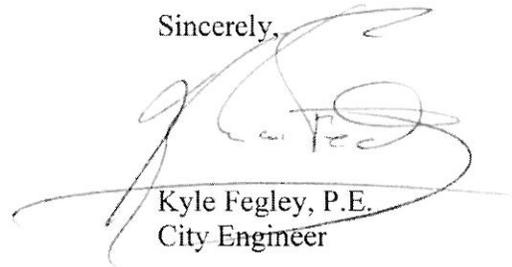
These are just two of the many items that seem to be lacking attention as well as the quality of workmanship that will need to be addressed prior to awarding substantial completion. Several of the workmanship items include the uneven reveal at the door frames along the fire rated wall, drywall tape evident along gypsum wall board seams that are required to receive a level 5 finish, several dormitory showers recessed within the wall, uneven border tile, etc.

The City will not accept the delays and poor quality of workmanship and places the onus on APM to substantially complete this project with expediency. The City in the past agreed to paying the Builder's Risk insurance (as a cooperative measure to reduce APM's cost) associated with the period between the original contract completion date and August 31, 2014. This will not be the case following the 8/31/14 deadline and such document will need to be updated and provided to the City.

Furthermore, the project delays are not substantiated (i.e. activities were within the realm of APM's control) and each calendar day following the 8/31/14 date will be considered as liquidated damages.

Please keep the City apprised of how APM determines to minimize the delay period and place the City in the long awaited substantial completion status.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kyle Fegley', is written over a horizontal line. The signature is stylized and somewhat cursive.

Kyle Fegley, P.E.
City Engineer

KWF/dap

Attachments

Cc: Pam Brangaccio, City Manager
Khalid Resheidat, Asst. City Manager
David McCallister, Fire Chief
Mike Knotek, Chief Building Official
Michelle Updike, Capital Projects Mgr
Jesse Meyers, Civil Engineer
Brad Blais, Quentin L Hampton & Assoc
David Ogle, Hawkins, Hall and Ogle



Commercial Banking
9715 Gate Parkway N

Jacksonville, FL
32246

Telephone No.: (904) 265-2504
Fax No.: (904) 265-0297

August 28, 2014

City of New Smyrna Beach
210 Sams Avenue
New Smyrna Beach, FL 32168

Attention: Pat Drosten, Purchasing Coordinator

Dear Ms. Drosten,

The Borrower wishes to fix an interest rate for a 15 year Commercial Term Loan (the "Loan") to be effective upon the agreed Loan Disbursement Date of the loan as defined below. TD Bank, N.A. (the "Bank") is pleased to offer the Borrower the following Loan interest rate commitment (the "Interest Rate Commitment") for implementation on the Loan Disbursement Date subject to the terms and conditions outlined below. It is acknowledged that the Interest Rate Commitment is conditional upon the Borrower being in compliance with the terms of the Loan as outlined below and as otherwise communicated by the Bank, and upon the Borrower providing all required security in a satisfactory form.

BORROWER: The City of New Smyrna Beach
LENDER: TD Bank, N.A. (the "Bank")
COMMITMENT: An agreement setting out lending terms between the Borrower and the
TERMS Lender executed September 16, 2014 (the "Agreement").

COMMERCIAL MORTGAGE OR LOAN TERMS

Principal: Up to 6,140,000.00
Loan Disbursement Date: Up to September 16, 2014
Fixed Interest Rate Expiration Date: Up to September 16, 2014
Amortization (yrs): 15 years

FIXED INTEREST RATE The date at which the Fixed Interest Rate expires.
EXPIRATION DATE:

REPAYMENT: As set out in the Agreement.

INTEREST RATE COMMITMENT TERMS

INTEREST RATE: Non-Bank Qualified, Tax Exempt Fixed Rate of 2.74% ("Interest Rate"), which is the sum of Index Rate plus the Spread plus the Forward Premium. The resulting sum is then multiplied by the Tax-Exempt Factor. This resulting interest rate supersedes the interest rate as specified in the Agreement and shall remain fixed for a term equal to the Index Term.

A Forward Premium of 5 bps would be applied for an 10/1/2014 closing.

INDEX TERM: Fifteen (15) years. Defined as the term in years closest to the difference between the Loan Disbursement date and the Fixed Interest Rate Expiration Date.

TAX-EXEMPT: 70% (the percentage) determined by the Bank in the discretion of the Bank as

FACTOR the Bank's discount factor for Non-Bank Qualified Tax-Exempt loans

INTEREST RATE

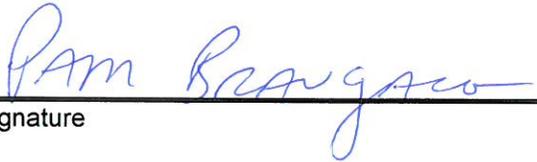
COMMITMENT TERM: Up to and including the Loan Disbursement Date as set out above.

The Interest Rate Commitment does not constitute a commitment by the Bank to Loan nor does this Interest Rate Commitment supersede, amend, or in any way supplant any term sheet or commitment letter issued or to be issued by the Bank. The Interest Rate Commitment is not to be deemed to be an amendment of any of the conditions or other terms of financing which the Bank requires the Borrower to meet in connection with the Loan or any other credit facilities. The Interest Rate Commitment is intended only to establish the Forward Rate to be charged on the Loan provided the Bank's Loan is approved and closed on or before the Loan Disbursement Date and in accordance with terms and conditions acceptable to the Bank.

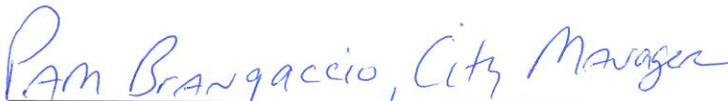
We ask that if you wish to accept this Interest Rate Commitment, please do so by signing and returning the attached duplicate copy of this letter to the undersigned.

TO: TD BANK, N.A.

The City of New Smyrna Beach, Florida hereby accepts the terms as indicated above this ____ day of August, 2014.


Signature

Signature


Print Signing Officer Name & Position

Print Signing Officer Name & Position



Wells Fargo Bank, N.A.
Government and Institutional Banking
800 N. Magnolia Ave. 7th Floor FL2810
Orlando, FL 32803

August 28, 2014

City of New Smyrna Beach, Florida
210 Sams Avenue
New Smyrna Beach, Florida 32168
Attn: Pam Brangaccio, City Manager

Re: Forward Fixed Rate Lock Letter

The City of New Smyrna Beach, Florida (the "*City*") has requested that Wells Fargo Bank, National Association, or an affiliate thereof (the "*Bank*") provide the City with a forward rate commitment (the "*Forward Rate*") for the loan to be evidenced by the City's General Obligation Bonds, Series 2014 (the "*Bond*") described in our term sheet dated August 18, 2014 (the "*Terms and Conditions*"). The Forward Rate is offered at a fixed rate of 1.95% per annum for a principal amount of not exceeding \$10,800,000 through September 16, 2014 (the "*Rate Lock Expiration Date*"). Principal and interest under the Bond shall be repaid as provided in the resolution of the City authorizing the issuance of the Bond (the "*Resolution*") and other documents pursuant to which the Bond is issued.

The Bank hereby commits to the Forward Rate upon the terms and conditions specified herein; *provided, however*, the Bank's purchase of the Bond and the loan to the City evidenced thereby is subject to execution and delivery of the definitive documentation for the Bond in form and content satisfactory to the Bank and satisfaction of the other terms and conditions as are set forth in the Terms and Conditions. The documentation must be executed and delivered and purchase of the Bond must occur by a date (the "*Closing Date*") which is no later than the Rate Lock Expiration Date.

By accepting this letter, the City agrees that in the event that for any reason other than by reason of the Bank's failure to comply with the Terms and Conditions the Closing Date does not occur on or before the Rate Lock Expiration Date, the Bank shall not be obligated to provide the Forward Rate and the City shall pay to the Bank a Breakage Fee determined as provided in Exhibit A hereto. Such payment shall be due two (2) business days after the Bank gives notice to the City of the amount thereof, setting forth in reasonable detail the basis for the calculation thereof. A certificate by the Bank as to such amount shall be conclusive if made in good faith. The City acknowledges and agrees that such amount, if any, represents reasonable compensation for loss of bargain and is not a penalty.

The City agrees that the Bank's willingness to lock in the Forward Rate in advance of the Closing Date is sufficient consideration for the City's agreement to pay the amounts due

hereunder, if any. Any amount due hereunder which is not paid when due shall bear interest until paid at the default rate set forth in the Terms and Conditions.

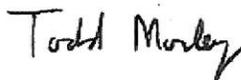
TO THE EXTENT PERMITTED BY APPLICABLE LAWS, EACH OF THE PARTIES HERETO HEREBY WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE BOND OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS.

This letter is governed by the laws of the State of Florida. No modification or waiver of any of the terms of this letter will be valid unless agreed to in writing by the Bank. When accepted, this letter will constitute the entire agreement between the Bank and the City concerning the Forward Rate, and shall supersede all prior and contemporaneous understandings and agreements (written or oral) relating thereto.

To accept this letter, please sign the enclosed copy where indicated below and return it to the Bank no later than the Bank's close of business on August 28, 2014. If this letter is not accepted by said date, this letter will automatically terminate without liability or further obligation of the Bank.

Very truly yours,

WELLS FARGO BANK, NATIONAL ASSOCIATION



By:

Name: Todd Morley

Title: Senior Vice President

ACCEPTANCE

The City hereby agrees to the above provisions, intending to be legally bound hereby. The City understands that the above provisions may obligate the City to make a significant payment to the Bank in the event the Closing Date does not occur by the Rate Lock Expiration Date, and the amount of any such payment cannot be predicted in advance of such event. The City is fully informed of and is capable of evaluating, and has evaluated, the potential financial risks and benefits and the appropriateness in light of its individual circumstances, of this letter. The City is entering into this letter in reliance only upon its own judgment, and is not relying upon any representations, warranty, views or advice of the Bank.

CITY OF NEW SMYRNA BEACH, FLORIDA

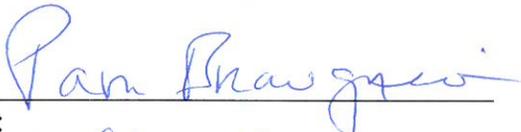
By: 
Name: _____
Title: City Manager

EXHIBIT A

CALCULATION OF BREAKAGE FEE

The Breakage Fee applicable to non-delivery of the Bond, in whole or in part, for any reason, shall be calculated as set forth in this Exhibit A.

1. Capitalized terms used in this Exhibit A and not otherwise defined herein have the meanings assigned thereto in the Resolution.

The following defined terms are used in this Exhibit A:

“*Breakage Fee*” means the premium required to be paid by the City in connection with any Termination, calculated as provided in this Exhibit A.

“*Calculation Agent*” means Wells Fargo Bank, National Association or its affiliates or such other entity designated by the Bank.

“*Day Count Fraction*” is the anticipated basis on which interest is to be computed on the Bond. The Day Count Fraction utilizes 30-day months and 360-day years.

“*Interest Payment Frequency*” is the anticipated frequency of interest payments under the Bond. The Interest Payment Frequency is semi-annually, with interest to be paid on each January 1 and July 1, commencing on January 1, 2015.

“*Maturity Date*” is July 1, 2024.

“*Reference Rate*” means 1.93% *per annum*.

“*Scheduled Date*” means each date specified on Schedule 1 hereto in the columns labeled Scheduled Date.

“*Schedule of Principal Amounts*” is the anticipated principal amount of the Bond scheduled to be outstanding on the date the Bond is funded and on the Scheduled Date. The Schedule of Principal Amounts for the Scheduled Dates is specified in Schedule 1 to this Exhibit A.

“*Termination*” means the failure to deliver and close the purchase of the Bond on the Closing Date for any reason other than the Bank’s failure to comply with the Terms and Conditions, in whole or in part.

“*Termination Date*” means the Closing Date.

2. In connection with any Termination, a premium shall be paid by the City to the Bank if the Breakage Fee is a positive number. No Breakage Fee shall be payable for a Termination if the Breakage Fee for that Termination is a negative number. Breakage Fees will be determined by the Calculation Agent, on the Business Day next preceding the Termination Date, as follows:

“*Breakage Fee*” for any Termination is the difference of:

(i) the sum of the present values of a series of amounts computed for each Scheduled Date after the Termination Date through the Maturity Date, each of which amounts is equal to the product of (A) the Affected Principal Amount for the Affected Principal Period ending on that Scheduled Date, times (B) the Reference Rate times (C) the Day Count Fraction for such Affected Principal Period,

minus

(ii) the sum of the present values of a series of amounts computed for each Scheduled Date after the Termination Date through the Maturity Date, each of which amounts is equal to the product of (A) the Affected Principal Amount for the Affected Principal Period ending on that Scheduled Date, times (B) the Termination Rate, times (C) the Day Count Fraction for such Affected Principal Period,

where:

(1) the Calculation Agent computes such present values by discounting each such series of amounts described in clauses (i) and (ii) above from their respective Scheduled Date to the Termination Date using a series of discount factors corresponding to those Scheduled Dates as determined by the Calculation Agent from the swap yield curve that the Calculation Agent would use as of the Termination Date in valuing a series of fixed rate interest rate swap payments similar to such series of amounts;

(2) the “*Affected Principal Amount*” for an Affected Principal Period is the principal amount of the Bond reflected in the Schedule of Principal Amounts scheduled to be outstanding during that Affected Principal Period determined as of the relevant Termination Date by reference to such Schedule of Principal Amounts before giving effect to any Termination on that Termination Date, and for any Termination, multiplying each such principal amount times the Termination Fraction;

(3) the “*Affected Principal Period*” is each period from and including a Scheduled Date to but excluding the next succeeding Scheduled Date; *provided, however*, if the Termination Date is not a Scheduled Date, the initial Affected Principal Period shall be the period from and including the Termination Date to but excluding the next succeeding Scheduled Date and the Affected Principal Amount for such initial Affected Principal Period shall be the amount stated in the Schedule of Principal Amounts Outstanding for the Scheduled Date next preceding the Termination Date;

(4) the “*Termination Fraction*” means, for each Scheduled Date, a fraction the numerator of which is the amount of the credit to be applied pursuant to the applicable provisions of the Agreement to reduce the amount of the payment otherwise due on such date and the denominator of which is the amount of the payment otherwise due on such date (without regard to such credit); and

(5) the “*Termination Rate*” for any Termination Date is the fixed rate the Calculation Agent determines is representative of what swap dealers would be willing to pay to the Calculation Agent (or, if required to be cleared under the Commodity Exchange Act or a Commodity Futures Trading Commission rule or regulation promulgated thereunder, to a swap clearinghouse) as fixed rate payors monthly in return for receiving one month LIBOR based payments monthly under interest rate swap transactions that would commence on such Termination Date, and mature on, or as close as commercially practicable to, the Maturity Date.

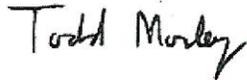
3. The Calculation Agent shall determine the Breakage Fee hereunder with respect to each Termination reasonably and in good faith. The Calculation Agent’s determination in good faith shall be conclusive and binding in the absence of manifest error or the City demonstrates that the Calculation Agent has erred or used an unreasonable basis for determination of the Breakage Fee.

SCHEDULE 1

PRINCIPAL PAYMENTS

<u>Scheduled Date</u>	<u>Schedule of Principal Amounts</u>
July 1, 2015	\$1,006,000
July 1, 2016	986,000
July 1, 2017	1,002,000
July 1, 2018	1,025,000
July 1, 2019	1,043,000
July 1, 2020	1,064,000
July 1, 2021	1,082,000
July 1, 2022	1,107,000
July 1, 2023	1,130,000
July 1, 2024	1,150,000

Best Regards,
WELLS FARGO BANK, NATIONAL ASSOCIATION



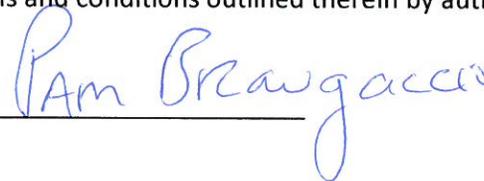
Todd Morley, CFA
Senior Vice President
Government Banking

ACCEPTANCE

The above Commitment is hereby accepted on the terms and conditions outlined therein by authority of the Governing Board of the District:

By:

Date:



Brangaccio, Pam

From: Rhonda Bond-Collins <Rcollins@bmolaw.com>
Sent: Thursday, August 28, 2014 5:57 PM
To: Brangaccio, Pam; Gummey, Frank; Philord, Althea; Rosado, Judith; mgalvin@firstsw.com; Andrew Mazlin; 'Erica McCowan'; 'todd.morley@wellsfargo.com'; 'cosgrove@chapman.com'; 'Borders Andrew'
Cc: Ken Artin; Kathy Francisco
Subject: City of New Smyrna Beach, Florida, General Obligation Refunding Note, Series 2014
Attachments: Resolution Authorizing 2014 GO Loan (00921305-2).pdf

Ladies and Gentlemen,

In connection with the above-referenced transaction, attached please find a draft of the Authorizing Resolution. The forms of the Loan Agreement and Escrow Deposit Agreement will be sent under separate e-mail. Please provide any comments on this Resolution by Noon on Tuesday, September 2, 2014 so that it may be included in the agenda package for the September 9, 2014 meeting.

We look forward to working with you on this transaction.

Thanks.
Rhonda

Rhonda Bond-Collins
Of Counsel

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Orlando, Florida 32801
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